

Annual Budget City of Raleigh, North Carolina Fiscal Year Beginning July 1, 2012

Recommended to the City Council by the City Manager May 14, 2012

The City Council

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Russ Stephenson, Mayor Pro Tem

Mary Ann Baldwin

Thomas G. Crowder

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City Of Raleigh *North Carolina*

May 14, 2012

Mayor Nancy McFarlane
Mayor Pro Tem Russ Stephenson
Councilor Mary-Ann Baldwin
Councilor Thomas G. Crowder
Councilor Bonner Gaylord
Councilor John Odom
Councilor Randall Stagner
Councilor Eugene Weeks

Dear Mayor and Councilors:

In accordance with §159-11 of the North Carolina General Statutes, the Proposed Budget for the City of Raleigh is hereby submitted for the fiscal year beginning July 1, 2012 and ending June 30, 2013.

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 balances 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.

In developing this proposed budget, I established the following budget priorities for FY13:

- Ensure the long-term financial sustainability of our general governmental operations and enterprises at standards consistent with a AAA quality credit entity.
- Balance increasing service delivery demands with cost competitiveness.
- Minimize service impacts to our citizens.
- Begin to address deferred capital maintenance and capital needs.
- Invest in employee workforce by maintaining competitive compensation and benefit levels.

Maintain Strong Financial Position

The FY13 proposed budget marks the City of Raleigh's first year of substantive budget growth since FY09, representing initial steps toward reinvestment in our capital and human resources. In developing this proposed budget, I maintained a high priority on sustaining the City's long tradition of financial strength and flexibility. This budget represents projected financial results that should allow continuation of the City's excellent AAA/Aaa general credit rating; full actuarial funding continues for law enforcement and civilian retirement plans. Raleigh has earned a AAA credit rating on its general obligation bond debt since 1973 and maintains a AAA utility revenue bond debt rating with two of the national credit rating

firms and a AA+ with the third. Various appropriation-based debt issues of the City, such as certificates of participation, are also highly rated at mid AA levels. These high ratings provide us low interest rates and ensure our debt is always marketed competitively. We will strive to maintain these quality ratings since they save money, enhance financing opportunities and boost economic development. The City has been active during the past several years in taking advantage of refinancing opportunities to reduce debt service costs and maintain capacity in the City's debt model.

The following sections provide additional details regarding this budget proposal.

Proposed Budget for Fiscal Year 2013

The net operating and capital budget for FY13 is \$678,890,111 which includes a General Fund total operating budget of \$383,571,703. The following provides an overview of the major components of the proposed budget for FY13.

Revenues

The significant revenue components affecting the FY13 budget are noted below and are presented in greater detail in a separate revenue section of the proposed budget document:

- Property tax revenues for operations are budgeted to increase 0.8% over projected FY12 due to continued slow growth. Normal growth prior to the economic slowdown beginning in 2008 was 4-5%. In addition, an increase of 0.91 cents in the property tax rate is included in the proposed budget as was agreed upon as part of the successful 2011 bond referenda. Those revenues will go to the City's debt model to pay debt service for transportation and affordable housing projects.
- The Public Utilities Enterprise Operation incorporates a water and sewer rate structure from the sufficiency model designed to supply an adequate revenue stream to maintain the fiscal integrity of the Public Utilities Enterprise Operation in providing services and carrying out its capital improvement program.
- Sales tax revenue is estimated to increase 4% over projected FY12 results. While gross county sales tax collections continue to moderately advance, history has illustrated that sales tax revenues can be volatile and are greatly influenced by the economy.
- The proposed budget does not increase any solid waste, storm water or privilege license fees. However, a staff team reviewed fees and collections, and in addition to billing and collection process improvements, the team recommended the elimination of two fees – the dog and cat registration and the mental transport fee. The pet registration program will be ended because alternate pet tracking technology methods are now available and program costs exceed revenues. Police will continue to assist in the transportation of mentally ill patients, but will no longer bill; collection costs consistently exceed revenues.

Given current economic realities, the proposed FY13 budget reflects increasing structural and service-demand driven operational costs (health insurance, fuel, etc.) and a reinvestment in capital equipment and maintenance, offset by continued targeted budget reductions. These tactics primarily focus on improving the efficiency of programs with little effect on service delivery. The primary differences between the FY12 budget and the proposed FY13 General Fund budget (controlling for the establishment of Solid Waste Services as an enterprise fund) are summarized in the following sections:

Proposed Budget Highlights

Debt Service – Debt service increases by \$4.68 million (13%), associated with the 2011 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 enhancement 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 proposes to re-invest 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. Staff reductions amount to a budget savings of approximately \$440k.

Health Insurance and Other Post-Employment Benefits – The budget for Other Post-Employment Benefits (OPEB) 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.

Other Employee Benefit Changes – A reduction in the annual maximum for the Tuition Reimbursement Program Award from \$1,250/year to \$1,000/year.

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

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

Mail Services – The mail room function has transferred from the Revenue division to Public Affairs. There is no net budgetary impact from this change, but it will provide additional efficiencies with distributed media managed by the Public Affairs department.

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 \$5,000 per Council member and allows them to participate in the City's health and dental insurance programs. Council salaries have been at their current level 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 proposes 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 proposes full funding of 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 improve 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 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 six *Service Specialists* and one *Custodian*, whose services were replaced by a cleaning contract, without negatively impacting service levels.

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

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

Police – Elimination of 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%, and 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 continue to comply with 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.

Capital Improvement Program

The annual Capital Improvement Program (CIP) represents a commitment to maintain and improve existing infrastructure as well as fund construction for new facilities and economic development projects throughout the City. Projects are prioritized based on multiple factors, including the Comprehensive Plan recommendations as well as other existing departmental plans and strategies. In order to fund upcoming CIP projects across all categories, the City will require additional bond referendums or alternative revenue streams yet to be identified.

During the course of prioritizing and assessing capital project needs, a distinct funding gap between revenue sources and expenditures became apparent. The FY 2012-2013 to FY 2017-2018 CIP attempts to address our City's most pressing capital needs, but necessarily reduces and defers numerous FY13 CIP project requests as a result of decreased available project funding. National and regional economies

as well as revenues are influencing the ability to support the proposed FY13 CIP. This includes limited General Fund resources and reduced facility fee revenues.

The Proposed Capital Improvement Program document contains additional details regarding recommended funding for Transportation, Public Utilities, Parks and Recreation, Stormwater, Housing, Technology, Convention Center and Performing Arts Facilities and General Public Improvements.

Other Funds

The following funds are appropriated through user-fees enterprises and/or additional interfund subsidies from the General Fund. The General Fund subsidies to enterprises increases by a total of \$1.2 million (6%) in FY13. This past year, City staff completed a comprehensive review of and update to the citywide annual indirect cost allocation plan, which tracks and assigns dollar values to services like payroll and information technology provided within one fund to another fund.

Solid Waste Services – In FY13, Solid Waste Services will be budgeted in a separate enterprise fund, which will allow more refined tracking of the operation's expense-to-revenue ratio. The General Fund is currently subsidizing SWS by \$12.7 million (40%).

Phase three of the bi-weekly automated recycling collection program will begin in FY13. This collection method is expected to save more than \$2 million annually after a four-year transition period. Furthermore, it is expected to increase the volume of materials recycled and to divert waste from the landfill, which reduces tip fees paid by the city.

Public Utilities – The FY13 budget represents continued conservative spending for operations. The Water Utility Transition Advisory Task Force has recommended a 15% rate increase on sewer rates, along with sewer and water administrative fees, and an increase in the reclaimed water rate. The additional revenue will serve to improve the financial condition of the water and sewer enterprise as articulated to credit rating agencies and as forecasted in the Public Utilities rate sufficiency model, and help offset reduced revenues experienced due to continued water conservation. To sustain quality of service and sound environmental stewardship, Public Utilities has implemented a capital improvement plan with projects to address its aging infrastructure.

Convention Center and Performing Arts – The FY13 budget reflects continued efforts to minimize the city's financial exposure during uncertain economic times by jointly providing affordable entertainment opportunities for citizens. During the upcoming year, RCCC will partner with the Parks & Recreation Department to host a downtown July 4th event, the NC Symphony to host a no-cost Labor Day Pops in the City concert and local sponsors to offer three free musical presentations during the summer. Additional revenues are also projected from the January 2012 Council-approved 3% fee increase for equipment and service at the Performing Arts Center, which will generate an additional \$30,000 in FY13. Subsidies from the General Fund (\$1.86 million) and the Convention Center Financing Fund (\$3.68 million) are included to balance the Convention Center budget.

This budget also includes a \$458k transfer from the Operating Fund to the Capital Fund to begin addressing deferred capital maintenance needs at the Performing Art Center.

Parking – The FY13 budget continues the operation, debt repayment and maintenance cost of the City's parking facilities and on-street parking program. The Parking Fund will receive \$2 million in General Fund support to operate in FY13, an increase of \$500k. Both on-street and off-street parking programs are projecting reduced revenue based on past actual income. The expansion of metered parking throughout the downtown core was successful in moving workers who parked all day off the streets, but they are either using alternative transportation or they are parking where it is free, farther away from the downtown core. Lagging economic development in City will continue to limit the parking program's ability to maximize revenue. As debt service climbs over the next few of years, if parking continues to stagnate, the enterprise will need increasing subsidy support from the General Fund, potentially exceeding \$4 million.

Transit – The proposed FY13 Transit budget reflects a \$1.5 million (6.2%) increase in expenditures, with the General Fund contribution for Transit increasing by 3.5%. Transit will continue modifications to the federally-mandated ART Tier II program, including trip sharing for travelers with common origins and destinations, training and certification for taxi drivers, and contracts with taxi vendors. No expansion of Capital Area Transit services will occur in FY13. The Seamless Service Initiative will continue with additional funding for the regional Transit Call Center.

Stormwater – Stormwater will maintain its current services and continue stormwater-related capital improvement projects, including flood mitigation, stream restoration, lake preservation and water quality programs. The operating budget also funds stormwater-related inspections and construction plan reviews. The enterprise fund's budget increases by roughly \$870k to \$15.9 million, mostly from a larger cash transfer to capital programs.

Vehicle Fleet Services – The FY13 budget represents the increased cost of maintaining and repairing more than 4,500 vehicles and motorized equipment, while adding 200 vehicles to the FuelMaster fuel management system. VFS continues to seek fuel saving measures by selecting fuel efficient vehicles, downsizing when possible, purchasing alternative fuel vehicles and keeping the City's equipment properly maintained.

The Future

The proposed FY13 budget is one of balance. Over the past 20 years, the land area of the City has nearly doubled, with corporate limits increasing from 94.36 square miles in 1992 to 183 square miles in 2012. The City of Raleigh is collecting more trash from more houses, responding to more public safety emergencies, delivering clean drinking water to more households and businesses, yet still maintains a highly competitive citizen/customer cost relative to other North Carolina communities. This is achieved through a decreasing employee to citizen ratio, having dropping from 10.26 employees for every 1,000 residents in 1992 to 7.9 for every 1,000 residents proposed for FY13. (This ratio excludes our public utilities operations as it serves a number of external communities.) I anticipate further progress along those lines, with continued improvements in the efficient delivery of high-quality services.

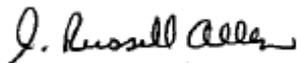
Our budget priorities continue to promote fiscal sustainability and cost competitiveness, with budget reductions targeted to minimize customer service impacts. As revenues show signs of positive growth, the City is beginning to reinvest in its infrastructure – roads, greenways, parks, equipment and facilities – while continuing to seek opportunities to reduce current and future maintenance and operations costs through energy efficiency projects, fuel efficient vehicles and technological solutions. Staff will continue to pursue operational and financial changes that promote greater cost effectiveness while maintaining or improving our service delivery through enhanced use of technology, outsourcing targeted services, realigning departments and employee roles that promote the sustainability and strength of our City.

The City has avoided employee layoffs through the elimination of lower priority vacant positions and the reduction of other benefits – while strategically adding to the public safety and parks and recreation maintenance and recreation programming staff.

While the rate of recovery continues to be moderate, the City has developed strategies for how to best invest these additional revenues for the highest return for our community. This includes prioritized maintenance of our capital infrastructure, although it will take several years to fully address the needs deferred during the downturn. We continue to invest in our employees, our most valuable asset in our increasingly information-based economy, through the compensation plan, although the challenge of long-term financial viability requires continued structural modifications to our human resources management.

I look forward to assisting your review and discussion of budget proposals for FY13 and future fiscal years.

Respectfully submitted,



J. Russell Allen

City Manager

Introduction

Key Financial Documents

The budget document is the annual financial plan for City operations for the period covering one fiscal year. The City of Raleigh's fiscal year begins on July 1 and ends on June 30. This plan describes the sources of revenues and how the funds will be spent during the year. The annual operating budget, the Capital Improvement Program (CIP) and the Comprehensive Annual Financial Report (CAFR) are the key documents which describe the City's financial plans and financial status each year.

The annual budget shows the funding plan for how the City's dollars are to be spent in the coming year. The CAFR provides a review and assessment of the year-end fiscal condition of the City overall, including the status of fund balance in all fund types.

Organizational Structure

The operations of the City are grouped into different funds, each with its own sources of revenues. Within each fund are one or more departments, with a department being an organizational unit which provides a major type of public service, such as the Police Department or Public Utilities Department.

City departments are frequently comprised of one or more divisions (i.e., the Utilities Construction Division of the Public Utilities Department). Divisions may be comprised of one or more programs, which are smaller functional units responsible for performing specific activities (i.e., the Maintenance Program within the Water Plant Division of the Public Utilities Department).

Account codes, also known as line items, provide the most detail within the budget. These are the most basic units in the budget and make it possible to determine, for example, how much is spent on chemicals for the operation of the water plant.

The City's budget preparation involves detailed budget planning and review at the program line item level.

Interfund Transfers

Interfund transfers, also known as interfund appropriations, involve the budgeting of money from one fund to another in order to support the functions to be carried out by the receiving fund. For example, the General Fund transfers money to the Transit Fund to support transit services.

When reviewing the budget, it is more accurate to use a figure which excludes appropriations to other funds. This prevents counting the transfer amounts twice - once in the sending fund and once in the receiving fund.

Most of the fund summary tables in the front of this document reflect both total appropriations as well as appropriations net of (or excluding) transfers. The departmental summary pages in this budget document reflect total appropriations only.

General Statute Requirements

In accordance with the North Carolina General Statutes, the City is required to budget and account for its funds on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become available. Expenditures are recognized in the accounting period in which the goods and services are received (except for unmatured interest on general long-term debt, which is recognized when due). The City's accounting records for general governmental operations are reported on the modified accrual basis. The City's enterprise, internal service and pension trust operations are reported on the accrual basis.

The General Statutes also provide for balanced project ordinances for the life of projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. The budgeted appropriations for capital projects do not lapse until the completion of the project, while appropriations for funds that adopt annual budgets lapse at the end of the fiscal year.

Overview

The City of Raleigh prepares and adopts an Annual Budget consisting of the Operating Budget and the Capital Budget. The City further prepares a separate Capital Improvement Program (CIP), setting forth planned capital investments over the ensuing five years. The first year of the CIP becomes the Capital Budget component of the Annual Budget. What follows is a description of the process used in the preparation of these documents, including a calendar of activities.

Operating Budget Process

The process begins in October with a staff workshop on budget preparation and distribution of the budget manual. The workshop outlines the requirements of the budget process and specific areas of emphasis for the upcoming budget.

In November and December, City departments prepare their operating budget requests for the next fiscal year. Departments are encouraged to conduct a thorough review and evaluation of their organizational structure and current and proposed programs. Departmental operating budgets are submitted in mid-December.

A pre-budget hearing is held in January to allow the public an opportunity to give input on the upcoming budget. During January and February, Office of Management & Budget (OMB) staff review and analyze the operating budget requests with each department. Revenue forecasts are further refined during this period.

Once the budget staff review is finalized, executive work budgets are prepared for the City Manager's review. From February through mid-April, the City Manager reviews the work budgets, meets with departments, considers available revenues and reaches decisions necessary to prepare a proposed budget. The proposed budget is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The Proposed Annual Budget document is then prepared, incorporating the Operating and Capital budgets (see Capital Budget and Capital Improvement Program Process).

In May, the City Manager presents the Proposed Budget to the City Council. A public presentation is made before the City Council, staff, members of the press and interested citizens. As required by the Budget and Fiscal Control Act, a copy of the Proposed Budget is filed with the City Clerk and made available for public inspection. Through June 30th, the City Council meets to review and discuss the Proposed Budget.

In accordance with the Budget and Fiscal Control Act, the City Council holds a public hearing on the Proposed Budget prior to the adoption of the budget ordinance, generally in the evening on the first Tuesday in June. On or prior to July 1, the City Council adopts the five-year Capital Improvement Plan, the final budget ordinance with balanced revenues and expenditures and sets the tax rate for the next fiscal year.

Capital Budget and Capital Improvement Program (CIP) Process

A separate Capital Improvement Program (CIP) is prepared each year containing the expenditures and funding sources planned for capital projects over the upcoming five-year period. As noted above, the first year of the CIP is the Capital Budget component of the Annual Budget and provides appropriation authority for capital projects.

Projects included in the CIP are generally defined as physical assets with a useful life of at least ten years and an initial cost of at least \$25,000. Vehicles and heavy equipment (funded through the Operating Budget) are excluded. New building construction funding includes additional equipment directly associated with the building. Examples of capital projects include new roads, park land acquisition and development and waste treatment plant improvements.

The CIP is updated annually as projects are added, deleted and modified. Funding sources are reviewed and updated and a feasible funding plan, matching project requirements and available funding sources is prepared. The full five year plan is balanced with anticipated funding sources. This process begins in October when instructions and guidelines are issued to departments, and proposed projects are submitted to the OMB in December. The requests are then reviewed, discussions are held with agencies

and adjustments are made as appropriate. The City Manager's proposals are then included in the Proposed CIP presented to the City Council in May.

The City Council adjusts the CIP as it deems appropriate and adopts the CIP by resolution at the same time it adopts the Annual Operating Budget by ordinance.

Operating Budget and CIP Calendar

Month	Operating Budget	CIP Budget
October	Staff Workshop Call for budget requests	Call for CIP requests
November/ December	Departments prepare requests Initial revenue estimates prepared	Departments prepare requests
December	Budget requests submitted to OMB	CIP requests due to OMB Funding review
January	City Council pre-budget hearing Department & OMB discussions	Review/adjustment of proposals
February	Department & OMB discussions conclude City Manager working budget prepared	Review of proposals/update funding
March/ April	City Manager & department review Revenue estimates finalized Balance operating budget and integrate capital budget impacts	City Manager review Funding sources determined Balance CIP
Mid-May	Present to City Council	Present to City Council
June	Council review Public hearing Adoption of annual budget ordinance	Council review Public hearing Approve CIP by resolution

Implementation

During the month of July, OMB staff prepares and distributes the Adopted Budget document, which incorporates all of the changes approved by the City Council. At the start of the new fiscal year in July, the City Manager provides information to departments setting time schedules and priorities for the purchase of equipment and the implementation of new programs or initiatives.

Budget Amendments and Transfers

Throughout the fiscal year, adjustments to the original budget ordinance may become necessary to meet changing circumstances, better carry out planned programs and provide for new Council initiatives. Two types of changes can occur — budget amendments and budget transfers. Such changes are required at the line-item level of the budget underlying the budget ordinance.

A budget amendment increases or decreases the revenue and expenditures of an appropriated fund (this may involve decreases or increases in revenue and expenditures or shifting of monies between funds). Budget amendments, in accordance with North Carolina statute 159-15, require the approval of City Council. Amendment requests are submitted to the OMB and approved by the City Manager prior to submittal to City Council.

A budget transfer changes line-item appropriations within a particular fund without changing the fund total. All transfer actions are reviewed by the OMB. Transfer authority is as follows: (1) department heads may approve transfers up to \$10,000, (2) transfer requests between \$10,000 and \$50,000 require the approval of the City Manager, and (3) transfers over \$50,000 require the approval of the City Council.

Capital project contract change orders generally require budget amendments or transfers of funds. Such requests go through an approval process very similar to that described above.

Budget and Fiscal Framework

Introduction

The City of Raleigh prepares its annual budget and carries out its fiscal affairs within a framework of state law, accounting standards, budgetary best practices and local policy. This section discusses how the City's accounting and budgetary system is organized and key financial policies which guide budget development.

Basis of Budgeting

In keeping with state law, the budget is prepared and accounted for on a modified accrual basis for the general fund, enterprise operating funds, the Powell bill fund and new convention center financing fund. All other funds including capital project funds adopt multi-year project budgets.

In keeping with Generally Accepted Accounting Principles, financial statements for proprietary funds are prepared on a full accrual basis. A reconciliation of the full accrual basis to modified accrual basis (budgetary basis) is included in the annual financial statements for enterprise funds.

Fund Structure/Service Functions Relationship

The chart below reflects the interaction of the service functions of the City and the City's operating budget fund structure, showing the funds which provide resources to each function.

	General Government	Infrastructure and Public Services	Public Safety	Leisure Services	Public Utilities	Debt Service
General Fund	X	X	X	X		X
Economic Development Fund						
Public Utilities Fund					X	
SWS Operations Fund		X				
Stormwater Utility Fund		X				
RCCC/PAC Operations				X		
Revolving Fund	X	X	X	X		
Public Transit Fund		X				
Parking Facilities Fund		X				
Emergency Telephone Sys Fund			X			
Housing Development Funds		X				
Community Development Funds		X				
General Debt Service Fund						X
Utility Debt Service Fund						X
Parking Debt Service Fund						X
RCC/PAC Debt Svc Fund						X

Financial Policies

These policies provide direction and serve as guidelines for preparation of the annual budget and capital improvement program. They further serve to guide the overall financial management of the City. They derive from North Carolina law, the recommendations of the Local Government Commission and local decisions.

Operating Budget and Capital Improvement Program Policies

In keeping with the Local Government Budget and Fiscal Control Act, the City Manager will present a balanced budget to the City Council no later than June 1 of each year. Continuing practice in Raleigh is to present the budget in mid-May of each year.

A balanced budget is defined under state law as one in which the sum of estimate net revenues and appropriated fund balance is equal to appropriations. (NC statutes 159-8)

The budget ordinance will cover a fiscal year beginning on July 1 and ending on June 30.

The City Council shall adopt a balanced budget ordinance making appropriations and levying taxes by June 30 of each year.

As provided by NC statutes section 159-26(d), the City will maintain encumbrance accounts as "budgetary accounts." At the end of each fiscal year, encumbrances outstanding are those amounts of expenditures estimated to be incurred as a result of the fulfillment of unperformed contracts/purchases in process at year-end. Such encumbrances are reported as "reserved for encumbrances" against fund balance and are charged to the subsequent year's budget.

The City Manager will prepare a recommended Capital Improvement Program (CIP) each year to be presented at the same time as the annual operating budget. The CIP will address the capital needs of the City over a five year period. The first year of the CIP will be the Capital Budget and will be adopted as a part of the annual budget.

The City Council will adopt the CIP by resolution.

A Capital Improvement (project) is defined as a physical asset constructed or purchased which has a useful life of at least 10 years and a minimum cost of \$25,000.

Debt or bond financing will not be used to finance current expenditures.

The City may establish one or more internal service funds. At the same time as the budget is presented and adopted, a financial plan for each internal service fund will be provided. The financial plan will be balanced when estimated expenditures do not exceed estimated revenues.

Revenue Policies

The City will seek to develop and maintain a diversified and sustainable revenue system in order to avoid short-term service level fluctuations.

Revenues are to be conservatively estimated based on a review of historic collections, current and anticipated changes in legal requirements and rates, percentage change over time and in consultation with external assessment and collection authorities, where applicable.

General government fees and charges shall be reviewed annually. Revenues supporting the Revolving Fund shall be set annually so as to recover the full cost of providing those programs and activities.

Utility rates and charges will be reviewed periodically considering net revenue requirements, realistic sales forecasts, bond covenants and debt management policies, utility conservation goals, capital program requirements and reimbursement of indirect costs to the General Fund.

The City will pursue opportunities for grant funding for activities and projects consistent with the City's long range plans and goals. Grants are adopted by City Council upon recommendation of the City Manager and are approved as balanced project ordinances (estimated expenditures do not exceed estimated revenues) within the appropriate fund.

The City intends that non-recurring revenues be used for capital outlay and one-time expenditures which do not materially increase recurring operating expenditures.

Fund Balance Policy

The Local Government Budget and Fiscal Control Act requires that appropriated fund balance in any fund not exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts at the end of the fiscal year next preceding the budget year.

The Local Government Commission recommends that governments maintain a minimum undesignated general fund balance of 8% of revenues for cash flow purposes. The City of Raleigh seeks to maintain an undesignated General Fund balance of approximately 14% of subsequent year's budget. This level is considered adequate to protect against emergencies and natural disasters, provide adequate cash flow so as to avoid short-term borrowing, and to contribute to the maintenance of the City's bond rating. The City will seek to maintain fund balances in other governmental funds sufficient to the long-term stability of the fund.

Estimates of fund balances available shall be presented each year in the budget summary section of the operating budget.

Budget Guide

The City's budget is comprised of many different funds. Some funds are enterprise funds, some are capital funds but the most notable fund in the City of Raleigh's budget is the General Fund. The General Fund includes operating funds for the majority of city departments including, for example, Police, Fire, Solid Waste Services, Parks and Recreation, Emergency Communications, and most of Public Works.

Details regarding department budgets are presented in the City's budget document. Department information includes accomplishments, budget highlights, and goals and objectives. Also included is the budget detail. An example of the budget detail is included with descriptions below to help readers gain a better understanding of how it is set up.

All columns represent expenditures as adopted by Council.

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
Public Affairs	9	9	9	12	3
Raleigh Television Network	8	8	8	8	0
TOTAL	17	17	17	20	3

Includes any changes to the number of employees in a particular fiscal year.

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11		CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY DIVISION				
Public Affairs	\$ 983,399	\$ 976,984		12.8%
Raleigh Television Network (RTN)	700,451	681,623		(1.6%)
TOTAL - DIVISIONS	\$ 1,683,850	\$ 1,658,607		6.9%

This category lists expenditures by division or program area within a department, depending on the size of the department.

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 981,018				
Employee Benefits	260,264				
Operating Expenditures	386,403				
Special Programs and Projects	18,665				
Capital Equip - New	31,000				
Capital Equip - Replacement	6,500				
TOTAL	\$ 1,683,850	\$ 1,658,607	\$ 1,616,720	\$ 1,727,752	6.9%

There are different types of account codes within the city's budget. See below for additional information.*

Column indicates the change from one fiscal year to the next.

***Account Types Include the Following:**

Personnel Services – includes all salary accounts such as part-time, full-time, etc.

Employee Benefits – includes all benefit accounts such as social security, health insurance, etc.

Operating Expenditures – includes accounts needed for departmental operating needs such as office supplies, operational and maintenance supplies, computer lease, pest control services, professional services, organizational and development training, etc.

Special Programs and Projects – includes accounts used in unique situations when the full cost of the program or project needs to be segregated. Examples include appropriations for boards and commissions, agency appropriations, etc.

Capital Equipment (New) – includes accounts used to purchase new capital equipment at a unit cost of \$5,000 or more.

Capital Equipment (Replacement) – includes accounts to replace capital equipment which has a unit cost of \$5,000 or more.

Interfund Transfers – includes accounts used for transferring funds from one fund to another.

Raleigh City Council 2010-2012



Front Row:
 Russ Stephenson
 Mayor Nancy McFarlane
 Eugene Weeks

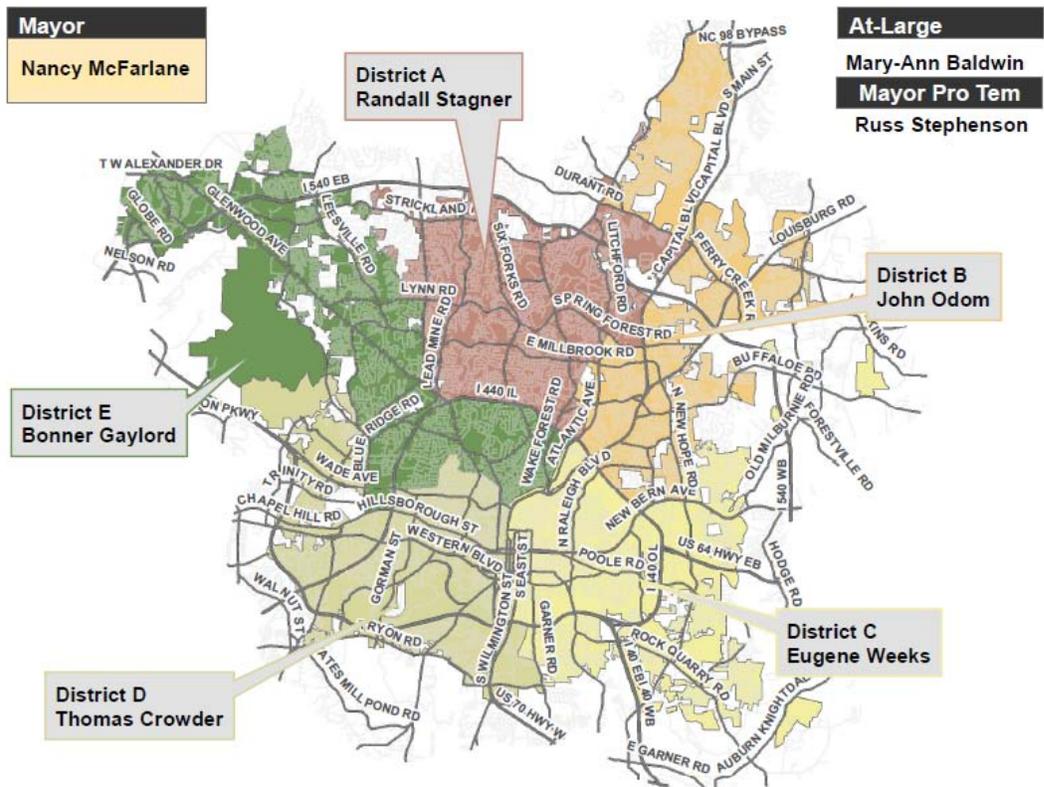
Middle Row:
 Randall Stagner
 Mary Ann Baldwin

Back Row:
 Thomas Crowder
 Bonner Gaylord
 John Odom

Find Your City Councilor

Mayor
 Nancy McFarlane

At-Large
 Mary-Ann Baldwin
 Mayor Pro Tem
 Russ Stephenson



City of Raleigh Mission Statement

“We are a 21st Century City of Innovation focusing on environmental, cultural, and economic sustainability.

We conserve and protect our environmental resources through best practices and cutting edge conservation and stewardship, land use, infrastructure, and building technologies.

We welcome growth and diversity through policies and programs that will protect, preserve and enhance Raleigh's existing neighborhoods, natural amenities, rich history, and cultural and human resources for future generations.

We lead to develop an improved neighborhood quality of life and standard of living for all our citizens.

We work with our universities, colleges, citizens and regional partners to promote emerging technologies, create new job opportunities and cultivate local businesses and entrepreneurs.

We recruit and train a 21st Century staff with the knowledge and skill sets to carry out this mission, through transparent civic engagement and providing the very best customer service to our current citizens in the most efficient and cost-effective manner.”

Profile of City of Raleigh

Raleigh is situated in the heart of the state's Piedmont region, centered between the sandy Atlantic beaches and the Great Smoky Mountains. The city is both the county seat of Wake County and the capital of North Carolina; it covers an area of more than 144 square miles and has an estimated population of 411,000. Together with Chapel Hill and Durham, Raleigh forms the Research Triangle Park, which was founded in 1959 as a model for research, innovation, and economic development and is now the largest research park in the nation. The City is located in a metropolitan area consisting of Wake, Durham, Orange, Franklin, Chatham and Johnston counties. The population for this area is estimated to be 1.6 million.

The City was named for Sir Walter Raleigh, who was granted a charter by Queen Elizabeth I in 1584 for land that is now North Carolina. In November 1776, North Carolina representatives gathered in Halifax to write its first state constitution. Raleigh's site was originally chosen as the location of North Carolina's state capital in 1788, and it was officially established in 1792 as both the new county seat and the new state capital. It is among the few cities in the United States that was planned and built specifically to serve as a state capital and its original boundaries were formed by

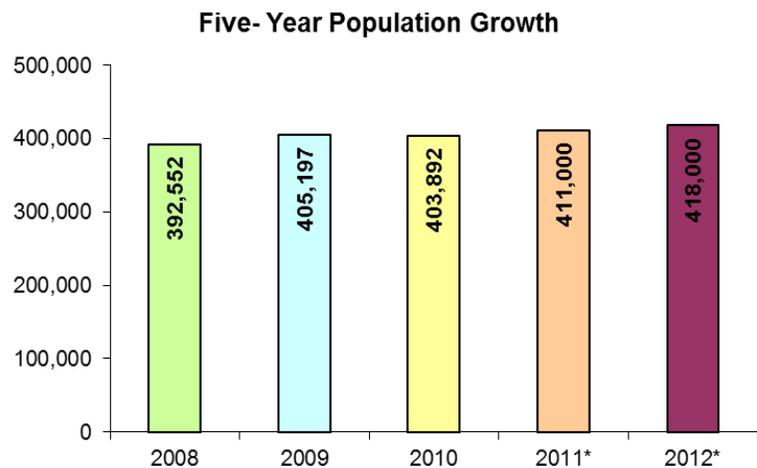
North, East, West and South streets. The North Carolina General Assembly first met in Raleigh in December 1794, and within one month, the legislators officially granted the City a charter, with a board of seven appointed commissioners (elected by the City after 1803) and an "Intendant of Police" (which would eventually become the office of Mayor) to govern it.

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. The City Council sets policies, enacts ordinances and appoints the City Manager. The City Manager administers the daily operations and programs of the City through the department heads, other staff members and employees.

The City provides a full range of governmental services, including police and fire protection, street construction and maintenance, a comprehensive solid waste program, water and sanitary sewer services, and parks, recreation and cultural services. Extended planning on the City's infrastructure needs occurs on an ongoing basis.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council. The annual budget serves as the foundation of the City's financial planning and control.

**2011 and 2012 population data estimated by the City of Raleigh Planning Department prior to the release of US Census Data.*



City of Raleigh Statistics

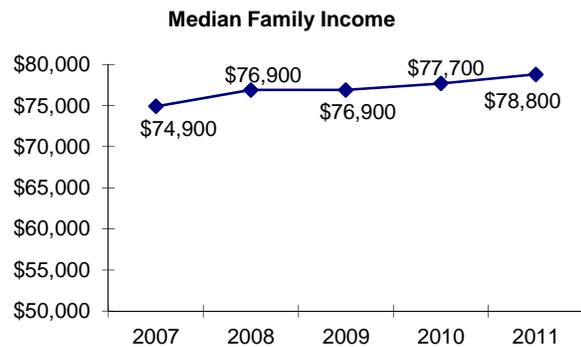
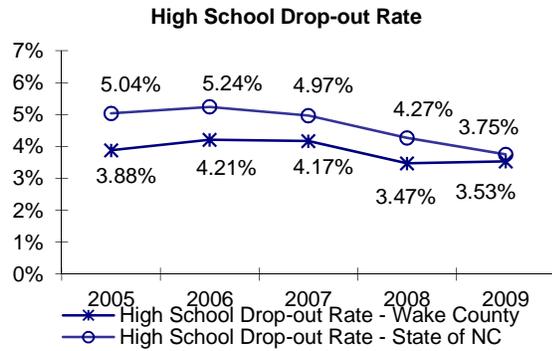
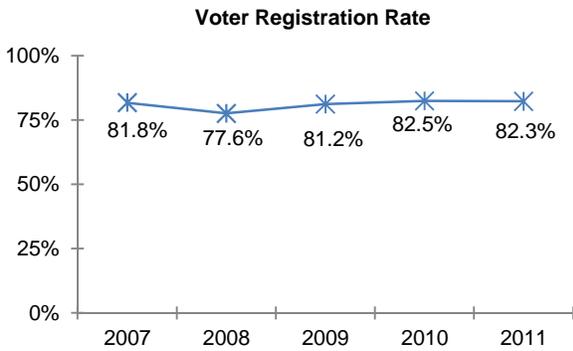
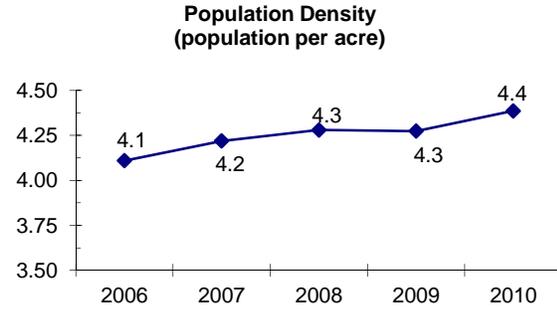
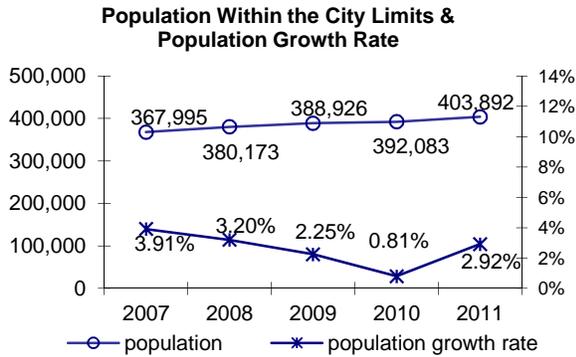
Function	Fiscal Year				
	2007	2008	2009	2010	2011
Raleigh Property Tax Rate	0.435	0.435	0.3735	0.3735	0.3735
Wake Co Property Tax Rate	0.634	0.678	0.534	0.534	0.534
Population	367,995	380,173	388,926	392,083	403,892
School Enrollment	124,474	133,228	142,732	145,040	148,470
Unemployment Rate	3.9	4.8	8.8	8.3	9.9
Public Safety					
Police stations	7	7	7	7	6
Fire stations	27	27	27	27	27
Highways and streets					
Streets (miles)	1,235	1,274	1,283	1,293	1,296
Streetlights*	33,600	33,955	33,974	34,003	33,067
Signalized intersections	510	520	520	518	540
Leisure services					
Number of major parks	72	72	75	78	78
Parks acreage	8,818	8,893	9,046	9,399	9,451
Aquatic facilities	8	8	8	8	8
Community centers (staffed and unstaffed)	33	33	32	35	35
Water					
Water mains (miles)	2,050	2,106	1,870	1,902	1,931
Sewers					
Sanitary sewers (miles)	2,000	2,072	1,784	1,803	1,819

*Streetlights for 2011 are reported as actuals; prior years are estimated.

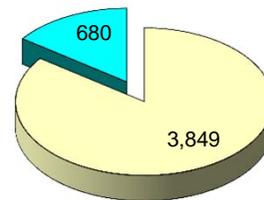
Source: CAFR for Fiscal Year ending June 30, 2011

Urban and City Organization Measures

Demographics

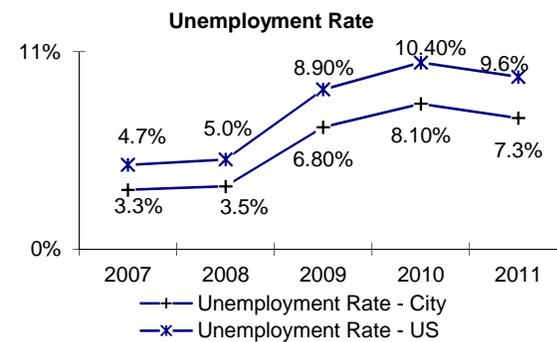
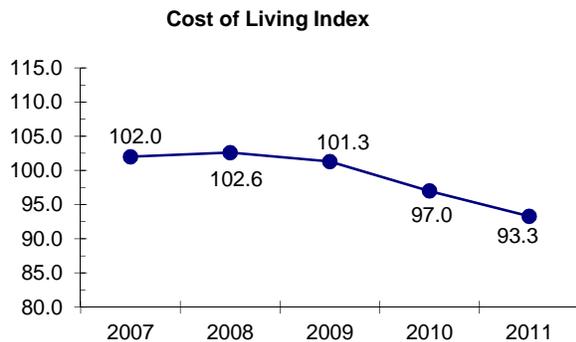


Residence of Work First Recipients in Wake County



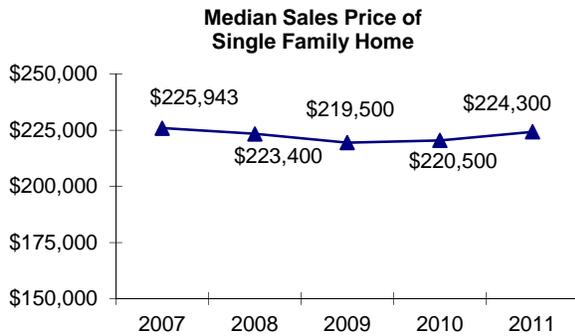
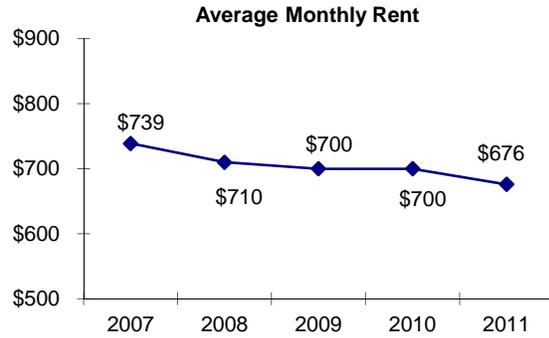
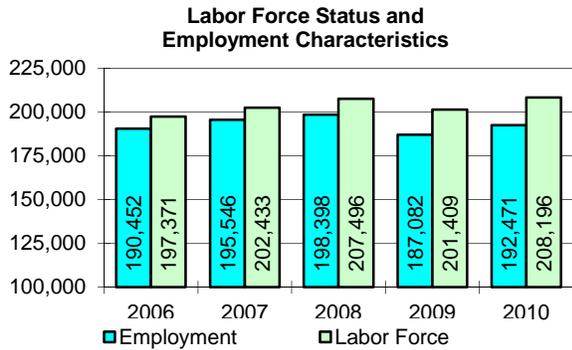
■ Families within City Limits
■ Families outside City Limits

Housing and Economy

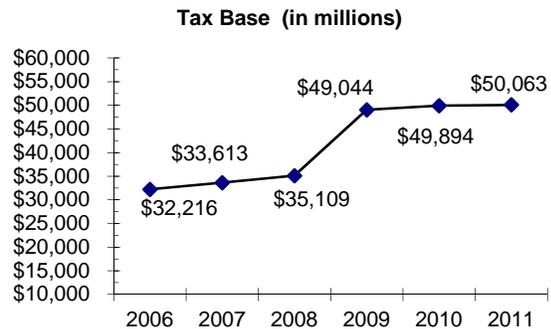
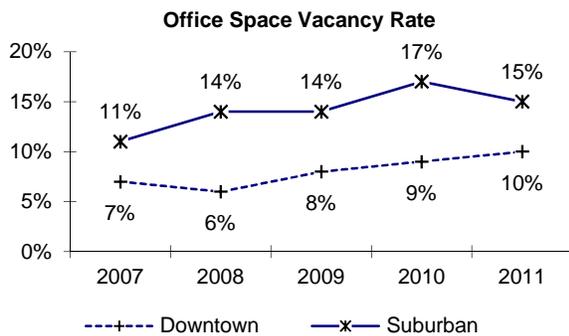
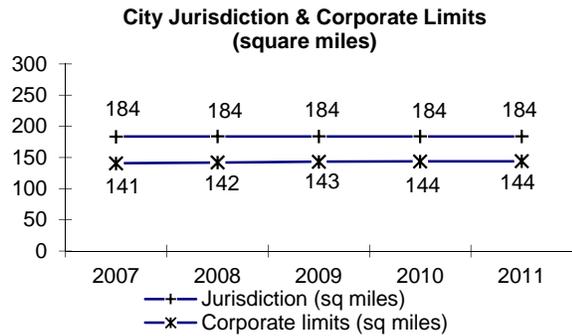


Urban and City Organization Measures

Housing and Economy

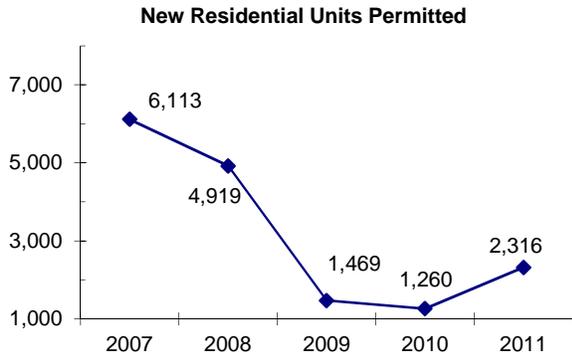


Development

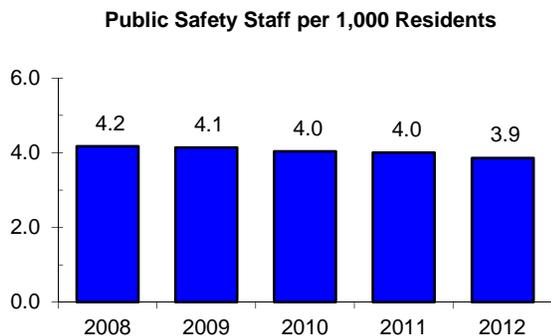
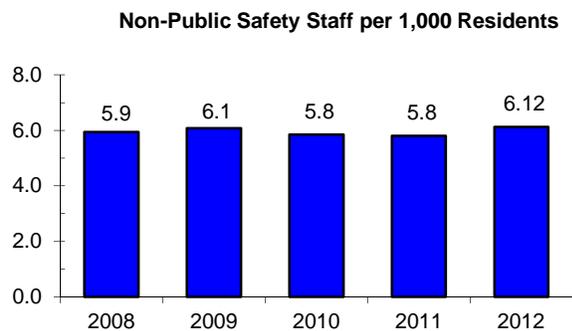
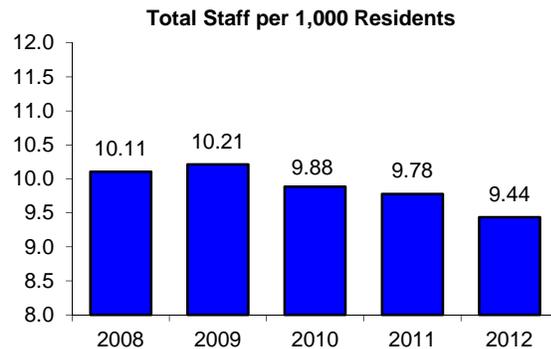
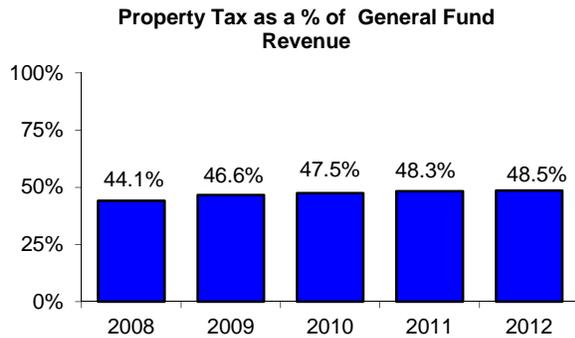
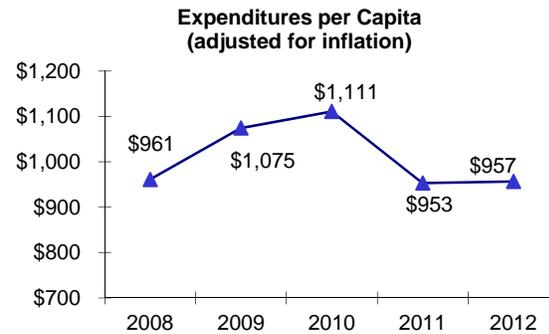
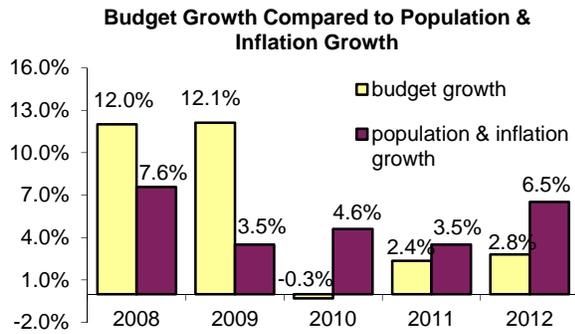


Urban and City Organization Measures

Development



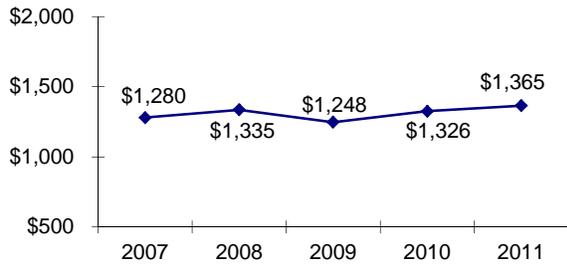
City Organization Measures



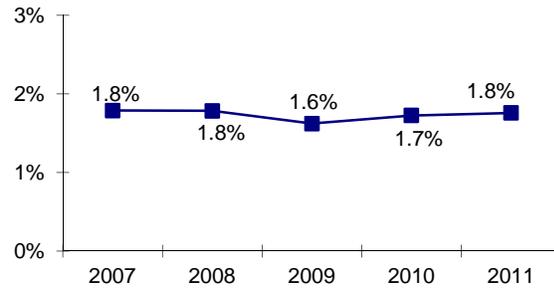
Urban and City Organization Measures

City Organization Measures

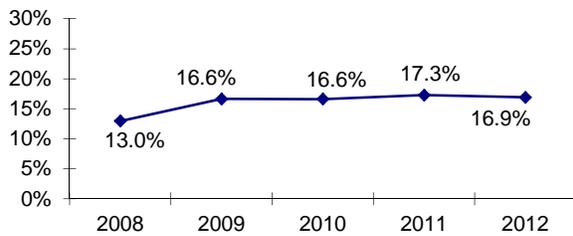
Customer Costs for Municipal Services



Customer Costs as % of Median Family Income

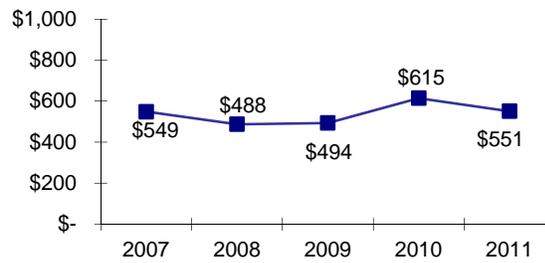


Annual Debt Service Costs as % of Total Expenditures

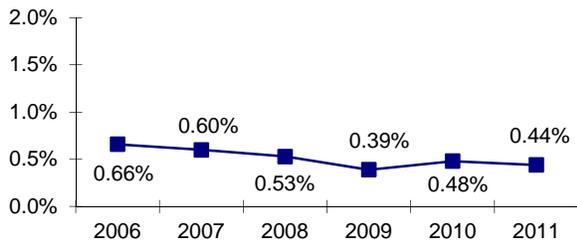


Note: Convention Center debt is not included due to its being funded completely by the dedicated interlocal taxes paid to the City by Wake County.

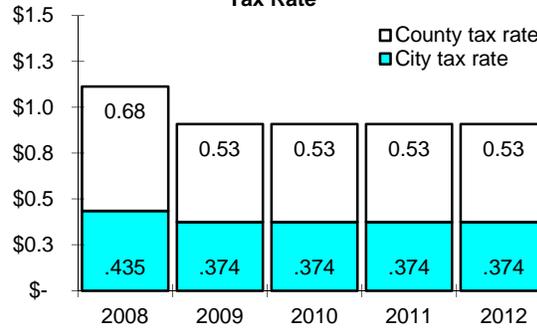
Gross General Obligation Bonded Debt Per Capita



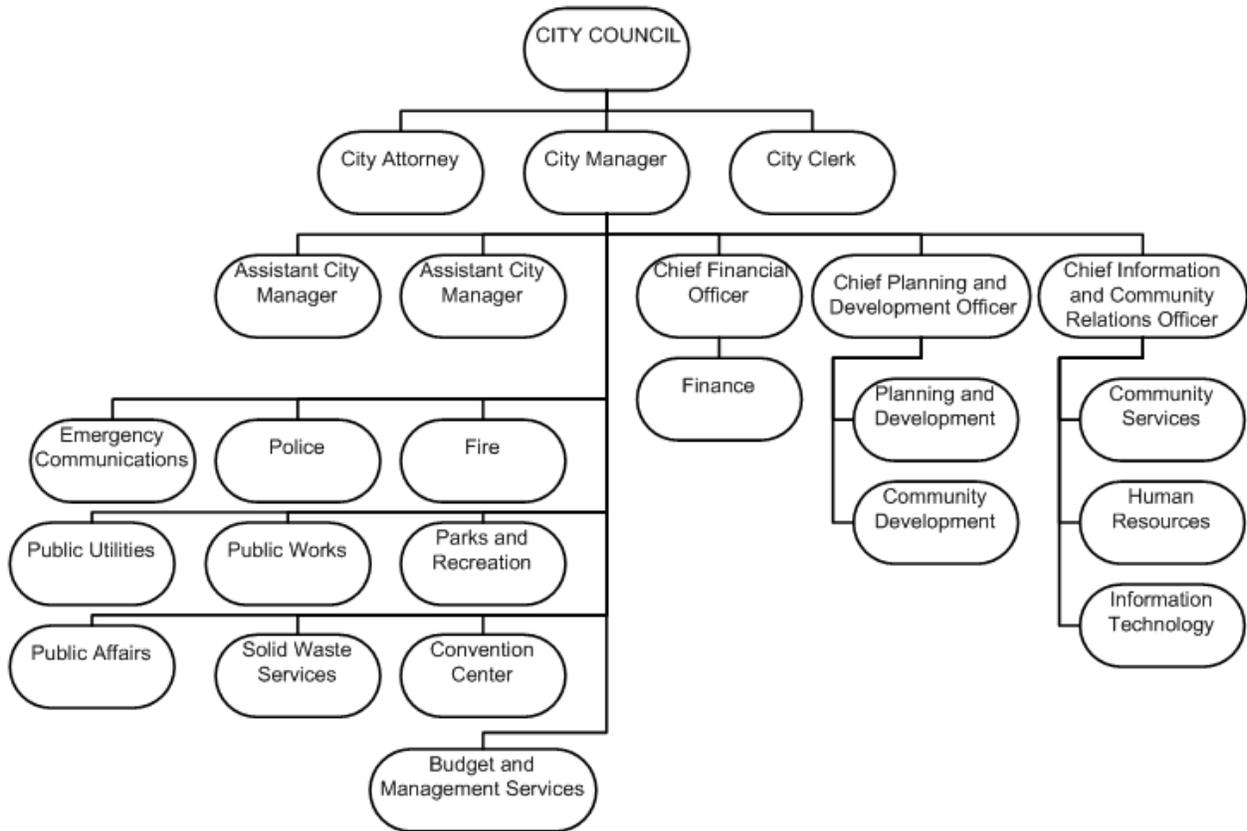
Gross General Obligation Bonded Debt as % of Assessed Property Value



Tax Rate



City of Raleigh Organization Chart





Revenue and Expenditure Summary

	REVENUES			EXPENDITURES		
	Total Revenues	Less Approp Fr Other Fds	NET Revenues	Total Expenditures	Less Approp To Other Fds	NET Expenditures
OPERATING FUNDS						
100 General Fund	\$ 383,571,703	\$ 36,039,602	\$ 347,532,101	\$ 383,571,703	\$ 87,562,748	\$ 296,008,955
110 Economic Dev Fund	2,080,302	1,173,102	907,200	2,080,302	-	2,080,302
310 Public Utilities Fund	190,120,430	799,213	189,321,217	190,120,430	97,072,404	93,048,026
360 Solid Waste Operations Fund	31,557,805	12,767,374	18,790,431	31,557,805	6,261,037	25,296,768
460 Stormwater Utility Fund	15,864,531	535,067	15,329,464	15,864,531	10,688,669	5,175,862
642 RCCC/PAC Operations	16,413,212	5,616,342	10,796,870	16,413,212	2,451,484	13,961,728
SUBTOTAL	\$ 639,607,983	\$ 56,930,700	\$ 582,677,283	\$ 639,607,983	\$ 204,036,342	\$ 435,571,641
CATEGORICAL PROGRAM FUNDS						
130 Revolving Fund	\$ 8,360,795	\$ -	\$ 8,360,795	\$ 8,360,795	\$ 159,818	\$ 8,200,977
410 Public Transit Fund	25,905,992	17,452,029	8,453,963	25,905,992	1,023,414	24,882,578
442 Parking Facilities Fund - Oper	14,816,191	2,031,145	12,785,046	14,816,191	8,921,326	5,894,865
712 Emergency Telephone System Fd	2,489,189	-	2,489,189	2,489,189	-	2,489,189
Housing Development Funds	1,698,832	1,331,428	367,404	1,698,832	101,053	1,597,779
Community Develop Funds	4,668,970	-	4,668,970	4,668,970	255,799	4,413,171
SUBTOTAL	\$ 57,939,969	\$ 20,814,602	\$ 37,125,367	\$ 57,939,969	\$ 10,461,410	\$ 47,478,559
CAPITAL DEBT SERVICE FUNDS						
190 General Debt Service Fund	\$ 52,693,546	\$ 50,259,670	\$ 2,433,876	\$ 52,693,546	\$ -	\$ 52,693,546
315 Utility Debt Service Fund	51,589,669	45,600,000	5,989,669	51,589,669	-	51,589,669
444 Parking Debt Service Fund	7,925,000	7,900,000	25,000	7,925,000	-	7,925,000
644 RCC/PAC Debt Svc Fund	11,166,170	11,153,370	12,800	11,166,170	-	11,166,170
SUBTOTAL	\$ 123,374,385	\$ 114,913,040	\$ 8,461,345	\$ 123,374,385	\$ -	\$ 123,374,385
CAPITAL PROJECT FUNDS						
320 Water Capital Projects Fund	\$ 16,150,000	\$ 16,150,000	\$ -	\$ 16,150,000	\$ -	\$ 16,150,000
325 Sewer Capital Projects Fund	17,766,000	17,766,000	-	17,766,000	-	17,766,000
446 Parking Facilities Fund - Proj	405,000	405,000	-	405,000	-	405,000
470 Stormwater Util Cap Proj Fd	4,915,000	4,715,000	200,000	4,915,000	-	4,915,000
501 Technology Fund	6,867,200	6,807,085	60,115	6,867,200	3,576,830	3,290,370
505 Capital Projects - Misc	10,997,000	1,933,000	9,064,000	10,997,000	-	10,997,000
515 Sidewalk Fund	840,000	50,000	790,000	840,000	-	840,000
525 Street Improvement Fund	6,931,520	4,388,500	2,543,020	6,931,520	-	6,931,520
545 Street Facility Fees Fund	2,880,000	-	2,880,000	2,880,000	2,880,000	-
610 Park Acq -- Facility Fees Fd	1,420,000	-	1,420,000	1,420,000	1,420,000	-
625 Park Improvement Fund	2,070,000	2,040,000	30,000	2,070,000	-	2,070,000
646 Conv Cr/Mem Aud Project Fd	5,772,761	628,000	5,144,761	5,772,761	-	5,772,761
650 Walnut Creek Amph Fund	900,000	-	900,000	900,000	-	900,000
700 Powell Bill Fund	9,931,020	-	9,931,020	9,931,020	9,931,020	-
715 Convention Center Fin. Fund	17,163,200	-	17,163,200	17,163,200	14,835,325	2,327,875
720 Housing Bnd Reserve Fund	500,000	-	500,000	500,000	400,000	100,000
SUBTOTAL	\$ 105,508,701	\$ 54,882,585	\$ 50,626,116	\$ 105,508,701	\$ 33,043,175	\$ 72,465,526
TOTAL ALL FUNDS	\$ 926,431,038	\$ 247,540,927	\$ 678,890,111	\$ 926,431,038	\$ 247,540,927	\$ 678,890,111

Total Budget Summary

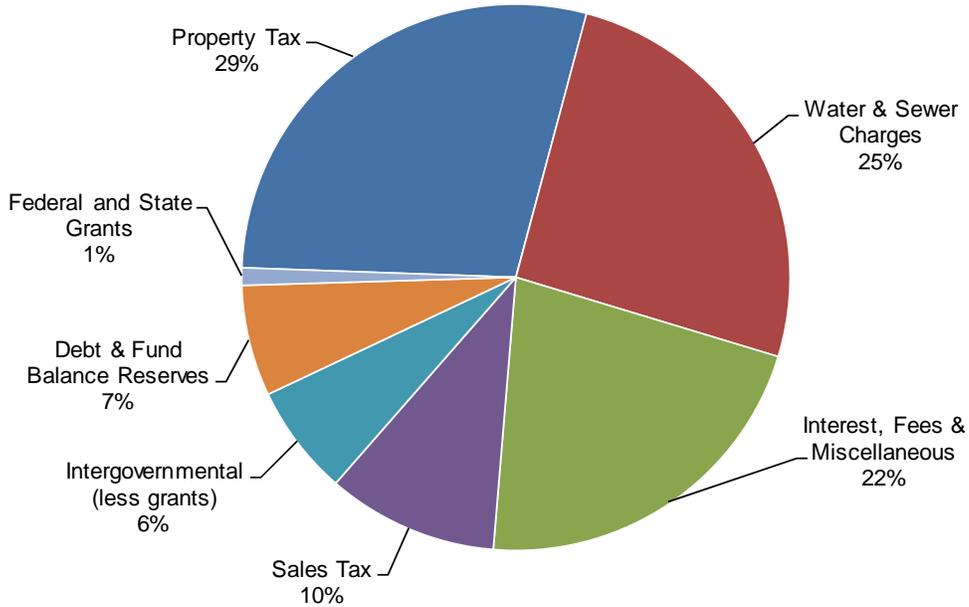
(net of interfund transfers)

	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
REVENUES				
Property Tax	\$ 186,650,013	\$ 187,615,024	\$ 194,239,035	3.5%
Water & Sewer Charges	148,904,838	166,467,799	173,143,217	4.0%
Interest, Fees & Miscellaneous	130,733,044	153,507,245	146,967,840	(4.3%)
Sales Tax	63,425,878	64,362,634	68,695,536	6.7%
Intergovernmental (less grants)	41,148,596	45,049,074	44,375,641	(1.5%)
Debt and Fund Balance Reserves	42,334,452	39,711,867	44,486,860	12.0%
Federal and State Grants	6,531,687	6,560,101	6,981,982	6.4%
	\$ 619,728,508	\$ 663,273,744	\$ 678,890,111	2.4%
EXPENDITURES				
Public Safety	\$ 148,396,488	\$ 147,573,116	\$ 148,563,038	0.7%
Capital Debt Service	117,582,063	121,713,137	123,374,385	1.4%
Public Utilities	92,077,735	94,571,424	93,048,026	(1.6%)
Capital Improvements	22,454,450	59,626,500	72,465,526	21.5%
Leisure Services	68,389,811	65,820,156	67,192,154	2.1%
Public Works & Public Transit	62,374,612	63,590,497	63,764,177	0.3%
General Gov't & External Agencies	29,898,834	35,411,756	33,792,769	(4.6%)
Solid Waste Services	25,104,807	23,880,292	25,296,768	5.9%
Community Development Services	25,057,804	23,839,251	23,817,728	(0.1%)
Information Technology	16,685,894	15,950,343	16,339,409	2.4%
Financial Management	11,706,010	11,297,272	11,236,131	(0.5%)
	\$ 619,728,508	\$ 663,273,744	\$ 678,890,111	2.4%

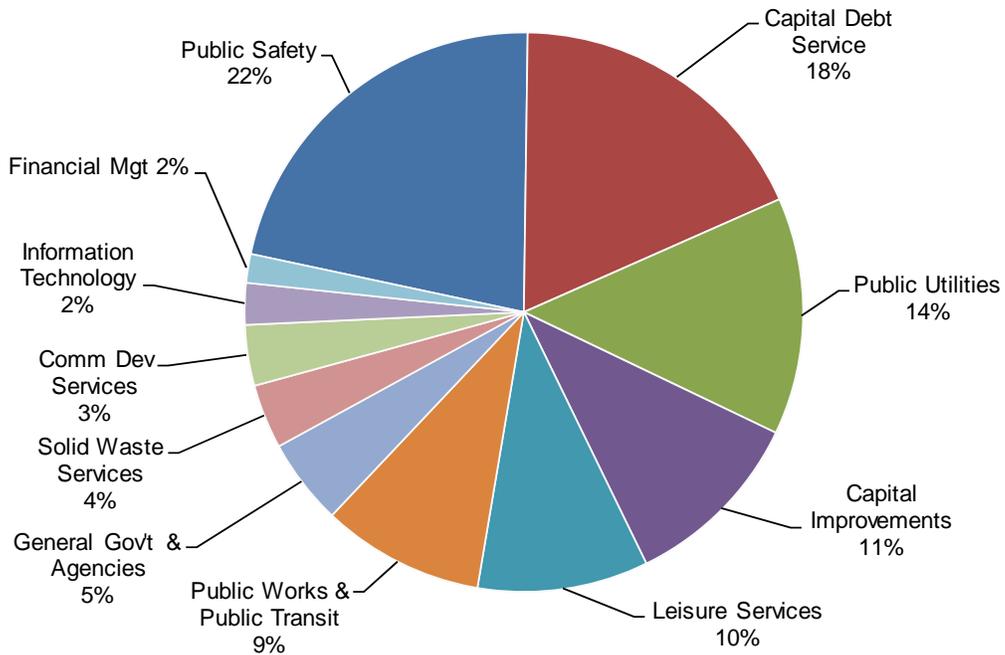
Total Budget Summary

(net of interfund transfers)

REVENUES



EXPENDITURES



General Fund Summary

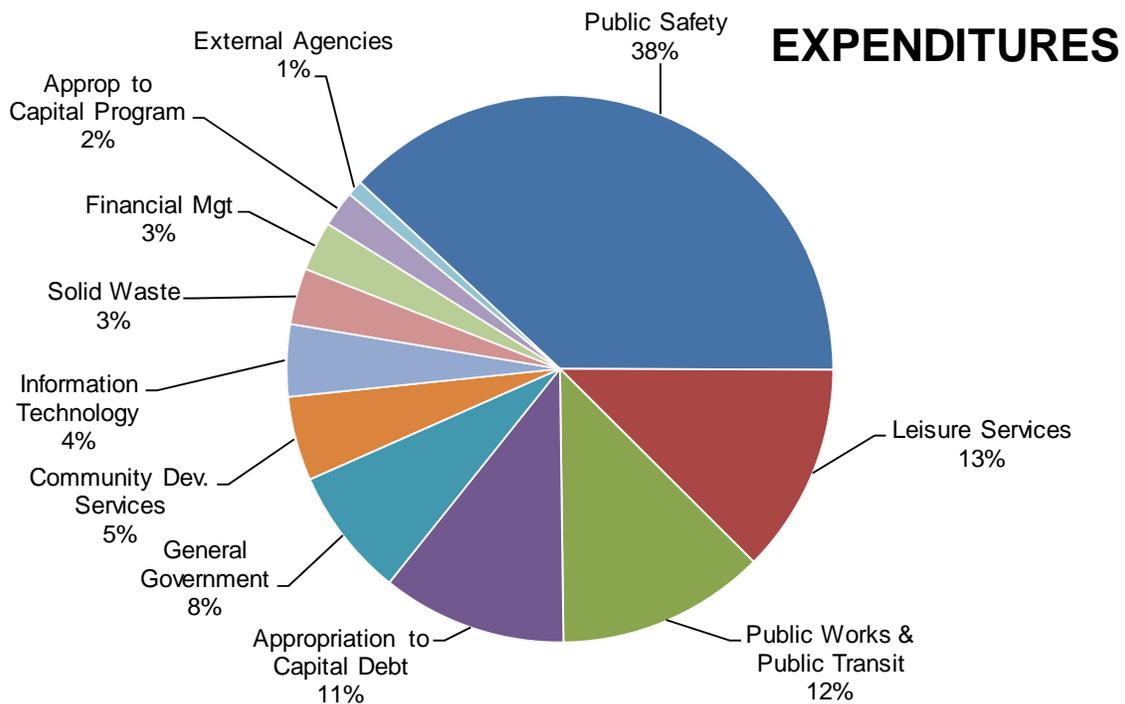
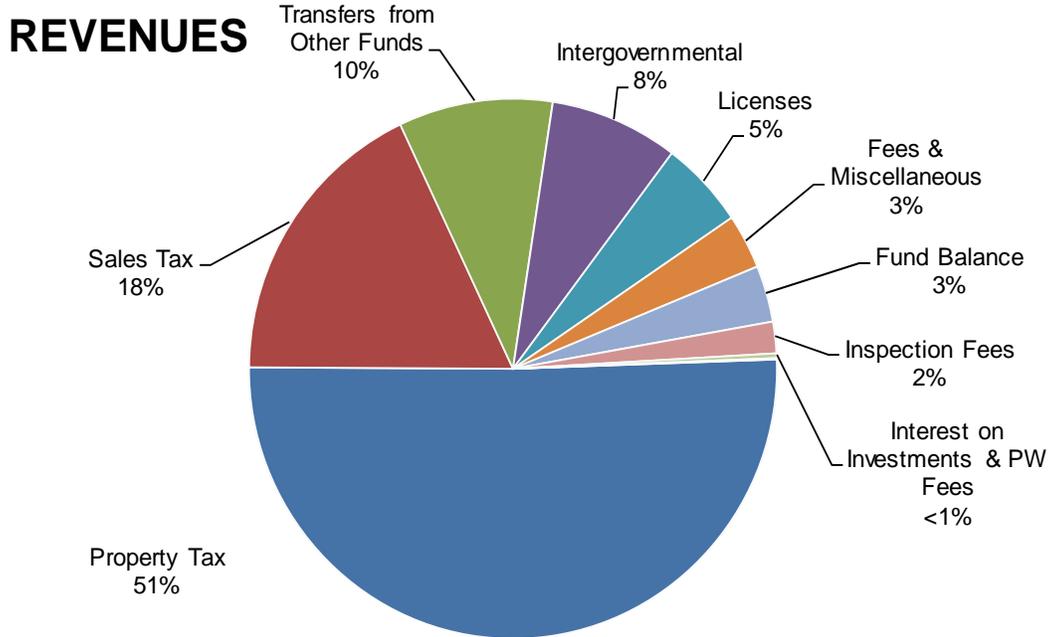
(including interfund transfers)

	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>% CHANGE 2011-12 TO 2012-13</u>
REVENUES				
Property Tax	\$ 186,650,013	\$ 187,615,024	\$ 194,239,035	3.5%
Sales Tax	63,425,878	64,362,634	68,695,536	6.7%
Transfers from Other Funds	35,140,791	32,436,570	36,116,787	11.3%
Intergovernmental	30,386,076	31,050,321	30,103,389	(3.0%)
Licenses	19,987,000	20,087,648	20,205,648	0.6%
Fees & Miscellaneous	28,618,045	29,989,172	12,572,558	(58.1%)
Fund Balance	13,850,859	13,000,000	13,000,000	0.0%
Inspection Fees	6,982,207	6,823,457	7,277,250	6.7%
Interest on Investments	1,007,629	1,143,469	1,088,000	(4.9%)
Public Works Fees	299,500	275,500	273,500	(0.7%)
	\$ 386,347,998	\$ 386,783,795	\$ 383,571,703	(0.8%)
EXPENDITURES				
Public Safety	\$ 148,448,008	\$ 145,242,033	\$ 146,162,709	0.6%
Leisure Services	45,874,699	46,374,672	47,599,810	2.6%
Public Works & Public Transit	45,911,264	46,367,247	47,313,596	2.0%
Appropriation to Capital Debt	37,223,308	37,254,355	41,935,177	12.6%
General Government	25,572,807	30,859,237	29,330,109	(5.0%)
Community Development Services	19,807,054	19,330,605	19,138,206	(1.0%)
Information Technology	16,685,894	15,950,343	16,339,409	2.4%
Solid Waste Services*	25,122,267	23,908,852	12,767,374	(46.6%)
Financial Management	11,706,010	11,297,272	11,236,131	(0.5%)
Appropriation to Capital Program	6,554,000	6,730,000	8,193,722	21.7%
External Agencies	3,442,687	3,469,179	3,555,460	2.5%
	\$ 386,347,998	\$ 386,783,795	\$ 383,571,703	(0.8%)

*Effective with the FY13 budget, Solid Waste Services (SWS) expenses and revenues are moved to Fund 360, SWS Operations (an enterprise fund). The enterprise receives a subsidy from the General Fund which is noted in this line for FY13.

General Fund Summary

(including interfund transfers)



Appropriations by Fund

The City of Raleigh has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

OPERATING FUNDS

These funds provide for all of the basic operations of the City government.

The **General Fund (100)** is the principal operating fund for the City of Raleigh. It was established to account for all financial resources except those required by state law, local ordinance, and generally accepted accounting principles to be accounted for in another fund. General Fund revenues primarily include property taxes, state shared revenues, sales taxes, licenses, permits and fees. The major operating activities include general government, police, fire, solid waste services, public works, development services, parks and recreation and other governmental service functions.

The **Economic Development Fund (110)** was established in FY94 to provide a focal point for the City's economic development program. Funding is provided in this budget for selected external organizations that promote growth and development in the Raleigh area and the Southeast Raleigh Assembly. This fund is supported by transfers from the General and Public Utilities Funds.

The **Public Utilities Fund (310)** provides for water and sewer operations of the City of Raleigh. This fund is supported primarily by user charges and customer fees, and provides for all operating costs associated with the City's water and sewer systems.

The **Solid Waste Services Operating Fund (360)** is newly established for FY13. This activity previously resided in the General Fund. This fund has been established to separate the operations of the City's Solid Waste Services Department which oversees the residential collection, recycling and yard waste programs. The fund is supported by user fees and charges and by a subsidy from the general fund.

The **Stormwater Utility Fund (460)** provides for stormwater operations in the City of Raleigh. This fund is supported by revenue from a stormwater fee charged to residential and commercial residents of the City of Raleigh.

The **Convention Center and Performing Arts Center Operations Fund (642)** has been established to separate the operations of the City's Convention Center and the Performing Arts Center. The fund is supported partially by ticket sales, user fees and charges. Operating deficits are supported by an appropriation from the General Fund.

Operating Funds

	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	% CHANGE 2011-12 TO 2012-13
GENERAL FUND (100)	\$ 386,783,795	\$ 383,571,703	
<i>Less Appropriation to Other Funds</i>	(66,970,858)	(87,562,748)	
NET GENERAL FUND	\$ 319,812,937	\$ 296,008,955	(7.4%)
ECONOMIC DEV FUND (110)	\$ 2,131,469	\$ 2,080,302	
<i>Less Appropriation to Other Funds</i>	-	-	
NET ECONOMIC DEVELOPMENT FUND	\$ 2,131,469	\$ 2,080,302	(2.4%)
PUBLIC UTILITIES FUND (310)	\$ 174,313,659	\$ 190,120,430	
<i>Less Appropriation to Other Funds</i>	(79,742,235)	(97,072,404)	
NET PUBLIC UTILITIES FUND	\$ 94,571,424	\$ 93,048,026	(1.6%)
SOLID WASTE OPERATIONS FUND (360)*	\$ -	\$ 31,557,805	
<i>Less Appropriation to Other Funds</i>	-	(6,261,037)	
NET SOLID WASTE OPERATIONS FUND	\$ -	\$ 25,296,768	
STORMWATER FUND (460)	\$ 14,993,761	\$ 15,864,531	
<i>Less Appropriation to Other Funds</i>	(9,797,256)	(10,688,669)	
NET STORMWATER FUND	\$ 5,196,505	\$ 5,175,862	(0.4%)
RCCC/PAC OPERATIONS FUND (642)	\$ 16,172,280	\$ 16,413,212	
<i>Less Appropriation to Other Funds</i>	(2,392,983)	(2,451,484)	
NET RCCC/PAC OPERATIONS FUND	\$ 13,779,297	\$ 13,961,728	1.3%
TOTAL OPERATING FUNDS	\$ 594,394,964	\$ 639,607,983	7.6%
<i>Less Appropriation to Other Funds</i>	(158,903,332)	(204,036,342)	
NET OPERATING FUNDS	\$ 435,491,632	\$ 435,571,641	0.0%

*Established with the FY13 budget.

Categorical Program Funds

Each of these funds is set up to meet a specific purpose and function, but the services they provide are not mandated by law.

The **Revolving Fund (130)** was established primarily to account for various year-round recreational activities that are self-supporting with revenues equaling or exceeding expenditures.

The **Public Transit Fund (410)** is supported by user charges, federal grant contributions and the City's General Fund. Expenditures in this fund are for the costs associated with the operation of the Capital Area Transit (CAT) System and for the City program for disabled residents, Accessible Raleigh Transit (ART).

The **Parking Facilities Fund (442)** provides for the general operational and maintenance costs for the Municipal, Cabarrus, City Center, Convention Center, and Moore Square parking decks. Cleaning and maintenance related costs for the Moore Square Transit Station and the Downtown Police Substation are also included. This fund is supported by parking deck user fees, parking violation revenue and interest income.

The **Emergency Telephone System Fund (712)** is comprised of the Emergency Communication Center's allocation of the state's wireless fund. The fund covers wireless eligible costs involved in operating and maintaining a wireless enhanced 9-1-1 system. Wireless eligible costs are those costs incurred from when a wireless customer dials 9-1-1 until the call taker/telecommunicator receives the call and locates the caller.

The **Housing Development Funds (735-736)** receive revenue primarily from City tax dollars which are collected in the General Fund and appropriated to the Housing Development Funds. This funding supports various programs to provide more affordable housing to low and moderate income residents.

The **Community Development Funds (741-781)** are primarily supported by federal grant funds allocated to the City for community development programs which are targeted primarily to inner-city areas. In addition to the Community Development Block Grant, revenues in this fund include rental income and loan repayments.

Categorical Program Funds

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
REVOLVING FUND (130)	\$ 8,051,655	\$ 8,360,795	
<i>Less Appropriation to Other Funds</i>	(254,172)	(159,818)	
NET REVOLVING FUND	\$ 7,797,483	\$ 8,200,977	5.2%
PUBLIC TRANSIT FUND (410)	\$ 24,393,829	\$ 25,905,992	
<i>Less Appropriation to Other Funds</i>	(45,845)	(1,023,414)	
NET PUBLIC TRANSIT FUND	\$ 24,347,984	\$ 24,882,578	2.2%
PARKING FACILITIES FUND - OPER (442)	\$ 12,658,048	\$ 14,816,191	
<i>Less Appropriation to Other Funds</i>	(6,615,279)	(8,921,326)	
NET PARKING FACILITIES FUND	\$ 6,042,769	\$ 5,894,865	(2.4%)
EMER. TELEPHONE SYSTEM FD (712)	\$ 2,398,233	\$ 2,489,189	
<i>Less Appropriation to Other Funds</i>	-	-	
EMER. TELEPHONE SYSTEM FUNDS	\$ 2,398,233	\$ 2,489,189	3.8%
HOUSING DEVELOPMT FUNDS (735-736)	\$ 1,683,952	\$ 1,698,832	
<i>Less Appropriation to Other Funds</i>	(63,217)	(101,053)	
NET HOUSING DEVELOPMENT FUNDS	\$ 1,620,735	\$ 1,597,779	(1.4%)
COMMUNITY DEVELOP FUNDS (741-781)	\$ 4,542,271	\$ 4,668,970	
<i>Less Appropriation to Other Funds</i>	(307,000)	(255,799)	
NET COMMUNITY DEVELOPMENT FUNDS	\$ 4,235,271	\$ 4,413,171	4.2%
TOTAL CATEGORICAL PROG FUNDS	\$ 53,727,988	\$ 57,939,969	7.8%
<i>Less Appropriation to Other Funds</i>	(7,285,513)	(10,461,410)	
NET CATEGORICAL PROGRAM FUNDS	\$ 46,442,475	\$ 47,478,559	2.2%
TOTAL CITY OPERATIONS	\$ 648,122,952	\$ 697,547,952	7.6%
<i>Less Appropriation to Other Funds</i>	(166,188,845)	(214,497,752)	
NET CITY OPERATIONS	\$ 481,934,107	\$ 483,050,200	0.2%

Capital Debt Service Funds

This category is comprised of **General, New Convention Center, Public Utilities, and Parking Funds** debt service payments (principal and interest payments on bond issues and installment-purchase payments) for large capital improvement projects financed on a long-term basis. While current revenues provide funding for some capital projects, a portion of the City's capital program is funded through the issuance of general obligation bonds, revenue bonds, certificates of participation or other installment financing. This type of long-term borrowing must be repaid annually with principal and interest payments.

The City of Raleigh has issued long-term debt for a variety of purposes in recent years. Since 2000, the following debt has been approved for issuance either through voter referendum or other authorization allowed by state statutes:

November 2000	\$45,000,000	Street Improvements, \$16,000,000 Parks, and \$14,000,000 Housing General Obligation Bonds (voter approved)
November 2000	\$10,445,000	Parking Facility Certificates of Participation (Council approved)
January 2001	\$22,670,000	Water and Sewer Revenue Bonds (Council approved)
April 2001	\$15,000,000	Equipment Acquisition Fund Certificates of Participation (Council approved)
May 2002	\$9,700,000	Public Improvement General Obligation Bonds (two-thirds authorization)
December 2002	\$2,900,000	Public Improvement General Obligation Bonds (two-thirds authorization)
April 2003	\$16,000,000	Equipment Acquisition Fund Certificates of Participation (Council approved)
August 2003	\$47,250,000	Parks & Recreation General Obligation Bonds (voter approved)
February 2004	\$55,000,000	Downtown Improvement—Convention Center Phase 1 Certificates of Participation (Council approved)
April 2004	\$108,980,000	Water and Sewer Revenue Bonds (Council approved)
August 2004	\$23,530,000	Downtown Improvement—Fayetteville Street, Progress Energy Deck, & CTV Equipment Certificates of Participation (Council approved)
August 2004	\$10,140,000	Downtown Improvement—One Exchange Plaza Certificates of Participation (Council approved)
January 2005	\$28,515,000	Downtown Improvement—Hotel Underground Parking Deck Certificates of Participation (Council approved)
January 2005	\$188,425,000	Downtown Improvement—Convention Center Phase 1 Certificates of Participation (Council approved)
August 2005	\$10,600,000	Street Improvements General Obligation Bonds (two-thirds authorization)
October 2005	\$34,850,000	Capital Improvements Project – Equipment Acquisition Fund; Barwell Road/Brier Creek Park Sites; Utilities Operation Center Certificates of Participation (Council approved)
October 2005	\$60,000,000	Street Improvements and \$20,000,000 Housing General Obligation Bonds (voter approved)
September 2006	\$241,175,000	Water and Sewer Revenue Bonds (Council approved)
June 2007	\$39,634,215	Equipment Installment Financing (Council approved)

September 2007	\$28,930,000	Downtown Improvement COPS (Council approved)
October 2007	\$88,600,000	Parks and Recreation Bonds (voted approved)
December 2007	\$10,114,000	Land Installment Financing (Council approved)
June 2008	\$150,000,000	Water and Sewer Revenue Bonds (Council approved)
June 2008	\$30,000,000	ERP Installment Financing (Council approved)
August 2008	\$14,015,000	Parking Deck COPs (Council approved)
November 2008	\$33,500,000	One Year Note (Council approved)
February 2009	\$11,130,000	Public Improvements General Obligation Bonds (two-thirds authorization)
November 2009	\$47,630,000	Limited Obligation Bonds (Council approved)
August 2010	\$46,425,000	Limited Obligation Bonds (Council approved)
January 2011	\$108,340,000	Water and Sewer Revenue Bonds (Council approved)
May 2011	\$11,694,432	Equipment Installment Financing (Council approved)
October 2011	\$40,000,000	Transportation Bonds and \$16,000,000 Housing General Obligation Bonds (voter approved)

After the long-term debt has been authorized, the actual issuance of the debt may take place in several future increments. Debt service requirements on the individual debt issues begin at the time of issuance. The debt service requirement on most long-term debt is generally paid with property tax revenues or other dedicated general revenues of the City. However, water and sewer debt is funded by user fees charged to water and sewer customers.

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
GENERAL DEBT SERVICE FUND (190)	\$ 47,714,134	\$ 52,693,546	10.4%
UTILITY DEBT SERVICE FUND (315)	\$ 54,729,528	\$ 51,589,669	(5.7%)
PARKING DEBT SERVICE FUND (444)	\$ 7,766,545	\$ 7,925,000	2.0%
CONVENTION CENTER DEBT SRV (644)	\$ 11,502,930	\$ 11,166,170	(2.9%)
TOTAL CAPITAL DEBT SERVICE	\$ 121,713,137	\$ 123,374,385	1.4%

Capital Project Funds

The purpose of the capital project funds is to account for the financial resources dedicated to the acquisition and construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.

The capital project funds include street and sidewalk improvements, park improvements, stormwater management projects, water and sewer system improvements, affordable housing projects, and various other general improvement projects. Individual projects typically cost more than \$25,000, have a useful life greater than ten years, and are approved by the City Council.

Funding for capital projects comes from several sources, including property and sales tax revenues, Powell Bill revenues (a portion of the allocated per gallon state gasoline tax and a portion of the State Highway Trust Fund revenues), street assessments, facility fees, transfers from enterprise funds, and interest earnings.

Capital Project Funds

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
WATER CAPITAL PROJECTS FUND (320)	\$ 8,500,000	\$ 16,150,000	90.0%
SEWER CAPITAL PROJECTS FUND (325)	7,500,000	17,766,000	136.9%
PARKING FACILITIES FUND - PROJ (446)	675,000	405,000	(40.0%)
STORMWATER UTILITY CAP PROJ (470)	30,275,000	4,915,000	(83.8%)
TECHNOLOGY FUND (501)	7,644,601	6,867,200	(10.2%)
<i>Less Appropriation to Other Funds</i>	(3,680,988)	(3,576,830)	
NET TECHNOLOGY FUND (501)	3,963,613	3,290,370	(17.0%)
CAPITAL PROJECTS FUND (505)	2,752,090	10,997,000	299.6%
<i>Less Appropriation to Other Funds</i>	(1,667,486)	-	
NET CAPITAL PROJECTS FUND (505)	1,084,604	10,997,000	913.9%
SIDEWALK FUND (515)	551,000	840,000	52.5%
<i>Less Appropriation to Other Funds</i>	(200,000)	-	
NET SIDEWALK FUND (515)	351,000	840,000	139.3%
STREET IMPROVEMENT FUND (525)	3,401,628	6,931,520	103.8%
<i>Less Appropriation to Other Funds</i>	(42,345)	-	
NET STREET IMPROVEMENT FUND (525)	3,359,283	6,931,520	106.3%
STREET FACILITY FEES FUND (545)	3,125,834	2,880,000	(7.9%)
<i>Less Appropriation to Other Funds</i>	(3,100,000)	(2,880,000)	
NET STREET FACILITY FEES FUND (545)	25,834	-	(100.0%)
PARK FACILITY FEES FUND (610)	2,400,000	1,420,000	(40.8%)
<i>Less Appropriation to Other Funds</i>	(2,400,000)	(1,420,000)	
NET PARK ACQ -- FACILITY FEES FUND (610)	-	-	
PARK IMPROVEMENT FUND (625)	2,825,000	2,070,000	(26.7%)
CONV CTR & MEM AUD PROJECTS FD (646)	-	5,772,761	
WALNUT CREEK AMPH. CAPITAL FUND (650)	415,000	900,000	116.9%
POWELL BILL FUND (700)	9,500,520	9,931,020	4.5%
<i>Less Appropriation to Other Funds</i>	(9,096,354)	(9,931,020)	
NET POWELL BILL FUND (700)	404,166	-	(100.0%)
CONVENTION CENTER FINANCING FUND (715)	14,301,000	17,163,200	20.0%
<i>Less Appropriation to Other Funds</i>	(14,301,000)	(14,835,325)	
NET CONVENTION CTR FINANCING FUND (715)	-	2,327,875	
HOUSING BND RSRV FUND (720)	648,000	500,000	(22.8%)
<i>Less Appropriation to Other Funds</i>	(400,000)	(400,000)	
NET HOUSING BOND FUND (720)	248,000	100,000	(59.7%)
TOTAL CAPITAL PROJECT FUNDS	\$ 94,514,673	\$ 105,508,701	11.6%
<i>Less Appropriation to Other Funds</i>	(34,888,173)	(33,043,175)	
NET CAPITAL PROJECT FUNDS	\$ 59,626,500	\$ 72,465,526	21.5%
TOTAL CAPITAL APPROP (incl debt service)	\$ 216,227,810	\$ 228,883,086	5.9%
<i>Less Appropriation to Other Funds</i>	(34,888,173)	(33,043,175)	
NET CAPITAL APPROPRIATIONS	\$ 181,339,637	\$ 195,839,911	8.0%
NET OPERATING & CAPITAL BUDGET	\$ 663,273,744	\$ 678,890,111	2.4%

Bond Funds

The purpose of the bond funds is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.

The bond funds are substantially identical in nature to the capital project funds. The main difference between the funds is the primary revenue source. Funding for capital projects, using bond funds, comes primarily from the issuance of long-term debt.

These funds are accounted for separately from the capital project funds to avoid double-counting the debt costs. The cost of the City's long-term debt is captured in the capital debt service funds as the debt is paid rather than in the bond funds as the debt is issued.

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
WATER REVENUE BOND FUND (348)	\$ 7,620,000	\$ 17,500,000	129.7%
SEWER REVENUE BOND FUND (349)	\$ 48,450,000	\$ 49,584,000	2.3%
REMOTE OPS BOND FUND (508)	\$ 5,724,762	\$ -	(100.0%)
STREET BOND FUND (531)	\$ 2,480,000	\$ 22,070,000	789.9%
PARK BOND FUND (636)	\$ 7,735,000	\$ -	(100.0%)
HOUSING BOND FUNDS (723 & 724)	\$ 158,000	\$ 4,500,000	2748.1%
TOTAL BOND FUNDS	\$ 72,167,762	\$ 93,654,000	29.8%

Internal Service Funds

These funds provide a mechanism by which specific operations can be accounted for and charged to departments on a cost of service basis.

The **Print Services Fund (210)** was established to provide a mechanism by which the City's print services operation could be reflected in the budget on a full cost basis. Employee salaries and associated operating and equipment costs are budgeted in this fund. The source of revenue to balance the fund is the sum of departmental printing accounts and a subsidy from the General Fund. Due to the closure of the print shop during FY12, funding for the printing program is included in the General Fund starting in FY13.

The **Risk Management Fund (230)** includes all expenditures for the City's self-supporting workers' compensation and property/liability insurance programs. The fund also includes the insurance premiums for other types of insurance coverage. The primary sources of revenue are the General Fund and Utility Fund.

The **Health/Dental Trust Fund (240)** includes all expenditures to provide self-supporting health insurance and dental insurance programs for City employees and retirees. The sources of revenue in this fund include contributions from the City, contributions from employees, and contributions from retirees.

The **Governmental Equipment Fund (251)** and **Enterprise Equipment Fund (252)** were established to reduce spikes in annual operating budgets due to equipment purchase and to finance these items in the most beneficial way for the City. Costs for the acquisition of equipment and vehicles costing over \$10,000 are budgeted in these funds. The sources of revenue to balance the funds are the sum of departmental equipment use charge accounts.

The **Vehicle Fleet Services Fund (260)** was established to provide a mechanism by which the City's Vehicle Fleet Services operation could be reflected in the budget on a full cost basis. Employee salaries and associated operating and equipment costs are budgeted in this fund. The source of revenue to balance the fund is the sum of departmental maintenance and operation (M&O) accounts.

The **Other Post Employment Benefits (OPEB) Fund (925)** includes all expenditures to meet the City's Annual Required Contribution (ARC) and the Governmental Accounting Standards Board (GASB) OPEB requirement for other post employment benefits. The sources of revenue in this fund include contributions from the City and contributions from retirees.

Internal Service Funds

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
PRINT SERVICES FUND (210)	\$ 692,206	\$ -	(100.0%)
<i>Less Appropriation to Other Funds</i>	(75,000)	-	
NET PRINT SHOP FUND	\$ 617,206	\$ -	(100.0%)
RISK MANAGEMENT FUND (230)	\$ 12,215,982	\$ 10,624,972	(13.0%)
<i>Less Appropriation to Other Funds</i>	-	(77,185)	
NET INSURANCE FUND	\$ 12,215,982	\$ 10,547,787	(13.7%)
HEALTH/DENTAL TRUST FUND (240)	\$ 33,965,000	\$ 34,906,500	2.8%
<i>Less Appropriation to Other Funds</i>	-	-	
NET HEALTH/DENTAL TRUST FUND	\$ 33,965,000	\$ 34,906,500	2.8%
GOVERNMENTAL EQUIPMENT FUND (251)	\$ 13,865,904	\$ 15,918,000	14.8%
<i>Less Appropriation to Other Funds</i>	(155,000)	-	
NET GOVERNMENTAL EQUIPMENT FUND	\$ 13,710,904	\$ 15,918,000	16.1%
ENTERPRISE EQUIPMENT FUND (252)	\$ 3,338,300	\$ 1,727,000	(48.3%)
<i>Less Appropriation to Other Funds</i>	(700,000)	-	
NET ENTERPRISE EQUIPMENT FUND	\$ 2,638,300	\$ 1,727,000	(34.5%)
VEHICLE FLEET SERVICES (260)	\$ 17,666,587	\$ 17,100,000	(3.2%)
<i>Less Appropriation to Other Funds</i>	(349,700)	(96,889)	
NET VEHICLE FLEET SERVICES FUND	\$ 17,316,887	\$ 17,003,111	(1.8%)
OPEB FUND (925)	\$ 13,349,800	\$ 14,955,000	12.0%
<i>Less Appropriation to Other Funds</i>	-	-	
NET OPEB FUND	\$ 13,349,800	\$ 14,955,000	12.0%
TOTAL INTERNAL SERVICE FUNDS	\$ 95,093,779	\$ 95,231,472	0.1%
<i>Less Appropriation to Other Funds</i>	(424,700)	(96,889)	
NET INTERNAL SERVICE FUNDS	\$ 94,669,079	\$ 95,134,583	0.5%

General Fund

Appropriations by Division

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	% CHANGE 2011-12 TO <u>2012-13</u>
General Government			
City Council	\$ 168,220	\$ 272,644	62%
City Clerk	559,927	537,338	(4%)
City Attorney	2,474,176	2,606,625	5%
Special Appropriations	29,100,412	29,591,478	2%
City Manager	2,423,783	2,242,547	(7%)
Public Affairs	951,280	1,072,699	13%
Raleigh TV Network	665,440	655,053	(2%)
Subtotal, General Gov't	\$ 36,343,238	\$ 36,978,384	2%
Human Resources	\$ 2,891,545	\$ 3,036,218	5%
Budget & Management Services	\$ 1,316,701	\$ 1,396,621	6%
Finance			
Administration	\$ 460,525	\$ 459,304	(0%)
Internal Audits	304,704	301,961	(1%)
Treasury	632,663	629,652	(0%)
Revenue	1,282,380	1,251,566	(2%)
Utility Billing	5,746,810	5,728,735	(0%)
Purchasing	551,794	554,548	0%
Accounting and Financial Reporting	1,661,633	1,655,048	(0%)
Payroll	656,763	655,317	(0%)
Subtotal, Finance	\$ 11,297,272	\$ 11,236,131	(1%)
Information Technology			
IT Administration	\$ 2,966,365	\$ 1,157,820	(61%)
IT Strategy and Planning	1,000,398	2,116,006	112%
Enterprise Infrastructure Management	4,712,779	5,917,682	26%
Enterprise Bus. Application Support	5,833,012	4,886,092	(16%)
Customer Relationship Management	1,437,789	2,261,809	57%
Subtotal, Info Technology	\$ 15,950,343	\$ 16,339,409	2%
Public Works			
Public Works	\$ 13,435,275	\$ 13,443,983	0%
Construction Management	1,457,554	1,381,013	(5%)

General Fund

Appropriations by Division

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2011-12</u>	% CHANGE 2011-12 TO <u>2012-13</u>
<i>Public Works Continued</i>			
Stormwater Maintenance	\$ 3,100,215	\$ 3,042,121	(2%)
Street Maintenance	9,136,556	9,071,686	(1%)
Safelight	893,189	891,619	(0%)
Subtotal, Public Works	\$ 28,022,789	\$ 27,830,422	(1%)
<i>Planning & Development</i>			
Planning	\$ 4,502,894	\$ 5,294,014	18%
Inspections	8,054,301	7,741,386	(4%)
Development Services	3,464,307	2,824,414	(18%)
CAMPO	219,741	203,677	(7%)
Subtotal, Planning & Econ Dev	\$ 16,241,243	\$ 16,063,491	(1%)
<i>Community Services</i>	\$ 1,742,002	\$ 1,743,287	0%
<i>Police</i>			
Administration	15,804,869	17,136,570	8%
Police Chief's Office	2,595,545	2,440,738	(6%)
Special Operations	10,329,543	8,690,721	(16%)
Field Operations	41,146,022	41,379,165	1%
Detective Operations	18,794,619	18,751,541	(0%)
Subtotal, Police	\$ 88,670,598	\$ 88,398,735	(0%)
<i>Fire</i>			
Administration	\$ 2,135,871	2,010,374	(6%)
Fire Prevention	2,761,160	2,869,650	4%
Fire Operations	40,249,138	40,723,727	1%
Support Services	3,332,713	3,634,675	9%
Hazmat Operations	183,896	192,170	4%
Training	988,931	1,052,938	6%
Subtotal, Fire	\$ 49,651,709	\$ 50,483,534	2%
<i>Emergency Communications</i>	\$ 6,919,726	\$ 7,280,440	5%
<i>Solid Waste Services*</i>			
Administration	\$ 3,449,011	-	(100%)
Recycling	4,349,772	-	(100%)
Residential Collection	14,422,968	-	(100%)
Yard Waste Center	1,687,101	-	(100%)
Subtotal, Solid Waste Serv.	\$ 23,908,852	\$ -	(100%)

General Fund

Appropriations by Division

	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2011-12</u>	% CHANGE 2011-12 TO <u>2012-13</u>
<i>Parks & Recreation</i>			
Administration	\$ 3,573,092	\$ 3,605,813	1%
Cultural Arts Office	370,934	391,141	5%
Parks	8,159,555	8,060,778	(1%)
Highway Maintenance	1,588,171	1,735,705	9%
Cemeteries	309,919	311,359	0%
Greenway	1,412,220	1,792,225	27%
Recreation	15,015,787	15,426,072	3%
P&R Schools Based Programs	1,691,295	1,578,788	(7%)
Urban Trees	1,132,266	1,263,891	12%
Design & Development	1,522,030	1,524,704	0%
Park Facility Maintenance	5,812,083	5,884,995	1%
Building Maintenance	4,300,574	4,168,092	(3%)
Subtotal, Parks & Recreation	\$ 44,887,926	\$ 45,743,563	2%
<i>General Fund Special Programs</i>			
Arts Agencies	\$ 1,831,829	\$ 2,140,010	17%
Human Service Agencies	864,000	957,100	11%
Other Agency Appropriations	773,350	458,350	(41%)
Public Transit & ART	16,868,957	17,452,029	3%
SWS Operations	-	12,767,374	
Housing Appropriations	1,347,360	1,331,428	(1%)
Capital Debt Service Appropriation	37,254,355	41,935,177	13%
Subtotal, Special Programs	\$ 58,939,851	\$ 77,041,468	31%
TOTAL GENERAL FUND	\$ 386,783,795	\$ 383,571,703	(0.8%)
<i>Less Approp to Other Funds</i>	(66,970,858)	(87,562,748)	31%
NET GENERAL FUND	\$ 319,812,937	\$ 296,008,955	(7.4%)

*Effective with the FY13 budget, Solid Waste Services (SWS) expenses and revenues were moved to the SWS Operations Enterprise Fund .

General Fund

Appropriations by Type

	ADOPTED BUDGET <u>2011-12</u>	% OF <u>TOTAL</u>	PROPOSED BUDGET <u>2012-13</u>	% OF <u>TOTAL</u>	% CHANGE 2011-12 TO <u>2012-13</u>
Salaries & Related Services *	\$ 228,339,150	59%	\$ 219,639,092	57%	(3.8%)
Operating Expenditures	86,514,946	22%	71,640,547	19%	(17.2%)
Capital Equipment **	1,181,571	0%	1,107,971	0%	(6.2%)
Appropriations to Other Operating Funds	21,741,963	6%	35,577,602	9%	63.6%
Appropriations to Capital Debt Service	37,254,355	10%	41,935,177	11%	12.6%
Appropriations to Capital Programs	8,216,746	2%	10,049,969	3%	22.3%
Appropriations to External Organizations	3,535,064	1%	3,621,345	1%	2.4%
TOTAL	\$ 386,783,795		\$ 383,571,703		(0.8%)

* Salaries and Related Services includes the salary cost for all full-time, part-time, temporary and seasonal employees, the cost of employee benefits including social security, retirement, health and dental insurance, and all costs associated with administering employee benefit programs.

** The capital equipment category includes items costing more than \$1,000, with lower cost equipment items included in the operating expenditures category.

Public Utilities Fund

Appropriations by Division

	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	% CHANGE 2011-12 TO 2012-13
<i>Public Utilities</i>			
Administration	\$ 5,898,620	\$ 6,009,360	1.9%
Capital Improvement Management	1,839,944	2,140,001	16.3%
Water Plant	20,996,791	21,182,702	0.9%
Waste Treatment Plant	17,184,240	16,895,700	(1.7%)
Reuse Operation	4,942,488	4,865,195	(1.6%)
Utilities Sewer Maintenance	11,083,655	10,788,328	(2.7%)
Utilities Water Distribution	7,497,785	7,978,771	6.4%
Meters	5,700,065	5,479,666	(3.9%)
Facilities Support	3,640,035	2,628,057	(27.8%)
Special Appropriations	50,530,036	67,152,650	32.9%
Capital Debt Service Appropriation	45,000,000	45,000,000	0.0%
Subtotal, Public Utilities Fund	\$ 174,313,659	\$ 190,120,430	9.1%
TOTAL PUBLIC UTILITIES	\$ 174,313,659	\$ 190,120,430	9.1%
<i>Less Approp to Other Funds</i>	(79,742,235)	(97,072,404)	21.7%
NET PUBLIC UTILITIES FUND	\$ 94,571,424	\$ 93,048,026	(1.6%)

Fund Balance

The unassigned General Fund balance of the City was \$58,175,895 on June 30, 2011, which is 14.3 percent of the FY12 general fund budget. At this point in the fiscal year, the estimated undesignated General Fund balance as of June 30, 2012 is projected to be near the \$56.5 million level. The City seeks a fund balance level of approximately 14% of the subsequent year's budget to assure necessary resources to meet unanticipated emergencies, provide adequate cash flow and provide the needed measure of financial position to best assure maintenance of the AAA/Aaa credit ratings for the City.

The proposed budget for FY13 includes the appropriation of \$13.0 million of General Fund

fund balance expected from FY12 operations. Appropriations of this amount, which is consistent with prior years, should still allow the June 30, 2012 undesignated fund balance to be maintained at an approximate level of 14 percent of the FY13 budget.

The following chart reports the amount of appropriated fund balance and undesignated fund balance amounts for the previous five years. Generally, the actual annual operating revenues themselves have been sufficient to meet the level of operating expenditures, thus allowing the continuing fund balance appropriations.

Fiscal Year	Appropriated General Fund Balance*	% of General Fund*	Actual Undesignated General Fund Balance	% of Subsequent Years General Fund Budget
2002-03	\$ 13,314,197	5%	\$ 61,482,519	15%
2003-04	\$ 13,425,000	5%	\$ 39,683,487	14%
2004-05	\$ 12,881,840	5%	\$ 41,543,152	14%
2005-06	\$ 13,096,750	5%	\$ 47,995,455	15%
2006-07	\$ 12,587,500	4%	\$ 54,203,298	15%
2007-08	\$ 13,000,000	4%	\$ 56,192,191	14%
2008-09	\$ 13,000,000	4%	\$ 61,492,519	15%
2009-10	\$ 13,000,000	4%	\$ 59,929,840	15%
2010-11	\$ 13,846,859	4%	\$ 58,178,895	14%
2011-12	\$ 13,000,000	4%	\$ 56,483,380	** 14%

* Operating General Fund only — does not include debt service fund or other funds consolidated for financial statement purposes.

** Projected.

Proposed Budget Position Summary

	Authorized July 1, 2010		Authorized July 1, 2011		Proposed July 1, 2012	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
General Government						
City Council	8	-	8	-	8	-
City Clerk	5	-	5	-	5	-
City Attorney	17	-	18	-	20	-
City Manager	12	-	21	2	19	2
Public Affairs ¹	17	2	17	2	20	-
Human Resources	25	-	25	-	25	-
Administrative Services ²	24	1	-	-	-	-
Budget & Mgmt Services	-	-	14	-	14	-
Finance	122	5	107	5	106	5
Information Technology	77	-	78	-	79	-
Infrastructure and Public Services						
Public Works	245	171	236	159	237	159
Planning & Development ³	196	-	190	11	189	11
Solid Waste Services ⁴	223	-	211	-	-	204
Community Services	15	-	15	3	15	3
Community Development	-	23	-	23	-	23
Public Safety						
Police	892	-	882	-	879	-
Fire	568	-	575	-	575	-
ECC	102	-	96	6	103	6
Leisure Services						
Convention Center	-	109	-	108	-	104
Parks & Recreation	401	-	408	-	428	-
Public Utilities						
Public Utilities	-	570	-	586	-	586
	Authorized July 1, 2010		Authorized July 1, 2011		Proposed July 1, 2012	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Total	2,949	884	2,906	905	2,722	1,103
Total All Funds	-	3,833	-	3,811	-	3,825
Net Annual Change	(13)	2	(43)	21	(184)	198

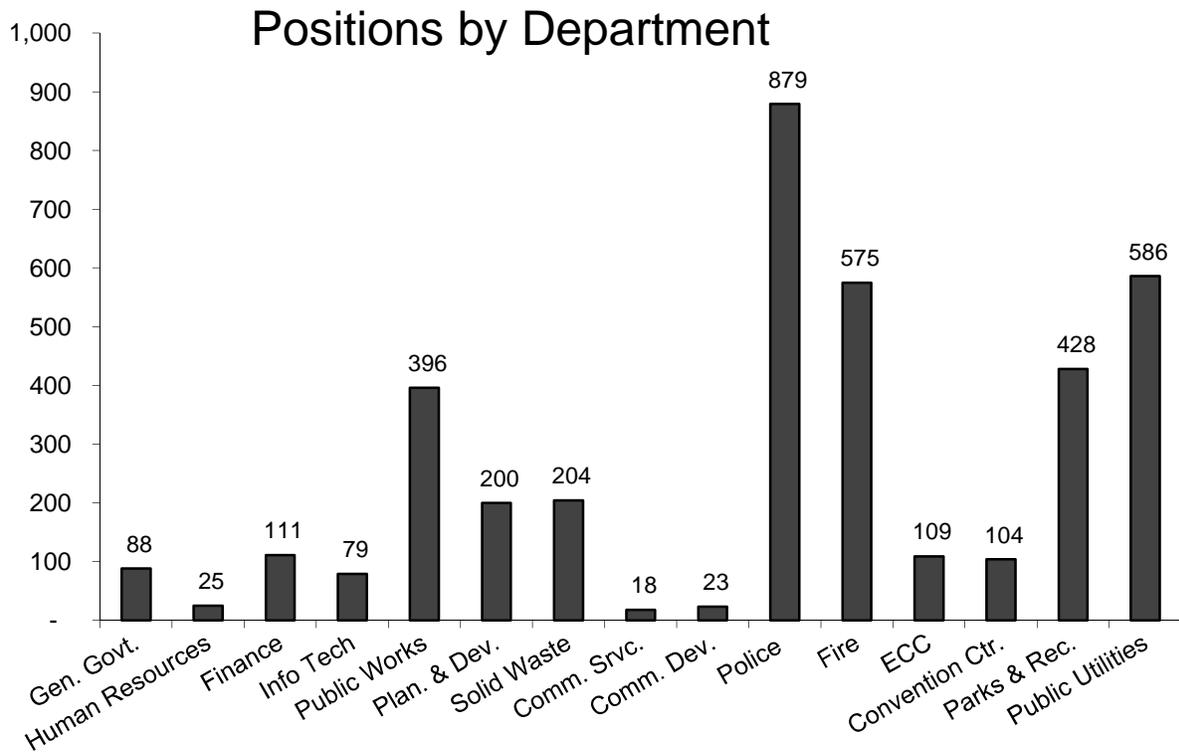
¹ The Print Shop no longer exists as an external fund. The two positions previously in the Print Shop fund are now in the Public Affairs' General Fund.

² Beginning January 31, 2011, the Administrative Services Department was dissolved. Positions were moved into the City Manager's Office and the Budget & Management Svcs Department.

³ Planning & Development consists of the Department of City Planning, the Inspections Department and the Office of Development Services.

⁴ The FY13 budget establishes Solid Waste Services as an enterprise fund, moving all authorized positions out of the General Fund.

Proposed Budget Position Summary



Position Count Changes

Department	Change	Position Title	Action
City Attorney	1	Paralegal	FY13 Addition
	1	Attorney	Mid-Year Addition
City Manager	-1	Senior Staff Analyst	FY13 Deletion
	-1	Administrative Assistant	To Information Technology
Finance	-1	Mail Clerk	To Public Affairs
Emergency Communications	7	Call Taker I	FY13 Addition
Information Technology	1	Administrative Assistant	From City Manager
Parks and Recreation	4	Service Specialist Recreation Facility & Program	FY13 Addition
	1	Supervisor III Recreation Facility & Program	FY13 Addition
	2	Supervisor II	FY13 Addition
	1	Administrative Support Specialist	FY13 Addition
	2	Crew Supervisor	FY13 Addition
	2	Gardener	FY13 Addition
	2	Tree Trimmer	FY13 Addition
	3	Equipment Operator I	FY13 Addition
	1	Equipment Operator II	FY13 Addition
	1	Equipment Operator III	FY13 Addition
	1	Maintenance Worker II	FY13 Addition
Planning and Development	-1	Staff Support Specialist	FY13 Deletion
Police	-1	Staff Assistant	Mid-Year Deletion
	-1	Staff Support Specialist	Mid-Year Deletion
	-1	Crime Analyst	Mid-Year Deletion
Public Affairs	1	Mail Clerk	From Finance
Public Works	1	Traffic Signal Systems Analyst	Mid-Year Addition
Convention Center/PAC	-1	Service Specialist	FY13 Deletion
	-1	RCCC Production Assistant	FY13 Deletion
	-2	Security Guard	FY13 Deletion
Solid Waste Services	-3	Service Specialist	FY13 Deletion
	-3	Equipment Operator I	FY13 Deletion
	-1	Custodian	FY13 Deletion

*Effective July 1, 2012, the Print Shop will close, and Print Services staff will move to the General Fund.

Position Count Changes

Position Changes FY12 through FY13		FY13 Budget Position Changes	
Mid-Year Additions	2	Additions General Fund	28
Mid-Year Eliminations	-3	Deletions General Fund	-2
Proposed FY13 Additions	28	Additions Other Funds	0
Proposed FY13 Deletions	-13	Deletions Other Funds	-11
Net Total	14		

Proposed Position Classification Changes

The FY 2012-13 Budget includes the following pay grade and/or title reclassifications as well as new position classifications:

NEW CLASSIFICATIONS

Position	Grade	Position	Grade
Raleigh Historical Resources & Museum Administrator	39	Industrial Maintenance Electrician	32
Raleigh Arts Administrator	39	Lead Industrial Maintenance Electrician	34
Events Manager	34	Executive Staff Assistant	36

INDIVIDUAL CHANGES

(Classifications in which not every employee within the class may be affected by the change. If more than one is affected by the change, the number affected appears in parentheses)

Current		Proposed	
Position	Grade	Position	Grade
<i>City Manager</i> Staff Assistant	34	Executive Staff Assistant	36
<i>Emergency Communications</i> Emergency Communications Director	46	Emergency Communications Director	47
<i>Fire</i> Fire Chief	48	Fire Chief	49
<i>Human Resources</i> Human Resources Director	47	Human Resources Director	48
<i>Parks & Recreation</i> Arts Program Coordinator	35	Recreation Program Director Recreation Facilities & Program	37
Senior Recreation Program Specialist	32	Supervisor II	33
Maintenance Worker I	25	Maintenance Mechanic III	32
Recreation Facilities & Program Supervisor III	35	Raleigh Historical Resources & Museum Administrator	39
Executive Director, Raleigh Arts Commission	39	Raleigh Arts Administrator	39
<i>Police</i> Police Chief	49	Police Chief	50
<i>Public Works</i> Public Works Director	48	Public Works Director	49

INDIVIDUAL CHANGES (continued)

Current		Proposed	
Position	Grade	Position	Grade
<i>Convention Center</i>			
RCCC Director	49	RCCC Director	50
Events Coordinator	32	Events Manager	34
Administrative Support Specialist	27	RCCC Marketing Specialist	35
<i>Public Utilities</i>			
Sewer Monitoring Supervisor I	30	Utility Supervisor II	31
Engineering Inspector	31	Utility Supervisor II	31
Service Specialist (2)	23	Utility Supervisor I (2)	29
Equipment Operator I	25	Equipment Operator III	27
Equipment Operator I	25	Equipment Operator II	26
Service Specialist (2)	23	Senior Service Specialist (2)	26
Senior Staff Support Specialist	25	Maintenance Mechanic II	31
Plant Instrumentation Technician	32	Industrial Maintenance Electrician	32
Lead Instrumentation Technician	34	Lead Industrial Maintenance Electrician	34
<i>Solid Waste Services</i>			
Solid Waste Services Director	46	Solid Waste Services Director	47
Scale Operator	23	Scale Operator	25
Equipment Operator II (3)	26	Equipment Operator III (3)	27

Revenue Summary

	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
OPERATING FUNDS				
100 General Fund	\$ 386,347,998	\$ 386,783,795	\$ 383,571,703	(0.8%)
110 Economic Development Fund	2,050,469	2,131,469	2,080,302	(2.4%)
310 Public Utilities Fund	153,277,699	174,313,659	190,120,430	9.1%
360 Solid Waste Operating Fund	-	-	31,557,805	-
460 Stormwater Utility Fund	15,270,581	14,993,761	15,864,531	5.8%
642 Convention Center Operations Fd	18,622,219	16,172,280	16,413,212	1.5%
SUBTOTAL	575,568,966	594,394,964	639,607,983	7.6%
CATEGORICAL PROGRAM FUNDS				
130 Revolving Fund	\$ 8,087,629	\$ 8,051,655	\$ 8,360,795	3.8%
410 Public Transit Fund	21,946,626	24,393,829	25,905,992	6.2%
442 Parking Facilities Fund - Operating	16,017,283	12,658,048	14,816,191	17.0%
711 Wireless 9-1-1- Tax Fund	1,966,607	-	-	-
712 Emergency Telephone System Fund	-	2,398,232	2,489,189	3.8%
Housing Development Funds	1,606,907	1,683,952	1,698,832	0.9%
Community Development Funds	5,276,417	4,542,271	4,668,970	2.8%
SUBTOTAL	54,901,469	53,727,987	57,939,969	7.8%
CAPITAL DEBT SERVICE FUNDS				
190 General Debt Service Fund	\$ 46,298,439	\$ 47,714,134	\$ 52,693,546	10.4%
315 Utility Debt Service Fund	50,083,648	54,729,528	51,589,669	(5.7%)
444 Parking Debt Service Fund	8,457,261	7,766,545	7,925,000	2.0%
644 New Conv Center Debt Service Fd	12,742,715	11,502,930	11,166,170	(2.9%)
SUBTOTAL	117,582,063	121,713,137	123,374,385	1.4%
CAPITAL PROJECT FUNDS				
320 Water Capital Projects Fund	\$ 3,300,000	\$ 8,500,000	\$ 16,150,000	90.0%
325 Sewer Capital Projects Fund	200,000	7,500,000	17,766,000	136.9%
446 Parking Facilities Fund - Projects	615,000	675,000	405,000	(40.0%)
470 Stormwater Utility Cap Proj Fund	4,570,000	30,275,000	4,915,000	(83.8%)
501 Technology Fund	6,800,000	7,644,601	6,867,200	(10.2%)
502 ERP Project Fund	2,000,000	-	-	-
505 Capital Projects Fund	1,644,900	2,752,090	10,997,000	299.6%
515 Sidewalk Fund	905,000	551,000	840,000	52.5%
525 Street Improvement Fund	8,473,435	3,401,628	6,931,520	103.8%
545 Street Facility Fees Fund	3,510,555	3,125,834	2,880,000	(7.9%)
610 Park Acq -- Facility Fees Fund	821,406	2,400,000	1,420,000	(40.8%)
625 Park Improvement Fund	1,015,000	2,825,000	2,070,000	(26.7%)
646 Conv Ctr/Mem Aud Project Fund	200,000	-	5,772,761	-
650 Walnut Creek Amphitheater Capital Fun	401,677	415,000	900,000	116.9%
700 Powell Bill Fund	8,902,520	9,500,520	9,931,020	4.5%
715 Convention Center Financing Fund	14,569,000	14,301,000	17,163,200	20.0%
720 Housing Bond Fund 6/96	1,430,000	648,000	500,000	(22.8%)
SUBTOTAL	\$ 59,358,493	\$ 94,514,673	\$ 105,508,701	11.6%
TOTAL ALL FUNDS	\$ 807,410,991	\$ 864,350,761	\$ 926,431,038	7.2%
LESS: Interfund Transfers	(187,682,483)	(201,077,018)	(247,540,927)	
NET OPERATING & CAPITAL BUDGET	619,728,508	663,273,743	678,890,111	2.4%

Revenue Estimates

The revenue estimates for the FY13 budget have been made carefully in accordance with city practice. It is city practice to prudently estimate revenues because of the need to be assured that resources will be available to meet operating, debt, and capital needs pursuant to “no deficiency” budget requirements imposed by state statute. Significant revenue sources within the various funds are as follows:

I. OPERATING FUNDS

FUND 100 GENERAL FUND

A. Ad Valorem Taxes \$194,239,035

Tax Base

The property tax base is the combination of annually updated values assigned to real, personal and state certified properties by the Wake County Tax Assessor. The following table indicates growth over the past nine years along with projections for the current and following year in thousands of dollars.

(in thousands of dollars)

<u>Fiscal Year</u>	<u>Gross Tax Value</u>	<u>Growth Rate</u>	<u>Tax Rates</u>	<u>Rate Change</u>
FY 02-03	\$28,187,871	5.3%	0.3850	-
FY 03-04	\$29,380,152	4.2%	0.3850	-
FY 04-05	\$30,669,500	4.4%	0.3950	0.0100
FY 05-06	\$32,216,124	5.0%	0.3950	-
FY 06-07	\$33,613,013	4.3%	0.4350	0.0400
FY 07-08	\$35,109,178	4.5%	0.4350	-
FY 08-09	\$48,694,989 **	38.7% *	0.3735	0.0418 *
FY 09-10	\$49,308,966 **	1.3%	0.3735	-
FY 10-11	\$49,700,795	0.8%	0.3735	-
FY 11-12 (Projected)	\$50,147,408	0.9%	0.3735	-
FY 12-13 (Projected)	\$50,560,000	0.8%	0.3826	0.0091

* Revaluation year - Revenue Neutral Tax Rate off 33.17 cents plus 4.18 cent

** RFY09, FY10 collections offset some by higher rebates due to revaluation

Projected tax base components for FY 12-13 compared with the projected final FY 11-12 amounts in thousands of dollars are as follows:

(in thousands of dollars)

	<u>Projected FY 11-12</u>	<u>Projected FY 12-13</u>	<u>Percent of Change</u>
Real	\$44,051,143	\$44,400,000	0.8%
Personal	5,439,130	5,505,000	1.2%
State Certified	657,135	655,000	(0.3%)
Totals	<u>\$50,147,408</u>	<u>\$50,560,000</u>	<u>0.8%</u>

The following are descriptions of the various components of the tax base real, personal and public service values:

1. Real Property Values: The FY13 projected real property tax base of land, buildings and residences reflects a net growth factor of 0.8% based upon continuing growth and new annexations effective June 30, 2012.
2. Personal Property Values: This category includes business personal property and all re-licensed motor vehicles that are taxed under state law enacted in FY94.
3. State Certified Values: The State of North Carolina annually certifies the values of public utilities and transportation organizations whose asset base extends into many governmental jurisdictions across the state. Examples include Progress Energy, BellSouth, CSX Transportation, freight carriers, etc. The projected value for FY 12-13 is \$655,000,000.

Ad Valorem Tax Revenue - Current

The ad valorem tax revenue estimate represents a tax rate of \$.3826 applied to the projected net tax base of \$50,560,000 with a collection rate of 98.2%, for an estimated total of \$190,260,382.

Municipal Service Districts – Ad Valorem Tax

The Downtown Municipal Service District, a separate tax district within the City was established in FY03 to provide a higher service level for the downtown corridor district. The FY13 tax rate is \$.0786 per \$100 of assessed property value. The estimated total revenue for the service district is \$1,209,705. The Hillsborough Street Municipal Service District, a separate tax district within the City was established in FY09 to provide a higher service level for the Hillsborough Street corridor district. The FY13 tax rate is \$.10 per \$100 of assessed property value. The estimated total revenue for the service district is \$179,891.

Ad Valorem Tax - Prior Years

The City receives back-taxes and penalties for collections on prior year levies. For FY13, the anticipated total is \$2,589,057.

B. Intergovernmental Revenues \$ 30,103,389

North Carolina Franchise Tax

The state collected revenue source combines: (1) the traditional franchise tax distributed to local governments on the basis on actual receipts of electric service within governmental jurisdictions; (2) an excise tax on piped natural gas, begun in FY00; and (3) a sales tax on telecommunication services begun in 2001 that replaced the utility franchise tax on local telephone service. A 3.22% franchise tax is levied by the state for electric service receipts with 3.09% being distributed. The excise tax rate is based on the volumes of natural gas received by end-users. The sales tax on telecommunication is distributed based on each municipality's past share of the old telephone franchise tax. The FY13 revenue estimate of \$23,300,000 is based upon projected levels of revenue from these sources.

North Carolina Beer and Wine Tax

The North Carolina beer and wine tax is a state collected revenue distributed to local governments on the basis of population among all jurisdictions making such sales. While growth was legislatively restored to this revenue source in FY96, real growth has remained very moderate. A budget projection of \$1,750,000 is estimated for FY13.

ABC Revenue

The Wake ABC tax revenues are distributed to all units within the county. This distribution occurs on the basis of ad valorem tax valuation. The estimate for FY13 is \$1,245,000.

North Carolina Fire Reimbursement

The state reimburses a portion of the cost of providing fire protection to state-owned property. In FY98, the legislature approved an increase from the previous \$296,320, FY13 reimbursements are estimated to be \$988,000.

Payments in Lieu of Taxes

The City budgets payments in lieu of taxes from the Raleigh Housing Authority (\$219,940) and the Raleigh Entertainment and Sports Arena Complex (\$840,356). The total estimated for FY13 is \$1,060,296.

Other Intergovernmental Revenues

The City receives annual revenues from Wake County for the Hazmat, School Resource Officers, EMT, heavy equipment rental tax, Interlocal Agreement Support and from the Federal Government for forfeitures. Those intergovernmental revenues for FY13 are projected at \$1,760,093.

C. Sales Tax \$68,695,536

The City of Raleigh participates in the county 2 cent local option sales tax as governed by General Statute 105 - Articles 39, 40 & 42. As legislative purposes have dictated changes in sales tax distributions to local governments, efforts to hold municipalities "harmless" pass on an additional distribution equivalent to 1/2 cent in the monthly distribution from the State's Department of Revenue to local governments. The basis of the local sales tax levied is presented in the table below.

Net Distribution Basis (Articles 39, 40, 42 & Hold Harmless)	Sales Tax Levy
Distributed based on <i>Point of Delivery</i> (Local Economy)	1 ¼ cent
Distributed based on Statewide <i>Per Capita</i> (Statewide Economy)	1 ¼ cent
Total Distribution	2 ½ cent

Local Option Sales Tax (1 cent: Article 39)

The Local Option Sales tax is distributed to each county on the basis of point of delivery (1 cent point of delivery – local economy) and further distributed on the basis of either the ad valorem tax levy or population within the county, at the option of the Board of County Commissioners. The Wake Commissioners elected the population basis. An estimate for FY13 of \$31,673,251 is budgeted.

Supplemental Sales Tax (two taxes of ½ cents: Articles 40 & 42)

For Article 40, the Wake County Commissioners authorized the assessment of the supplemental (half-cent) sales tax beginning July 1, 1984. This half-cent sales tax is collected by the state and remitted to counties and cities on a statewide population basis (1/2 cent per capita – statewide economy).

Article 42, a second half-cent sales tax was levied October, 1986. The basis of this half-cent sales tax is point of delivery (1/2 cent point of delivery – local economy) as of October 1, 2009.

Hold Harmless (½ cents)

The municipal "hold harmless" provision accounts for prior legislative changes in local sales tax distributions by passing through a net additional half-cent sales tax. By increasing the Article 40 per capita above and decreasing the Article 39 actual point of delivery, the hold harmless provision evens the mix between point of delivery (local economy) and per capita (statewide economy) to 1 ¼ cent each.

The "hold harmless" provision is budgeted along with the Supplemental Sales Tax Articles 40 & 42 with an estimate for FY13 of \$37,022,285 budgeted.

The following is a chart reflecting amounts of total sales tax received for the last eight years plus current projected. Economic conditions will continue to have an impact on amounts paid.

<u>Fiscal Year</u>	<u>Total Amount Received</u>	<u>% of Change</u>
03-04	55,212,178	28.6%
04-05	55,953,757	1.3%
05-06	61,496,257	9.9%
06-07	67,178,544	9.2%
07-08	70,312,998	4.7%
08-09	62,442,230	-11.2%
09-10	58,650,643	-6.1%
10-11	61,775,981	5.3%
11-12 (Projected)	66,152,369	7.1%
12-13 (Projected)	68,695,536	3.8%

D. Licenses \$20,205,648

Automobile License Tax

The state legislature has authorized an automobile license tax of \$30 per vehicle. This tax is expected to generate total collections of \$7,850,000 for FY13.

Cablevision Franchise

Recent deregulation of the cable industry essentially ended the franchise fee and Public Educational Government (PEG) fee structure on December 31, 2006. The addition of new providers in the Raleigh market along with the sales tax fee on cable and video services has increased the allocation of video tax payments to the City. This revenue source will continue to be monitored closely. The projection of the franchise fee is \$5,250,000 for FY13.

Schedule B

The City charges a privilege license fee for various businesses that are conducting operations within the City limits. Currently, the maximum fee is twenty thousand dollars (\$20,000). Based on collection trends a combined total of \$7,100,648 is projected for FY13.

Other Licenses

The City also collects for taxi licenses. The estimated amount for FY13 is \$5,000.

E. Interest on Investments \$1,088,000

The City invests 100% of its available cash. In recent years, yields have been small on shorter term instruments. In an effort to increase earnings, the City has purchased some longer term instruments. However, current economic conditions continue to impact interest earnings. An amount of \$1,088,000 is estimated for FY13.

F. Inspection Fees \$7,277,250

The activity in inspection fees goes through cycles that are connected to the economy, trends in general building levels and recently the bank lending environment. While there were no fee increases included in this year's budget, our projection for inspection fees is \$7,277,250 for FY13.

G. Highway Maintenance Refunds \$1,150,000

In past years, the State of North Carolina has reimbursed the City for road maintenance work done on state-maintained streets. The work under the agreement in effect during FY13 is done by Public Works.

Levels of reimbursement have adjusted in recent years. The annual level of support for FY13 is projected at \$1,150,000.

H. Parks and Recreation Revenues \$4,874,000

The city collects various athletic fees, community center program fees, and other revenues in the General Fund. An estimated total of \$4,874,000 is projected for FY13 based on historical trends as well as FY13 revenues from Buffaloe Road Aquatics and from Pullen Park operations (reopened November 2011)

I. Public Works Fees \$273,500

The City collects various fees for engineering inspections and permits. An estimated total of \$273,500 is projected for FY13 for these revenues.

J. Penalty Revenues \$461,975

The enforcement section in the City's Inspection Department assesses penalties for violations related to housing, construction, zoning, conservation, street and other municipal codes. Only 10% of these revenues are retained by the City for administrative costs, the remaining 90% are required to be remitted to the Wake County Public School system. The estimated remittance is reflected in the expenditure section. An estimated total for penalty revenues of \$461,975 is projected for FY13.

K. Miscellaneous Fees and Charges \$6,086,583

A variety of other revenues are shown within the miscellaneous fees and charges. These include ECC support from Wake County (\$1,880,787), proceeds from the safe light program (\$893,516), and miscellaneous income (\$700,000). The total estimated for all accounts for FY13 is \$6,086,583.

L. Transfer/Reimbursements from Other Funds \$15,010,801

Appropriations include transfers in from the Powell Bill Fund, and indirect cost transfers from Parking, Solid Waste, and other funds.

M. General Fund Balance Appropriation \$13,000,000

The appropriation from fund balance for FY13 is \$13,000,000. Such appropriations result from the expected budget variances from operating results for FY12 and appropriation of other available reserves. This level is considered available for appropriation in FY13 without adversely affecting the City's financial position, which is critical to the maintenance of the City's AAA/Aaa credit ratings.

N. Reimbursements from Utility Fund \$15,350,103

The Utility Fund reimburses the General Fund for direct and indirect charges that are expensed in the General Fund for the Utilities enterprise. These include reimbursement of the Utility Billing Services program expenses in the Finance Department, amounts calculated in the City's indirect cost allocation plan for the Public Utilities Department and water and sewer street cuts. The estimated amount reimbursable in FY13 is \$15,350,103.

O. Reimbursements from Stormwater Fund \$5,755,883

The Stormwater Fund reimburses the General Fund for direct and indirect charges that are expensed in the General Fund for the Stormwater enterprise. These include reimbursement for street maintenance and amounts calculated in the city's indirect cost allocation plan for the Stormwater enterprise. The estimated reimbursable amount in FY13 is \$5,755,883.

Total Fund 100 General Fund \$383,571,703

FUND 110 ECONOMIC DEVELOPMENT FUND**A. Transfers & Other Revenues \$2,080,302**

Transfers from the General Fund and interlocal agreement support constitute the major funding sources for the Economic Development Fund.

Total Fund 110 Economic Development Fund \$2,080,302

FUND 310 UTILITY OPERATING FUND**A. Utility Sales \$173,942,430**

The primary revenues from sales of water and wastewater service are projected with some growth over FY12 expected results as well as adherence to sufficiency model rates. Sewer rate adjustments in line with utility advisory task force recommendations are proposed for resource requirements of ongoing operations, capital maintenance and infrastructure for utility services. Revenues also include sales related to current municipal contracts with area local governments, regional mergers and a nutrient reduction fee used to fund debt service and utility capital projects.

Sales to the retail customer base for FY13 are projected at \$158,199,596. Another \$15,742,834 is projected from wholesale customers and for other utility services.

B. Other Revenues \$16,178,000

The City also projects other non-operating revenues such as interest income (\$770,400) and operating reserve (\$15,000,000). The total other revenues for FY13 are estimated at (\$407,600).

Total Fund 310 Utility Operating Fund \$190,120,430

FUND 360 SOLID WASTE OPERATING FUND**A. Residential Solid Waste Fees \$16,285,588**

The current solid waste fee is \$7.70 per month. In addition, a monthly residential recycling fee of \$2.60 is charged for a combined monthly fee of \$10.30 per month. The estimate for FY13 is \$16,285,588.

B. Transfers from Other Funds \$12,767,374

Appropriations from the General Fund provide funding for the balance of the Solid Waste Services Operating Funds after residential fee revenue and other solid waste revenues.

C. Other Revenues \$2,504,843

Other solid waste revenue accounts are county landfill partnership rebates (\$868,503), recycling contract revenues (\$738,000), yard waste center revenues (\$527,000), solid waste disposal tax distributed from the state (\$275,000), and revenue and fees from other miscellaneous services (\$96,340).

Total Fund 360 Stormwater Operating Fund \$31,557,805

FUND 460 STORMWATER OPERATING FUND**A. Fees \$14,715,000**

The City began collecting fees for stormwater services in the spring of 2004. The total revenues generated from the fees in FY13 are estimated at \$14,715,000.

B. Other Revenues \$1,149,531

Miscellaneous revenues such as interest on investments and soil erosion control fees make up the other revenues for the Fund.

Total Fund 460 Stormwater Operating Fund \$15,864,531

FUND 642 CONVENTION CENTER OPERATIONS FUND**A. Convention Center Fees and Charges \$9,796,870**

A variety of fees and charges associated with the revenue generating facilities of the convention center, performing arts center and amphitheater are used to recover a major portion of the expenses incurred by the various revenue producing operations. Such fees, estimated at \$9,796,870 for FY13 include sources such as facility fees, staff services, and box office services.

B. Transfers from Other Funds \$5,616,342

Most of the transfers are comprised of annual appropriations from the General Fund and the Convention Center Financing Fund. Total transfers provide approximately 35% of the funding.

C. Interlocal Agreement Support \$1,000,000

An annual distribution from the Hotel/Motel tax provided to the City by Wake County.

Total Fund 642 Convention Center Operations Fund \$16,413,212

TOTAL OPERATING FUNDS \$639,607,983

II. CATEGORICAL PROGRAM FUNDS**FUND 130 REVOLVING FUND****A. Fees, Sales & Other Misc. Revenues \$4,712,496**

A variety of fees, sales proceeds and other miscellaneous revenues from many of the over 60 "self-funded" activities recorded in this fund provide funding for budgeted programs. The estimated revenues from these sources are \$4,712,496 for FY13. While most of the Revolving Fund activities are recreational in nature, others that receive self-supporting fees and sales include community television promotions and art commission activities.

B. Appropriation of Prior Year Revenues \$3,648,299

Activities and programs budgeted in this fund must have collected revenues before they are allowed to make expenditures. This often results in excess collected revenues and interest income being carried forward for budgeting and use in subsequent periods. The carry forward revenue amount budgeted for FY13 is \$3,648,299.

Total Fund 130 Revolving Fund \$8,360,795

FUND 410 PUBLIC TRANSIT FUND**A. Passenger Revenues \$4,680,000**

Estimated fare box revenues (\$4,030,000) and passenger ART ticket purchases (\$650,000) constitute 18% of budgeted operating activities for the two programs in FY13.

B. Grants \$3,375,000

Federal grant funding totals \$800,000 for FY13. State grant funding (\$2,575,000) constitutes 10% of funded transit operating activities for FY13.

C. Transfers from Other Funds \$17,452,029

Appropriations from the General Fund provide funding for the balance of the transit operating program and ART program after passenger revenues, state funding and miscellaneous receipts.

D. Other Revenues \$398,963

Several revenue sources including advertising revenues (\$125,000), prior year revenues available for appropriation (\$246,963) and other miscellaneous receipts (\$27,000) provide supplemental funding for the transit operation in FY13.

Total Fund 410 Public Transit Fund \$25,905,992

FUND 442 PARKING FACILITIES OPERATING FUND**A. Parking Fees \$6,570,496**

Parking fees at city-owned parking facilities are estimated at \$6,570,496 for FY13. The amounts are based upon parking fee rate schedules and terms of the combined parking management contract.

B. Other Revenues \$8,245,695

Other revenues of the parking facilities fund for FY13 include parking violation penalties (\$2,209,333), meter revenue (\$1,112,525), appropriations from the General Fund and prior year parking revenues (\$4,653,114) and other miscellaneous sources (\$270,723).

Total Fund 442 Parking Facilities \$14,816,191

FUND 712 Emergency Telephone System Fund**A. Wireless Fees \$2,489,189**

The fund is used to account for Emergency Communication's portion of the state wireless telecommunications tax. These funds are utilized to cover eligible operating and infrastructure cost associated with responding to inbound 9-1-1 calls that are received from a wireless telecommunications device. In 2007 the state law modified the distribution method for 9-1-1 fees. Per the amendment to the City of Raleigh/Wake County 9-1-1 Funding Intergovernmental Agreement, the City now receives 9-1-1 state distributed revenue and is responsible for associated phone line costs.

Total Fund 712 Emergency Telephone System Fund \$2,489,189

FUND 735 - 736 HOUSING DEVELOPMENT FUNDS**A. Transfers from Other Funds \$1,331,428**

An annual transfer is made from the General Fund to support the housing programs in this fund.

B. Other Revenues \$367,404

Other revenues include interest income and various program income generated in the housing program.

Total 735-736 Housing Development Funds \$1,698,832

FUND 741 - 781 COMMUNITY DEVELOPMENT FUNDS**A. Federal Grants \$3,606,982**

Federal grants make up the majority of revenues for the Community Development programs. Funding includes the CDBG Block Grant (\$2,452,706), HOME Grants (\$958,873) and Emergency Shelter Grants (\$195,403).

B. Other Revenues \$1,061,988

Other revenues in the Community Development Fund include program income and proceeds from the sale of property (\$1,061,988).

Total 741-781 Community Development Funds \$4,668,970

TOTAL CATEGORICAL PROGRAM FUNDS \$57,939,969

III. CAPITAL DEBT SERVICE FUNDS**FUND 190 GENERAL DEBT SERVICE FUND****A. Transfers from Other Funds \$50,259,670**

The major sources of revenue for making the FY13 annual debt service payments on obligations of the City is the General Fund (\$41,935,177). This transfer is inclusive of property tax dedications for major capital projects - 2¢ (2005 referendum pre-revaluation basis), 1.68¢ (various projects in FY2009 capital improvement plan) and 0.91¢ (2011 referendum). Facility fee revenue transfers totaling \$4,120,000 provides support to this fund. Other funds having direct benefit from projects financed with general long-term resources also make annual contributions (\$4,204,493) to the debt service fund.

B. Other Revenues \$2,433,876

Other revenues used to fund the annual debt service program include rent from the Walnut Creek Amphitheater (\$1,000,000), interest income (\$142,458) and appropriation of fund reserves (\$1,291,418).

Total Fund 190 General Debt Service Fund \$52,693,546

FUND 315 UTILITY DEBT SERVICE FUND**A. Transfers from Other Funds \$45,600,000**

The major revenue source for the utility debt service program for FY13 is the annual transfer from the Public Utilities Fund (\$45,600,000).

B. Other Revenues \$5,989,669

Other revenues funding the utility debt service program include interest income (\$46,400), appropriation of fund reserves (\$5,043,269), and assessments and other miscellaneous receipts (\$900,000).

Total Fund 315 Utility Debt Service Fund \$51,589,669

FUND 444 PARKING DEBT SERVICE FUND**A. Transfers from Other Funds \$7,900,000**

The major revenue source for the parking debt service program for FY13 is the annual transfer from the Parking Facilities Fund (\$7,900,000).

B. Other Revenues \$25,000

Other revenue funding the parking debt service program includes interest income (\$25,000).

Total Fund 444 Parking Debt Service Fund \$7,925,000

FUND 644 CONVENTION CENTER DEBT SERVICE FUND

A. Other Revenues \$11,166,170

This fund was established to segregate the debt service associated with the City’s new Convention Center. Revenues to fund the debt service program include transfers from other funds (\$11,153,370) and interest income (\$12,800).

Total Fund 644 Convention Center Debt Service Fund \$11,166,170

TOTAL CAPITAL DEBT SERVICE FUNDS \$123,374,385

IV. CAPITAL PROJECT FUNDS

Revenues within the Capital Project Funds include several annual sources (Powell Bill gasoline tax, street and open space facility fees, assessments, residual financing sources such as general obligation and revenue bond proceeds and capital reserves.) The following are summaries of the major sources of funding in the FY13 Capital Projects program.

A. Powell Bill Allocation \$9,931,020

The Powell Bill revenue (\$9,931,020) is a distribution of the per gallon state gasoline tax based in part on local state system street mileage and in part on population.

B. Facility Fees \$4,300,000

Estimated street facility fees (\$2,880,000) and open space facility fees (\$1,420,000) are revenue sources funding a variety of eligible street and parks/greenway projects in the applicable facility fee zones of the city.

Other resources budgeted in the capital projects funds include appropriations of prior year revenues, residual bond proceeds, interest earnings, assessment income and interfund transfers.

TOTAL CAPITAL PROJECT FUNDS \$105,508,701

TOTAL ALL FUNDS \$926,431,038

TOTAL ALL FUNDS (NET OF INTERFUND TRANSFERS) \$678,890,111

Tax Values, Rates and Collections

Fiscal Year Ended	Year of Levy	Appraised/ Assessed Values *	% Chg	Tax Rates	Gross Levy	Gross Collected Current	% Collected Current	Collected Prior Years	Total Collected	Collected to Current Levy
1999	1998	16,068,479	4.8%	0.5250	84,576	82,600	97.7%	1,752	84,352	99.7%
2000	1999	17,008,260	5.8%	0.5250	89,412	87,245	97.6%	1,934	89,179	99.7%
1	2001	25,629,176	50.7%	0.3850	98,016	95,868	97.8%	1,950	97,818	99.8%
	2002	26,772,410	4.5%	0.3850	103,396	101,218	97.9%	1,935	103,153	99.8%
	2003	28,187,871	5.3%	0.3850	109,099	106,645	97.8%	2,279	108,924	99.8%
	2004	29,380,152	4.2%	0.3850	113,861	111,949	98.3%	1,830	113,779	99.9%
	2005	30,669,500	4.4%	0.3950	121,770	119,880	98.4%	1,854	121,734	100.0%
	2006	32,216,124	5.0%	0.3950	127,767	125,745	98.4%	1,974	127,719	100.0%
	2007	33,613,013	4.3%	0.4350	146,117	142,895	97.8%	1,980	144,875	99.1%
	2008	35,109,178	4.5%	0.4350	153,544	150,661	98.1%	2,350	153,011	99.7%
1	2009	48,694,989	38.7%	0.3735 **	180,076	177,014	98.3%	2,372	179,386	99.6%
	2010	49,308,966	1.3%	0.3735	184,081	181,460	98.6%	2,022	183,482	99.7%
	2011	49,700,795	0.8%	0.3735	186,156	183,736	98.7%	1,800	185,536	99.7%
2	2012	50,147,408	0.9%	0.3735	188,315	185,490	98.5%	0	185,490	98.5%
2	2013	50,560,000	0.8%	0.3826	195,163	191,650	98.2%	0	191,650	98.2%

1 - Revaluation year

2 - Projected

* - Reflects taxable assessed value billed in current year (excludes properties with deferred tax bills)

** - Revenue Neutral Tax Rate plus 4.18 cent

City Council

The City Council is Raleigh's governing body, consisting of eight citizens elected to serve two-year terms. Three of the members are elected by the entire city, including the Mayor, and the other five members are elected by districts. The Mayor, a member of the Council, is the presiding officer.

The City of Raleigh has operated under the council-manager form of government since 1947. The City Manager is responsible for the day-to-day operations of the City. The Council sets City policy, enacts ordinances as required by law and adopts all public service programs to maintain an orderly, healthy, and safe environment for Raleigh citizens. The Council appoints members to City boards, commissions, and committees, approves certain licenses and permits, adopts the annual budget and sets the tax rate. The City Council also appoints and removes the City Manager, City Clerk and City Attorney.

Additional information regarding City Council may be obtained by contacting J. Russell Allen, City Manager, at (919) 996-3070, or via email at Russell.Allen@raleighnc.gov.

Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES	8	8	8	8	0
DIRECT EXPENDITURES	\$ 174,235	\$ 169,966	\$ 168,220	\$ 272,644	62.1%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 103,746	\$ 103,441	\$ 103,441	\$ 143,441	38.7%
Employee Benefits	8,106	7,913	7,675	48,757	535.3%
Operating Expenditures	59,168	56,338	54,864	77,274	40.8%
Special Programs and Projects	1,215	774	740	672	(9.2%)
Capital Equipment - New	2,000	1,500	1,500	2,500	66.7%
TOTAL	\$ 174,235	\$ 169,966	\$ 168,220	\$ 272,644	62.1%

Highlighted Budget Changes (July 2012 – June 2013)

- Includes a \$5,000 salary increase for all Council members and allows for Council members to participate in the City's health insurance plan. This change brings the City's compensation for elected officials up to a similar level to officials in comparable municipalities.

City Clerk

The City Clerk's Office prepares and maintains an accurate and permanent record of all City Council proceedings, as well as meetings of each Council committee. The Clerk's Office acts as the custodian of all legal documents relating to the City, prepares and publishes ordinances and resolutions, maintains and updates the City Code, provides administrative support to Council committees, boards and commissions, and provides information and research assistance to City staff and the public on all aspects of City laws and Council actions.

Additional information regarding the City Clerk's Office may be obtained by contacting Gail Smith, City Clerk, at (919) 996-3040 or via email at Gail.Smith@raleighnc.gov.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	5	5	5	5	0
DIRECT EXPENDITURES	\$ 560,817	\$ 563,654	\$ 559,927	\$ 537,338	(4.0%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 326,794	\$ 325,972	\$ 328,016	\$ 321,204	(2.1%)
Employee Benefits	82,835	92,294	89,184	79,645	(10.7%)
Operating Expenditures	144,464	140,899	137,985	132,381	(4.1%)
Special Programs and Projects	4,724	2,489	2,742	2,108	(23.1%)
Capital Equipment - New	2,000	2,000	2,000	2,000	0.0%
TOTAL	\$ 560,817	\$ 563,654	\$ 559,927	\$ 537,338	(4.0%)

City Attorney

The City Attorney and staff advise the City Council and City administration on the legal aspects of City activities. The City Attorney's Office administers the City's legal program, represents and advocates the City's legal interest, prepares court documents, ordinances, legislation and other legal memoranda, and provides legal information to the public, the media, City staff and other governmental entities.

Additional information regarding the City Attorney's Office may be obtained by contacting Thomas McCormick, City Attorney, at (919) 831-6560 or Tom.McCormick@raleighnc.gov.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	17	17	18	20	2
DIRECT EXPENDITURES	\$ 2,264,637	\$ 2,305,486	\$ 2,474,176	\$ 2,606,625	5.4%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 1,643,912	\$ 1,634,006	\$ 1,753,132	\$ 1,853,173	5.7%
Employee Benefits	389,848	443,373	455,792	489,509	7.4%
Operating Expenditures	207,264	213,803	249,352	250,329	0.4%
Special Programs and Projects	21,113	12,304	13,900	11,614	(16.4%)
Capital Equipment - New	2,500	2,000	2,000	2,000	0.0%
TOTAL	\$ 2,264,637	\$ 2,305,486	\$ 2,474,176	\$ 2,606,625	5.4%

Highlighted Budget Changes (July 2012 – June 2013)

- Includes addition of one Paralegal position and full year funding for the FY12 mid-year addition of an Attorney position. The Attorney position is funded by the elimination of two positions in the Police Department.

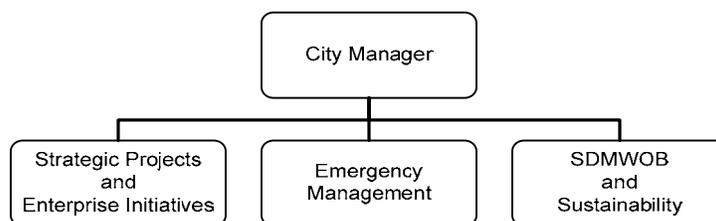
City Manager's Office

The City Manager's Office is the organizational and administrative nucleus of the City organization. In addition to coordinating and overseeing the activities of all City departments, the City Manager's Office also provides direct staff assistance to the City Council and to the Council committees, leads the financial and budget management processes for the City and directs the City's efforts to plan for the future. The City Manager's Office is responsible for community relations, emergency management coordination, sustainability, and federal and state legislative initiatives. Also, much of the City's interaction with outside organizations, including federal, state and local government relations, local colleges and universities, and numerous external agencies, is coordinated through the City Manager's Office.

Additional information regarding the City Manager's Office may be obtained by contacting, J. Russell Allen, City Manager, at (919) 996-3070 or via email at Russell.Allen@raleighnc.gov.

Mission

To build an organization in which control gives way to empowerment, direction gives way to participation and routine gives way to creativity.



Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES*					
City Manager	12	12	15	13	(2)
SDMWOB & Sustainability	-	-	6	6	0
Grant-funded	-	-	2	2	0
Development Services	11	33	-	-	-
Arts Office	3	-	-	-	-
TOTAL	26	45	23	21	(2)
DIRECT EXPENDITURES	\$ 3,562,861	\$ 4,194,534	\$ 2,423,783	\$ 2,242,547	(7.5%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 2,030,418	\$ 2,925,784	\$ 1,709,680	\$ 1,577,411	(7.7%)
Employee Benefits	507,125	799,089	453,613	411,904	(9.2%)
Operating Expenditures	918,385	420,753	240,516	239,500	(0.4%)
Operating Expenditures	33,333	48,908	19,974	13,732	(31.3%)
Capital Equip - New	73,100	-	-	-	-
Capital Equip - Replacement	500	-	-	-	-
TOTAL	\$ 3,562,861	\$ 4,194,534	\$ 2,423,783	\$ 2,242,547	(7.5%)

* On March 15, 2010, the Arts Office moved into the Parks & Recreation Department. On January 19, 2011, the Development Services Division was moved to the Planning & Economic Development Department. On the same day, divisions of the former Administrative Services Department, including Sustainability and SDMWOB, were moved to the City Manager's Office.

Highlighted Budget Changes (July 2012 – June 2013)

- With the elimination of the position of Sr. Staff Analyst, the FY13 budget reflects a refinement of the reorganization implemented during FY12, creating a more cost efficient management team capable of providing extraordinary services to the citizens of Raleigh. A portion of the savings from the Sr. Staff Analyst position elimination was reserved to fund an internship position.
- An Administrative Assistant position that reports to the Chief Information and Communications Officer has been moved to the Information Technology department in the FY13 budget.
- Includes a reclassification of a Staff Assistant to an Executive Staff Assistant.
- The Federal Local Energy Assurance Planning grant is scheduled to expire in June 2012. A request to extend this grant will be submitted in order to complete the City's Energy Assurance Plan. This plan will help identify ways the City can utilize sustainable and renewable energy sources during disaster situations and identify methods to ensure uninterrupted energy supply to critical City operations.

FY13 Anticipated Accomplishments that further City Council Mission

- Continue use of new and innovative best practices to improve administration and management of the City while including continued management team restructuring to further strengthen changes implemented during FY12 along with executive support, leadership and staff resources provided to the Enterprise Resource Planning (ERP) Center of Excellence.
- Continue efforts to partner with other public agencies and with private entities to support the work of government in Raleigh and promote economic development throughout the City, but particularly in downtown Raleigh.
- Create a non-emergency call center for use during disasters which will greatly aid in reducing non-emergency calls going to the 911 Center, while also providing a direct link for citizens to receive disaster information, facilitate communications, coordinate volunteer efforts, and assist with reporting conditions in neighborhoods. Carry on work with City departments to update the Continuity of Operations Plan.
- Conduct a Small Disadvantaged Minority and Women Owned Business (SDMWOB) Expo and four quarterly training sessions.
- Work with the Small Business Initiative for the City of Raleigh and develop a policy dealing with SDMWOB goals for professional service contracts.
- Foster greater relationships with non-profits that work with small business development as part of the program's continued community outreach with an emphasis on promoting the City of Raleigh SDMWOB Program.
- Conduct City's first community-wide greenhouse gas emissions inventory.
- Introduce sustainability metrics and performance measures program.
- Contribute to the CIP planning process to institutionalize economic sustainability (i.e. ROI and TCO) as a fundamental value and project ranking consideration.
- Develop recommendations and financing plan for implementation of the Comprehensive Climate and Energy Action Plan (CEAP).

FY12 Accomplishments that further City Council Mission

- Successfully hosted and coordinated the City's support of the 2011 North Carolina League of Municipalities statewide conference held at the Raleigh Convention Center in October 2011.
- With the creation of the position of Chief Information and Community Relations Officer (CIO) in FY12, two members of the City Manager's staff now report directly to the CIO and assist with programs and projects related to Community Relations.

- Finalized the revision for the Small Disadvantaged Minority and Women Owned Business (SDMWOB) Program.
- Conducted the joint 13th Annual Expo with Wake County Public School System, Wake County, Wake Technical Community College, SAS, NC DOT and NC DOA. More than 125 SDMWOBs attended the Expo.
- Conducted 4 quarterly training sessions for SDMWOBs: 1) Green Electrical Contracting conducted by City of Raleigh Inspections; 2) Small Business Loan conducted by a representative from the SBA; 3) Occupational Safety Training conducted by City of Raleigh Safety Office, and; 4) Grow Your Business Not Your Expenses conducted by a SDMWOB vendor.
- City was awarded the 2011 Most Sustainable Midsize City in the nation by the US Chamber of Commerce.
- Developed Green Building Training Program providing professional training for 430 private sector "Green Collar Jobs/ Workforce Development", including Solar PV, Solar Thermal, Energy Auditing, Building Analysis and Real Estate green awareness.
- Secured and managed federal and state grants totaling more than \$4.25M, enabling the City to implement multiple energy and fuel reduction strategies city-wide.
- Installed multiple innovative technologies projects including renewable energy (solar) arrays and electric vehicle plug-in infrastructure.

Agency Appropriations

The Agency Appropriations budget funds external, non-profit agencies that provide artistic, cultural, and human service programs to Raleigh citizens. Arts agency funding requests are recommended to the City Council by the Raleigh Arts Commission; Human Service agency funding requests are recommended by the Human Relations Commission; and Economic Development & Housing agency requests are recommended by staff from the Planning & Development Enterprise. A detailed listing of funding appropriated to these agencies appears on the following pages.

Arts appropriations spending in FY13 includes \$1,849,680 in Arts Commission grants based on a \$4.50 per capita funding rate and an estimated population of 411,040, plus \$375,000 of general fund support for the African-American Cultural Festival (\$75,000), the Carolina Ballet (\$100,000) and the North Carolina Symphony (\$200,000). A portion of the per capita funding is reflected in the Parks & Recreation budget for support of the Public Art Coordinator position.

Human Services appropriations include \$500,000 in grants given by the Human Services Commission, plus \$457,100 in General Fund support. In FY13, general fund support is allocated as follows: \$50,000 for the Boys & Girls Club capital campaign, \$79,000 for CASA, \$90,000 for the Interfaith Food Shuttle, \$40,000 for Legal Aid, \$100,000 for the Healing Place, \$8,100 for the Mayor's Committee on Persons with Disabilities, and \$90,000 for the Tammy Lynn Center.

Agencies included in Other Appropriations receive funding based on a grant process or a contractual or legal funding obligation. The majority of these agencies support housing and economic development efforts.

Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
DIRECT EXPENDITURES	\$ 9,316,749	\$ 9,668,905	\$ 3,469,179	\$ 3,555,460	2.5%
DIRECT EXPENDITURES BY TYPE					
Arts Appropriations	\$ 1,810,692	\$ 1,783,022	\$ 1,831,829	\$ 2,140,010	16.8%
Human Services Appropriations	780,000	826,500	864,000	957,100	10.8%
Other Appropriations	820,550	805,400	773,350	458,350	(40.7%)
Interfund Expenditures	5,905,507	6,253,983	-	-	-
TOTAL	\$ 9,316,749	\$ 9,668,905	\$ 3,469,179	\$ 3,555,460	2.5%

Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
ARTS APPROPRIATIONS					
African-American Cultural Festival	Previously funded in Special Appropriations			\$ 75,000	-
Arts Access	5,000	4,000	6,500	8,990	38.3%
Arts Commission Programs	256,542	188,426	271,829	264,750	(2.6%)
Arts Together	120,000	130,000	120,000	99,310	(17.2%)
Artspace	80,000	138,000	141,000	120,500	(14.5%)
Artsposure	150,000	150,000	145,000	148,400	2.3%
Burning Coal Theatre	70,000	70,000	63,000	73,950	17.4%
Capital Opera Raleigh	17,000	-	-	-	-
Carolina Ballet	250,000	250,000	250,000	250,000	0.0%
Classical Voice of North Carolina	9,000	8,500	9,000	11,190	24.3%
Contemporary Art Foundation	-	-	5,000	90,000	1700.0%
El Pueblo	23,000	9,000	12,000	15,000	25.0%
Even Exchange (formerly RAINBOW)	4,000	4,500	5,000	-	(100.0%)
Friends of Brussels Chamber Orchestra	-	3,900	-	-	-
Greater Raleigh Community Music School	24,000	24,500	23,000	23,915	4.0%
International Focus	11,000	11,000	25,000	30,500	22.0%
Marbles Kids Museum	-	-	10,000	10,000	0.0%
N.C. Master Chorale	49,000	49,000	43,000	36,875	(14.2%)
NCSU Center Stage	15,000	-	-	-	-
NCSU Theatre	15,000	15,000	14,000	9,940	(29.0%)
North Carolina Museum of History Foundation	-	-	-	15,000	-
North Carolina Opera (formerly OCNC)	113,000	119,896	80,000	80,000	0.0%
North Carolina Symphony	See Other Appropriations			200,000	-
North Carolina Theatre	125,000	153,000	163,000	138,250	(15.2%)
North Carolina Wind Orchestra	2,000	-	-	-	-
Nuv Yug Cultural Organization	9,000	9,000	9,000	8,250	(8.3%)
Philharmonic Association	13,500	15,500	14,000	12,245	(12.5%)
Pinecone	95,000	84,000	84,000	80,000	(4.8%)
Raleigh Boychoir	25,000	20,000	15,000	15,000	0.0%
Raleigh Chamber Music Guild	35,500	35,500	36,000	31,600	(12.2%)
Raleigh Civic Symphony & Chamber Orchestra	9,000	8,500	6,500	5,340	(17.8%)
Raleigh Civic Ventures	2,000	-	-	-	-
Raleigh Ensemble Players	25,000	13,300	21,500	16,885	(21.5%)
Raleigh Little Theatre	84,000	84,000	88,000	84,000	(4.5%)
Raleigh Ringers	13,900	14,000	15,000	13,860	(7.6%)
Raleigh Symphony Orchestra	36,000	27,000	20,000	14,285	(28.6%)
The Justice Theater Project	20,000	24,000	25,000	33,270	33.1%
Theatre in the Park	39,500	39,500	39,500	39,500	0.0%
Visual Art Exchange	64,750	72,000	65,000	73,080	12.4%
Wake Education Partnership	-	8,000	7,000	7,000	0.0%
Wake Enterprises	-	-	-	4,125	-
SUBTOTAL	\$ 1,810,692	\$ 1,783,022	\$ 1,831,829	\$ 2,140,010	16.8%
Public Art Coordinator (in Parks & Rec budget)	-	74,041	85,685	84,670	(1.2%)
TOTAL	\$ 1,810,692	\$ 1,857,063	\$ 1,917,514	\$ 2,224,680	16.0%

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
HUMAN SERVICES APPROPRIATIONS					
Alliance of AIDS Services - Carolina	\$ 11,000	\$ 11,500	\$ 14,000	\$ 14,000	0.0%
Avent West Community Development Corporation	5,000	5,000	5,000	12,500	150.0%
Big Brothers Big Sisters	12,000	5,000	8,000	-	(100.0%)
Boys & Girls Club	-	-	50,000	50,000	0.0%
Bridge II Sports, Inc.	-	5,000	-	-	-
CASA Agency	89,000	89,000	89,000	89,000	0.0%
Centro Internacional de Raleigh	-	-	-	5,000	-
Community Partnerships	-	8,000	8,000	8,000	0.0%
Filling in the Gaps (FIGS) of Wake County	7,000	9,000	9,500	10,000	5.3%
Garner Road Community Center (formerly YMCA)	20,000	18,000	-	10,000	-
Guiding Lights	-	-	-	7,000	-
Haven House	28,000	20,000	25,000	25,000	0.0%
Hopeline	1,000	-	-	-	-
Hilltop Home	10,000	12,000	15,000	-	(100.0%)
Hope Center at Pullen	-	25,000	-	10,000	-
Hospice of Wake County	25,000	20,000	15,000	20,000	33.3%
Interact	35,000	25,000	40,000	25,000	(37.5%)
Inter-Faith Food Shuttle	100,000	100,000	100,000	100,000	0.0%
JT Locke Resource Center	20,000	25,000	-	-	-
Legal Aid of N.C. - Raleigh Office	50,000	50,000	50,000	50,000	0.0%
Lesbian, Gay, Bisexual, Transgender	-	-	-	5,000	-
Mayor's Committee for Persons with Disabilities		See Other Appropriations		8,100	-
Meals on Wheels of Wake County	40,000	25,000	27,500	35,000	27.3%
National Alliance on Mental Illness	-	-	-	10,000	-
Nessie Foundation	4,000	4,000	7,000	10,000	42.9%
Pan Lutheran Ministries Families Together	18,000	20,000	27,500	28,000	1.8%
Prevent Blindness of North Carolina	4,000	5,000	5,500	5,500	0.0%
Raleigh Lions Clinic for the Blind	5,000	5,000	7,000	-	(100.0%)
Resources for Seniors	35,000	25,000	25,000	25,000	0.0%
Rex Healthcare	7,500	-	-	-	-
SAFEchild	15,000	20,000	25,000	25,000	0.0%
Southeast Wake Adult Daycare	-	-	5,000	7,000	40.0%
SouthLight, Inc.	-	20,000	20,000	20,000	0.0%
Step Up Ministry	15,000	21,000	20,000	22,000	10.0%
Tammy Lynn Center	100,000	100,000	100,000	100,000	0.0%
The ARC of Wake County	-	8,000	8,000	10,000	25.0%
The Healing Place		See Other Appropriations		100,000	-
Triangle Family Services	10,000	10,000	20,000	21,000	5.0%
Triangle Lost Generation Task Force	50,000	10,000	-	-	-
Triangle Radio Reading Service	2,000	2,000	3,000	2,000	(33.3%)
Urban Ministries of Wake County	38,000	25,000	30,000	35,000	16.7%
Vision Credit Education	-	3,000	4,500	-	(100.0%)
Wake Enterprises	8,000	8,000	8,000	8,000	0.0%
Wake Health Services	22,500	20,000	20,000	-	(100.0%)
Wake Interfaith Hospitality Network	20,000	25,000	25,000	20,000	(20.0%)
Wake Teen Medical Services	13,000	13,000	15,000	-	(100.0%)
Women's Center of Wake County	18,000	20,000	20,000	25,000	25.0%
YWCA of the Greater Triangle (Hargett St)	12,000	10,000	12,500	-	(100.0%)
SUBTOTAL	\$ 780,000	\$ 826,500	\$ 864,000	\$ 957,100	10.8%

Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
OTHER APPROPRIATIONS					
Downtown Housing Improvement Corporation	\$ 108,000	\$ 108,000	\$ 158,000	\$ 108,000	(31.6%)
Homeless Support Circles	-	60,000	-	44,000	-
Kids Voting	10,800	10,800	-	-	-
Kyran Anderson Academy	11,250	11,250	-	-	-
Mayor's Committee for Persons with Disabilities	9,000	9,000	9,000	See Human Svcs Approps	
North Carolina Symphony	200,000	200,000	200,000	See Arts Appropriations	
Passage Home CDC, Inc.	90,000	90,000	90,000	90,000	0.0%
Raleigh City Museum	157,500	157,500	157,500	157,500	0.0%
Raleigh Historic Development Commission	51,500	46,350	46,350	46,350	0.0%
RDU Airport	12,500	12,500	12,500	12,500	0.0%
The Healing Place	100,000	100,000	100,000	See Human Svcs Approps	
SUBTOTAL	\$ 820,550	\$ 805,400	\$ 773,350	\$ 458,350	(40.7%)
INTERFUND EXPENDITURES					
To Accessible Raleigh Transit	\$ 5,905,507	\$ 6,253,983	See Special Appropriations		
TOTAL AGENCY APPROPRIATIONS	\$ 9,316,749	\$ 9,668,905	\$ 3,469,179	\$ 3,555,460	2.5%

Economic Development Fund

The Economic Development Fund provides support for economic development activities that benefit the City. This fund is supported by the General Fund. Also, interlocal funds pass through this fund for City/County-approved projects including the Green Square and St. Augustine Stadium projects.

Changes in this fund in FY13 include \$100,000 for the Red Hat economic incentive grant, an additional \$6,000 for the Hillsborough Street business district in support of street light operation and maintenance and \$1,000 for the small business loan program to pay for increased loan administration fees expected as a result of active marketing of the downtown loan program.

The budget continues funding for eCivis, which provides access for Raleigh-based nonprofits to find grants to strengthen their financial capacity, the Greater Raleigh Chamber of Commerce, which conducts economic development initiatives on behalf of the City, and the Triangle J Council of Governments, of which the City of Raleigh is a member. Funding is included for the Capital City and Wakefield Band Expos.

The City continues to support economic development in downtown and Southeast Raleigh. Downtown initiatives funded include the Downtown Raleigh Alliance and a modest amount of funding to provide public access wireless internet service in the 300 block of Fayetteville Street Mall. Southeast Raleigh initiatives include the Southeast Raleigh Assembly, which was created by the City Council to improve the economic well-being of the Southeast Raleigh community and the Southeast Raleigh Virtual Business Incubator.

Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 TO 2012-13
DIRECT EXPENDITURES	\$ 1,962,254	\$ 2,050,469	\$ 2,131,469	\$ 2,080,302	(2.4%)
DIRECT EXPENDITURES BY TYPE					
eCivis	\$ -	\$ 59,670	\$ 59,670	\$ 18,053	(69.7%)
SE Ral Virtual Business Incubator	180,000	162,000	162,000	162,000	0.0%
Chamber Of Comm Proj	197,500	220,000	220,000	220,000	0.0%
Red Hat Incentive Grant	-	-	-	100,000	
Downtown Development	139,500	139,500	120,500	108,450	(10.0%)
Hillsborough Street Development	-	-	100,000	106,000	6.0%
SBSF Loan Program Expenses	3,250	4,000	4,000	5,000	25.0%
Events	100,000	100,000	-	-	
Economic Incentives	150,000	125,000	150,000	150,000	0.0%
Green Square Project	700,000	700,000	900,000	800,000	(11.1%)
Fayetteville St Internet	4,500	4,500	4,500	-	(100.0%)
St. Aug Stadium Interlocal Pro	100,000	100,000	100,000	100,000	0.0%
Triangle J Cog	127,804	101,099	101,099	101,099	0.0%
Capital City Band Expo	1,350	1,350	1,350	1,350	0.0%
Wakefield Band Expo	1,350	1,350	1,350	1,350	0.0%
Omega Psi Phi	50,000	50,000	-	-	
Se Raleigh Assembly	207,000	207,000	207,000	207,000	0.0%
Rsv-Econ Dev Projects	-	75,000	-	-	-
TOTAL	\$ 1,962,254	\$ 2,050,469	\$ 2,131,469	\$ 2,080,302	(2.4%)

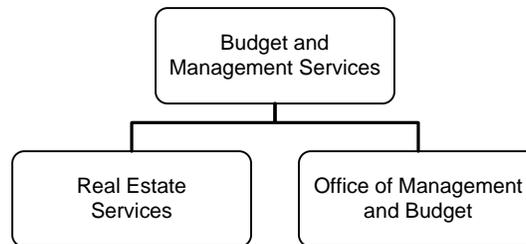
Budget and Management Services

The Budget and Management Services Department serves as a direct arm of the City Manager and provides budget, real estate and other management services in support of the larger City organization.

Additional information regarding the Budget and Management Services Department may be obtained by contacting Joyce Munro, Budget and Management Services Director, at (919) 996-4273 or via email at Joyce.Munro@raleighnc.gov.

Mission

The Department of Budget and Management Services assists the City Manager and other City of Raleigh departments in the delivery of quality services to the public and in support of the accomplishment of their missions more efficiently and effectively by providing financial management, budgeting, real estate, and management and policy analysis services.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES*					
Budget and Management	-	-	8	8	0
Real Estate	-	-	6	6	0
TOTAL	-	-	14	14	0
DIRECT EXPENDITURES	\$ -	\$ -	\$ 1,316,701	\$ 1,396,621	6%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ -	\$ -	\$ 1,017,643	\$ 1,098,798	8%
Employee Benefits	-	-	236,970	249,045	5%
Operating Expenditures	-	-	53,969	42,045	-22%
Special Programs and Projects	-	-	8,119	6,733	-17%
TOTAL	\$ -	\$ -	\$ 1,316,701	\$ 1,396,621	6%

*The Budget & Management Services Department was formed on January 19, 2011. All employees were formerly in the Administrative Services Department.

Highlighted Budget Changes (July 2012 – June 2013)

- Inclusion of funding for part-time temporary salaries to provide staff assistance to the Mayor.
- Restores full year funding to Real Estate Specialist position filled in FY12 to address property easement acquisition needs.
- Elimination of professional services for professional trainer to provide citywide training in the use of the EPM Budget Module. The City has traditionally used an external consultant to provide citywide training in the use of the EPM Budget Module. This reduction eliminates training by an outside professional and will now be conducted in-house, further constraining the City's budget staff capacity.
- Elimination of funding for external technical and business process support of the City's Enterprise Performance Management system (budget development module). In FY10 the Office of Management and Budget implemented a new budget module within the City's ERP system. The implementation went well, and over the past two years OMB has reduced its reliance on external vendors and part-time temporary staff to support the now stable system. The two areas of external assistance were comprised of a technical implementation consultant and a part-time temporary employee hired specifically to develop data queries and reports needed to manage the annual budget development process. While the intensity of need for these services has diminished, ongoing technical and business process needs exist as part of the annual maintenance and utilization of this system. In FY13, OMB will begin using internal resources exclusively to support the budget development module. This will require a commitment from Information Technology staff to provide ongoing support of the system, in particular with the integration of the budget system with the financial and human resource modules of the ERP. OMB analyst staff has the skills necessary to build queries and reports for ongoing process improvement; however analysts simultaneously carry a significant departmental workload for a government of this size and ability to focus effort in this area will be constrained.
- Elimination of operational funding for appraisals and environmental assessments that are not already funded in other departments' operating or capital project accounts. Should the need arise for these services and the costs are not budgeted in a related capital project, funding will be required from the capital project reserve.

FY13 Anticipated Accomplishments that further City Council Mission*Office of Management and Budget*

- Undertake comprehensive review of City's performance indicator program and develop work plan for strategic improvements for implementation citywide.
- Revise administrative regulations regarding budget amendment and transfer processes to reflect new business practices and ERP systems.
- Assist City departments in the transition from earmarked federal funding to competitive federal grant funding.
- Create a Grants Review Team to evaluate grant applications prior to submission. Evaluators will consider the grant's matching requirements, legal stipulations, alignment with strategic initiatives and return on investment.

- Develop a new set of strategies and criteria for the review and recommendation of General Public Improvement capital projects.
- Research, administer and implement a change process from a 10-year CIP plan to a 5-year CIP plan.

Real Estate Services

- Provide assistance to City of Raleigh departments for the acquisition, disposition and/or lease of real property interests needed to facilitate project implementation and to meet staff space needs requirements.
- Maintain and update the City's real property inventory list.
- Facilitate collective efforts with other City of Raleigh departments to periodically review and enhance real property acquisition processes and procedures.
- Evaluate operating processes in light of those practiced by other agencies and municipalities, establishing best business practices in order to improve division efficiencies and effectiveness.

FY12 Accomplishments that further City Council mission

Office of Management and Budget

- Facilitated Fiscal Year 2013 budget development via the Enterprise Performance Management (EPM) budgeting module. This includes improving the personnel budgeting processes to increase efficiency and effectiveness of uploading personnel data from payroll/position control into the budget module, and transitioning departmental CIP (Capital Improvement Program) budget submission processes from spreadsheets to EPM.
- Worked closely with the Finance Department, multiple City departments and Maximus, an outside consultant, to review and revise the City's Cost Allocation Plan to more accurately charge indirect costs to the City's enterprise and grant-funded departments and to calculate indirect costs for general fund functions in which we have cost recovery interests.
- In partnership with the Finance Department, developed and implemented a comprehensive grants management program with new leadership from the Grants Program Administrative Manager within OMB and the Grants Fiscal Manager in Finance.
- Studied best practice models of municipal grants management (St. Petersburg, Florida and Colorado Springs, CO) and refined applicable practices for implementation in the City organization.
- Continued to expand technological understanding of additional software (Ascential, Crystal Reports) used with EPM.
- Served as staff support for a number of projects and committees over the course of the past year, including the Benefits, Space Needs, Gainsharing, Capital Improvement Program and ERP Center of Excellence committees.
- Created a permanent city-wide working group (Capital Improvement Program Core Team) of approximately eight departments whose purpose is to collectively discuss, develop and implement improvement strategies to various aspects of the City's capital program. This team developed a standard project status report, reviewed Departmental and GPI project requests and created a set of City CIP guidelines

- Reviewed the Comprehensive Plan implementation strategies and engaged departments in how they are being addressed in the capital program. Instituted requirement for congruency between capital projects and the Comprehensive Plan.
- Partnered with Sustainability Office to ensure greenhouse gas emission reduction strategies were identified and supported in the development of the City's proposed Capital Improvement Program plan.
- Developed a standardized mapping approach for CIP projects in partnership with the GIS Division of the IT Department.

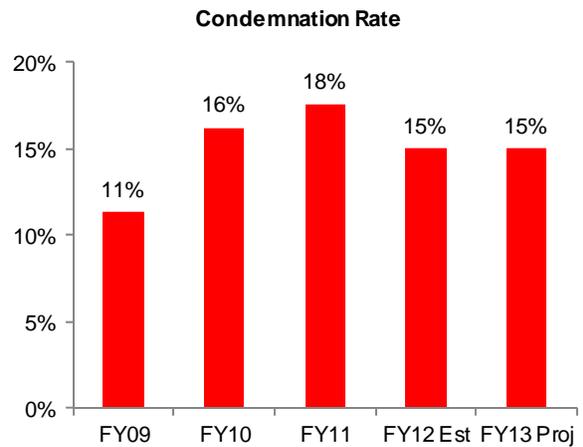
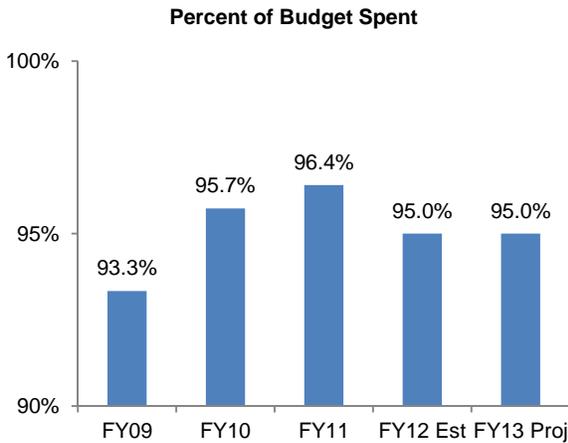
Real Estate Services

- Acquired right of way and associated easements needed for Public Works - Transportation Services Division to construct the following projects: State administered STP-DA grant funded sidewalk improvement projects for Calvary Drive, Falls of the Neuse/Wake Forest Road, Lake Boone Trail and Wade Avenue; Poole Road Street Improvements; Brooks Avenue Sidewalk Improvements; Merwin Road Sidewalk Improvements; Alleghany Drive Road Improvements.
- Acquired easements and real property interests for the Upper and Lower Neuse Greenway project, needed for Parks and Recreation to construct a greenway trail along the Neuse River corridor, which will extend from the Durham County line to the Johnston County line, forming Wake County's segment of the North Carolina Mountains to Sea Trail.
- Acquisition of easements needed for Public Utilities to construct the following projects: Ebenezer Church Road Sanitary Sewer Property Annexation; Crabtree Creek North Bank Sanitary Sewer Main; Hogan Lane Sanitary Sewer Improvements; Oak Forest 30" Waterline; Wake Forest Sewer System Rehabilitation; Crabtree Basin Wastewater System.
- Acquisition of right of way and easements needed for Public Works – Transportation Operations Divisions ongoing construction of bus stop shelters as part of the Capital Area Transit Passenger Amenity project.
- Acquisition of easements and associated property interests needed for Public Works – Stormwater Utility Division to construct Northridge Stormwater Project – Phases 2 & 3; Simmons Branch Culverts Project – Lail/Swift/Kaplan; Northshore Lake & Dam Rehabilitation Project; Brentwood Today Lake & Dam Rehabilitation Project.
- Acquisition of greenway easements and associated property interests needed for Parks and Recreation to construct Crabtree Creek East Greenway Extension; Honeycutt Creek Greenway; Walnut Creek Greenway.
- Acquisition through donation of .585 acres and 3.43 acres along House Creek for addition to the City's parks and greenway system.
- Disposition and sale of City-owned surplus properties at 3225 and 3229 Tryon Road and 0 Fairview Road.
- Negotiation and lease of 1340 square feet of office space to meet Personnel Department – Training Division staffing needs.
- Acquisition of real estate interests needed for the following Community Development infrastructural projects: Coleman Street Stormwater Improvements; Coleman Street Sanitary Sewer Improvements; and State Street LED Street Lighting.

- Acquisition of substandard housing and commercial properties as part of the Federal Housing and Urban Development CDBG Block Grant Program, administered through the City's Community Development Department.

Performance Indicators

	<u>ACTUAL</u> <u>2008-09</u>	<u>ACTUAL</u> <u>2009-10</u>	<u>ACTUAL</u> <u>2010-11</u>	<u>ESTIMATE</u> <u>2011-12</u>	<u>PROJECTION</u> <u>2012-13</u>
<u>Office of Management & Budget</u>					
% of Adopted Gen Fund Operating Budget Spent	93.3%	95.7%	96.4%	95.0%	95.0%
Minimum 14% Year End Fund Balance Target Met	Yes	Yes	Yes	Yes	Yes
Tax Rate (per \$100 of value)	0.3735	0.3735	0.3735	0.3735	0.3826
<u>Real Estate Services</u>					
# of acquisitions	256	277	142	243	281
# acquisitions per agent	73.1	69.3	43.7	73.6	70.3
# of condemnations	29	45	25	36	42
Condemnation rate	11%	16%	18%	15%	15%



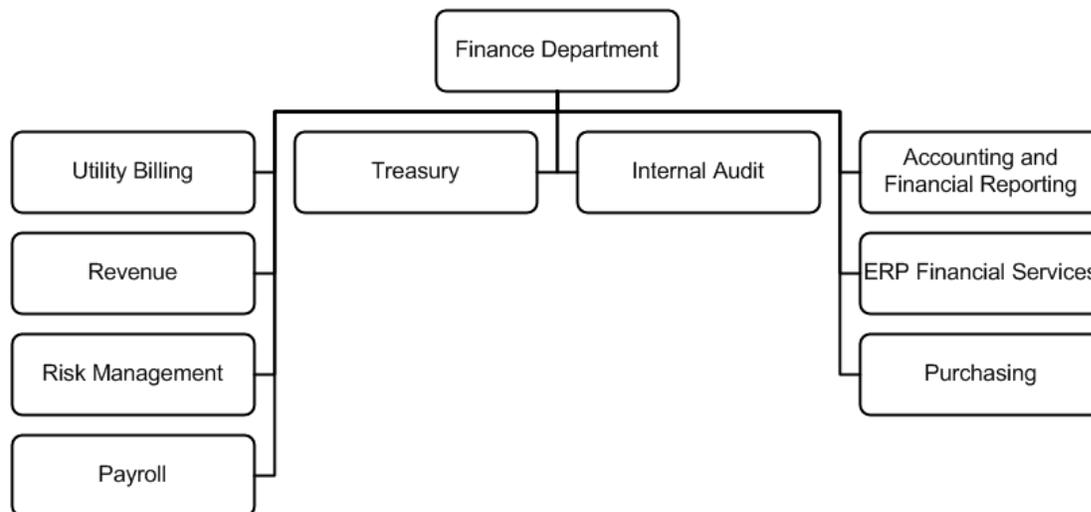
Finance

The Finance Department provides support services for City management, City Council, City departments, Raleigh citizens and utility customers. Financial services provided include the functions of treasury, accounting and financial reporting, purchasing, payroll, revenue management, utility billing, internal audit and risk management. The Finance Department insures the integrity and accuracy of the City’s financial transactions in accordance with accounting standards, City ordinances, State statutes, Federal laws and applicable laws and ordinances.

Additional information regarding the Finance Department may be obtained by contacting Perry E. James III, Chief Financial Officer, at (919) 996-4930 or via email at Perry.James@raleighnc.gov.

Mission

To demonstrate excellence in our financial services to the City organization and our customers through a commitment to continuously improving within our philosophy of “People Helping People.”



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES					
Administration	3	4	3	3	0
Internal Audit	3	3	3	3	0
Treasury Manager	5	5	5	5	0
Revenue	19	18	18	17	(1)
Utility Billing	60	60	44	44	0
Purchasing	7	7	7	7	0
Accounting and Financial Reporting	18	18	19	19	0
Payroll	7	7	8	8	0
Risk Management Fund	5	5	5	5	0
TOTAL	127	127	112	111	(1)

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 702,019	\$ 701,808	\$ 460,525	\$ 459,304	(0.3%)
Internal Audit	297,426	298,910	304,704	301,961	(0.9%)
Treasury Manager	599,874	638,806	632,663	629,652	(0.5%)
Revenue	1,446,500	1,307,862	1,282,380	1,251,566	(2.4%)
Utility Billing	5,985,924	6,091,837	5,746,810	5,728,735	(0.3%)
Purchasing	545,041	547,463	551,794	554,548	0.5%
Accounting and Financial Reporting	1,570,075	1,536,728	1,661,633	1,655,048	(0.4%)
Payroll	679,322	582,596	656,763	655,317	(0.2%)
TOTAL	\$ 11,826,181	\$ 11,706,010	\$ 11,297,272	\$ 11,236,131	(0.5%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 6,164,974	\$ 6,235,129	\$ 5,764,857	\$ 5,833,066	1.2%
Employee Benefits	1,677,315	1,875,562	1,628,067	1,605,144	(1.4%)
Operating Expenditures	3,896,405	3,289,279	3,872,990	3,760,703	(2.9%)
Special Programs and Projects	87,487	306,040	31,358	37,218	18.7%
TOTAL	\$ 11,826,181	\$ 11,706,010	\$ 11,297,272	\$ 11,236,131	(0.5%)
RISK MANAGEMENT FUND TOTAL	\$ 11,358,642	\$ 11,749,390	\$ 12,215,982	\$ 10,624,972	(13.0%)

Highlighted Budget Changes (July 2012 – June 2013)

Non-Utility Billing Divisions:

- The FY13 budget reflects the transfer of the city mail operations from the Revenue Division to Public Affairs, including one position. This change will provide additional efficiencies with distributed media managed by the Public Affairs department.
- While technology support costs and contract service costs have been reduced, some provisions have been included for a Government Finance Officers Association (GFOA) Financial Assessment program subscription and technical expertise on the financial system within the Center of Excellence.

Utility Billing Division:

- The FY13 budget reflects the challenge to maintain a flat budget while increasing workload and expenditures due to monthly billing. No new full time positions are requested, supplemental temporary staff funding is continued to support various projects that advance utility program service level goals.
- Reductions in outsourced call center costs, credit card fees and postage provide IVR project resources to migrate call center infrastructure from a vendor’s location to the city’s IT facility at Raleigh Municipal Building. This project will bring the Lake Woodard facility’s basic telephone technology in line with the VOIP City standard for a reduction in current and future telephone transmission operational costs. This project standardizes equipment, resources and support from City IT efforts and eliminates reliance on an outside vendor.

FY13 Anticipated Accomplishments that further City Council Mission

- Complete Phase I of the E-Procurement application that will provide a marketplace procurement functionality with increased negotiated contract pricing designed to lower city expenses and improve purchasing efficiencies.

- Continue to review implementation of subsequent financial system modules and upgrades to enhance financial accountability and reporting. Planning to occur for the subsequent year implementation of the PeopleSoft Financial System upgrade which will provide updated functionality and enhance operational and technological efficiencies.
- Continue to refine and strengthen Center of Excellence support of the core financial system. The Center seeks to further system efficiencies, including work order management, ongoing maintenance support, functionality enhancements and upgrades.
- Continue phasing of the transition of city departmental invoicing and collection efforts from responsible city departments to a more central handling within the Revenue Division.
- Complete GFOA financial assessment to measure performance of the city's finance organization against best practices in the public sector.

FY12 Accomplishments that further City Council Mission

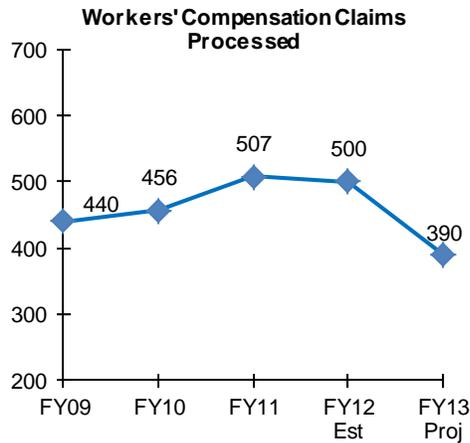
- Completed FY11 Comprehensive Annual Financial Report (CAFR) with an unqualified opinion from the independent auditors. Report submitted to GFOA for certificate of achievement consideration.
- Continued operational enhancements to the city's new PeopleSoft Financial system:
 - Completed all year-end accounting close-out work and CAFR schedules in ERP system.
 - Completed financial gateway integrating electronic payment and bank transaction information into financial system.
- Continued development of grants management program to assist city departments in both compliance and resource optimization.
 - Created and maintained grant inventory listing.
 - Created grant reporting schedule.
 - Began use of formal Grants Committee to approve grant applications and oversee grant programs for the city.
- Refreshed components of cost allocation plan with an updated assignment of central service costs reflecting best cost allocation practices.
- Rolled out campaign to maximize utility customer's use of Web Self Service (WSS), e-billing, and ACH draft.
 - 300% increase in WSS accounts (55,000 total accounts).
 - 600% increase in e-bill accounts (9,500 total accounts).
- Maintained AAA general obligation bond rating from all three rating agencies, as well as Aa1 and AAA ratings on revenue bonds.
- Refunded general obligation bonds and revenue bonds to lower interest rates, achieving a net savings of \$6.7 million.
- Issued \$138,600,000 in general obligation bonds and \$9,000,000 in 2/3rds bonds at total interest cost (TIC) of 2.78%.
- Continued efforts to reduce workers' compensation losses through collaboration with the Safety Office and through contact with city departments. Efforts with department management and employees have resulted in a fully funded claim reserve balance.
- Continued consolidation of accounts receivable within the Revenue Division, increased utilization of iNovah cashiering system by city departments and rolled out new collection enforcement tools.

- Worked with Parking Services staff to implement state debt set-off for delinquent parking citations.
- Implemented pilot Worthless Check Program for enhanced collection of returned checks.
- Rolled iNovah out to Fire Department for processing of one time permits.
- Began implementation of iNovah Miscellaneous Accounts Receivable module.
- Met projected business license revenue collection of \$7.1 million despite a softer economy. This was accomplished by increasing accounts receivable contact with previously licensed businesses.

Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
Utility account bills (water and sewer) (1)	1,117,632	1,117,757	1,966,875	2,032,245	2,023,975
Workers' compensation claims processed	440	456	507	500	390
Bond rating (Target: AAA)	AAA	AAA	AAA	AAA	AAA
% Utility bills deposited same day as collection	99.8%	98.2%	98.2%	98.2%	99.2%
% Accounting payments made within terms	98%	89%	95%	97%	98%
Government Finance Officer Assoc. Certification for CAFR	100%	100%	100%	100%	100%

(1) In Nov. 2010, utility accounts transitioned from bimonthly to monthly account billing, with an 80% anticipated increase in monthly bills.



Risk Management Fund

The Risk Management program provides risk management services to protect the City’s interest with respect to the City’s property and general liability exposures, as well as its workers compensation program. Although funded within the Risk Management Fund, organizationally, the personnel in this office fall within the larger Finance Department.

Workers’ compensation claim costs are allocated to departments based upon actuarial claims cost projections and payroll cost projections. Property insurance premiums are allocated to departments responsible for the property based upon the insured values of the properties, as determined by appraisal. General liability and auto liability costs are allocated within individual departments based upon claims experience and actuarial claims cost projections. Within the Risk Management Fund, workers compensation, property insurance and other direct expenditures are summarized into two programs – Public Utilities (Public Utilities Department) and General Fund (all other departments).

Additional information regarding the Risk Management program may be obtained by contacting Robin Rose, Deputy Financial Officer, at (919) 996-4960 or via email at Robin.Rose@raleighnc.gov.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 TO <u>2012-13</u>
EMPLOYEES	5	5	5	5	0
DIRECT EXPENDITURES					
Risk Mgt - General Fund	\$ 9,773,521	\$ 10,164,270	\$ 10,417,898	\$ 8,426,033	(19.1%)
Risk Mgt - Public Utilities	1,585,120	1,585,120	1,798,084	2,198,939	22.3%
TOTAL	\$ 11,358,641	\$ 11,749,390	\$ 12,215,982	\$ 10,624,972	(13.0%)

Information Technology

The Information Technology (IT) Department provides technical solutions for citizens, City employees and various communities. The Department is comprised of two groups:

Business Solutions Group (BSG): This group manages the overall IT day-to-day operations to improve technology investment value, service and product performance, end-user satisfaction, project management, and vendor relations. BSG consists of the Business Relationship Management (BRM) Division and Strategic Resources Management (SRM) Division.

- **Business Relationship Management:** This division bridges the gap between department objectives and technology investments to drive organizational value. By understanding departments' business goals IT can offer technology solutions that will enable the departments to meet their goals. This division also manages the technology vendor and product management program, deployment of PC equipment, enterprise technology training and enterprise software licensing compliance.
- **Strategic Resources Management:** This division focuses on new and innovative/industry "best practices" technology is responsible for the enterprise technology strategy, and provides other planning and project support. SRM also ensures maximum return on investment and reduces duplication of efforts in the realm of information technology.

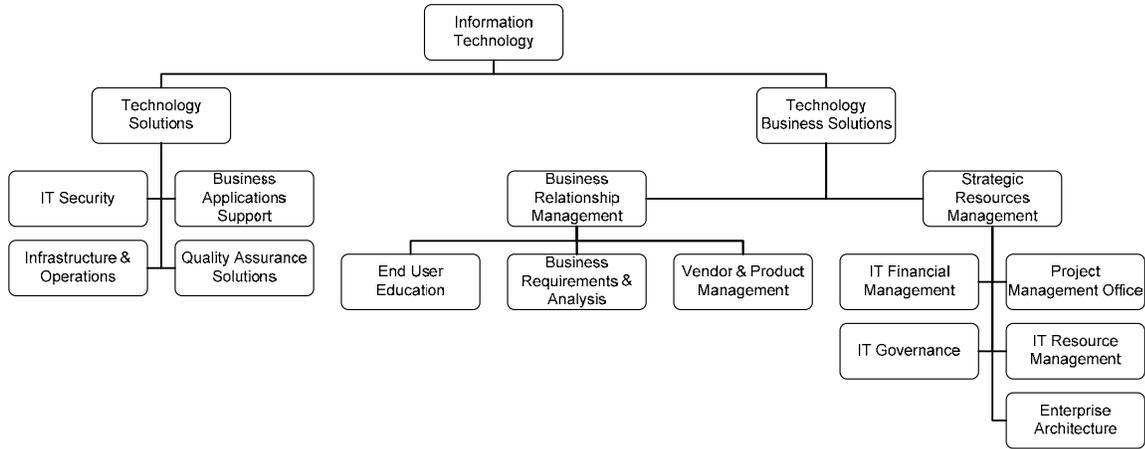
Technology Solutions Group: This group manages the core IT infrastructure necessary to support the daily operations of IT systems (data center, network, server, database, and storage platforms), the delivery of applications that support individual lines of business across the City organization, and the City web portal. The Technology Solutions Group also includes several supporting functions such as the IT service desk, quality assurance, information security, and the following divisions.

- **Business Applications Support:** This division includes planning, development, implementation and maintenance of software systems. Web Services manages the City's web portal and intranet services. The Geographic Information Systems (GIS) program is responsible for the City's geographic data, as well as the dissemination of GIS technology to other City programs. Database Services designs and maintains the City's database warehouse, including the new Enterprise Resource Planning (ERP) data structure.
- **Infrastructure and Operations:** The division manages the City's network infrastructure and connectivity. It is also responsible for the IT Service Desk and Network Operations Center.

Additional information regarding the Information Technology Department may be obtained by contacting Gail M. Roper, the Chief Information and Community Relations Officer at (919) 996-3045 or via email at Gail.Roper@raleighnc.gov.

Mission

To successfully integrate people, process and technology by fostering partnerships and consistently deliver solutions that serve as the foundation of city services and community-based initiatives.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
IT Administration	12	12	11	6	(5)
IT Strategy & Planning	5	9	5	8	3
Enterprise Infrastructure Mgmt	16	16	19	24	5
Enterprise Business App Support	31	31	31	30	(1)
Customer Relationship Mgmt	10	9	12	11	(1)
TOTAL	74	77	78	79	1
DIRECT EXPENDITURES BY DIVISION					
IT Administration	\$ 3,178,898	\$ 2,849,680	\$ 2,966,365	1,157,820	(61.0%)
IT Strategy & Planning	1,223,624	1,809,516	1,000,398	2,116,006	111.5%
Enterprise Infrastructure Mgmt	4,149,584	4,172,664	4,712,779	5,917,682	25.6%
Enterprise Business App Support	5,656,594	6,407,650	5,833,012	4,886,092	(16.2%)
Customer Relationship Mgmt	1,481,977	1,446,384	1,437,789	2,261,809	57.3%
TOTAL	\$ 15,690,677	\$ 16,685,894	\$ 15,950,343	\$ 16,339,409	2.4%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 5,449,130	\$ 5,732,048	\$ 5,723,266	\$ 5,846,543	2.2%
Employee Benefits	1,315,619	1,544,263	1,538,887	1,540,700	0.1%
Operating Expenditures	8,857,217	9,367,658	8,638,525	8,914,584	3.2%
Special Programs and Projects	68,711	41,925	49,665	37,582	(24.3%)
Capital Equipment - New	-	-	-	-	-
TOTAL	\$ 15,690,677	\$ 16,685,894	\$ 15,950,343	\$ 16,339,409	2.4%

Highlighted Budget Changes (July 2012- June 2013)

- An Administrative Assistant position that reports to the Chief Information and Communications Officer is being moved to the Information Technology department from the City Manager's Office with the FY13 budget.
- Mythic/Oracle maintenance contract will save an estimated \$240k from analysis of required support services.
- Realignment of the department's services and cost allocations as based on Information Technology's managed services for its end users.

- Relocated personnel into city-owned facilities, reducing tenant lease costs.
- Implemented the Cityworks License Enterprise initiative and reduced departments' license costs (an estimated \$112k for Parks and Public Works).

FY13 Anticipated Accomplishments that further City Council Mission

- Working on installing a 125-mile fiber network along major thoroughfares in Raleigh.

FY12 Accomplishments that further City Council Mission

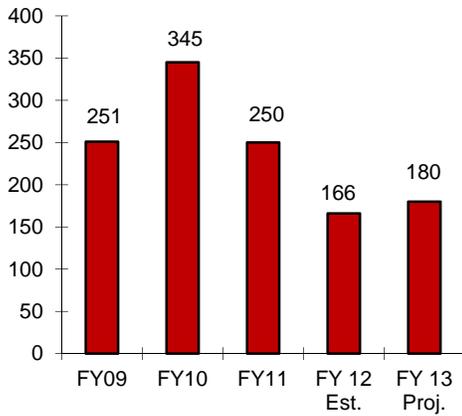
- Implemented the multifunctional device program to consolidate City departments' print, copy and facsimile services into a single energy-efficient device.
- Provided infrastructure and network services for new and renovated city facilities at Pullen Park, CAT Operations Center, Solid Waste Services facility and Annie Wilkerson Nature Preserve.
- Created website enhancements based on citizen feedback.
- Partnered with Wake Technical Community College, Community Services Department and Parks and Recreation Department in the Raleigh College Center. The campuses will provide Internet access and easy-to-understand information on how to prepare, plan, apply and pay for college or other post-high school educational programs that will lead to jobs paying a living wage.
- Partnered with IBM to complete a strategic plan for the Raleigh Business and Technology Center, outlining a clear mission and vision for the center to operate as a business incubator, which offers world-class business services platform to foster business growth.
- Collaborated with all City departments to deliver the IT Strategic Plan. Through the Information Resource Planning Committee (IRMC), departments prioritized four enterprise technology initiatives:
 - Enterprise Work Management (Cityworks)
 - Enterprise Content Management
 - eProcurement (Online Procurement System)
 - Talent Acquisition and Candidate Gateway Management (PeopleSoft)
 - Comprehensive Land Management
- Released the Service Catalog, letting City staff order services and products through an online shopping cart.
- Completed a Resilient Business Infrastructure Assessment through a service grant from IBM. A thorough assessment and recommendations report was completed to help the City of Raleigh understand the organization's resiliency and continuity plans.
- Established partnerships and received grants or in-kind services from national private-sector organizations (Cisco, SAS, AT&T, IBM, Microsoft and Global Knowledge).

Performance Indicators

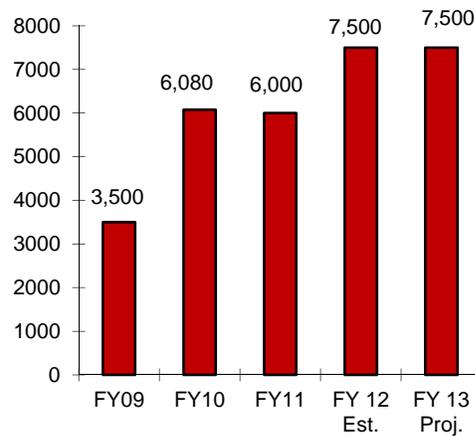
	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
Customer Support Center calls per day	125	140	160	175	150
# service requests	3,500	6,080	6,000	7,500	7500
# city personnel provided technology training (Int. & Ext.)	2,592	4,656	2,500	1,674	1,500
Active devices maintained - servers, laptops, desktops, and peripherals	6,778	7,300	7,400	7,600	4,900
# technology projects with a project manager identified	80	95	100	95	90
Amount of collections through eTransactions (1)	\$11,936,943	\$11,000,000	\$15,000,000	\$16,500,000	\$46,700,000
# eTransactions	125,588	135,000	200,000	200,000	2,400,000

(1) Transactions are for Finance/Utility Billing only and do not include Parks & Rec.

Technology Training Classes Conducted



Number of Service Requests



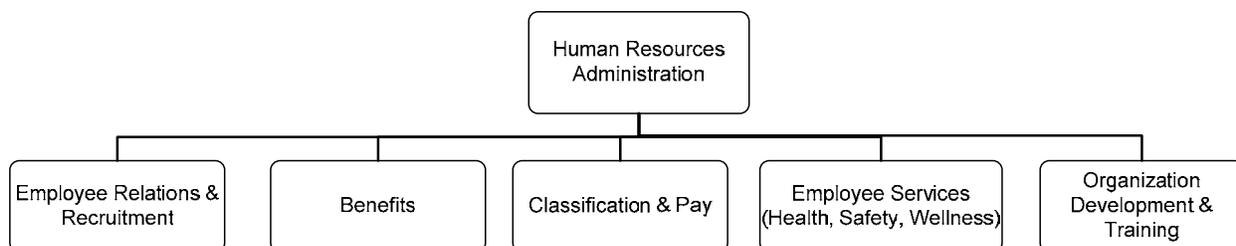
Human Resources

The Human Resources Department is responsible for the development and administration of personnel policies and employee programs, including benefits, health and wellness, safety, employee relations, recruitment and selection, position classification and pay, training, and organizational development.

Additional information regarding the Human Resources Department may be obtained by contacting Gloria Hartsfield, Deputy Director, at (919) 996-3315 or via email at Gloria.Hartsfield@raleighnc.gov.

Mission

The Human Resources Department provides assistance to all City of Raleigh departments in the delivery of quality services to the public by supporting the human resource needs of the organization and the individual needs of employees in the context of their employment, and developing and administering organizational rules and regulations based on City, state, and federal laws and guidelines.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES	26	25	25	25	0
DIRECT EXPENDITURES BY PROGRAM					
Administration	\$ 786,425	\$ 771,242	\$ 724,953	\$ 744,983	2.8%
Recruitment and Selection	304,789	306,063	290,501	292,376	0.6%
Classification/Pay/Benefits	443,408	345,096	354,786	367,080	3.5%
Training/Career Development	701,089	689,211	497,668	594,459	19.4%
Employee Health/Wellness	516,243	472,212	460,833	467,174	1.4%
Personnel Safety	349,340	364,874	351,048	360,196	2.6%
Tech and Spec Projects	127,567	125,529	125,131	123,325	(1.4%)
Special Programs	-	86,625	86,625	86,625	0.0%
TOTAL	\$ 3,228,861	\$ 3,160,852	\$ 2,891,545	\$ 3,036,218	5.0%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 1,786,549	\$ 1,766,318	\$ 1,763,032	\$ 1,805,514	2.4%
Employee Benefits	438,882	474,525	458,429	475,424	3.7%
Operating Expenditures	890,218	819,637	567,723	656,892	15.7%
Special Programs and Projects	113,212	100,372	102,361	98,388	(3.9%)
TOTAL	\$ 3,228,861	\$ 3,160,852	\$ 2,891,545	\$ 3,036,218	5.0%

Highlighted Budget Changes (July 2012 – June 2013)

- Reduced the Tuition Assistance Program by changing the annual maximum employee benefit from \$1,250/year to \$1,000/year.
- Increased the training and development budget to enhance training opportunities for employees, as well as cover costs associated with mandated compliance training.

- Funding included for reclassification of Human Resources Director from PG 47 to PG 48.

FY13 Anticipated Accomplishments that further City Council Mission

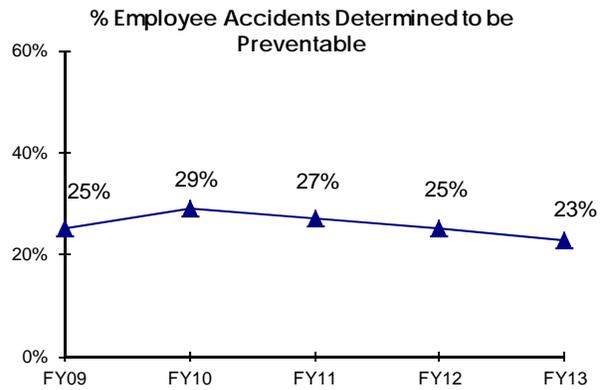
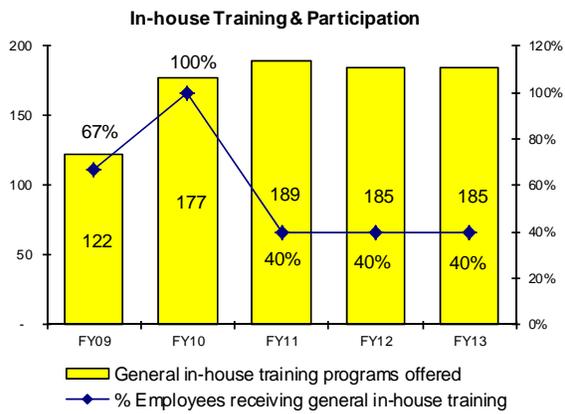
- Provide services and programs to employees and support to all City departments in a responsive, proactive, and timely manner.
- Provide safety training to employees and management to increase safety awareness, minimize workplace accidents and injuries, and decrease workers' compensation costs.
- Implement wellness education programs based on year-to-year comparisons of aggregate results of health risk assessments and biometric results, with a focus on nutrition counseling, fitness activities, new retiree wellness program, heart disease, diabetes, high blood pressure, stress management, and smoking cessation.
- Implement non-occupational health care at the Employee Health Center. Convert health center to an employee clinic to provide needed services to employees at no cost and reduce health care costs.
- Provide an avenue for employees to resolve concerns related to workplace and personnel issues.
- Provide training and development programs for employees and management, including compliance, supervisory and leadership training.
- Finalize revisions of 28 citywide personnel policies for review by City Attorney's Office, City Manager's Office, and Civil Service Commission, with final approval by City Council.
- Provide higher level of customer service to internal and external customers through increased use of technology and the implementation of the Candidate Gateway and Talent Acquisition Manager HCM/ERP module.
- Further automate HR work processes and functions to enhance program and service delivery efficiencies.
- Complete RFP process and select a vendor to conduct audit of Prescription Drug Program.
- Complete RFP process and select a consultant for general benefits consulting services.

FY12 Accomplishments that further City Council Mission

- Conducted health and wellness and safety programs to promote healthier and safer lifestyles for employees.
- Transitioned medical coverage to two plan options with wellness incentives for premium discounts. Conducted health risk assessments (HRA) for 3,700 employees and retirees.
- Conducted over 2,000 unannounced worksite safety observations to assure compliance with OSHA regulations and City policies.
- Administered the flu shot program in-house by City nurses for over 2,000 employees.
- Expanded Employee Health Center services to two remote sites to better serve employees in outlying work areas.
- Initiated RFP process for auditing services of the pharmacy benefits program.
- Initiated RFP process for consulting services for the City's comprehensive benefits program.
- Continued organizational development activities to strengthen leadership and management capabilities; completed a 3-5 year strategic planning project.

Performance Indicators

	ACTUAL FY 08-09	ACTUAL FY 09-10	ACTUAL FY 10-11	ESTIMATE FY 11-12	PROJECTION FY 12-13
Number of positions recruited	363	288	248	250	250
% Turnover rate of employees	5.7%	5.8%	7.4%	6.5%	6%
General in-house training programs offered	122	177	189	185	185
% Employees receiving general in-house training	67%	100%	40%	40%	40%
Avg cost of general in-house training per participant	\$42	\$30	\$78	\$45	\$45
Safety training programs offered	90	85	124	130	135
% Employee accidents determined to be preventable	25%	29%	27%	25%	23%
Number of participants in employee wellness programs	36,500	36,252	45,137	45,500	45,800



Health/Dental Trust and OPEB Trust Funds

The Health/Dental Trust Fund provides for the payment of the City's self-funded health and dental costs for its active employees and elected dependent coverage. The City pays the full cost of employee health/dental insurance premiums and shares in the cost of employee-elected dependent coverage. The City established the Other Post Employment Benefits (OPEB) Trust in FY2008 in order to fund the current post-employment benefit costs (health insurance, Medicare supplement, and life insurance) as well as the future retiree benefit liability of current employees. Annually, the City engages the services of an actuary to calculate the Annual Required Contribution (ARC) to fully fund the City's OPEB trust. Since its inception, the City has fully funded the ARC.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 TO <u>2012-13</u>
Health/Dental Trust	\$ 27,581,735	\$ 30,969,000	\$ 33,965,000	\$ 34,906,500	2.8%
OPEB (Retiree Benefits) Trust	13,302,142	12,368,180	13,349,800	14,955,000	12.0%
TOTAL EXPENDITURES	\$ 40,883,877	\$ 43,337,180	\$ 47,314,800	\$ 49,861,500	5.4%

Health/Dental Trust Costs by Type

Employee Health Claims/Wellness	\$ 23,015,000	\$ 26,105,000	\$ 29,055,000	\$ 29,680,000	2.2%
Dental Claims	1,850,000	1,900,000	1,966,000	1,969,000	0.2%
Administrative Charges	1,679,950	1,811,000	1,855,000	1,996,000	7.6%
Stop Loss Fees	918,525	1,097,000	1,050,000	1,220,000	16.2%
Fiduciary Fees	118,260	56,000	39,000	41,500	6.4%
TOTAL	\$ 27,581,735	\$ 30,969,000	\$ 33,965,000	\$ 34,906,500	2.8%

Other Post Employee Benefits (OPEB) Trust Costs by Type

Retiree Health Claims	\$ 7,500,000	\$ 8,900,000	\$ 9,423,500	\$ 8,205,000	(12.9%)
Retiree Life Insurance	142,310	132,000	149,600	138,000	(7.8%)
Retiree Medicare Supplement	562,700	421,000	478,800	527,000	10.1%
Administrative Charges	350,000	375,000	408,100	512,000	25.5%
Stop Loss Fee	210,000	242,000	246,000	277,000	12.6%
Reserve for Prior Liability	4,537,132	2,298,180	2,643,800	5,296,000	100.3%
TOTAL	\$ 13,302,142	\$ 12,368,180	\$ 13,349,800	\$ 14,955,000	12.0%

Public Affairs

The Public Affairs Department is responsible for developing materials, opportunities and resources used to market and communicate to the public and the media about City services, policies and procedures. The Department does this by serving as the City’s media liaison and facilitating several media conferences annually, more than a dozen direct media inquiries weekly, disseminating more than 600 press releases each year, populating the City website’s home page as well as its Facebook and Twitter resources, producing monthly “City Shows” on RTN, quarterly “Under Construction” and “Firewatch” programming as well as stand alone programming for the Raleigh Television Network (RTN).

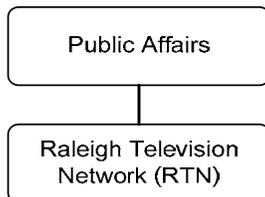
All media or citizen requests for public information are facilitated through Public Affairs. The Public Affairs Department is responsible for the City website’s content. When citizens have questions, they usually are answered by the Public Affairs staff, as they staff the City’s information line. The Department also maintains the City’s official meeting calendar. The Public Affairs staff provides writing support for the City Council members for speeches, proclamations and resolutions. The staff also plans, publicizes and produces several events annually. Staff also serves as marketing and media advisors to several groups associated with the City and its mission such as the Raleigh Hall of Fame, Raleigh’s Sister City organizations and the Raleigh Housing Authority. The department manages the City’s cable operations that provide channels for public and government access television.

RTN, a digital media center, is an invaluable tool in assisting the City of Raleigh and Wake County in communicating with the public. The City does this via regularly scheduled programming that it produces and special programming. The Public Affairs Department also includes the City’s Print Services Division, which is responsible for on-site designing and purchasing of printing services.

Additional information regarding the Public Affairs Department may be obtained by contacting Jayne Kirkpatrick, Public Affairs Director at 996-3100 or via email at jayne.kirkpatrick@raleighnc.gov.

Mission

The City of Raleigh Public Affairs Department develops and markets information about City services to improve Raleigh’s quality of life and to increase understanding of, and participation and trust in government.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
Public Affairs	9	9	9	12	3
Raleigh Television Network (RTN)	8	8	8	8	0
TOTAL	17	17	17	20	3

Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
DIRECT EXPENDITURES BY DIVISION					
Public Affairs	\$ 983,399	\$ 976,984	\$ 951,280	\$ 1,072,699	12.8%
Raleigh Television Network (RTN)	700,451	681,623	665,440	655,053	(1.6%)
TOTAL - DIVISIONS	\$ 1,683,850	\$ 1,658,607	\$ 1,616,720	\$ 1,727,752	6.9%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 981,018	\$ 998,431	\$ 1,001,509	\$ 1,106,616	10.5%
Employee Benefits	260,264	289,932	277,556	308,101	11.0%
Operating Expenditures	386,403	325,707	302,118	288,822	(4.4%)
Special Programs and Projects	18,665	7,537	8,537	7,213	(15.5%)
Capital Equip - New	31,000	37,000	27,000	17,000	(37.0%)
Capital Equip - Replacement	6,500	-	-	-	-
TOTAL	\$ 1,683,850	\$ 1,658,607	\$ 1,616,720	\$ 1,727,752	6.9%

Highlighted Budget Changes (July 2012 – June 2013)

- Print Services staff added to Public Affairs budget. Various reductions in operating and capital equipment expenditures.
- Postal Operations, including the Mail Clerk position, is being moved to Public Affairs' budget in FY13.
- Eliminate December edition of utility bill insert (\$9,500).

FY13 Anticipated Accomplishments that further City Council Mission

- Create system to reduce waste in postal expenses and heighten accountability for mailings.
- Further centralize design, editing and purchasing of printing services for the City.
- Enhance the City's website and presence on Facebook and Twitter.
- Develop citywide public information emergency response plan.
- Continue to highlight the City's successes with the American Recovery and Investment Act and its sustainability

FY12 Accomplishments that further City Council Mission

- Created and disseminated more than 700 press releases.
- Maintained the City's Facebook, Twitter and web site, creating a front page of up-to-the minute City news and enhanced the City's website.
- Established a City social media policy.
- Planned, publicized and produced 14 special events.
- Facilitated 11 press conferences.
- Wrote, planned and produced 12 "City Show" segments, "Under Construction" segments and produced RTN special programming
- Produced public information campaign for the transportation and housing bond referendum.
- Advanced the centralization of design and printing services to heighten efficiencies and quality control.

- Promoted awareness of and participation in the new bike plan.
- Produced and streamed all City Council and Planning Commission meetings.
- Produced Pullen Park campaign.

Special Appropriations

The Special Appropriations budget includes General Fund expenses that are not charged to a specific department.

The Employee Benefits category budgets the city's contribution toward health and life insurance for retirees, workers compensation, and unemployment.

Direct expenditures fund contracted services such as tax billing and collections, the Municipal Service District (MSD) special tax districts expenditure, and insurance user charges. The city's reserve for vehicle maintenance and operations is included to support potential shortfalls in departmental accounts from fluctuating fuel costs.

Interfund expenditures include transfers made from the city's General Fund to other funds. Transfers to the General Debt Service Fund, Technology Fund, Miscellaneous Capital Projects Fund, and Park Improvement Fund represent the General Fund contributions to the city's debt service and capital projects. Transfers are also made to Public Transit, Parking Operations, Convention and Performing Arts Center, Solid Waste Services, and Community Development funds. These funds are operated as business-like enterprise funds, but require some transfer of general fund dollars to operate.

The risk management accounts fund a portion of the city's Risk Management Internal Service Fund. As in the past, direct expenses of risk management will be paid from the Internal Service Fund. The transfers to the Technology Capital Fund were separated into two account lines for planning purposes; one is designated for pay-go projects, while the other services the debt issued for the ERP system.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	ADOPTED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
DIRECT EXPENDITURES	\$ 70,380,366	\$ 70,367,467	\$ 84,571,084	\$ 103,077,486	21.9%
DIRECT EXPENDITURES BY TYPE					
Employee Benefits	5,894,504	5,464,578	10,378,926	9,916,639	(4.5%)
Operating Expenditures	8,366,956	6,886,385	7,738,904	6,420,623	(17.0%)
Interfund Expenditures	56,118,906	58,016,504	66,453,254	86,740,224	30.5%
TOTAL	\$ 70,380,366	\$ 70,367,467	\$ 84,571,084	\$ 103,077,486	21.9%

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	ADOPTED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEE BENEFITS					
Salary Reserve	\$ -	\$ -	\$ 1,456,000	\$ -	-
OPEB - Post Employment Benefits	500,000	500,000	1,419,229	1,207,737	(14.9%)
Medicare Supplement	369,500	387,600	445,740	414,414	(7.0%)
Health Insurance	4,734,996	4,298,568	6,761,785	8,028,473	18.7%
Group Life Accidental Death & Disability	130,008	118,410	136,172	106,015	(22.1%)
Unemployment	160,000	160,000	160,000	160,000	0.0%
SUBTOTAL	\$ 5,894,504	\$ 5,464,578	\$ 10,378,926	\$ 9,916,639	(4.5%)
DIRECT EXPENDITURES					
City/Co Tax Billing & Collection	\$ 364,000	\$ 367,000	\$ 378,000	\$ 385,000	1.9%
Elections	297,823	-	350,000	-	-
Remittances to County	20,000	20,000	20,000	10,000	(50.0%)
Penalty Payments to WCPSS	232,452	246,839	250,000	427,658	71.1%
Safety Shoes	98,018	98,018	98,018	98,810	0.8%
Postage	583,000	550,000	450,000	460,000	2.2%
Stormwater Utility Fees	10,000	10,000	10,000	10,000	0.0%
Reserve - Contingency	100,000	100,000	50,000	50,000	0.0%
Reserve - M&O	640,000	357,192	686,508	733,109	6.8%
Reserve - Hillsborough Mun Svc Dstrct	111,818	252,001	176,408	179,891	2.0%
Reserve - Municipal Service District	1,146,319	1,104,574	1,177,336	1,209,705	2.7%
City Records Mgmt	60,000	63,000	63,000	-	-
RSV-Open Data Catalog	-	-	-	50,000	0.0%
To ISF - SIR Prop/Liab Claim	1,160,000	1,410,000	1,410,000	955,811	(32.2%)
To ISF - Excess Prop/Liab Premium	1,000,000	955,500	955,500	525,152	(45.0%)
To ISF - Misc Insurance Premium	305,184	290,958	299,834	309,992	3.4%
To ISF - Other Insurance Service	989,757	873,303	974,902	932,495	(4.3%)
To ISF - SIR Workers Comp	59,335	-	31,398	-	-
Insurance Other	925,000	-	-	-	-
Miscellaneous Allocations	1,250	-	-	-	-
Fringe Benefit Consultant	83,000	83,000	83,000	83,000	0.0%
Contractual Services	-	-	125,000	-	-
African-American Cultural Festival	75,000	75,000	75,000	-	(100.0%)
NC League of Municipalities Conference	-	-	75,000	-	-
At-Risk Youth Initiative Reserve	105,000	30,000	-	-	-
SUBTOTAL	\$ 8,366,956	\$ 6,886,385	\$ 7,738,904	\$ 6,420,623	(17.0%)

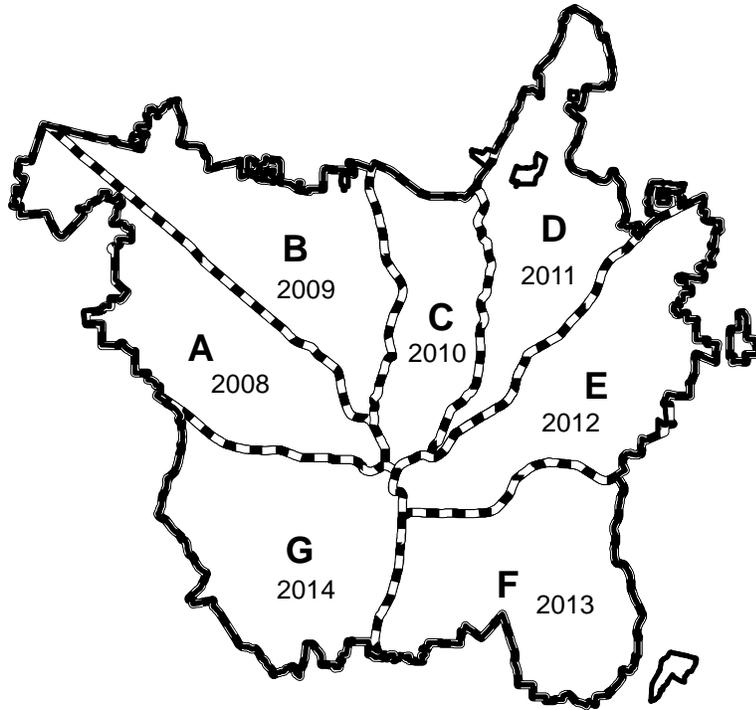
Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	ADOPTED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
TRANSFERS OUT					
To 110 Economic Development Fund	\$ 1,072,037	\$ 1,167,129	\$ 1,048,129	\$ 1,173,102	11.9%
To 190 General Debt Service	34,921,173	37,223,308	37,254,355	41,935,177	12.6%
To 210 Print Shop	296,891	296,891	242,206	-	(100.0%)
To 360 SWS Operating Fund	-	-	-	12,767,374	100.0%
To 410 Transit Operations	10,369,966	10,127,611	9,981,358	10,561,600	5.8%
To 410 Accessible Raleigh Transit *	-	-	6,887,599	6,890,429	0.0%
To 442 Parking Operations	-	-	1,475,501	2,031,145	37.7%
To 501 Technology Fund	-	4,000,000	4,495,396	2,894,152	(35.6%)
To FD 501 ERP Debt Service	-	-	-	1,256,570	100.0%
To 502 ERP Project Fund	4,000,000	-	-	-	-
To 505 Misc Capital Projects Fund	2,150,000	1,454,000	1,024,604	1,933,000	88.7%
To 625 Park Improvement Fund	650,000	900,000	1,210,000	1,940,000	60.3%
To 642 RCCC/PAC Operations Fund	1,200,166	1,385,208	1,486,746	1,856,247	24.9%
To 646 Auditorium Renovations	-	200,000	-	170,000	-
To 735 Housing Operations	1,035,379	875,783	1,000,654	1,083,483	8.3%
To 736 Housing Projects	423,294	386,574	346,706	247,945	(28.5%)
SUBTOTAL	\$ 56,118,906	\$ 58,016,504	\$ 66,453,254	\$ 86,740,224	30.5%
TOTAL	\$ 70,380,366	\$ 70,367,467	\$ 84,571,084	\$ 103,077,486	21.9%

* Accessible Raleigh Transit was previously funded in Agency Appropriations



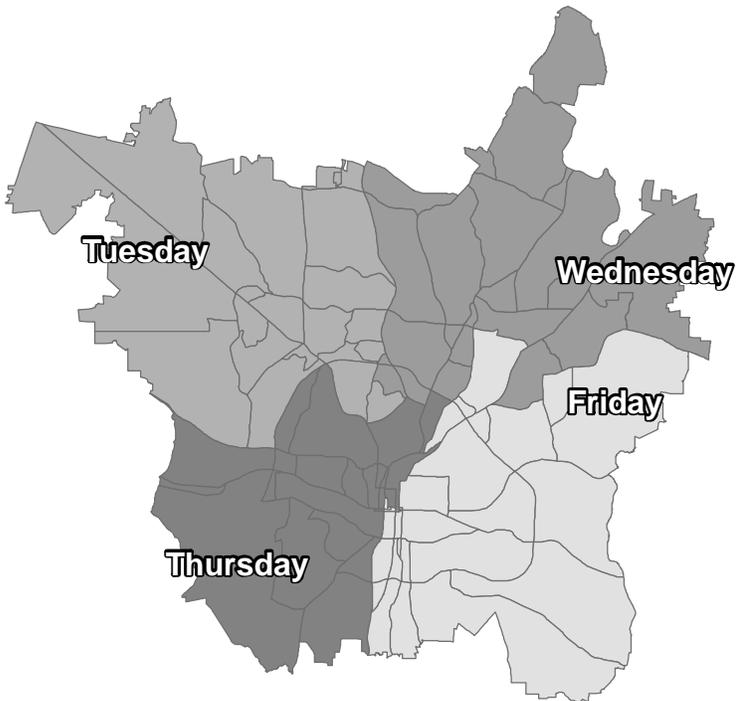
Leaf Collection Zones



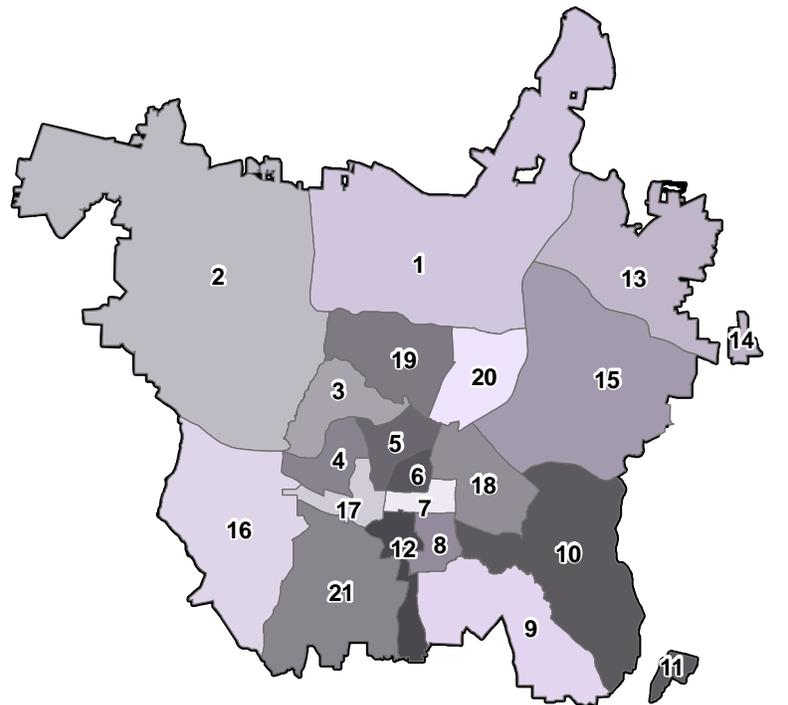
*Letters indicate specific leaf collection zones

**Dates indicate beginning leaf collection zone for that year

Trash Collection Zones



Citizen Advisory Council Districts



- | | | | |
|---------------|-----------------|-----------------|--------------|
| 1 North | 6 Mordecai | 12 Central | 18 East |
| 2 Northwest | 7 North Central | 13 Forestville | 19 Midtown |
| 3 Glenwood | 8 South Central | 15 Northeast | 20 Atlantic |
| 4 Wade | 9 South | 16 West | 21 Southwest |
| 5 Five Points | 10 Southeast | 17 Hillsborough | |

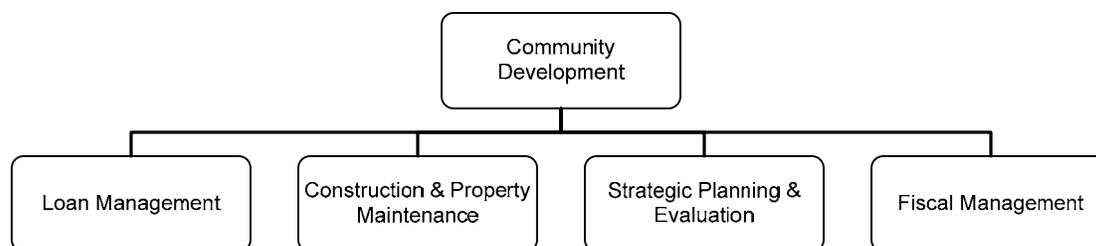
Community Development

The Community Development Department is responsible for the administration of the City's housing and redevelopment programs, funded with both local and federal funds. Housing activities include citywide first time homeownership loans, affordable rental housing, rehabilitation of existing housing stock, housing initiatives for the homeless, neighborhood revitalization efforts in identified target areas, economic development and public service activities.

Additional information regarding the Community Development Department may be obtained by contacting Michele Grant, Community Development Director, at (919) 996-4330 or via e-mail at michele.grant@raleighnc.gov.

Mission

To improve the quality of life for Raleigh's citizens by increasing and improving the affordable housing stock, revitalizing older neighborhoods and supporting related human services.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 TO 2012-13</u>
EMPLOYEES	23	23	23	23	0
DIRECT EXPENDITURES					
Housing Development - City	\$ 1,808,092	\$ 1,556,907	\$ 1,633,952	\$ 1,648,832	0.9%
Ending Homelessness - City	50,000	50,000	50,000	50,000	0.0%
Community Development - Federal	5,535,366	5,276,417	4,542,271	4,668,970	2.8%
TOTAL	\$ 7,393,458	\$ 6,883,324	\$ 6,226,223	\$ 6,367,802	2.3%

Highlighted Budget Changes (July 2012 - June 2013)

- ARRA funding: NSP3 (Neighborhood Stabilization Program) administrative funds were budgeted in FY12 to offset the General Fund subsidy. This project is scheduled to be completed in FY13; however there are no additional administrative funds.
- The Department will continue to refurbish and rehabilitate citywide affordable rental housing units, implementing as many sustainable projects and activities as possible. Rental revenue supplements administrative costs for bond and other non-federal programs. The citywide affordable rental housing revenues will again support New Horizon debt service until the site is sold.
- The contractual services account is level-funded to meet budget constraints. The Department's legal representation is outsourced. The number of contracts requiring legal review is increasing and wherever possible, required legal fees will be charged to the project account to hold down costs in the operating fund.

FY13 Anticipated Accomplishments that further City Council Mission

- Community Development Block Grant (CDBG) funds will be used to acquire and demolish 15 dilapidated structures and relocate existing households to standard units.
- Increase the tax base and encourage homeownership by providing 35 down payment assistances or second mortgage loans of up to \$20,000 to first-time homebuyers citywide.
- Improve the City of Raleigh's existing homeowner housing stock by providing loans to 35 homeowners to rehabilitate existing residences and 40 loans to homeowners for limited repairs to their homes.
- Provide construction trade training to 30 low-income people.
- Increase the City of Raleigh's affordable rental housing stock by a minimum of 75 units by providing low interest gap financing to at least two private and/or nonprofit developers.
- Provide funds to a local nonprofit agency for homeownership counseling to at least 75 people seeking to become homeowners.
- Complete major capital improvements on 10-15 units in the City's affordable rental housing portfolio.
- Saint Augustine's College CDC has been awarded up to 15 lots in the East College Park neighborhood development of homes for first time low and moderate income homebuyers homes will be built to System Vision standard.
- Begin the installation of water, sewer, and drainage lines in the East College Park area.
- Serve over 1,000 low-income and special population individuals and families by providing financial assistance to nonprofit provider organizations.

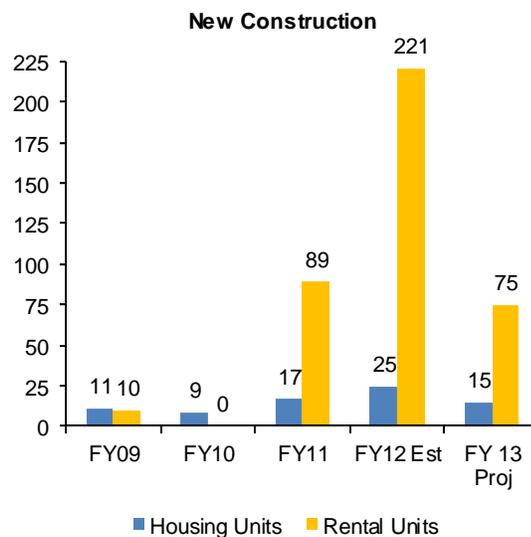
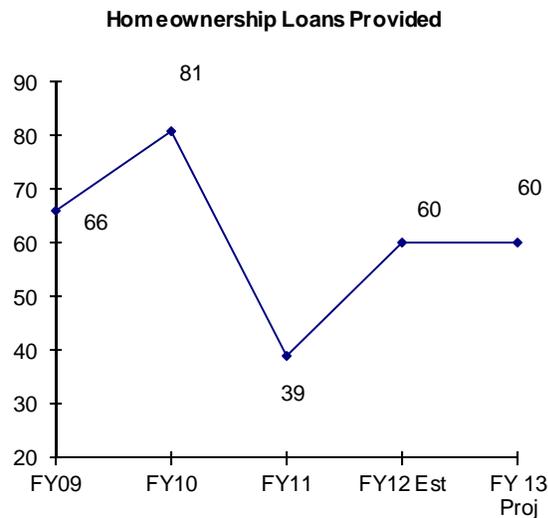
FY12 Accomplishments that further City Council Mission

- Nine substantial rehab projects and 2 reconstruction projects were completed, and nine new loans were approved totaling over \$1,200,000. Twenty-four additional applications for substantial rehab were received for review by loan staff and consultants.
- Resources for Seniors completed 31 limited repair projects by providing loans for emergency repairs of up to \$5,000 each to homeowners residing throughout the City.
- Forty-six bond-funded second mortgage loans closed, providing more than \$960,000 to first-time homebuyers for down payment assistance.
- The Department continues to leverage private and other public funds for development of low-income rental units at a current leveraging ratio of 5.72 for each city/bond/federal dollar made available.
- Completed capital improvements of the City's affordable rental housing units, including three units at 709 E. Davie, six at New Bern Avenue, four units at 6708 Magnolia and the upgrade of the parking lot at Six Forks.
- The current property management agency for the Citywide Affordable Rental program continues its partnership with a local university to provide a student with a Property Management Internship.
- Over \$1,292,500 of CDBG funds have been used to acquire 15 planned acquisitions in targeted redevelopment areas. An additional \$320,000 to relocate 14 households and one commercial business and \$180,000 was used to demolish 23 dilapidated units.
- More than \$200,000 from the CDBG Community Enhancement/ Public Services program provided services to 1,755 individuals and 70 households/ families.

- Two ARRA grants, Homeless Prevention and Rapid Re-Housing Program and Community Development Block Grant – Recovery, closed. The award total of \$991,091 assisted 561 individuals and 168 households with rental assistance, and \$648,128 provided rehab for St. Monica Teen Center and job training for 30 youths.
- Neighborhood Stabilization Program grants of over \$3.9 million was used to acquire 16 properties; build 8 affordable; demolish 3 structures and develop site for affordable rental units.

Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
New housing units constructed	11	9	17	25	15
New rental units constructed	10	0	89	221	75
Units rehabilitated	49	28	20	33	70
Homeownership/rehabilitation loans provided	66/36	81/27	39/13	60/24	60/35
Demolitions/Relocations	33/6	25/14	14/7	4/7	15/6
% CDBG funds benefiting low/moderate incomes	100%	100%	100%	100%	100%
Leveraging ratio	3:1	6:1	5:1	9:1	5:1
Leveraging of private funds	\$ 7,982,351	\$ 8,919,598	\$ 8,362,647	\$ 16,846,239	\$ 8,148,080
Cost of CDBG administration as a % of total expenditures	26%	11%	11%	15%	20%



Community Development – Federal Program

The Community Development Funds provide for the improvement of inner-city neighborhoods through the implementation of several redevelopment plans adopted by City Council. The expenditures in this section represent federally funded initiatives.

The primary source of funding is through the HOME Investment Partnership Program and Community Development Block Grant (CDBG) programs provided by the U.S. Department of Housing and Urban Development (HUD). Program income is additionally funded by CDBG projects such as loan repayments and rental income. Projects funded in this budget include the Rehabilitation Loan Program for renter and owner occupied units and emergency repair loans to the elderly and handicapped. The HOME program also provides affordable housing to low and moderate income residents.

The Hearth Emergency Solutions Grant provides funds for homeless populations. Approximately \$100,000 will be transferred to Wake County in support of the homeless shelter; the remaining balance will be used for HUD's rapid rehousing program.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 TO <u>2012-13</u>
DIRECT EXPENDITURES BY PROGRAM					
CDBG	\$ 3,239,441	\$ 3,311,147	\$ 2,782,326	\$ 3,188,848	14.6%
HOME Program	2,114,675	1,792,615	1,584,265	1,284,719	(18.9%)
Emergency Solutions Grant	106,250	107,655	108,680	195,403	79.8%
Job Training Grant	75,000	65,000	67,000	-	(100.0%)
TOTAL	\$ 5,535,366	\$ 5,276,417	\$ 4,542,271	\$ 4,668,970	2.8%
DIRECT EXPENDITURES BY TYPE					
Personnel Services				\$ 742,275	-
Employee Benefits				221,398	-
Contractual Services		Detail not previously provided		195,403	-
Capital Equipment - New				-	-
Housing Initiatives				2,343,457	-
Interfund Expenditures				1,166,437	-
TOTAL	\$ 5,535,366	\$ 5,276,417	\$ 4,542,271	\$ 4,668,970	2.8%

Housing Development – City Program

The combined total budget of Housing Development includes a subsidy transfer from the General Fund in the amount of \$1,458,673 for the Community Development Department, including \$50,000 for the Ending Homelessness Program. The majority of funds will be used to assist low and moderate income households in obtaining affordable housing. The expenditures represent locally funded initiatives.

The HOME and CDBG grants allow a percentage of the grant to be used to support administrative overhead, including salaries, benefits and indirect costs. Beginning in FY13, the salary and benefits associated with administrative overhead are budgeted directly to the grant and can be found in the Community Development-Federal Program budget detail.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 TO <u>2012-13</u>
DIRECT EXPENDITURES BY PROGRAM					
Administration	\$ 985,379	\$ 825,783	\$ 950,654	\$ 1,033,483	8.7%
Ending Homelessness	50,000	50,000	50,000	50,000	0.0%
Insurance and Service Fees	66,000	46,000	45,500	35,000	(23.1%)
Property Maintenance	58,000	58,000	58,000	58,000	0.0%
Homeowner Counseling	10,000	10,000	10,000	10,000	0.0%
HOME Grant Match	475,996	404,407	356,581	289,132	(18.9%)
Rental Housing Repairs	150,000	150,000	150,000	150,000	0.0%
Rehabilitation Loans		Previously in Insurance and Service Fees		10,500	-
New Horizons	62,717	62,717	63,217	62,717	(0.8%)
TOTAL	\$ 1,858,092	\$ 1,606,907	\$ 1,683,952	\$ 1,698,832	0.9%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 1,398,511	\$ 1,389,682	\$ 1,395,836	\$ 651,399	(53.3%)
Employee Benefits	367,141	404,405	400,857	246,735	(38.4%)
Operating Expenditures	168,447	105,903	107,465	78,513	(26.9%)
Contractual Services	50,000	50,000	50,000	75,000	50.0%
Grant Support Exp Reimb	(949,720)	(1,074,207)	(953,804)	-	(100.0%)
Capital Equipment - New	1,000	500	300	300	0.0%
Housing Initiatives	759,996	667,907	620,081	545,832	(12.0%)
Interfund Expenditures	62,717	62,717	63,217	101,053	59.9%
TOTAL	\$ 1,858,092	\$ 1,606,907	\$ 1,683,952	\$ 1,698,832	0.9%

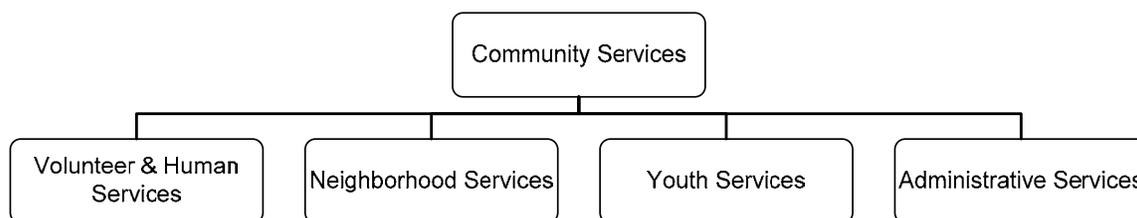
Community Services

The Community Services Department envisions an engaged citizenry, thriving neighborhoods and flourishing communities throughout Raleigh. The Department facilitates neighborhood empowerment, citizen participation, human capacity-building and leadership development. The Department also coordinates volunteer service programs, administers human services grants and provides structured youth employment and empowerment opportunities.

Additional information regarding the department is available by contacting Dwayne C. Patterson, Community Services Interim Director, at (919) 996-6100 or Dwayne.Patterson@raleighnc.gov.

Mission

The mission of the Community Services Department is to promote and advance continuous quality-of-life improvements in neighborhoods and communities, meaningful civic and community engagement for all of Raleigh's diverse citizenry, and positive youth development and volunteer opportunities. We do so by helping individuals, groups and communities recognize their skills and assets, by mobilizing people to take action on their own behalf, and by connecting them to appropriate resources so they can achieve positive results for their neighborhoods and communities.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES					
General Fund positions	15	15	15	15	0
Grant Funded positions	3	3	3	3	0
TOTAL	18	18	18	18	0
DIRECT EXPENDITURES BY PROGRAM					
Comm Dev Svs Admin	\$ 368,828	\$ 318,635	\$ 314,546	\$ 304,009	(3.3%)
Operations - Neigh Services	865,761	776,563	746,251	760,845	2.0%
Volunteer/Human Services	216,146	225,323	226,548	226,989	0.2%
Youth Employment Program	436,147	465,982	391,047	390,434	(0.2%)
Neighborhood Improvement	26,913	-	-	-	-
Special Programs and Projects	-	98,610	63,610	61,010	(4.1%)
TOTAL	\$ 1,913,795	\$ 1,885,113	\$ 1,742,002	\$ 1,743,287	0.1%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 1,152,585	\$ 1,142,447	\$ 1,106,152	\$ 1,113,606	0.7%
Employee Benefits	236,928	245,084	232,886	243,108	4.4%
Operating Expenditures	178,518	185,276	166,078	153,982	(7.3%)
Special Programs and Projects	345,764	312,306	236,886	232,591	(1.8%)
TOTAL	\$ 1,913,795	\$ 1,885,113	\$ 1,742,002	\$ 1,743,287	0.1%

Highlighted Budget Changes (July 2012 – June 2013)

- Reduced funding for the Raleigh Neighborhood Exchange and Viva Raleigh (\$5,790).
- Eliminated the Dispute Resolution Program (\$2,000).
- Reduced funding for training and travel (\$2,177).

- Eliminated the purchase of small equipment (\$1,700).
- Reduced the number of Raleigh Summer Youth Employment positions from 165 to 130 and changed the maximum number of hours worked from 35 to 30 hours per week.
- Reduced vehicle maintenance and operations funds (\$1,000).
- Reduced fuel consumption budget by 34%.
- Reduced contractual services budget for Volunteer & Human Services division (\$592).
- Increased Citizens Advisory Council community engagement funds to include funding for the newest CAC (\$1,000).
- The Substance Abuse Advisory Commission reduced their program budget by \$600.

Service Impacts (July 2012 – June 2013)

- The reduction in funds for the Raleigh Neighborhood Exchange and Viva Raleigh may affect attendance or program quality. The citizen planning committees will need to seek private funding to make up the difference.
- Thirty-five fewer youth will be employed under the Raleigh Summer Youth Employment. Community Services is seeking Workforce Investment Act funds to hire 20 additional youth. Participants will work a maximum of 30 hours per week for nine weeks, a reduction of five hours from FY12. The program will be open to youth ages 15-18, compared with ages 14-18 in the current fiscal year
- Reduction of training and travel funds will have a negative impact on the professional growth and development of staff.
- Reduction in fuel and vehicle maintenance and operations costs may require staff to limit face-to-face meetings with citizens and implement additional fuel conservation measures.
- Reduction in contractual services budget for Volunteer & Human Services division will reduce the number of hours worked by contract employee.
- The Substance Abuse Advisory Commission budget reductions will have an impact on their ability to promote the Prescription Pill Drop Off events, Drugs Uncovered Parent Workshops and Merchant Recognition program.

FY13 Anticipated Accomplishments that further City Council Mission

- Increase number of registered neighborhood-based organizations from 214 to 230, or 7%.
- Increase the number of Raleigh Neighborhood College and Citizens Leadership Academy alumni serving in leadership positions in Citizens Advisory Councils, boards and commissions, Neighborhood Exchange, and neighborhood-based organizations from 27 to 30.
- Assist the Raleigh Citizens Advisory Council with implementing its CAC boundary revision plan.
- Maintain the number of volunteers and volunteer sites coordinated by Community Services. Expand existing Foster Grandparent and Retired Senior Volunteer Programs to support Wake County Public Schools.
- Hire 142 of an expected 500 applicants in the Raleigh Summer Youth Employment Program. Receive grant funding for 5 positions. Youth will contribute 38,000 work hours to City departments. Continue to refer applicants not selected to other organizations hiring youth.
- Provide leadership to the YouthTHRIVE partnership (formerly known as the Collaborative Partnership for Excellence in Youth Development) as it implements the \$1.25 million grant from John Rex Endowment to advance positive youth development for school-age young people in Wake County.

- Provide leadership to the Raleigh Colleges and Community Consortium as it manages the \$1.5 million in grant funds over a 21-month period from the Bill and Melinda Gates Foundation Partnership for Postsecondary Success program.
- Assist with implementation of council-approved work plans for boards and commissions assigned to Community Services. Promote the inclusion of Raleigh Neighborhood College and Citizen Leadership Academy graduates, youth and persons with disabilities on boards and commissions.
- Increase the percentage of citizens reporting satisfaction with Community Services' ability to provide timely, reliable and appropriate assistance, referrals, information, and resource connections.

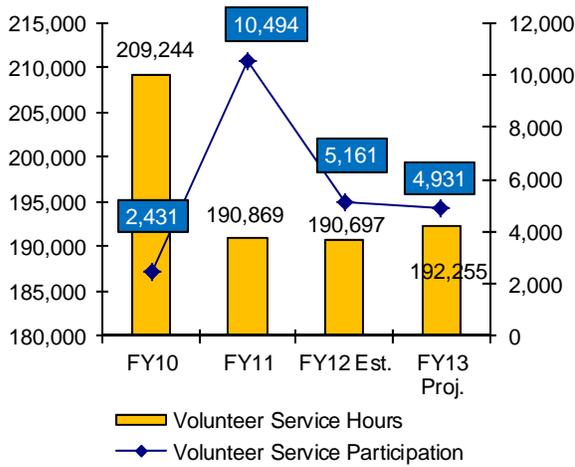
FY12 Accomplishments that further City Council Mission

- Increased the number of organized neighborhood-based groups on the Raleigh Neighborhood Registry from 188 to 214, or 16%. Increased awareness of and participation in CACs through effective marketing and communication strategies, including the use of marketing funds by 13 of 18 CACs.
- Fifteen current CAC leaders (chair, vice-chair, secretary, etc.) are graduates of Raleigh Neighborhood College or Citizens Leadership Academy. Eleven graduates of these programs serve on six City boards and commissions.
- Assisted the Raleigh Citizens Advisory Council with its boundary revision plan, which City Council approved. This plan increases the number of CACs from 18 to 19 without an increase in the Community Services staff.
- Awarded \$15,000 in Neighborhood Improvement Funds that generated \$20,000 in value to neighborhoods.
- Generated 190,000 volunteer service hours, representing a contribution of \$3.9 million to community betterment.
- Foster Grandparent and Retired Senior Volunteers served over 61,000 hours with a value of \$1.2 million.
- Hired 165 of 986 applicants for employment and mentorship opportunities in the Raleigh Summer Youth Employment Program. Youth contributed 41,000 work hours to City departments. Received Workforce Investment Act funding from the Capital Area Workforce Development Board to hire 27 youth.
- The Raleigh Beehive (www.raleigh.thebeehive.org) ranks No. 1 among all local Beehive websites in the nation for page views and local content. The Raleigh Beehive was launched Aug. 1, 2010, as an easy-to-use, self-help tool for families living in poverty.
- Led the Raleigh Landlord Training Program for its sixth year. Over 600 landlords and others who deal with rental property have participated since 2006. This program qualifies for continuing education credits from the N.C. State Bar and the N.C. Real Estate Commission and is a PROP-approved training.
- Facilitated the development, implementation and progress reporting of council-approved work plans for the Human Relations Commission, Fair Housing Hearing Board, Raleigh Citizens Advisory Council, Substance Abuse Advisory Commission, and Mayor's Committee for Persons with Disabilities.

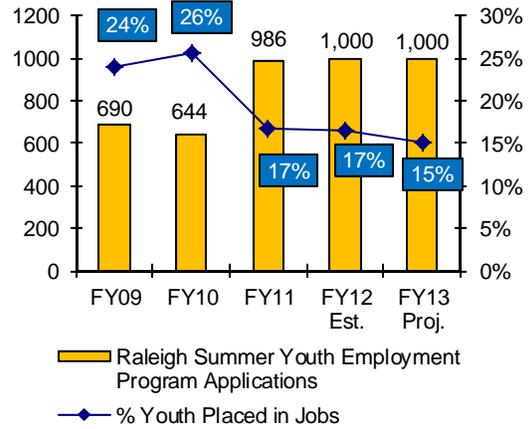
Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
# of Volunteer Service Participants	N/A	2,431	10,494	5,161	4,931
Volunteer Service Hours	N/A	209,244	190,869	190,697	192,255
Volunteer Service Value to Raleigh	N/A	\$4,237,181	\$3,865,087	\$3,861,614	\$3,893,164
# of Neighborhood based groups registered with the City	151	162	197	221	230
Neighborhood-Based Groups Organized	6	11	35	24	19
Neighborhood Improvement Project Value	\$17,248	\$2,016	\$101,059	\$20,000	\$20,000
Raleigh Summer Youth Employment Program Applications	690	644	986	1,000	1,000

Volunteer Service



Youth in Summer Youth Employment Program



Planning and Development

Planning and Development consists of the Inspections Department, the Department of City Planning and the Office of Development Services. The Department of City Planning provides planning advice and services to the City Council, Planning Commission, Historic Districts Commission and Appearance Commission, the City Manager and staff, and to the citizens. The Inspections Department is responsible for enforcing the North Carolina building construction codes and the City’s minimum housing and public nuisance codes; rental dwelling registration; reviewing construction plans for code compliance.

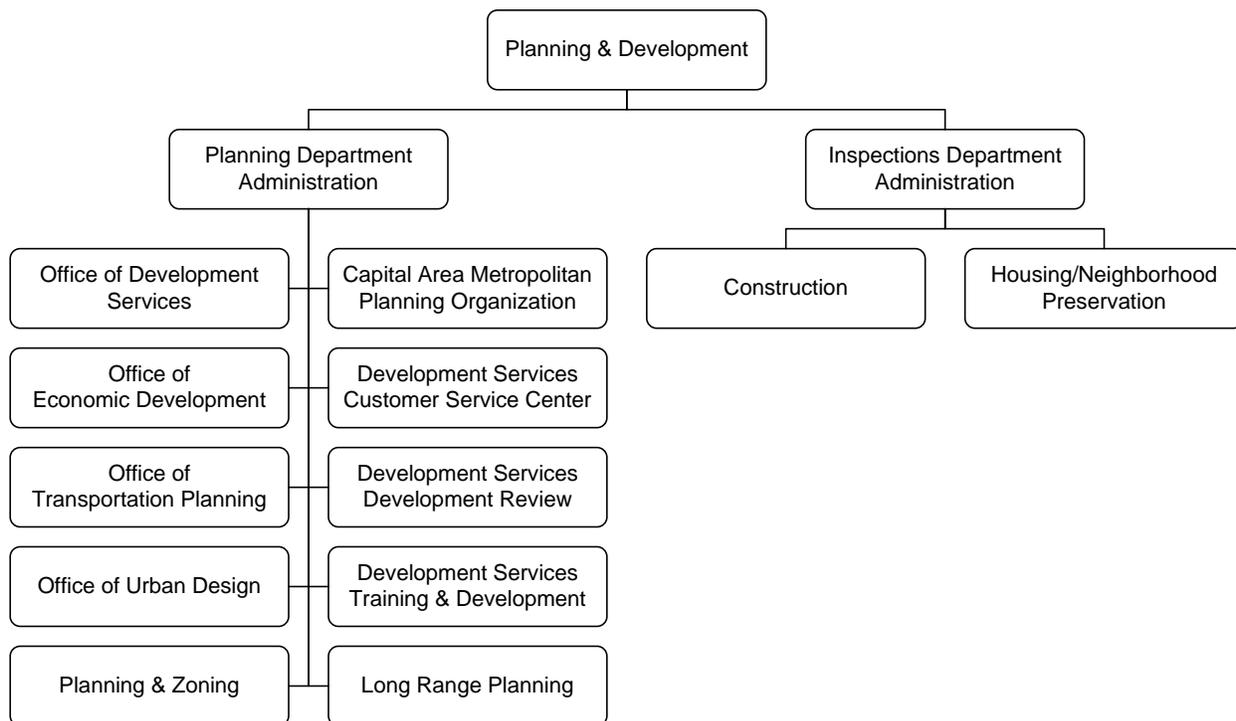
Additional information regarding the Planning Department may be obtained by contacting Mitchell Silver, Chief Planning and Development Officer, at (919) 516-2625 or via email at Mitchell.Silver@raleighnc.gov.

Mission

The Planning Department provides guidance for the growth, preservation and development of the City of Raleigh in order to maintain a City of lasting value.

The Department of City Planning will become a proactive team to provide the expertise and leadership to guide growth, preservation and development of the City. The department will adopt a new standard of excellence and seek best practices to ensure the City reaches its highest potential. The comprehensive plan and zoning code will be updated to establish a clear vision for the future. Staff will be cross-trained to maximize their skills; they will be empowered to be creative and help facilitate department change; and, they will excel in customer service. The City is building a new legacy for the future. Staff understands that we are in a “golden age of planning” and they have embraced their new role as the next generation’s legacy builders.

The mission of the Inspections Department is to ensure the public’s health, safety, and welfare through the enforcement of adopted codes, to promote the economic health of the City of Raleigh by enhancing business development and retention, assuring adequate housing and clean neighborhoods, and to provide exemplary service to our customers that exceeds their expectations for efficiency, effectiveness, and adaptability.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
City Planning	45	42	49	58	9
Development Services	11	33	44	36	(8)
Inspections	141	121	97	95	(2)
Grant Fund - CAMPO*	-	-	11	11	0
TOTAL	197	196	201	200	(1)

* As of January 19, 2011, CAMPO moved to Planning from Public Works

DIRECT EXPENDITURES BY DIVISION

Planning	\$ 4,171,760	\$ 3,905,932	\$ 4,502,894	\$ 5,294,014	17.6%
Development Services	1,716,943	2,562,389	3,464,307	2,824,414	(18.5%)
Inspections	11,523,742	10,191,263	8,054,301	7,741,386	(3.9%)
CAMPO	-	-	219,741	203,677	(7.3%)
TOTAL	\$ 17,412,445	\$ 16,659,584	\$ 16,241,243	\$ 16,063,491	(1.1%)

DIRECT EXPENDITURES BY TYPE

Personnel Services	\$ 11,198,973	\$ 11,343,054	\$ 11,037,494	11,010,117	(0.2%)
Employee Benefits	3,037,865	3,359,728	3,171,359	3,066,303	(3.3%)
Operating Expenditures	2,932,519	1,836,579	1,707,296	1,703,485	(0.2%)
Special Programs and Projects	167,088	114,723	322,594	282,586	(12.4%)
Capital Equipment - New	74,500	5,500	2,500	1,000	(60.0%)
TOTAL	\$ 17,412,445	\$ 16,659,584	\$ 16,241,243	\$ 16,063,491	(1.1%)

Highlighted Budget Changes (July 2012 – June 2013)

- As part of the continuing reorganization, one vacant Staff Support Specialist position was eliminated in the FY13 budget.
- The FY13 budget includes:
 - \$41,000 to mail Unified Development Ordinance public notification letters.
 - \$25,000 of additional City funding for Western Boulevard Crossing Study (CAMPO).
 - \$9,104 City match for Wake County Historic Landmark Administration.

Service Impacts (July 2012 – June 2013)

- The shift from outsourcing planning studies to conducting them in-house will increase the length of time to complete studies. In addition, staff will be unable to offer the same level of technical assistance to the general public.
- The budget reduces the allocation for renting meeting spaces, which could result in fewer public meetings.

FY13 Anticipated Accomplishments that further City Council Mission

- Advance the City's status as a 21st Century City of Innovation by holding an Innovation Summit and recommending updates to the Comprehensive Plan in order to maintain Raleigh as one of the nation's best planned cities.

- Focus on job creation, small business development and economic development through the new Office of Economic Development. Implement a redevelopment strategy to improve neighborhoods in need of stability, revitalization and economic development.
- Complete a new Unified Development Ordinance (UDO) to put the right rules in the right places to reflect new development practices and to implement recommendations from the Comprehensive Plan.
- Continue to implement the City Manager's plan to unify Planning, Development Services, Inspections, Community Development, Transportation Planning and Economic Development into a unified cluster of business services, and implement regulatory reform and development service enhancement to improve the development service experience.
- Work with other departments to advance the management strategies to support a higher level of customer service, improve neighborhood quality, focus on capital projects, address environmental initiatives and focus on growth strategies.
- Maintaining the incentive program for housing inspectors to obtain additional trade certifications to better serve the community. Maintain the Non-Residential Building Code that continues to improve neighborhood quality and the quality of life for the citizens of Raleigh.
- Review the Housing Code for implementation of life safety improvements to the code, continue education program for housing inspectors with multi-trade certifications; also offered to others in the state.
- Continue to train Housing staff in order to provide community training related to green initiative and replace larger vehicles with Ford Escapes to improve fuel mileage and lower emissions.
- Move the plan review services toward providing customers with more options to meet their individual needs on a project by project basis. Continue to expand online services, moving toward fully automating "over-the-counter" customer transactions through the internet.
- Assess potential technology tools such as BIM/IPD for development review processes in the future; Assist the Information Technology Department in undertaking a study for IRIS replacement, should it be given priority status by the IRMC.

FY12 Accomplishments that further City Council Mission

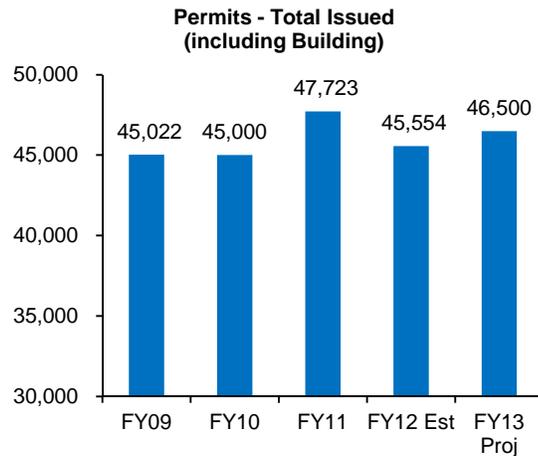
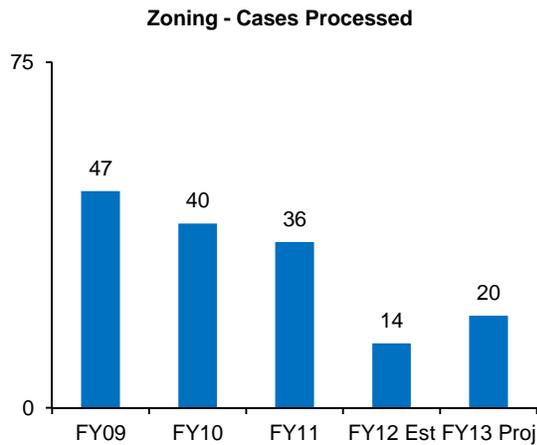
- Developed the Unified Development Ordinance for City Council adoption.
- Completed several corridor studies: Blue Ridge Road, Capital Boulevard, New Bern Avenue Corridor Study, and Jones Franklin Study. Modified the Union Station plan to accommodate the Dillon Viaduct Building for Amtrak and other services and started the Land Management project to replace IRIS.
- Completed annual evaluation and amendments to the Comprehensive Plan, the re-evaluation of the Redevelopment Plans and developed a new citywide redevelopment strategy. Completed station area plans for proposed TTA stations in Raleigh.
- Hired an Economic Development manager and advanced economic development strategies as outlined in the Comprehensive Plan. Developed new services for new and small businesses.
- Performed approximately 88,500 field inspections (building, electrical, plumbing, and mechanical), 17,500 unfit/unsafe housing inspections and 14,000 public nuisance, zoning and nuisance vehicle cases. The Neighborhood Preservation Program of Inspections registered 72,000 rental dwelling units with associated revenues of approximately \$250,000.
- Collected \$14,360 in the Continuing Education Program in registration fees for non-city staff.
- Trained Inspections staff on sustainable initiatives through the LEED program to prepare them to educate citizens through on-site interactions and green training programs, provided homeowner

green kits with each new home permit. Replaced five larger vehicles with Ford Escapes to improve fuel mileage and lower emissions.

- Provided cross department coordination for the development-related departments. The development review manager position was created to provide coordination between the Inspections, Planning, Fire, Public Works, Public Utilities and Parks and Recreation Departments.
- Established a web-based system for posting official interpretation of City ordinances and a “technical bulletin” to post staff interpretations of state building code.
- Implemented a fee-based Project Coordination service. Successfully tested and implemented a customer service feedback survey tool at key service points, establishing baselines in provision of services.

Performance Indicators

	<u>ACTUAL</u> <u>2008-09</u>	<u>ACTUAL</u> <u>2009-10</u>	<u>ACTUAL</u> <u>2010-11</u>	<u>ESTIMATE</u> <u>2011-12</u>	<u>PROJECTION</u> <u>2012-13</u>
PLANNING					
Zoning - Cases Processed	47	40	36	14	20
Annexation - Voluntary Petitions Processed	29	40	40	15	28
Comprehensive Plan Amendments	6	8	10	10	40
INSPECTIONS					
Permits - Total Issued (including Building)	45,022	45,000	47,723	45,554	46,500
Zoning - Site and Signs Inspections	19,448	13,212	12,815	8,688	8,900
Construction - Inspections Requested	103,798	93,844	77,000	87,830	89,000



Public Works

The Public Works Department strives to serve the best interests of the safety and welfare of the citizens of the City of Raleigh.

The General Fund programs of include: 1) provide administrative support for entire department; 2) design, construction, inspection and acceptance of public infrastructure improvements completed as City funded projects, including street improvements, and streetscapes; 3) survey and computer-aided design & drafting (CADD) services for Public Works as well as other City departments; 4) administer the City's assessment program for streets, sidewalks, water, and sewer construction projects; 5) traffic engineering, crash analysis, and implementation of appropriate countermeasures; 6) administer the City's neighborhood traffic management program; 7) maintenance of signalized intersections and the City computerized traffic signal system; 8) management of the traffic signs and markings program; and 9) administration of the street light program.

Construction Management manages capital building and general improvement projects for Public Works and other departments through the phases of conceptual planning and budgeting, site evaluation and acquisition, consultant evaluation and selection, project development/design, selection of construction delivery system, bidding, negotiating, awarding and administering contracts, acceptance of projects by the City, and administering warranty periods on new facilities and improvements. Projects include new construction, renovations and improvements to City-owned buildings and facilities. The range of projects has in the past included roof replacements, general government offices, parking decks, and a wide variety of buildings, site improvements, and other facilities for various city departments.

The Transportation Infrastructure Services program maintains 2,350 lane miles of streets and rights-of-way within the City limits as well as 1,881 miles of curb and gutter. Services include patching and resurfacing asphalt pavements, concrete repairs, storm drain and culvert repairs and inspections, street sweeping, snow and ice control, leaf collection, repairs to tree root damaged sidewalk, and graffiti removal. In addition to these traditional services, the transportation infrastructure services division now provides development review and engineering inspection services for public infrastructure improvements constructed as private development projects.

The intent of the SafeLight program is to decrease the number of severe crashes caused by red light running violations and to increase public awareness of safe driving. Any revenues in excess of program costs are distributed to Wake County Public Schools.

Vehicle Fleet Services Fund provides equipment replacement and scheduled and unscheduled maintenance repairs on all equipment for safe operation in the most efficient and cost effective manner possible for all City of Raleigh departments.

The Transit Fund provides for the planning, administration, and funding of the Capital Area Transit (CAT) System and the Accessible Raleigh Transportation Program (ART), which is a service for Raleigh residents with disabilities.

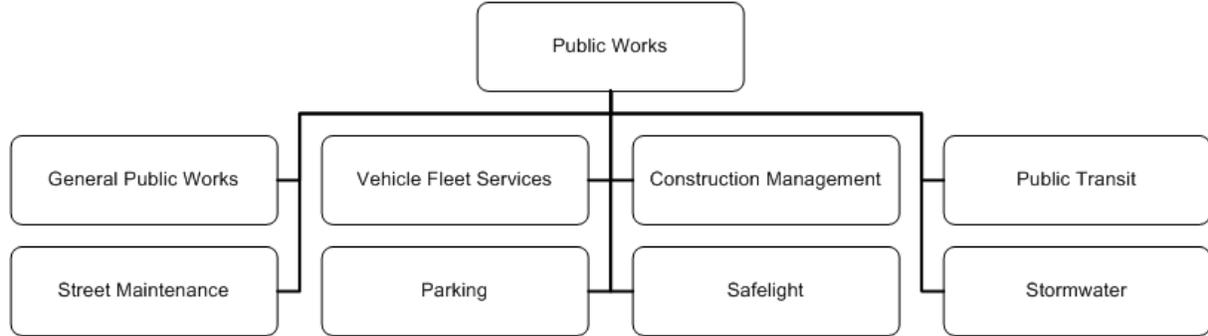
The Parking Fund includes costs related to the construction, maintenance, and operation of City parking decks and surface lots, management of the off-street parking contract, and the placement and removal of parking signage. The Parking section oversees the on-street parking program which includes enforcement, collections, meter maintenance and revenue collection, and residential permits.

The Stormwater Utility Fund provides services for Raleigh's citizens including public storm drainage projects, assistance with private drainage concerns, water quality issues as mandated by state and federal agencies, as well as plan review and inspection functions related to sedimentation control, floodplain, and stormwater control facilities. These services are funded entirely by stormwater fees based on the total amount of impervious surface (e.g. buildings, driveways, sidewalks, parking lots, etc.) on properties in Raleigh.

Additional information regarding the Public Works Department may be obtained by contacting Carl R. Dawson, Jr., Public Works Director, at (919) 996-3030 or via email at Carl.Dawson@raleighnc.gov.

Mission

The Public Works Department strives to serve the best interests of the safety and welfare of the citizens and employees of the City of Raleigh as it administers the design, and construction of transportation, pedestrian, mass transit, stormwater, parking, general government facilities while at the same time maintaining many of these facilities in addition to the City's vehicle fleet.



Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES					
Public Works	107	107	85	86	1
Construction Management	15	14	14	14	0
Streets-Stormwater Maintenance	42	41	40	40	0
Street Maintenance	85	82	96	96	0
SafeLight	1	1	1	1	0
Vehicle Fleet Services	62	62	62	62	0
Public Transit	9	8	8	8	0
Parking	36	36	35	35	0
Stormwater Utility	48	48	48	48	0
TOTAL	405	399	389	390	1
GRANT POSITIONS					
Public Transit	5	6	6	6	0
CAMPO*	11	11	-	-	-
TOTAL GRANT FUNDED POSITIONS	16	17	6	6	0

* On January 19, 2011, CAMPO moved to Planning and Development.

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY DIVISION					
Public Works	\$ 15,341,798	\$ 15,445,550	\$ 13,435,275	\$ 13,443,983	0.1%
Construction Management	1,662,045	1,633,957	1,457,554	1,381,013	(5.3%)
Streets - Stormwater Maintenance	3,015,905	3,144,410	3,100,215	3,042,121	(1.9%)
Street Maintenance	8,221,506	8,136,051	9,136,556	9,071,686	(0.7%)
Safelight	889,663	894,743	893,189	891,619	(0.2%)
CAMPO	306,867	274,959	-	-	-
TOTAL-GENERAL FUND DIVISIONS	\$ 29,437,784	\$ 29,529,670	\$ 28,022,789	\$ 27,830,422	(0.7%)
DIRECT EXPENDITURES BY TYPE - OTHER FUNDS					
Vehicle Fleet Services	\$ 16,173,170	\$ 16,208,783	\$ 17,666,587	\$ 17,100,000	(3.2%)
Public Transit	22,025,143	21,946,626	24,393,829	25,905,992	6.2%
Parking Facilities Fund	15,163,417	16,017,283	12,658,048	14,816,191	17.0%
Stormwater Utility	15,729,507	15,270,581	14,993,761	15,864,531	5.8%
TOTAL- OTHER FUNDS	\$ 69,091,237	\$ 69,443,273	\$ 69,712,225	\$ 73,686,714	5.7%
DIRECT EXPENDITURES BY TYPE - GENERAL FUND DIVISIONS					
Personnel Services	\$ 11,946,390	\$ 11,939,305	\$ 11,310,389	\$ 11,447,075	1.2%
Employee Benefits	3,487,656	3,849,477	3,514,300	3,581,341	1.9%
Operating Expenditures	13,090,183	12,747,930	12,518,727	12,254,719	(2.1%)
Special Programs and Projects	820,030	905,933	589,823	457,737	(22.4%)
Capital Equipment	75,500	69,000	70,000	70,000	0.0%
Interfund Transfers	18,025	18,025	19,550	19,550	0.0%
TOTAL	\$ 29,437,784	\$ 29,529,670	\$ 28,022,789	\$ 27,830,422	(0.7%)

Highlighted Budget Changes (July 2012 – June 2013)

- Full year funding for the traffic signal systems analyst added by council in February 2012.
- Increase \$1,000 in training/travel budget for participating in the international APWA Snow Conference in Charlotte.
- Reduce \$50,000 in the office rental lease for the survey group and the construction management division by relocating to the former Solid Waste Services facility on Peace Street.
- Decrease \$120,000 in bridge inspection. This service is required every other year, and will be budgeted again in FY 2014.
- The FY13 budget includes funds for the reclassification of the Public Works Director from a PG48 to PG49.

Service Impacts (July 2012 – June 2013)

- Decreases in contractual services may adversely impact the Transportation Operations Division's ability to maintain pavement markings and signals.

FY13 Anticipated Accomplishments that further City Council Mission

- Complete construction of the Jones Sausage/Rock Quarry Road Widening, Falls of Neuse Road Widening and Realignment – Phase II, Wade Avenue Road Widening, Marvino Lane Extension/US 70 Widening, and 2011 Sidewalk Improvement project along seven major corridors within the City with costs totaling \$21.5 million.
- Complete construction of three roadway petition projects at Sanderford Road, Alleghany Drive, and Freedom Drive/Rhyne Ct, as well as two sidewalk petition projects at Merwin Road and Brooks Avenue. Complete one traffic calming project along Anderson Drive.

- Complete design of Peace Street West and two federally funded street/sidewalk improvement projects along Lake Wheeler Road and Creedmoor Road. Begin design on street petition projects including Greyson Street and two new traffic calming projects at Kaplan Drive and Brookside Drive.
- The Contract Inspections unit will be responsible for the inspection of the roadway construction, stormwater infrastructure repair, sidewalk and greenway projects, which will total \$35.6 million.
- Continue to improve the leaf collection program by providing two complete passes around the City while realizing cost savings from new equipment that reduces required staffing. Increase the amount of curb and gutter replacements by 10% to improve neighborhood safety.
- Implement Cityworks software program and integrate with Mobile 311, which are used to track inspections and repairs to drop inlets and catch basins, as well as the use of the jet vacuum trucks to mark the boxes and pipes that are cleaned. This technology will identify historically problematic locations and help capital projects that may be needed to reduce long-term maintenance costs.
- Continue construction of a \$28 million traffic signal system upgrade, which implements new timing plans to improve the signal synchronization and decrease travel times.
- Decrease the number of severe crashes caused by red light running violations and increase public awareness of safe driving.
- Upgrade all SafeLight program cameras to improve reduction in high angle collisions. The lower fee associated with the new contract should continue to allow the program to operate at no cost to taxpayers.
- Confirm assessment rolls on three completed utility projects and fourteen roadway/sidewalk projects by June 30, 2013.

FY12 Accomplishments that further City Council Mission

- Received 2011 Marvin Collins Outstanding Planning Award for reconstruction and revitalization of Hillsborough Street.
- Received 2011 Sir Walter Raleigh Award for the Raleigh Transit Operations Facility which merged pioneering green design with a state-of-the-art bus shop and administrative center.
- Received 2011 Carolina's Green Award from the Associated Builders and Contractors of the Carolinas for the new Transit Operations and Maintenance Facility.
- Completed installation of multiple Electric Vehicle Charging Stations.
- The Design/Construction division completed construction of \$14.6 million in thoroughfare improvements, including the first phase of the Falls of Neuse Road Realignment and Widening project and the Perry Creek Road Widening project. Also completed construction of 15,900 linear feet of sidewalk along eight City and NCDOT streets with total construction value of approximately \$500,000. Completed landscaping construction contracts along nine City and/or NCDOT streets totaling \$1.1 million. Awarded construction contracts for another \$18 million in proposed thoroughfare improvements including Falls of Neuse Rd Phase 2 and the Jones Sausage Rd/Rock Quarry Rd Widening project.
- The Transportation Infrastructure Services Division secured funding and purchased four of seven new automated leaf collection machines. The projected cost savings for the leaf collection program is more than \$400,000 per year. The division also resurfaced 29 street sections through its resurfacing contractor.
- Implemented a non-permitted inspection software enhancement that allows inspectors to enter daily inspection reports, track project time allocations, schedule inspections and enter inspection results using one application. This enhancement provides security for all data, and long term

tracking capability for private development and for City contract projects. Accepted 173,615 linear feet of public infrastructure.

- Completed installation of propane fueling station and electric charging station at Police Department's Six Forks Road District Station.
- Confirmed assessment rolls on three completed utility, street and sidewalk projects totaling \$90,181 in the first and second quarters of the fiscal year; projected assessments on an additional five completed projects will be confirmed prior to July 1, 2012.

Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
Design and Construction					
Linear ft roads & bridges designed/constructed	35,760	38,314	27,600	30,000	30,000
Average cost to repair sidewalk per linear ft	\$41	\$40	\$48	\$41	\$41
Average staff hours per survey work order	14	13	18	21	21
Transportation Infrastructure Services					
% Asphalt failures repaired within 24 hours	86%	75%	90%	90%	90%
Average cost to repair Public Utility cuts	\$1,194	\$1,307	\$1,500	\$1,500	\$1,500
Average cost per load cost for leaf removal	n/a	\$311	\$500	\$500	\$500
Street Maintenance-Stormwater Management					
% of storm drain repairs made within 14 days	97%	100%	80%	80%	80%
Average cost per drain for storm drain repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Transportation Operations					
Number of Signalized intersections	510	515	518	550	550
Operating cost per traffic signal maintained	\$3,266	\$3,471	\$3,600	\$3,700	\$3,700
Average ART cost per Tier II trip	\$18.15	\$16.90	\$16.75	\$16.50	\$16.50

Public Works – Parking

The Parking Funds 442 - 446 are enterprise funds operated under the management of the Public Works Department. The ParkLink Program oversees the operation and maintenance of eight decks and five surface lots, as well as the on-street program that comprises enforcement, collections, meter maintenance and revenue collection, and residential permits.

ParkLink administers the off-street parking contract and is responsible for processing requests for the placement and removal of parking signage as well as maintaining city parking facilities. ParkLink also took over the operations and management of the on-street program in FY11 and has 193 multi-space pay stations that work in conjunction with computerized citation issuance devices and new parking management software.

Mission

The parking program will deliver parking products and services geared to the needs of stakeholders, client groups and individual customers while maintaining an efficient business operation and valuable city assets.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	36	36	35	35	0
DIRECT EXPENDITURES BY DIVISION					
ParkLink Program	\$ -	\$ -	\$ 246,553	\$ 240,318	
Off-Street Parking	15,163,417	16,017,283	12,411,495	14,575,873	(22.5%)
TOTAL	\$ 15,163,417	\$ 16,017,283	\$ 12,658,048	\$ 14,816,191	(21.0%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 820,239	\$ 1,219,277	\$ 1,209,843	\$ 1,196,392	(0.8%)
Employee Benefits	341,211	435,127	441,803	503,075	1.5%
Operating Expenditures	3,214,974	4,197,249	4,312,363	4,138,088	2.7%
Special Programs and Projects	30,995	54,310	61,060	42,610	12.4%
Capital Equipment - New	-	63,050	17,700	14,700	(71.9%)
Interfund Transfers	10,693,198	10,048,270	6,615,279	8,921,326	(34.2%)
TOTAL	\$ 15,163,417	\$ 16,017,283	\$ 12,658,048	\$ 14,816,191	(21.0%)

Highlighted Budget Changes (July 2012 – June 2013)

- Increase in Debt Service of approximately \$2,190,800 from FY12.
- Increase in ERP funding back to the FY11 level of \$450,000.
- Reduction of Government Taxes, Fees, and Fines by approximately \$190,000 for Blount Street deck and the City Center parking deck property taxes.
- Reduction in anticipated parking revenue in both on-street and off-street programs. The expansion of metered parking throughout the downtown core was successful in moving workers off the streets who parked all day but they are either using alternative transportation or they are parking farther away from the downtown core where parking is still free. To date there has been a steady decline in monthly parking in the decks and lots. There has also been a major net loss of

accounts from the Progress Energy merger. Some of the metered zones (i.e. Fayetteville, Moore Square and Hillsborough) are in high demand while other zones (Warehouse, Capital and Glenwood South) still have little demand. Several pay stations were relocated to higher traffic areas and the last three pay stations were installed at the end of August. These two adjustments have increased meter revenue to help close the gap. Future revenue projections are based on current history and economic conditions.

FY13 Anticipated Accomplishments that further City Council Mission

- Repair deterioration of the brick façade in the Moore Square Parking parking deck.
- Pursue an advertising program in the parking decks with the DRA.
- Examine the effects of the Tax Intercept program on parking citation revenue.
- There will be no rate increases across the board in FY 13.

FY 12 Accomplishments that further City Council Mission

- Monitored pay station revenue to determine where new pay stations need to be installed or existing pay stations relocated. Subsequently installed 3 new machines and relocated four existing machines for optimal revenue.
- Competed RFP and successful bid process for a new four-year Off-Street Contract with McLaurin Parking beginning November 1, 2011 with two, two-year renewal options at the City’s discretion.
- Completed elevator modernization and stairwell and electrical system repairs at Moore Square parking deck.
- Completed installation of security camera systems in the three remaining parking decks without cameras: Municipal, Cabarrus, and the Performing Arts.
- Created a new Maintenance Supervisor position and implemented a new Deck Maintenance Program to perform the majority of daily maintenance and cleanup at nights when decks are less utilized and work can be completed faster and more efficiently.
- Implemented new Tax Intercept program with Revenue Department and Professional Account Management to increase collection rates of outstanding fines with a minimum balance of \$50.
- Set up HOA meetings and negotiated cost reimbursement for the Blount Street Deck with Highwood’s properties for FY10, FY11, and FY12 costs.
- Installed new pay stations in two parking lots to replace the old equipment which was no longer being maintained by the manufacturer.
- Entered into a new Extended Battery Service Contract with Duncan Solutions that will save an estimated \$30,000 in battery costs annually for the on-street pay stations.

Performance Indicators

	<u>ACTUAL</u> <u>2008-09</u>	<u>ACTUAL</u> <u>2009-10</u>	<u>ACTUAL</u> <u>2010-11</u>	<u>ESTIMATE</u> <u>2011-12</u>	<u>PROJECTION</u> <u>2012-13</u>
Parking facilities area maintained (sq ft)	2,722,681	2,975,836	3,117,468	3,117,468	3,117,468
# monthly paying parking customers	4,624	4,517	4,281	3,726	3,675

Public Works – Stormwater

The Stormwater Division manages stormwater services provided to the citizens of Raleigh through the city's stormwater utility, which includes the drainage and water quality assistance programs, capital stormwater projects, the water quality program mandated by the Clean Water Act, review and inspection of private developments for conformance to stormwater, soil erosion, and floodplain requirements, the drainage system inventory, and citizen inquiries concerning these functions.

Additional information regarding the Stormwater Utility may be obtained by contacting Danny Bowden, Stormwater Utility Manager, at (919) 996-3940 or via email at Danny.Bowden@raleighnc.gov.

Mission

The Stormwater Management Division's focus is to partner with the citizens of Raleigh to effectively manage flood control, erosion control, and environmental protection in our water bodies, ultimately the Neuse River by using proactive management techniques to plan, identify, maintain, monitor, design, inspect, and construct drainage systems to alleviate structural flooding, and preserve water quality. Protecting our waterways provides for the future well being of the environment.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	48	48	48	48	0
DIRECT EXPENDITURES BY DIVISION					
Stormwater Administration	\$ 2,034,037	\$ 2,018,580	\$ 1,718,306	\$ 2,003,008	(14.9%)
Stormwater Services	509,092	478,721	597,381	479,978	24.8%
Water Quality - Stormwater	477,002	453,025	454,783	452,845	0.4%
Infrastructure Management	539,513	508,728	591,982	507,568	16.4%
Conservation Engineering	581,578	630,567	626,242	636,886	(0.7%)
Conservation Inspections	770,310	806,033	798,145	787,730	(1.0%)
Non-Program Expenditures	10,817,975	10,374,927	10,206,922	10,996,516	(1.6%)
TOTAL	\$ 15,729,507	\$ 15,270,581	\$ 14,993,761	\$ 15,864,531	(1.8%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 2,770,186	\$ 2,783,691	\$ 2,847,925	\$ 2,793,121	2.3%
Employee Benefits	809,189	921,007	941,603	994,250	2.2%
Operating Expenditures	1,277,081	1,121,641	991,359	999,972	(11.6%)
Special Programs and Projects	116,467	123,939	414,618	387,519	234.5%
Capital Equipment - New	17,000	1,000	1,000	1,000	0.0%
Capital Equipment - Replace	1,000	-	-	-	-
Interfund Transfers	10,738,584	10,319,303	9,797,256	10,688,669	(5.1%)
TOTAL	\$ 15,729,507	\$ 15,270,581	\$ 14,993,761	\$ 15,864,531	(1.8%)

Highlighted Budget Changes

- The FY13 budget increases by approximately \$870,000. Most of this increase is due to a larger cash transfer to stormwater capital programs.

FY13 Anticipated Accomplishments that further City Council Mission

- Work with the Stormwater Management Advisory Commission and City Council to address incentives to help mitigate flooding and improve water quality.
- Obtain feedback from customers and stakeholders via survey to ascertain where improvements may be in order.
- Seek additional grant funding from state and federal sources.
- Decrease time between inspections of construction sites where sediment loss is a concern from 14 days to 10 days.
- Initiate and complete construction of approximately 25 stormwater projects totaling \$25,000,000.
- Complete the data collection for 2,500 miles of drainage system (pipes and streams) within the city.
- Develop and begin implementation of the city’s plan to reduce pollutants from existing development for the Upper Falls Lake water supply watershed.

FY12 Accomplishments that further City Council Mission

- Implemented 22 stream restoration, lake preservation, and other capital projects to improve water quality to meet National Pollutant Discharge Elimination System (NPDES) permit requirements.
- Completed 19 stormwater projects at a cost of \$8 million.
- Decreased the number of backlogged flooding and water quality projects by approximately 25%.
- Utilized the financial model to project revenues and costs for a ten-year planning horizon.
- More than 150 projects at an estimated cost of over \$60 million are currently in the design or construction phase.
- Investigated over 4,000 complaints and inquiries concerning drainage, water quality, and utility billing.
- Worked with other entities including local governments, other stakeholders and the State Division of Water Quality to put new regulations in place to protect water quality in the Falls Lake watershed.
- Implemented the city’s new construction ordinance for the Upper Falls Lake water supply watershed.

Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
Stormwater Management					
Average cost per stormwater project	\$50,000	\$170,000	\$250,000	\$300,000	\$300,000
Grade of Stormwater Maintenance Function	B-	B	B	A-	A-

Public Works - Transit

Capital Area Transit (CAT), Raleigh's public transportation system, consists of 29 core routes and carries more than 18,000 riders per weekday. With a fleet of 80 revenue vehicles, CAT serves the major commercial, employment, educational and medical centers within the City of Raleigh. CAT buses run seven days a week between 4:30 a.m. and 12 a.m. in order to serve the needs of Raleigh citizens. CAT also provides connections to other transit systems that enable residents to travel across the Triangle.

Raleigh residents with disabilities who are unable to use regular CAT services may apply for eligibility under the Accessible Raleigh Transportation (ART) program. The ART program provides subsidized curb-to-curb transportation service through 42 participating taxi companies and one primary contractor. The ART program contracts with Triangle Transit to provide regional trips originating in the CAT service area. ART performs approximately 500,000 passenger trips per year.

Mission

To improve mobility for Raleigh residents and visitors by providing safe, affordable and customer-oriented transportation while proactively promoting economic opportunity, intermodal connections, and sustainable regional development.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES					
Accessible Raleigh Transit (ART)	5	5	5	5	0
Public Transit Operations	4	3	3	3	0
Grant-funded positions	5	6	6	6	0
TOTAL	14	14	14	14	0
DIRECT EXPENDITURES BY DIVISION					
Accessible Raleigh Transit (ART)	\$ 6,585,507	\$ 6,753,983	\$ 7,487,599	\$ 8,037,074	7.3%
Public Transit Operations	15,439,636	15,192,643	16,906,230	17,868,918	5.7%
TOTAL	\$ 22,025,143	\$ 21,946,626	\$ 24,393,829	\$ 25,905,992	6.2%
GENERAL FUND CONTRIBUTION					
Accessible Raleigh Transit (ART)	\$ 5,905,507	\$ 6,253,983	\$ 6,887,599	\$ 6,890,429	0.0%
Public Transit Operations	10,369,966	10,127,611	9,981,358	10,561,600	5.8%
TOTAL	\$ 16,275,473	\$ 16,381,594	\$ 16,868,957	\$ 17,452,029	3.5%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 510,034	\$ 483,950	\$ 389,021	\$ 393,778	1.2%
Employee Benefits	120,321	119,125	115,643	135,612	17.3%
Operating Expenditures	21,352,265	21,307,529	23,823,974	25,256,917	6.0%
Special Programs and Projects	17,573	32,072	19,346	14,214	(26.5%)
Interfund Transfers	24,950	3,950	45,845	105,471	130.1%
TOTAL	\$ 22,025,143	\$ 21,946,626	\$ 24,393,829	\$ 25,905,992	6.2%

Highlighted Budget Changes (July 2012 – June 2013)

- The FY13 Transit budget reflects a 6% increase in expenditures which are largely offset with programmed revenues.
- There is no increase in the General Fund subsidy for the ART program in FY13, and operational costs will be supplemented with \$500,000 in authorized federal funding.

- The Regional Seamless Service Initiative is continued with requested funding for the regional Transit Call Center; the Public Transit budget programmed \$467,302 in FY13 for this project, 5% over last fiscal year.

FY13 Anticipated Accomplishments that further City Council Mission

- Continue the installation of benches and shelters in areas meeting current passenger boarding standards as defined by Raleigh Transit Authority policy.
- Reduce the annual expenditures and the average cost per trip for ART Tier II clients by implementing recommendations from the “ART Alternatives Analysis”.
- Ensure all future bus expansion and replacement orders are alternative fuel compatible (bio-diesel, Hybrid-Electric).
- Research, design, and procure new facilities and infrastructure that utilize environmentally sound practices and materials (recycled materials, solar powered passenger amenity lighting, green facilities).

FY12 Accomplishments that further City Council Mission

- Continued the engineering, design, and installation of passenger amenities.
- Experienced CAT ridership growth from ten to twelve percent monthly over the prior year, which was accomplished with no new service hours. Over a ten day time span, nearly 74,000 passenger trips were recorded by the CAT buses to and from the NC State Fair from three park and ride locations.
- A ribbon cutting, grand opening event was held at the new CAT Transit Maintenance and Operations Facility located at 4104 Poole Road. The facility is 100,000 square foot and is LEED Platinum certified.
- Began enhanced security at Moore Square Station. Phase I of Moore Square renovations was completed and an environmental assessment was begun for the full renovation.
- Added 50 Bus Shelters and began design and land acquisition of 20 additional facilities.

Performance Indicators

	<u>ACTUAL</u> <u>2008-09</u>	<u>ACTUAL</u> <u>2009-10</u>	<u>ACTUAL</u> <u>2010-11</u>	<u>ESTIMATE</u> <u>2011-12</u>	<u>PROJECTION</u> <u>2012-13</u>
CAT Passengers per revenue hour	18	19	23	21	23
Average ART cost per Tier II trip	\$18.15	\$16.90	\$23.74	\$16.50	\$16.50

Public Works – Vehicle Fleet Services

Vehicle Fleet Services (VFS) is a division of Public Works and provides maintenance, repair, and automotive service and support to all City vehicles and motorized equipment, with the exception of Fire Department apparatus.

An internal service fund, the VFS fund serves as an accounting entity to account for the full costs of the City's vehicle fleet service operations. Costs such as fuel, tires, repair parts, and preventive maintenance services are charged to the respective budget of City departments according to actual use.

Mission

To provide equipment replacement, scheduled and unscheduled maintenance repairs on all equipment for safe operation in the most efficient and cost effective manner for all City of Raleigh departments.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	62	62	62	62	0
DIRECT EXPENDITURES BY DIVISION					
Non-Departmental	-	-	-	\$ 26,454	
VFS Maintenance and Repair	\$ 14,583,649	\$ 14,548,141	\$ 15,797,655	\$ 15,598,639	(1.3%)
VFS Administration	1,589,521	1,660,642	1,868,932	1,474,907	(21.1%)
TOTAL	\$ 16,173,170	\$ 16,208,783	\$ 17,666,587	\$ 17,100,000	(3.2%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 2,592,840	\$ 2,661,414	\$ 2,768,065	\$ 2,811,453	1.6%
Employee Benefits	867,903	944,332	950,961	1,071,207	12.6%
Operating Expenditures	12,190,860	12,107,893	13,382,771	12,774,260	(4.5%)
Special Programs and Projects	98,810	117,408	137,090	295,291	115.4%
Capital Equipment - New	77,000	28,500	78,000	50,900	(34.7%)
Capital Equipment - Replace	3,000	-	-	-	-
Interfund Transfers	342,757	349,236	349,700	96,889	(72.3%)
TOTAL	\$ 16,173,170	\$ 16,208,783	\$ 17,666,587	\$ 17,100,000	(3.2%)

Highlighted Budget Changes (July 2012 – June 2013)

- The FY13 budget funds the maintenance and repair of more than 4,500 vehicles and motorized equipment and the addition of 200 vehicles to the FuelMaster fuel management system.
- Reduced consumption and a narrower gap between projected and actual expenditures for fuel has allowed the city to maintain a flat fuel budget.

FY13 Anticipated Accomplishments that further City Council Mission

- Continue to recommend fuel-efficient green equipment within the budget to meet the users' needs (projected to add 12 more hybrid vehicles).

FY12 Accomplishments that further City Council Mission

- Established the second Mobile Motor Pool in the One Exchange Plaza area, a City rental pool maintained by VFS and consisting of five vehicles (alternative fuel, sedans and pick up trucks).

- Reassigned low demand equipment and equipment that was no longer needed among Departments to increase the life of the equipment and reduce replacement cost.

Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
Vehicle Fleet Services					
% repair orders completed within 24 hours	46%	42%	50%	48%	50%
% of fleet available per day	96%	96%	97%	97%	97%
Number of equipment units per mechanic	83	125	120	117	117

Solid Waste Services

The Solid Waste Services (SWS) Department is responsible for promoting the general cleanliness and health of the City of Raleigh through established administrative policies and guidelines consistent with approved solid waste collection and disposal practices. Beginning in FY13, SWS will become an Enterprise Fund, which will be supported by user charges, the city's General Fund, and revenues generated through the sale of recycling and yard waste materials.

The Solid Waste Services Department is organized in four divisions:

Administration Division provides coordination and direction for the Solid Waste Services Department, to include customer service, planning, budgeting, payroll, code enforcement, personnel actions, safety and training, contracts, purchasing, data/reporting, education and special events. Administration also oversees departmental Geographic Information System (GIS) planning which provides regular route analysis, and monitors the City's closed Wilder's Grove Landfill to ensure it is in compliance with state and federal regulations.

Recycling Division provides comprehensive recycling programs ranging from curbside and drop off centers to multi-family complexes, the Central Business District, recycling in the parks and a Swap Shop.

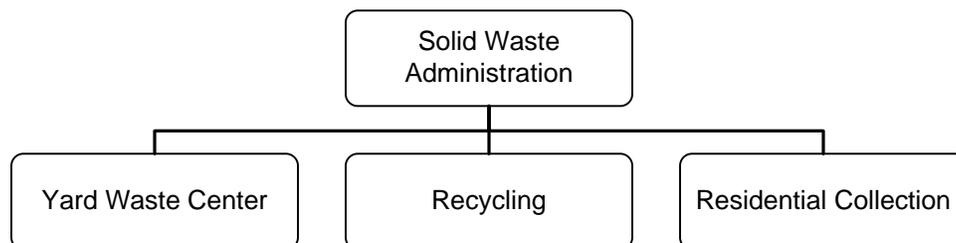
Residential Collection is responsible for safely and efficiently collecting residential solid waste and disposing of it at the county landfill, and to improve the general cleanliness of the Raleigh community through all solid waste programs. It is responsible for providing garbage collection, dead animal collection, disposal facilities, bulky load pickups, and special load pick up.

Yard Waste Recycling Center accepts all yard waste collected by Solid Waste Services crews as well as other city department crews, and other yard materials for a fee. The materials are seasoned and turned into mulch, compost and wood chips and are sold at the Yard Waste Center. The Solid Waste Services Department provides all households with convenient weekly yard waste collection at the curb, allowing residents to properly recycle yard waste debris with garbage collection.

Additional information regarding the Solid Waste Services Department may be obtained by contacting Frederick Battle, Solid Waste Services Director, at (919) 996-6867 or via email at Frederick.Battle@raleighnc.gov.

Mission

To pursue a safe, efficient and effective waste collection and disposal system that protects the natural environment while supporting Raleigh's vision to create a sustainable future for generations to come.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
Administration	17	17	22	21	(1)
Recycling	75	66	60	54	(6)
Residential Collection	136	134	123	123	0
Yard Waste Center	6	6	6	6	0
TOTAL	234	223	211	204	(7)

DIRECT EXPENDITURES BY DIVISION

Administration	\$ 3,140,191	\$ 3,533,348	\$ 3,449,011	\$ 9,609,271	178.6%
Recycling	4,862,879	4,372,663	4,349,772	4,656,729	7.1%
Residential Collection	15,788,504	15,517,120	14,422,968	15,127,171	4.9%
Yard Waste Center	1,704,212	1,699,136	1,687,101	2,164,634	28.3%
TOTAL	\$ 25,495,786	\$ 25,122,267	\$ 23,908,852	\$ 31,557,805	32.0%

DIRECT EXPENDITURES BY TYPE

Personnel Services	\$ 9,072,770	\$ 8,814,284	\$ 8,412,827	\$ 8,080,693	(3.9%)
Employee Benefits	2,770,773	2,922,711	2,693,061	3,160,702	17.4%
Operating Expenditures	11,882,628	11,369,188	11,429,710	13,131,101	14.9%
Special Programs and Projects	1,492,355	1,838,824	1,242,594	622,172	(49.9%)
Capital Equipment - New	259,800	159,800	102,100	302,100	195.9%
Interfund Transfers	17,460	17,460	28,560	6,261,037	21822.4%
TOTAL	\$ 25,495,786	\$ 25,122,267	\$ 23,908,852	\$ 31,557,805	32.0%

Highlighted Budget Changes (July 2012 – June 2013)

- The increase in Interfund Transfers is related to the budgetary shift of SWS to an enterprise fund. SWS's portion of retiree health insurance, risk management, technology debt service, technology pay-go and other similar expenses are now budgeted within SWS instead of the General Fund Special Appropriations.
- Reductions in personnel services and employee benefits, including six vacant (or soon-to-be vacant) Phase 3-related positions (three Service Specialists and three Equipment Operator IIs) and one custodial position. Custodial services will be provided via contract.
- The \$1,570,400 in equipment usage charges, an increase of \$1,009,562 from FY12, addresses both replacement equipment and recycling carts for the Phase 3 rollout of the bi-weekly curbside recycling program. SWS will replace 25 vehicles and pieces of equipment in FY13.
- \$200,000 increase in capital equipment costs proposed to purchase new and refurbish existing recycling igloos for multi-family residential units.
- \$122,223 reduction in overtime for full-time employees, in anticipation of replacement equipment being authorized.
- \$207,000 increase in landfill closure costs, to address federally mandated post-closure corrective action costs.
- \$157,495 increase in operations and maintenance costs to address equipment needs at the Yard Waste Center.
- The FY13 budget includes the reclassification of three Equipment Operator II positions to Equipment Operator III, a Scale Operator position upgrade from a pay grade 23 to a pay grade 25 and the SWS Director from a pay grade 46 to 47.

Service Impacts (July 2012 – July 2013)

- The elimination of the after-hours dead animal collection by staff will result in a \$20,000 savings in overtime. SWS will continue to address this issue during normal operating hours, but has eliminated the after-hours/on-call status of this program.
- This budget addresses increased services demand needs. Phase III of the automated recycling collection program, approved in FY11 to be phased in over four years, is expected to demonstrate a cost avoidance of approximately \$2 million per year once the transition is complete.
- The adjustment of Yard Waste Center employee schedules will reduce overtime costs associated with current operations, but will delay staff response time to customers requesting attention.
- The continued budgeting of advertising at the FY12 level of \$50,000 impedes the ability to provide education and outreach to our residents, a vital tool when implementing changes and maintaining successful recycling programs.

FY13 Anticipated Accomplishments that further City Council Mission

- Collect residential refuse from approximately 119,091 households and residential recycling from approximately 181,331 households.
- Continue to increase efficiency in operations through the use of both new and properly maintained existing automated collection vehicles.
- Establish Solid Waste Services as an enterprise fund with full costing (direct and indirect). Activities will initially be funded through a mix of fees and general government support.
- Complete implementation of Phase 3 of the bi-weekly automated recycling program.
- Identify and establish new recycling drop-off locations throughout the city.
- Recycle approximately 40,000 tons of residential yard waste.
- Establish closer to market-rate pricing for mulch and compost sold at the Yard Waste Center, which would assist in the cost recovery of yard waste operations.

FY12 Accomplishments that further City Council Mission

- Moved all Solid Waste Services operations to the new Operations Facility. This new facility will help Solid Waste Services meet the City's growth and municipal solid waste needs for the next 20 to 25 years.
- Renegotiated a recycling contract extension between the City and Sonoco, which increased revenues paid to the City from \$16 per ton to \$30 per ton. The agreement will increase City revenue appropriately \$500,000 and will demonstrate a cost avoidance of approximately \$165,000 annually.
- Provided garbage, curbside recycling, and yard waste collection services to over 116,700 households.
- Provided recycling collection services to nearly 49,000 multi-family households in over 450 communities.
- Processed and recycled more than 37,900 tons of yard waste debris and limbs at the city's Yard Waste Center.
- Equipped entire fleet with All Vehicle Locator (AVL) devices and optimized service routes utilizing RouteSmart software. This has improved collection efficiency through the reduction of miles driven, and resulted in less fossil fuel consumption and carbon emissions.
- Collected over 23,000 tons of recycling materials, 85,000 tons of municipal solid waste and 22,000 tons of yard waste debris.

- Increased Central Business District recycling collection to six days a week through use of a split body truck which allows garbage and recycling to be collected each day. Approximately 130 businesses received garbage service, and approximately 170 businesses received recycling service each month.
- The production and sale of colored mulch at the Yard Waste Center is generating revenue and has saved the Parks and Recreation Department over \$50,000 per year.
- A methane gas mining system is in operation at Wilders Grove Landfill extracts gas that is sold to an adjacent property owner, Ajinomoto USA, producing revenue of approximately \$265,000 annually.

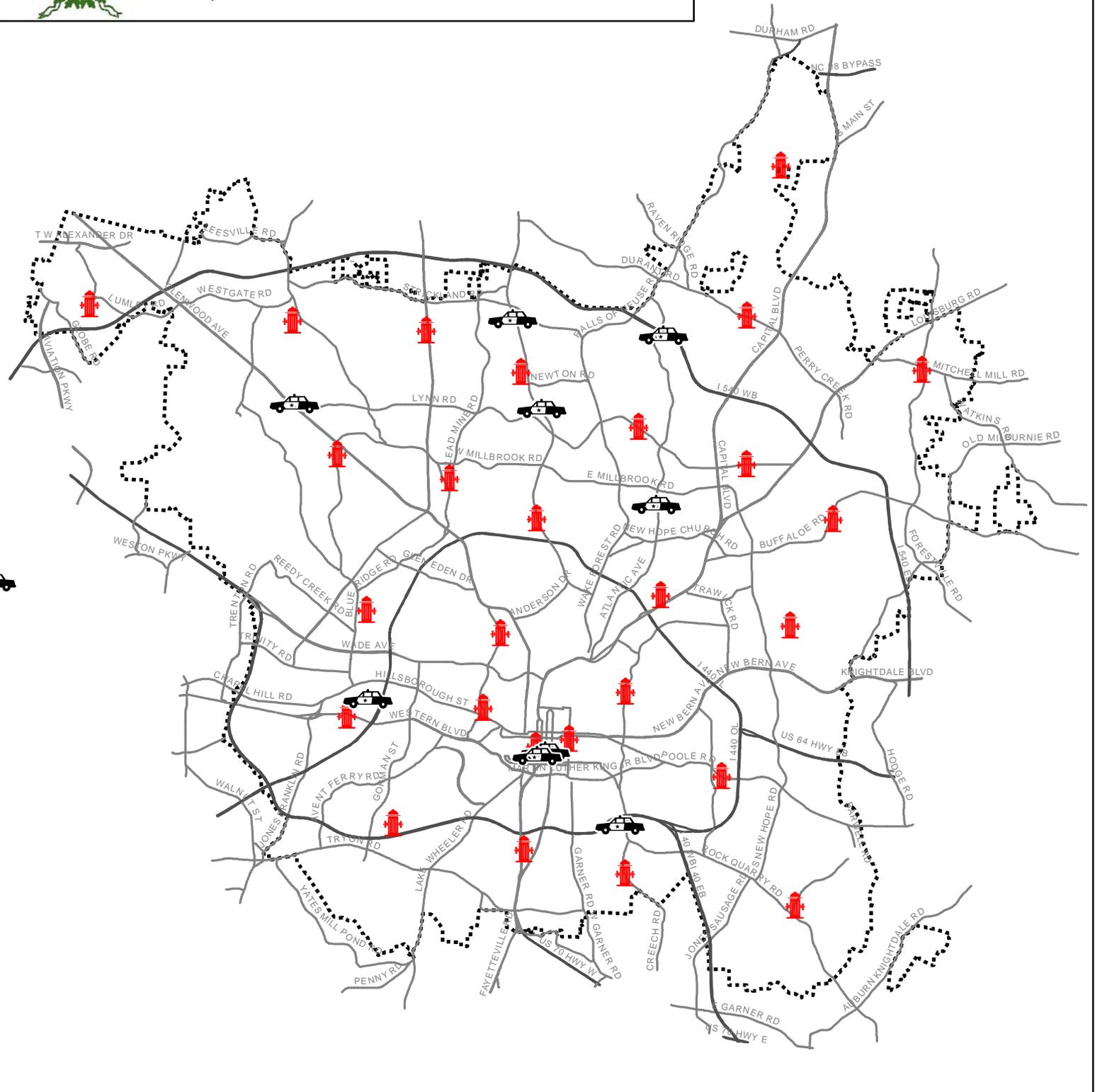
Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
RECYCLING COLLECTION					
Recycling collection - tons of material handled	19,325	20,104	22,370	23,890	26,040
Recycling collection - service pts/day/crew	1,393	1,416	1,590	1,599	1,660
Recycling complaints per 1000 households	5.15	3.79	4.53	3.51	3.95
Pounds of recycling collected per collection point	346.94	355.03	390.86	409.24	418.85
Participation rate in curbside recycling	53%	51%	75%	67%	77%
RESIDENTIAL TRASH COLLECTION					
Residential collection - tons of garbage/trash handled	87,054	87,562	85,217	85,864	86,723
Residential service points	111,402	113,251	114,467	116,756	119,091
Residential collection complaints per 1000 households	8.70	6.44	7.36	4.83	5.15
Residential collection - service pts/day/crew	870	885	894	899	910



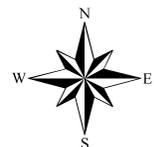


City of Raleigh Public Safety Facilities



- Highway
- Major Roads
- - - Raleigh ETJ
-  Fire Stations
-  Police Stations

1 inch = 2.6 miles



Map Created by COR GIS
Updated April 2012

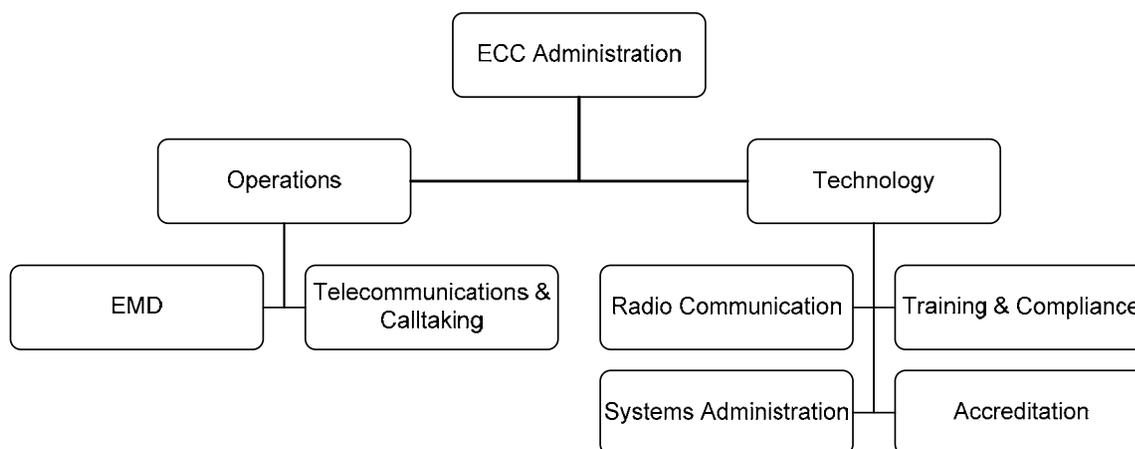
Emergency Communications

Emergency Communications is responsible for receiving 9-1-1 and ten-digit calls for assistance and the dispatching of the proper emergency responders for the City of Raleigh and the majority of Wake County.

Additional information for Emergency Communications may be obtained by contacting Barry Furey, Emergency Communications Director, at (919) 996-5015 or via email at Barry.Furey@raleighnc.gov.

Mission

The Raleigh-Wake Emergency Communications Center exists as the primary means of citizen access to public safety services through the 9-1-1 emergency number, and provides technical, planning and direct support services for mission critical tasks related to this process. The City of Raleigh Central Electronics Maintenance Shop (CEMS) is also part of this department and is charged with the installation and upkeep of fixed and mobile communications devices, including the certification of police radar.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
General Fund	102	102	96	103	7
Emergency Telephone System Fund	-	-	6	6	0
EMPLOYEES	102	102	102	109	7
DIRECT EXPENDITURES BY PROGRAM					
City Only Cost	\$ 788,138	\$ 681,460	\$ 584,933	\$ 514,399	(12.1%)
Shared Cost	6,250,493	6,102,360	6,045,422	6,499,797	7.5%
County Only Cost	191,236	190,124	181,335	170,212	(6.1%)
Shared Cost - Barwell Rd	88,123	73,028	50,508	49,376	(2.2%)
Barwell Rd Backup Center	67,049	57,528	57,528	46,656	(18.9%)
Wireless Eligible ECC	1,917,228	1,966,607	-	-	-
TOTAL	\$ 9,302,267	\$ 9,071,107	\$ 6,919,726	\$ 7,280,440	5.2%

Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 5,113,509	\$ 4,945,072	\$ 4,845,342	\$ 5,153,070	6.4%
Employee Benefits	1,417,255	1,569,788	1,423,745	1,560,653	9.6%
Operating Expenditures	2,623,898	2,438,209	600,999	529,633	(11.9%)
Special Programs and Projects	138,182	87,532	44,134	31,578	(28.4%)
Capital Equipment - New	-	30,506	5,506	5,506	0.0%
Capital Equipment -Replace	7,610	-	-	-	-
Interfund Expenditure	1,813	-	-	-	-
TOTAL	\$ 9,302,267	\$ 9,071,107	\$ 6,919,726	\$ 7,280,440	5.2%
EMERGENCY TELEPHONE SYSTEM FUND TOTAL			\$ 2,398,233	\$ 2,489,189	3.8%

Highlighted Budget Changes (July 2012 – June 2013)

- The budget includes the addition of seven Call Taker I positions that have a total budget impact of \$326,000.
- Reduction of \$50,960 from supply, service, and repair based accounts.
- Includes a reclassification of the Emergency Communications Director from a grade 47 to a grade 48.

Service Impacts (July 2012 – June 2013)

- Lack of funding for replacement or expansion of infrastructure places the reliability of the non-public safety radio system in jeopardy. The UHF radio system is used by non-public safety City departments and serves as a backup to the public safety radio system. Significant savings were realized through the use of repurposed radios in creating this system four years ago, however, it was recognized that these radios were used, and their lifecycle was not indefinite. Failure to incrementally repair or replace these units will eventually result in either a catastrophic failure or a singular purchase of a significant magnitude. It is estimated that a total replacement of infrastructure would require an investment of \$3.5 million.
- Under the current budget, further cuts have been made to maintenance line items within the ECC budget. A failure in any electronic system utilized by ECC will need to be funded through reserves. There is no money left in the budget to fund anything other than existing contractual commitments and minor service issues.
- During the current calendar year standards adopted by the State of North Carolina will enter the rulemaking process. Despite the incremental improvements made in our call handling times, we will be unable to meet these standards with our current staffing and console configuration, and could potentially lose access to up to \$2 million in state funding. As the activities supported by this funding are mission critical, this cost would then be transferred back to the City of Raleigh General Fund and to our County and municipal partners.
- Formal public education has now been suspended for two years. There are insufficient funds within the budget to support this activity. These activities formerly prepared individuals – including those in at risk groups – to properly report emergencies, while targeting the reduction in non-essential calls.

FY13 Anticipated Accomplishments that further City Council Mission

- Increasing Quality Assurance programs to perform more direct review of actual emergency calls.

- Extending outreach to CACs and increasing web presence.
- Inclusion of the Electronics Maintenance Shop in the Downtown Service Center Project.
- Gain consensus commitment for a 9-1-1 center designed for the service demands and needs of our community and our first responders.
- Continuation of virtualization technology to reduce number of servers.
- Continuation of recycling and re-use of electronic equipment.
- Developing continued partnerships with user agencies and exploration of new funding and acquisition mechanisms to assist in cost containment.

FY12 Accomplishments that further City Council Mission

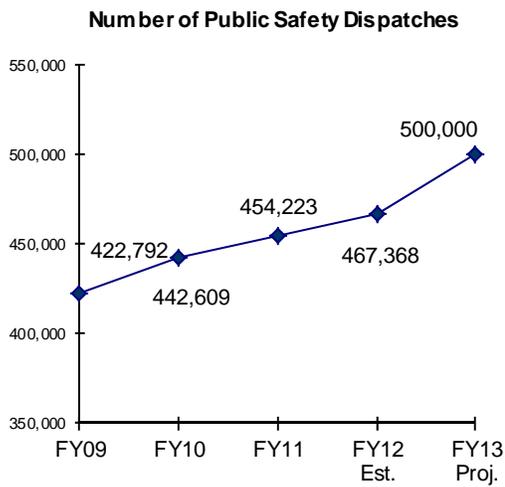
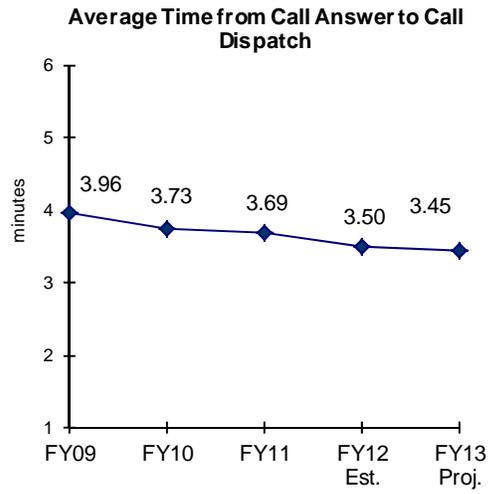
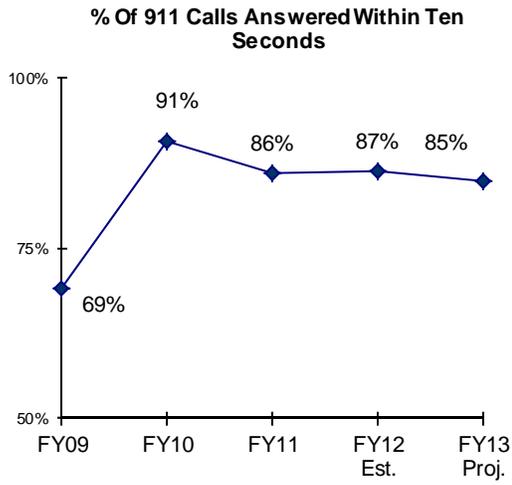
- Successfully implemented Emergency Fire Dispatching (EFD) countywide in order to standardize and improve operations.
- Instituted Automatic Vehicle Location (AVL) dispatching for Raleigh Police Department in order to assure closest car response to emergencies.
- Participated in management and mitigation of major incidents.
- Completed two telecommunicator training academies.
- Re-programmed over 2,700 City of Raleigh radios and pagers, saving the City in excess of \$200,000 at commercial going rates.
- Generated \$21,000 in revenue from recycling of used radios.
- Completed narrow-banding of Raleigh Fire Department radios, and narrow-banded more than 50% of the City of Raleigh radio licenses one year ahead of schedule.
- Implemented new alarm sequence based dispatching for Raleigh Fire Department, assuring a more uniform deployment of resources.
- Assisted in training and planning for the creation of the new non-emergency call center.
- Utilized used laptops in training academy in place of manuals to eliminate printing demands.

Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13*
Emergency Communications					
911 Calls processed	520,431	497,778	501,771	520,804	536,428
Public safety dispatches	422,792	442,609	454,223	467,368	500,000
Non-public safety dispatches	10,589	10,270	10,824	9,888	10,138
Emergency Medical Dispatch calls	71,994	76,164	79,806	82,416	84,888
% Of 911 calls answered within 10 seconds	69.1%	90.9%	86.2%	86.5%	85.0%
% Of 911 calls answered within 30 seconds	93.6%	99.5%	99.4%	99.5%	99.6%
Avg time from call answer to call dispatch (minutes)	3.96	3.73	3.69	3.50	3.45
Calls per telecommunicator per shift	51	49	49	45	46

*Due to the timing of the budget process, ECC's performance measures do not include adjustments for the seven additional Call Taker positions included in the Proposed Budget.

Performance Indicators (continued)



Emergency Telephone System Fund

The Emergency Telephone System Fund encompasses the annual disbursement award made to the City by the State 9-1-1 Board in support of the emergency telephone system (9-1-1). The Emergency Communication Center estimates eligible expenses based on the guidelines distributed by the Board. The personnel and operating expenditures associated with this fund are managed as part of the annual operating budget for the larger Emergency Communications Department.

Additional information regarding the Emergency Telephone System may be obtained by contacting Barry Furey, Emergency Communications Director, at (919) 996-5015 or via email at Barry.Furey@raleighnc.gov.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES	-	-	6	6	0
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ -	\$ -	\$ 350,465	\$ 341,544	(2.5%)
Employee Benefits	-	-	100,672	134,514	33.6%
Operating Expenditures	-	-	1,845,096	1,910,231	3.5%
Special Programs and Projects	-	-	75,000	75,900	1.2%
Capital Equipment - New	-	-	27,000	27,000	0.0%
TOTAL	\$ -	\$ -	\$ 2,398,233	\$ 2,489,189	3.8%

Fire

The Fire Department is responsible for providing fire prevention, fire suppression, rescue, hazardous materials response, and life safety education for citizens of the City of Raleigh.

The Administration Division provides administrative services necessary to conduct the day-to-day operations of the Fire Department.

The Office of the Fire Marshal is the enforcement, educational and informational arm of the Raleigh Fire Department. The division performs site inspections, enforces all fire prevention codes, and coordinates pre-fire planning for all major facilities located within the City. It is also responsible for conducting fire investigations to determine origin and cause of fires.

The Fire Operations Division responds to fire calls, provides hazardous materials response service on behalf of the entire county, performs rescues, and provides emergency medical services. The emergency medical service is a supplement to the Wake County Emergency Medical Service (EMS) and is often referred to as the First Responder program. Under this program, a Fire Department unit is dispatched to any life-threatening emergency and begins administering care upon arrival. The Operations Division also provides search and rescue services and participates in a regional Urban Search and Rescue team.

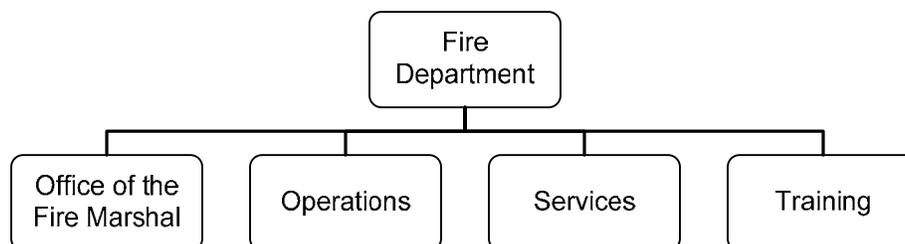
The Support Services Division provides necessary supplies, equipment, repair, and replacement services, as well as all uniforms, turnout gear, and specialty gear used by firefighters. The cost of operations, maintenance, and repair services for 29 Fire Department facilities is included in this division. Also included in this division's responsibilities are the repair and maintenance of all Fire Department vehicles, equipment, gear, and fire apparatus. Funding is included for vehicle operating expenses such as fuel, lubricants, tires, repair parts and service testing of all pumping apparatus.

The Training Division provides specialty training for all fire fighters including confined space rescue and structural collapse, hazmat, and emergency medical response. It is responsible for the pre-hire recruiting process and training academies for recruits. In addition, the staff performs fit testing of masks, driver operator training and driver operator competency for First Class and Lieutenant promotional process. Staff also manages the City's Urban Search and Rescue (USAR) program and the hazmat Regional Response Team (RRT).

Additional information regarding the Fire Department may be obtained by contacting John McGrath, Fire Chief, at (919) 996-6115 or via email at John.McGrath@raleighnc.gov.

Mission

To contribute within appropriate authority to the maintenance and improvement of the quality of life in the City of Raleigh through fire prevention, fire suppression, rescue, emergency medical, and special services to all who live, visit, work or invest here.



Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
EMPLOYEES					
Fire Administration	7	7	7	8	1
Fire Prevention	25	25	32	32	0
Fire Operations	520	520	520	517	(3)
Fire Support Services	9	9	8	11	3
Fire Hazmat	-	-	1	1	0
Fire Training	7	7	7	6	(1)
TOTAL	568	568	575	575	0
Civilian Positions	28	28	28	28	0
Sworn Positions	540	540	547	547	0
DIRECT EXPENDITURES BY DIVISION					
Fire Administration	\$ 1,787,622	\$ 1,860,814	\$ 2,135,871	\$ 2,010,374	(5.9%)
Fire Prevention	2,291,485	2,244,499	2,761,160	2,869,650	3.9%
Fire Operations	41,702,085	41,732,896	40,249,138	40,723,727	1.2%
Fire Support Services	3,500,744	3,169,093	3,332,713	3,634,675	9.1%
Fire Hazmat	-	-	183,896	192,170	4.5%
Fire Training	1,199,419	1,107,766	988,931	1,052,938	6.5%
TOTAL	\$ 50,481,355	\$ 50,115,068	\$ 49,651,709	\$ 50,483,534	1.7%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 33,102,028	\$ 33,216,171	\$ 33,321,495	\$ 33,797,996	1.4%
Employee Benefits	9,475,885	10,387,629	10,179,078	10,524,173	3.4%
Operating Expenditures	6,495,638	5,179,453	4,683,400	4,839,484	3.3%
Special Programs and Projects	1,120,634	1,180,145	1,393,736	1,219,119	(12.5%)
Capital Equip - New	244,800	109,300	16,000	33,500	109.4%
Interfund Expenditure	42,370	42,370	58,000	69,262	19.4%
TOTAL	\$ 50,481,355	\$ 50,115,068	\$ 49,651,709	\$ 50,483,534	1.7%

Highlighted Budget Changes (July 2012 – June 2013)

- For a third year, delayed replacement of three engines with high repair costs and excessive mileage (98,000 or higher miles on each) resulting in higher maintenance costs and downtime for front line apparatus. The cost of each apparatus is approximately \$465,000 per engine, which results in an equipment use charge of \$314,000/year for five years for the three engines.
- Reduced and/or delayed purchases of training supplies, equipment and props.
- Restored full funding for Fire training academies in FY13.
- Includes a reclassification of the Fire Chief from a grade 48 to a grade 49.

Service Impacts (July 2012 – June 2013)

- Older apparatus and vehicles will have higher maintenance costs and down time which may result in companies being out of service and unable to respond to emergencies while switching to reserve apparatus if any are available.

FY13 Anticipated Accomplishments that further City Council Mission

- Complete 90% of one year and two year inspections and 50% of three year inspections towards meeting N.C. State mandates outlined in N.C. Building Fire Codes, Section 106.
- Continue to maintain the City of Raleigh as one of the top locations nationally to survive a heart attack.

- Increase fire safety awareness by increasing from nine percent to 13 percent the City's population that is reached with fire prevention educational messages face to face.
- Continue efforts to expand video-conference based and online training for RFD to decrease carbon footprint and reduce operating costs.
- Continue to partner with the Parks and Recreation Department, Facilities and Operations Division to bring the facility maintenance program in house for preventive maintenance in lieu of using outside vendors resulting in an anticipated cost savings and the implementation of preventive maintenance on HVAC systems.
- Continue to support youth programs that expose local youth to the firefighting profession.
- Continue to play a leading role in the City's "Development Services" initiatives to ensure the highest quality of oversight and code enforcement for all new construction in the City, while dramatically improving customer service to development interests who will be a driving force in the continuing economic recovery.

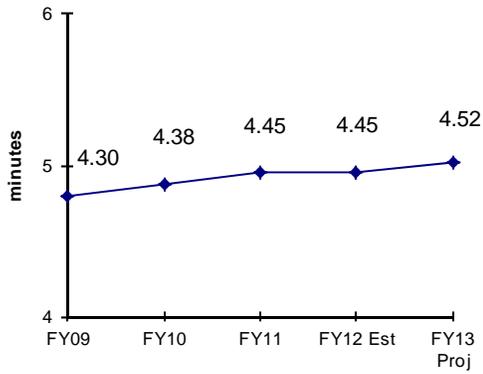
FY12 Accomplishments that further City Council Mission

- Completed revisions to the fire prevention and protection city code, which included an increase in the fire inspection and permit fees with several construction and operational permits added.
- Implemented programs designed to enhance the safety of line personnel through a new emergency driving program and ventilation classes aimed to increase ventilation procedures which lessen the impact of hazardous conditions while inside building fires.
- Began permitting and obtaining fees up front for hydrants testing/observing, pressure reducing valves, hazardous updating database material listing, battery systems, compressed gases, flammable and combustible liquids, industrial ovens, and private hydrants.
- New computer-based classes were put into operation which enhanced the online instructional classes given and broadens the scope of classes able to be given. This allowed more time for personnel to participate in hands-on training due to classroom activities being held before coming to the training center.
- Successfully recruited, hired and trained 29 firefighters to maintain staffing levels due to attrition in the Operations Division.
- Continued to maintain and update facilities by completing roof replacements, installing generators, and performing various renovations at fire stations.
- Continued the regional Urban Search and Rescue (USAR) partnership with Cary, Durham, and Chapel Hill. Employees of each municipality serve on this team, which provides search and rescue services following any natural or man-made disaster.
- Implemented plan review into the infrastructure of construction documents. This will improve communications between city departments (transportation, engineering and Public Utilities) and developers to help ease frustration between all parties and improve the systems for fire protection and suppression.
- Upgraded the departmental internal web site and document management system to open source technology (zero-cost software).
- Located and obtained identifying information (including GPS coordinates) and tested every hydrant in the City in partnership with Public Utilities.

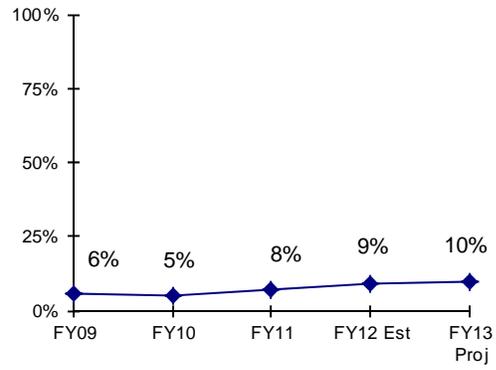
Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
Fire calls answered	1,319	1,167	1,489	1,354	1,439
Rescue and EMS calls answered	21,791	22,278	22,790	21,912	22,412
Fires investigated	223	204	277	326	353
Permits issued	2,104	1,595	1,547	844	566
Average hours per fire call (hrs)	0.69	0.80	0.94	1.01	1.13
Average hours per EMS call (hrs)	0.25	0.26	0.33	0.33	0.37
Average response time to emergency calls (min)	4.30	4.38	4.45	4.45	4.52
% Citizens reached by public fire education	6%	5%	8%	9%	10%

Average Response Time to Emergency Calls



% Citizens Reached by Public Fire Education



Police

The Police Department works in partnership with the community to identify and address conditions that give rise to crime. The Department employs an approach to policing that emphasizes the importance of maintaining a full range of enforcement priorities, including quality-of-life issues and violations that breed more serious crime. At the same time – under the District Policing System – officers are becoming more involved with and more closely linked to the citizens they serve and protect. Through dedicated service by officers and civilians, district policing, innovative programs, effective technology use, and an enhanced relationship between citizens and the police, the Department is more effectively confronting crime in Raleigh and making the City an even better place to live, work, visit, and do business.

The Chief’s Office supervises and coordinates the operations of the entire department. The Internal Affairs Unit, the Public Information Officer, and the Fiscal Manager are included in the Chief’s Office.

The Administration Division provides support to the Department’s field units, including computer and technology services, records maintenance, research and planning, training, evidence management, vehicle service and equipment distribution. This division is also responsible for front desk operations at Police Headquarters, as well as personnel recruitment and accreditation.

The Special Operations Division performs specialized police enforcement services for the Department. Some units within the division include animal control, K-9, selective enforcement, traffic, and mounted patrols.

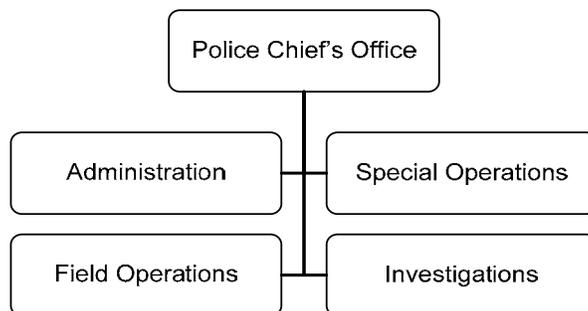
The Field Operations Division patrols all areas in the Raleigh city limits and responds to 911 calls for service. This division also provides community/neighborhood offices and crime prevention services.

The Investigations Division conducts follow-up investigations, makes arrests, and helps prosecute offenders. This division also provides crime analysis and includes specialized units to target drug enforcement, domestic violence, school safety, fraud and forgery, robbery, homicides, and aggravated assaults. In addition, the division provides a variety of services through the Youth and Family Services Unit, which was created last year.

Additional information regarding the Police Department may be obtained by contacting Harry Dolan, Police Chief, at (919) 996-3385 or via email at Harry.Dolan@raleighnc.gov.

Mission

In the spirit of service, the Raleigh Police Department exists to preserve and improve the quality of life, instill peace, and protect property through unwavering attention to our duties in partnership with the community.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
Administrative Services	72	72	62	68	6
Chief's Office	24	22	22	27	5
Special Operations	96	127	127	499	372
Field Operations	532	484	484	80	(404)
Detective Division	177	187	187	205	18
Grant Funded Employees	0	0	0	0	0
TOTAL	901	892	882	879	(3)
Civilian Positions	124	115	105	102	(3)
Sworn Positions	777	777	777	777	0
DIRECT EXPENDITURES BY DIVISION					
Administrative Services	\$ 16,324,675	\$ 15,619,740	\$ 15,804,869	\$ 17,136,570	8.4%
Chief's Office	2,306,526	2,715,282	2,595,545	2,440,738	(6.0%)
Special Operations	9,641,994	10,480,111	10,329,543	8,690,721	(15.9%)
Field Operations	43,833,135	43,286,662	41,146,022	41,379,165	0.6%
Detective Division	17,005,234	17,160,038	18,794,619	18,751,541	(0.2%)
TOTAL	\$ 89,111,564	\$ 89,261,833	\$ 88,670,598	\$ 88,398,735	(0.3%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 52,631,353	\$ 53,339,724	\$ 52,639,749	\$ 52,082,923	(1.1%)
Employee Benefits	17,318,452	18,677,248	18,886,387	19,438,309	2.9%
Operating Expenditures	16,457,983	14,685,104	14,610,463	14,346,846	(1.8%)
Special Programs and Projects	1,776,626	1,612,677	1,613,884	1,600,094	(0.9%)
Capital Equip - New	918,000	937,930	910,965	910,965	0.0%
Interfund Expenditure	9,150	9,150	9,150	19,598	114.2%
TOTAL	\$ 89,111,564	\$ 89,261,833	\$ 88,670,598	\$ 88,398,735	(0.3%)

Highlighted Budget Changes (July 2012 – June 2013)

- Reduced budget by \$1,004,800 due to elimination of the 800 MHz radio equipment use charge; final payment made in FY12.
- Reduced computer lease and contractual services accounts by a total of \$76,500 to reflect anticipated costs for FY13.
- Includes funding for FY12 mid-year position changes including the title and advancement method change for Detectives and Senior Detectives and the periodic promotional activity for sworn personnel.
- Includes funding for lease space for the creation of a Detectives Campus.
- Includes funding for 60 replacement vehicles and associated upfit to meet critical needs; an increase in associated fuel costs have also been included in the FY13 budget.
- Includes three FY12 mid-year civilian position eliminations; a Staff Assistant, Staff Support Specialist, and a Crime Analyst. The Staff Support Specialist and Crime Analyst positions were eliminated to providing funding for an Attorney position.
- Restored full funding for Police training academies in FY13.
- Includes a reclassification of the Police Chief from a grade 49 to a grade 50.

FY13 Anticipated Accomplishments that further City Council Mission

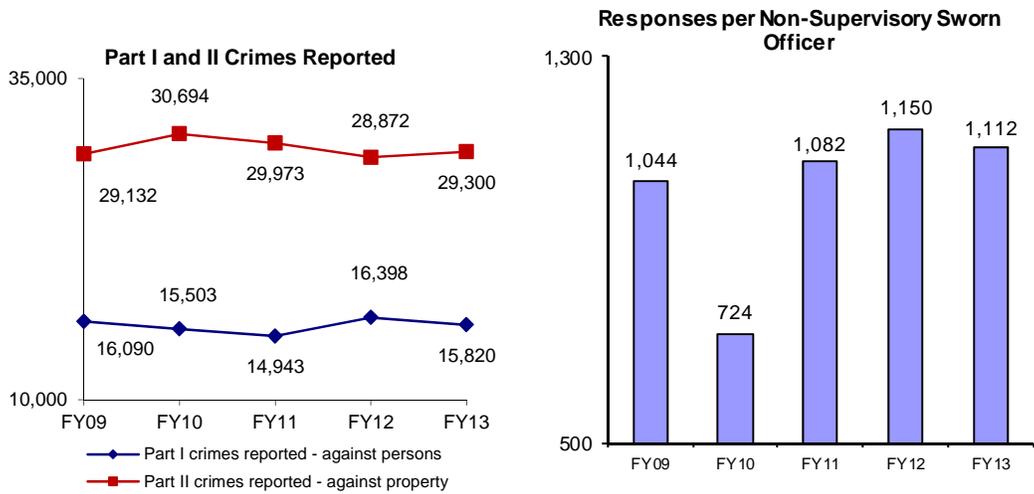
- Complete the construction of the new 7,000 square foot Range House, which will replace the current outdated structure that the Department has outgrown. The new facility will provide much needed office space and a sufficiently sized classroom for regular training needs.
- Complete a cost-benefit analysis of the web-based reporting system. This analysis will assess how convenient the option is for citizens and how much it saves the department in time and resources.
- Participate in a uniform and appearance study in conjunction with academic researchers from Ohio and Canada in order to produce research valuable to agencies worldwide on how uniforms and appearance impact perception and work quality.
- Continue to assess organizational needs to meet departmental goals with existing positions while maintaining the highest level of service.
- Provide the Training Unit with a permanent full-time team of reality based critical incident expert instructors. The department and community have benefited greatly from implementation of reality based training designed to enhance officers' critical incident decision making skills. Moving forward the training throughout the year will be incorporated on a regular reoccurring basis to further expand both officers' ability to survive critical incidents and our leadership team's capacity to operate within the Incident Command System (ICS).
- Fully implement the Performance Based Management System as the basis for the yearly evaluation of employees as it relates to City's merit based pay system.

FY12 Accomplishments that further City Council Mission

- While Part 1 Crimes increased slightly from the calendar years 2010 to 2011 at 1.92%, the Department still saw significant drops in bank robberies and robbery shootings as well as aggravated assaults. Part II Crimes decreased 2.2% in the same time period.
- The Community Oriented Government programs are now active in all six police districts. This program brings a more holistic approach to solving crime problems by bringing as many city departments to bear on an issue as possible.
- In partnership with the Parks and Recreation Department, we expanded Youth and Family Services mentorship initiatives to include popular summer youth programs designed to provide young citizens with positive academic and social skills developmental opportunities.
- Web-based reporting went "live" which allowed citizens to file certain police reports on their own without the need to dispatch a police officer or require a call from the department.
- Propane-gas hybrid vehicles were incorporated into the City's police fleet. This was a step in the direction of a more "green" police fleet by reducing dependence on traditional fuel.
- The Raleigh Police Department Leadership Institute expanded in March 2012, to include a Leadership Challenge Course as a follow-up to the initial RPLI. This course will provide an opportunity for students to exercise leadership skills in real-time simulated tactical situations.

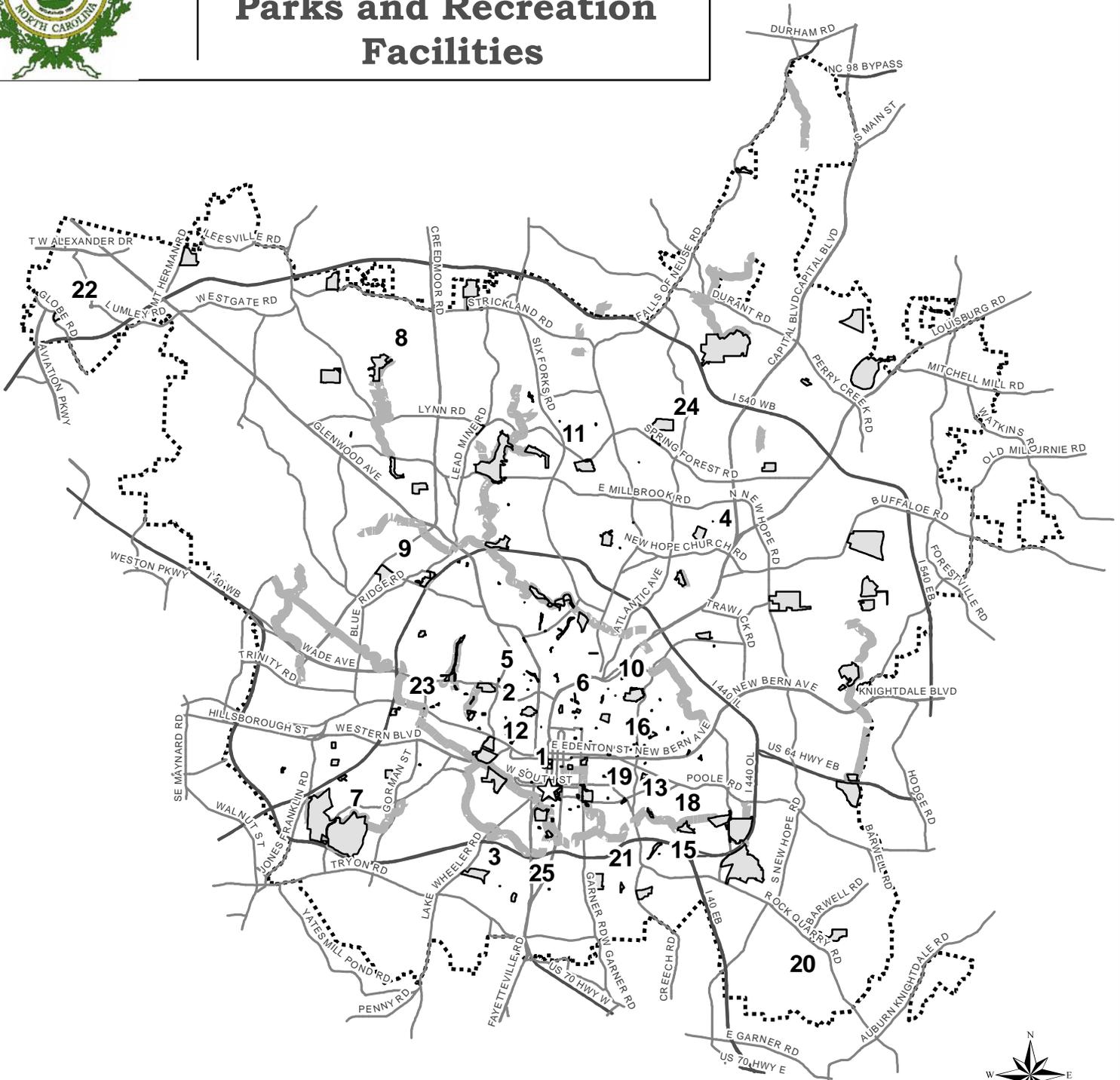
Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
Sworn personnel per 1,000 population	2.00	2.00	1.75	1.93	1.92
# of officer responses	462,683	463,333	499,673	531,508	555,027
# of responses per non-supervisory sworn officer	1,044	724	1,082	1,150	1,112
Part I Crimes reported - against persons	16,090	15,503	14,943	16,398	15,820
Part I Crimes per 100,000 population - against persons	308	294	271	270	235
Part II Crimes reported - against property	29,132	30,694	29,973	28,872	29,300
Part II Crimes per 100,000 population - against property	3,814	3,692	3,429	3,790	3,576
Arrests made	113,568	116,481	115,361	92,540	93,133
Traffic accidents investigated	18,557	18,439	19,328	20,018	19,532





City of Raleigh Parks and Recreation Facilities



1 inch = 2.7 miles

- | | | | |
|------------------|----------------|-----------------------------|-----------------------|
| Raleigh Parks | 5 Jaycee | 13 Ralph Campbell | 21 Biltmore Hills |
| Greenway Trails | 6 Halifax | 14 Robert's Park | 22 Brier Creek |
| Highway | 7 Lake Johnson | 15 Sgt. Courtney T. Johnson | 23 Method |
| Major Roads | 8 Lake Lynn | 16 Tarboro Road | 24 Millbrook Exchange |
| 1 Civic Center | 9 Laurel Hills | 17 Walnut Terrace | 25 Peach Road |
| 2 Wade Avenue | 10 Lions Park | 18 Worthdale | |
| 3 Carolina Pines | 11 Optimist | 19 Chavis | |
| 4 Green Road | 12 Pullen | 20 Barwell Road | |
| | | Raleigh ETJ | |
| | | Raleigh Convention Center | |

Map Created by COR GIS
Updated May 2011

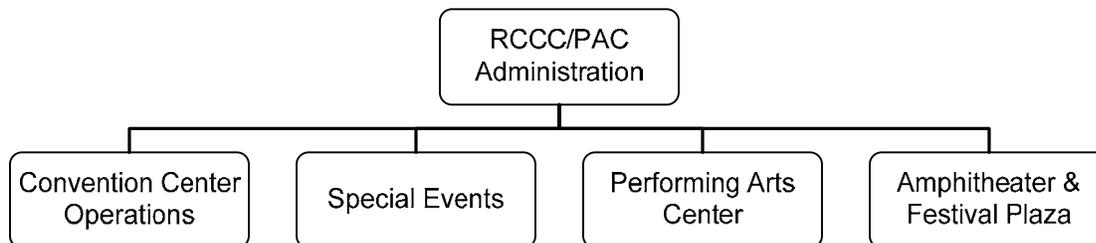
Convention Center Complex

The Convention Center Complex Department operates the Raleigh Convention Center (RCC), the Progress Energy Center for the Performing Arts (PAC), the Raleigh Amphitheater and Festival Site and the physical and capital maintenance of the Walnut Creek Amphitheatre. The RCC provides meeting space for conventions, meetings, banquets, trade shows and other assembly events. The PAC provides space for concerts, plays and festivals and is the home venue for the North Carolina Symphony, Hot Summer Nights at the Kennedy, the North Carolina Theatre and the Carolina Ballet. The department produces and presents national and international touring productions and concerts, doing business as Broadway Series South. Further, the department manages the Raleigh Amphitheater and Festival Site and presents a variety of outdoor entertainment activities in the downtown area which have historically included the Annual Raleigh Wide Open and in 2011 the NHL All-Star Wide Open event. The department operates as an enterprise fund for the City of Raleigh.

Additional information regarding the Convention Center Complex may be obtained by contacting Roger Krupa, Convention Center Director, at (919) 996-8500 or via email to Roger.Krupa@raleighconvention.com.

Mission

To provide citizens and visitors high quality general assembly spaces, performance venues and related customer services. The ambience of sound and light and other sensory and technical enhancements will be available for productions of all nature and should be enjoyed by the venue's customers and patrons.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 to 2012-13</u>
EMPLOYEES					
Administration	14	14	14	14	0
Civic & Convention Center	54	58	57	61	4
Performing Arts Center	32	32	32	24	(8)
Special Events	0	0	0	0	0
Amphitheater & Plaza	0	5	5	5	0
Convention Center Marketing	7	0	0	0	0
TOTAL	107	109	108	104	(4)

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY DIVISION					
Administration	3,200,714	3,609,316	3,708,306	2,625,159	(29.2%)
Civic & Convention Center	5,956,752	6,753,498	6,664,866	7,372,660	10.6%
Performing Arts Center	6,015,164	5,797,070	4,635,400	5,091,535	9.8%
Special Events	925,839	448,029	10,003	128,426	1183.9%
Amphitheater & Plaza	-	2,014,306	1,153,705	1,195,432	3.6%
Convention Center Marketing	1,000,000	-	-	-	-
TOTAL	\$ 17,098,469	\$ 18,622,219	\$ 16,172,280	\$ 16,413,212	1.5%
TRANSFER FROM GENERAL FUND	\$ 1,200,166	\$ 1,385,208	\$ 1,486,746		(100.0%)
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 6,163,947	\$ 6,446,518	\$ 6,360,822	\$ 6,138,587	(3.5%)
Employee Benefits	1,581,473	1,662,950	1,678,918	1,851,998	10.3%
Operating Expenditures	5,452,263	5,635,119	4,189,447	4,035,820	(3.7%)
Special Programs and Projects	2,583,041	2,846,452	1,525,110	1,915,323	25.6%
Capital Expenditures - New	60,000	60,000	25,000	20,000	(20.0%)
Interfund Transfers	1,257,745	1,971,180	2,392,983	2,451,484	2.4%
TOTAL	\$ 17,098,469	\$ 18,622,219	\$ 16,172,280	\$ 16,413,212	1.5%

Highlighted Budget Changes (July 2012 – June 2013)

- The PAC has experienced challenges with attendance in all sectors of entertainment from the economic downturn and the competition from the Durham Performing Arts Center (DPAC). Subsequently, there has been a reduction in the number of planned performances offered by resident companies to better match demand. The PAC's bookings for one-day performances from non-resident companies increased for the upcoming season. As a result of several events that were cancelled or postponed due to poor ticket sales, the PAC staff has initiated a process that requires more substantial deposits for single-day events and an improved screening of promoters to curtail speculative bookings that result in cancellations. Many promoters and presenters have had the opportunity to experience the new DPAC. Although the DPAC has an additional 500 seats and offers a subsequently higher gross revenue potential, there is now a noticeable return to the Raleigh market and the PAC.
- The FY13 budget eliminates two vacant positions: one RCCC Production Assistant and one Service Specialist. Additionally, two vacant positions are not funded in FY13. The positions include: Maintenance Mechanic I and RCCC Production Assistant.
- Two vacant security guard positions used to monitor the underground parking deck were also eliminated and will be replaced by an outside contractor. Therefore, this will not have an impact on the overall budget.
- The FY13 budget includes a 3% increase for equipment fees and service fees for the Performing Arts Center. The fee increase is expected to generate an additional \$30,000 in revenue.
- Funding is included for the reclassification of the RCCC Director from PG 49 to PG 50.
- Raleigh Wide Open may be continued this year in conjunction with the July 4th celebration formerly held at the fair grounds and produced by Raleigh Parks and Recreation. The department is currently trying to secure sponsorships to lower city expenses.

FY13 Anticipated Accomplishments that further City Council Mission

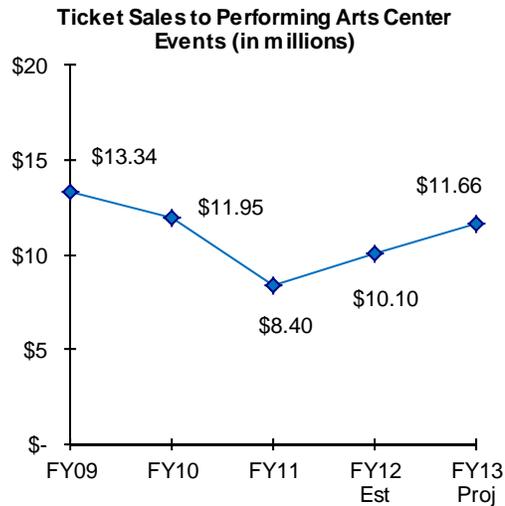
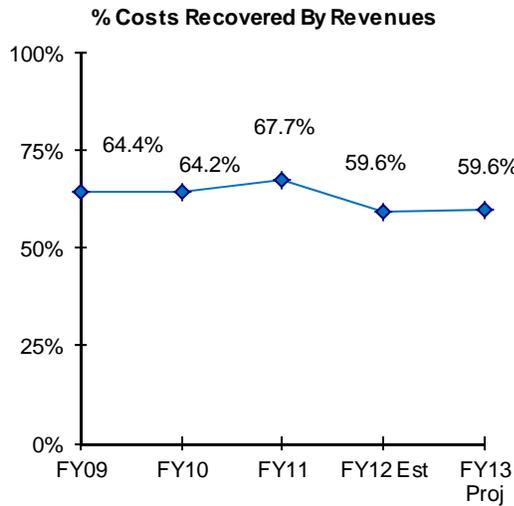
- Progress Energy Center staff continues to collaborate with local arts and theatrical companies. The collaborations strengthen our abilities to negotiate with national Broadway touring companies. The consortium of Broadway Series South, North Carolina Theater and Hot Summer Nights at the Kennedy will continue their efforts, offering six major title shows for the 2012-2013 season.
- The Raleigh Amphitheater remains one of the most sought-after new venues in the U.S. for up-and-coming performers. The venue was chosen by the industry trade publication, *Pollstar*, as one of the top five new venues in the country. Early indications are that more national talent will be touring this summer. We anticipate Live Nation rentals, sponsored events and special events will provide 27 shows at the Raleigh Amphitheater.
- A local series sponsorship has been secured to produce three free musical presentations for the summer, and the North Carolina Symphony will be working with staff to co-presenting a free Pops in the city event Labor Day weekend. Festivals and lifestyle shows will be continually pursued and evaluated as to their potential for revenue. At the same time, the evaluations will assess the financial exposure to the city. Careful considerations will be given when determining the number of shows that may be produced this year.
- Raleigh Convention Center expects to host 350 events including 52 conventions and tradeshow with attendance of 275,000. Conventions and events are expected to generate 45,000 room nights and direct visitor expenditures of \$40 million for the local economy.
- We continue to assist with other downtown events such as: Ray Price Bike Rally, Artspllosure, First Night Raleigh, Winterfest, Hopscotch Music Festival, the African American Festival, SparkCon and developing concepts as the need/opportunity arises.

FY12 Accomplishments that further City Council Mission

- PAC hosted 500 performances during the 2011-2012 season. The blending and collaboration of the NCT, HSN and Broadway South season offerings resulted in renewed interest in Broadway-based entertainment. Subscriptions have increased for the Broadway series, and HSN enjoyed a very well attended and expanded season. Collaborations with major concert promoters have resulted in a 30% increase in the number of one-night bookings, attracting major talent presentations to the PAC.
- The Raleigh Convention Center hosted 325 events with total attendance of 400,000, including 49 conventions and tradeshow with attendance of 72,000. Conventions and events held resulted in approximately 63,000 room nights and an estimated economic impact of \$44.6 million for the local economy.
- The Amphitheater hosted 30 events with attendance of 93,000. Most of the events were produced by a private concert promoter in the effort to lessen the city's financial exposure. The Amphitheater was able to produce five concerts with a \$5 ticket cost by securing a sponsorship.

Performance Indicators

	<u>ACTUAL 2008-09</u>	<u>ACTUAL 2009-10</u>	<u>ACTUAL 2010-11</u>	<u>ESTIMATE 2011-12</u>	<u>PROJECTION 2012-13</u>
CONVENTION CENTER					
Conventions and trade shows	44	55	50	49	52
Delegates at trade shows	45,895	65,240	77,490	72,000	97,000
Meetings, banquets and other events/attendance	232/288,556	311/378,377	301/325,281	275/325,000	275/325,000
PERFORMING ARTS CENTER					
Theater Performances/ attendance	59/54,610	45/58,820	56/50,412	44/49,000	40/45,000
Symphony Performances/attendance	81/102,034	77/91,121	87/81,321	90/89,000	80/85,000
PAC-other performances & events/attendance	503/406,303	464/274,265	456/250,789	373/260,000	350/250,000
Ticket sales to events (in millions)	13.34	11.95	8.4	10.1	11.66
EFFECTIVENESS MEASURES					
Economic impact of conventions (in millions)	22.1	31.3	55	44.6	40
% Costs recovered by revenues	64.4%	64.2%	67.7%	59.6%	59.6%



Parks and Recreation

The Parks and Recreation Department provides a broad range of parks and recreational opportunities that are responsive to the needs of Raleigh citizens by acquiring, developing, managing, operating, and maintaining the city's inter-connected system of greenways, parks, facilities and public open spaces. The department administers recreation programs for all ages, beautification programs, maintains trees, shrubs and landscaped areas in parks and along street rights-of-way for aesthetic enhancement and public safety purposes, operates and maintains three historic cemeteries, maintains the physical plant operations of the downtown municipal complex and provides city-wide emergency response to weather-related events.

The Administration Division provides technology and business support services for the department, serving 140,000 family accounts (300,000 individuals) registered in departmental programs and activities, all full-time employees and over 2,000 part-time, temporary and seasonal employees. The division coordinates budget preparation, manages and oversees all departmental fiscal affairs, monitors cash handling, conducts audits, daily deposit reconciliation, billing and payment processing, administers the fee assistance program, conducts background investigations, coordinates contract routing, grant administration, technology program expansion, emergency incident planning and coordination for the department, safety monitoring and compliance, staff training and development, and marketing services.

The Parks Division is comprised of five divisions (Parks, Highway, Cemetery, Greenway and Urban Forestry) and two program areas (Volunteer Services and NeighborWoods). The division maintains 9,451 acres of parkland, 78.7 miles of greenway trail, approximately 150 miles of public right-of-way, three historic cemeteries, all public right-of-way and park trees, and manages 70 Adopt-a-Park groups and more than 9,000 volunteers.

The Recreation Division provides a diverse array of programs and services for Raleigh citizens. These programs and services are offered through our 26 staffed community centers, five seasonal swimming pools, four year-round pools with the addition of Buffalo Road Aquatic Center which will open in summer 2012, three lake facilities, Pullen Park, Durant and Annie L. Wilkerson, MD Nature Park, Walnut Creek Wetland Center, Mordecai Historic Park and St. Monica Teen Center. The division manages 112 public tennis courts and 86 athletic fields. The spectrum of recreation opportunities include: adventure, aquatics, arts, nature, tennis, summer camps, track-out and before and after school activities. Populations served include youth, teens, adults, senior citizens and individuals with special needs.

Raleigh Arts oversees ongoing city-wide arts programs, special events and grants to arts agencies and facilities that are essential to the cultural vitality of the city. Programs and events include Medal of Arts, the Artist-of-Tomorrow Scholarship program, and the Piedmont Laureate program. Raleigh Arts provides workshops, community meetings, publications, e-newsletters and supports the City of Raleigh Arts Commission. The Arts Education & Collections program includes the Block Gallery Municipal Building Art Exhibitions, the Municipal Art Collection, Art on Fayetteville Street, Art-in-the-Park sculptures, and Art-On-The-Move.

The Public Art and Design Board manages all CIP Percent for Art Projects and is in the process of developing Raleigh's Public Art Master Plan. Facilities include the Pullen and Sertoma Art Centers, offering a wide array of programs, which add personal and hands-on access for Raleigh citizens to express themselves in the arts and provide a home for creativity and collaboration across all ethnicities and age groups.

The Facilities and Operations Division includes five integrated focus areas: Downtown Facility Maintenance, Brentwood Remote Operations, Energy Management, Design, Service and Construction, and Administration that provide full facility and system management for multiple departments throughout the city. These five areas work in concert to achieve a quality level of service that serves both internal and external customers by managing and addressing city systems and assets; conducting rate analysis, audits, and lifecycle cost replacements; through engineering system evaluations; by performing preventive maintenance and unscheduled repairs; and by responding to security, emergency and space needs. By the end of FY13, this division will manage a little over three million heated square feet, six

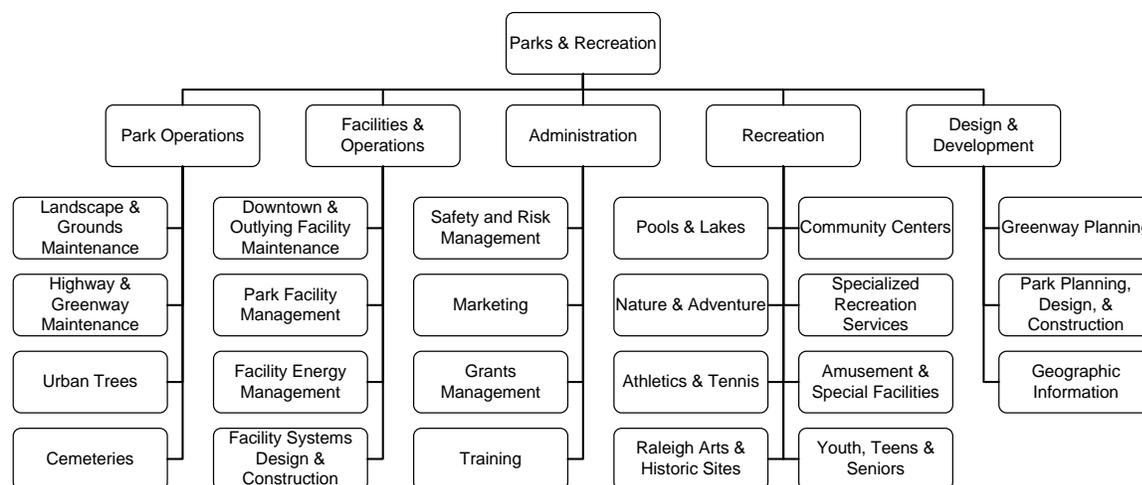
million square feet of irrigation, energy management software and building automation controls at 60 locations, and 15 generators.

The Design/Development Division has five sections: Greenways, Planning, Capital Improvement Projects, GIS and Construction. The division plans, designs and constructs recreational facilities, nature parks, greenways and open spaces. In addition, staff evaluates property for sale and potential purchase for future recreational use.

Additional information regarding the Parks and Recreation Department may be obtained by contacting Diane Sauer, Parks and Recreation Director, at (919) 996-4815 or via email at Diane.Sauer@raleighnc.gov.

Mission

The mission of the Raleigh Parks and Recreation Department is to actively encourage, provide, promote and protect quality leisure, recreational and cultural opportunities, facilities, and environments that are essential for the enhancement of the lives of our citizens.



Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
EMPLOYEES					
Administration	24	24	23	24	1
Cultural Arts Office*	-	4	4	4	0
Park Operations	173	179	180	196	16
Design and Development	19	19	19	18	(1)
Facilities and Operations	51	48	52	53	1
Recreation	124	127	130	133	3
TOTAL	391	401	408	428	20

* On March 15, 2010, the Cultural Arts Office moved from the City Manager's Office.

Budget Detail (continued)

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 3,266,075	\$ 3,441,834	\$ 3,573,092	\$ 3,605,813	0.9%
Cultural Arts Office	-	347,830	370,934	391,141	5.4%
Park Operations	12,612,636	13,179,071	12,602,131	13,163,958	4.5%
Recreation	16,193,871	16,087,613	16,707,082	17,004,860	1.8%
Design and Development	1,543,861	1,548,993	1,522,030	1,524,704	0.2%
Facilities and Operations	9,597,141	9,884,150	10,112,657	10,053,087	(0.6%)
TOTAL	\$ 43,213,584	\$ 44,489,491	\$ 44,887,926	\$ 45,743,563	1.9%
DIRECT EXPENDITURES BY TYPE					
Personnel Services	\$ 23,462,740	\$ 23,979,134	\$ 24,637,627	\$ 25,451,901	3.3%
Employee Benefits	5,557,520	6,182,160	6,237,584	6,457,883	3.5%
Operating Expenditures	12,495,845	12,467,471	12,348,222	12,271,809	(0.6%)
Special Programs and Projects	1,046,554	1,204,730	977,943	784,356	(19.8%)
Capital Equipment - New	60,053	69,052	42,000	63,500	51.2%
Capital Equipment - Replace	13,000	-	-	-	-
Interfund Expenditure	577,872	586,944	644,550	714,114	10.8%
TOTAL	\$ 43,213,584	\$ 44,489,491	\$ 44,887,926	\$ 45,743,563	1.9%

Highlighted Budget Changes (July 2012 – June 2013)

- Opening of new and renovated park facilities, including:
 - Chavis Park Carousel
 - Hill Street Neighborhood Center
 - Millbrook Exchange Center for Active Adults
 - Five Points Center for Active Adults
 - Jaycee Center and Carolina Pines Center expansions
- The Five Points Center for Active Adults, Millbrook Exchange Center for Active Adults, and Hill Street Neighborhood Center will open with no new full-time recreation staff resources. Existing recreation staff will be reallocated to open these new facilities for public use. Operating costs were reduced by \$216,652 from departmental request.
- Reduce \$10,000 in Parks Division operating costs by eliminating the purchase of sports drinks for crews. Ice for water will continue to be provided.
- Reduce part time salaries (\$145,900) and increase in full time responsibilities at all community centers. Closing of Halifax center during renovations, and elimination of the Halifax Community Afterschool Program (CAPs site) until facility is re-opened. Reduces the amount of time full time staff can participate in committee work outside the facility, the amount of time they can teach classes (CLASS and programs) and will result in reduction of programs offered due to reduction in planning time.
- Offer two new no-fee after school service sites for youth and teens at East Millbrook Middle School and Bradford Crossing Apartment complex in partnership with the Raleigh Police Department. Relocate before and after school programs to Marsh Creek Community Center to eliminate rental fees (\$31,500) at Wilburn Elementary School.
- Eliminate contracted transportation services for track out program participant field trips (\$50,000). Staff will use city-owned vehicles to transport participants. Vehicle breakdowns and trained driver shortages could limit services.

- Cost savings of \$41,602 achieved by contracting the concession operations at Walnut Creek Softball Complex.
- Pullen Park opened to the public in November 2011 with partial year funding. Cost reductions in other areas will offset the FY13 increase to provide full year operating costs.
- Mileage reimbursement costs (\$11,400) are reduced through a decrease in the number of monthly staff meetings, reduced staff committee responsibilities and increased reliance on online training.
- Under the new Museum and Historical Resources program, the FY13 budget funds the transition of the Raleigh City Museum from receiving agency support to direct management under the Parks and Recreation Department and includes minimal operating funding for the stewardship responsibility of the Pope House.
- FY13 new positions include:
 - Addition of one Service Specialist for Hill Street Park
 - Addition of one Recreation Facility & Program Supervisor III and two Recreation & Facility Program Supervisor II for the Raleigh City Museum and Pope House
 - Addition of one Administrative Support Specialist for electronic data interchange support for utility billing in Facilities & Operations by reclassifying a part-time position
 - Addition of one Equipment Operator I, one Equipment Operator II, one Gardner and two Service Specialists for maintenance of road right-of-ways
 - Addition of two Equipment Operator I positions, one Equipment Operator III, one Gardner, one Maintenance Worker II, one Service Specialist, one Structure Maintenance Crew Supervisor, two Tree Trimmer and one Vegetation Crew Supervisor, totaling 10 to maintain the rapidly growing Capital Area Greenway system. By the end of FY13 staff will maintain 104 miles of greenway, a 47% increase over FY11

Service Impacts (July 2012 – June 2013)

- Reduction of safety program professional services funds by \$14,000, leaving a reserve of \$1,000 for response to incidents such as chemical disposal, spill response, biohazard disposal, illegal dumping remediation, and facility testing and clearance issues. This reduction eliminates the means to address environmental management issues as they arise, and divisions will have to pay for each incident as needed, which will defer other priority budgeted activities within divisions.
- The Parks Division budget reflects minimal replacement of division vehicles and equipment for FY13. Extended use of aging vehicles and equipment will impact the division's overall fuel consumption and increase vehicle maintenance and repair costs. Reduction in replacement of grounds maintenance and small equipment will result in increased in-house repairs and down time and borrowing of equipment.
- Routine maintenance of greenways has suffered with less frequent mowing and a six month back log of work orders. Proposed new positions will improve trail maintenance, from a six-week mowing cycle to a four-week cycle.
- In the Highway Division, right-of-way mileage on city and state roads increased by 13% since FY09 while staff resources decreased by 14%. Maintenance that was originally done on a two-week cycle slipped to four-eight weeks. Complaints regarding level of service, which have increased approximately 300% in the first quarter of FY12 over FY11, indicate citizens notice the changes in appearance along state roads within city boundaries. The new positions allow staff to maintain a four-week cycle, an improvement.
- The Urban Forestry Division has experienced a dramatic increase in the number of service requests on public right-of-way trees. There were 786 in FY11 and 378 in the first quarter of FY12 (1,134 projected in FY12). The division has a current backlog of 186 work orders, 27 are priority

(safety-related). With no additional positions, a backlog of work orders and safety-related tree work will continue to increase.

- Recreation facilities will be closed on Martin Luther King, Jr, Good Friday and Veteran's Day, impacting an average of 57 patrons per facility per day.
- Relocation of two current staff, Senior/Adult Program Director and the Senior/Adult Program Manager, to run the two new facilities will dramatically reduce staff time to develop and oversee other programmatic elements of city-wide Senior/Adult Programs.
- Eliminate Hearing Impaired Program (HIP) office staff and Sign Language Programs. HIP office staff served a total of 21 individuals in FY11 and less than 15 individuals YTD FY12. Efforts to offer other departmental programs to participants will be made, and Specialized Recreation Services will maintain the two monthly programs.
- Reduction of contractual services, communication equipment and rental property line items. Service impacts include continued deferment of preventive maintenance, inability to maintain inventory and backup parts for major equipment and delayed repair times.

FY13 Anticipated Accomplishments that further City Council Mission

- Develop environmental resource plans for three natural areas (Lake Johnson Park, Annie L. Wilkerson, MD Nature Preserve, Anderson Point Park) and three park sites (Sierra Drive, Hwy 50 Beaverdam, Barwell Road Park).
- Continue to utilize the latest technologies in building systems, climate controls and lighting to replace existing equipment at the end of its lifecycle and in the design of new facilities to increase energy efficiency and reduce operating costs.
 - Marsh Creek Operations Center – Solar LED Battery
 - Pullen Aquatics Center – Mechanical, Roof & Solar Thermal Installation
 - Emergency Communications Center and Raleigh Municipal Building UPS Battery Replacement
 - Fire Stations - Lead Paint and Asbestos Assessment and mechanical, electrical and plumbing replacement needs
 - Optimist Community Center – HVAC and Controls Replacement
 - Roberts Park – Front Parking Lot Lighting Upgrades
 - Marsh Creek Greenhouse – Complete first year of operations and provide data on utility cost savings to the Office of Sustainability
- The Raleigh Arts office will participate in a National Economic Impact of the Arts Research Project in collaboration with United Arts Council of Raleigh and Wake County.
- Acquired the Pope House, a City of Raleigh designated historic landmark that will be managed as a cultural asset through the Recreation Division's Historic Resource Program area, which also will include the Raleigh City Museum.
- Further expand the use of citizen volunteers and the Adopt-A-Park groups (70 currently) to engage neighborhoods to become more involved in renovating and maintaining parks and facilities.
- Continue the department's commitment and investment with the City of Raleigh's Community Oriented Government culture. Allocated a full time staff member to take the lead role with North Raleigh initiatives.

- Continue to proactively and aggressively seek grant funding to support operational and capital needs. Managing \$20 million portfolio of grant funding, most of which involves construction projects that provide businesses and their employees much-needed work.
- Create a “College Center” at Chavis Park Community Center in partnership with Community Services, Information Technology, Parks & Recreation and Wake Tech. The “College Center” will focus on increasing post-secondary credentials with labor-market value. Services will include GED/Adult Basic Education, on-site testing, admissions and financial aid application assistance, tutoring and career development coaching.
- Continue delivery of a vibrant internship program working directly with area universities allowing students to complete degree requirements while working with Parks and Recreation professionals in a variety of different areas (marketing, recreation programming, maintenance, etc.) This program provides valuable work experience and enhances employment opportunities upon graduation.

FY 12 Accomplishments that further City Council Mission

- Opened new and renovated park facilities including:
 - Annie Louise Wilkerson, MD Nature Preserve Park
 - 11 miles of new greenway trails (Upper Neuse, Edwards Mill, House Creek)
 - Pullen Park Amusements
 - Gymnasium addition for Lake Lynn Community Center
 - Strickland Road Neighborhood Park
 - Isabella Cannon Neighborhood Park
 - Worthdale Park walking trail
 - Construction of Buffalo Road Aquatic Center
- Awarded \$115,882 in fee assistance to 445 citizens for participation in recreation programs and services.
- Trained 2,300 part-time and 370 fulltime employees in safety, customer service, leadership, youth programming and technology. Provided 1,062 training opportunities, including: 712 safety, 43 leadership, 27 customer service (for 600 employees) and 14 youth programming (for 400 employees).
- Increased community involvement in park improvement projects with help from 8,177 volunteers at an estimated 139,375 hours and a value of \$2.9 million.
- Completed playground improvements at Lions Park, Lockwood Park, Eastgate Park, and Longstreet Park including new playground equipment, safety surfacing, fencing, accessible walkways, signage and landscaping. Constructed the city’s second Boundless playground at Method Road Park.
- Planted 1,500 NeighborWoods trees in collaboration with citizens on residential streets.
- Expanded service from four days to five days a week for 11 Community After School Programs and seven Teen Outreach Programs, providing critical no-fee services focused on support in resource-limited neighborhoods.
- Served 14,701 registrants through the Summer Camp programs. Partnered with Wake County Public School System to offer the Summer Food Service program, a daily no cost lunch and/or breakfast, at 10 Summer Xpress camp sites.

- Walnut Creek Softball Complex awarded 30 weekend softball tournaments. This included North Carolina High School Athletic Association Softball Championships, Cardinal Classic Girl's Youth Fast pitch, Senior Softball USA Eastern Nationals and Capital City Classic Adult USSSA Invitational.
- The Public Art and Design Board researched and developed a comprehensive Public Art Policy for the city.
- Utilized latest technology and aggressive system scheduling and management to increase energy efficiency and enhance energy management through:
 - HVAC upgrades at eight locations
 - Lighting upgrades at 20 locations, including solar and LED lighting
 - Climate control upgrades at over 15 locations
 - Solar thermal water heaters installed at nine Fire Stations
 - A pilot program to efficiently process large volume of bills and analyze utility billing data

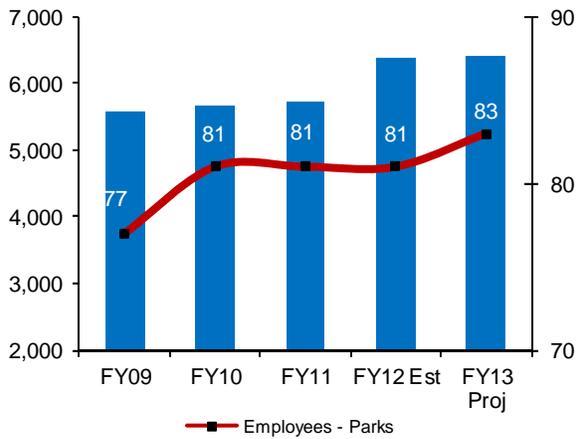
Performance Indicators

	<u>ACTUAL</u> <u>2008-09</u>	<u>ACTUAL</u> <u>2009-10</u>	<u>ACTUAL</u> <u>2010-11</u>	<u>ESTIMATE</u> <u>2011-12</u>	<u>PROJECTION</u> <u>2012-13</u>
PARKS					
Employees (1)					
Parks	77	81	81	81	83
Greenways	23	24	24	24	32
Park Acreage (2)	5,587	5,671	5,732	6,382	6,422
Greenway Length (Miles)	62	62	69	81.6	104
RECREATION					
Total Programs Offered	9,290	11,249	11,233	12,096	12,421
Satisfaction Ratings	95%	95%	96%	97%	97%
FACILITIES & OPERATIONS					
Total SF of Buildings Maintained	2,395,364	2,499,291	2,836,175	3,077,833	3,112,733
Kw H Consumption - OEP	2,850,750	2,817,950	2,649,750	2,622,857	2,385,000

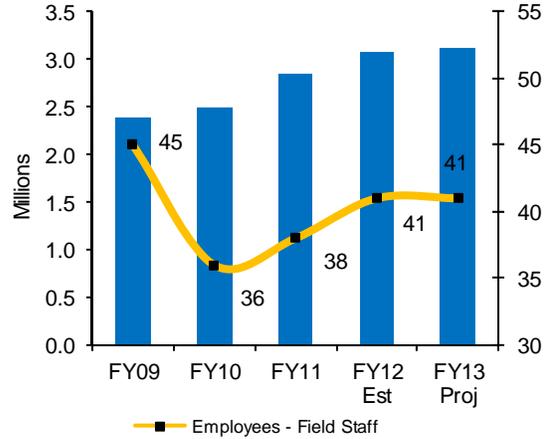
(1) Excludes Administrative Staff. (2) Excludes ballfield acreage.

Performance Indicators (continued)

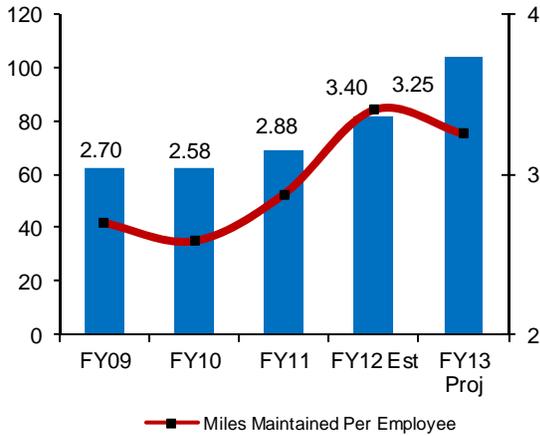
Park Acreage vs. # of Staff



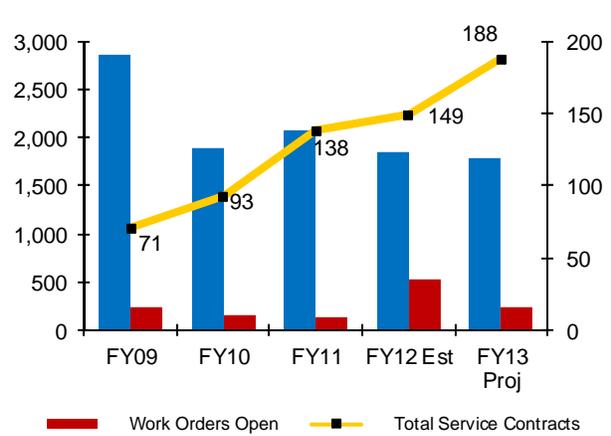
Buildings SF vs. # of Field Staff



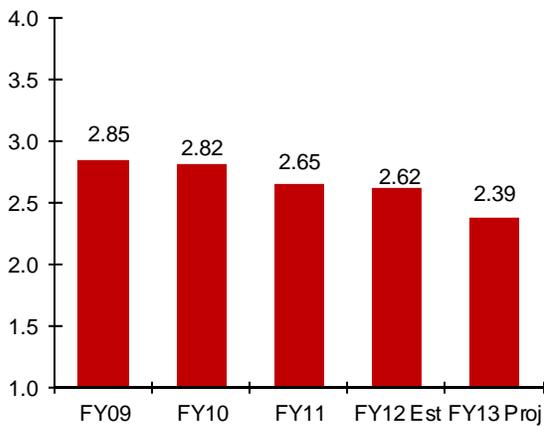
Greenway Miles vs. Length Maintained per Employee



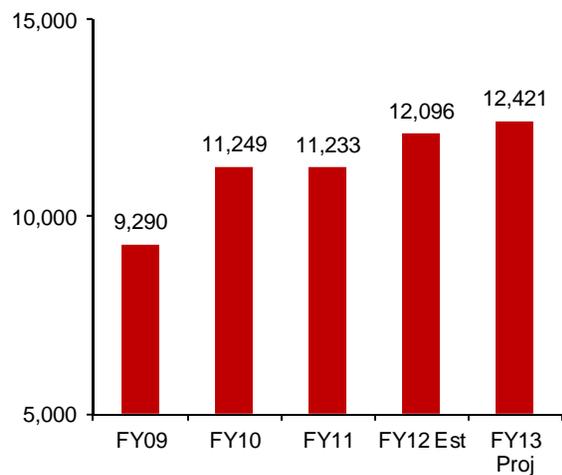
Closed Work Orders & Service Contracts Increase



Electric Consumption (kWh) - OEP (in millions)



Recreation Programs Offered



Revolving Fund

The Revolving Fund consists of self-sustaining programs, primarily found in the Parks and Recreation Department. Types of programs include classes, workshops, and camps held at various community centers and parks. Participant fees make up the majority of the revenues, and programs are expected to recover or exceed program costs. A portion of the fees collected from recreational activities is returned to the General Fund to support the overall Parks and Recreation Department budget.

The Revolving Fund includes a number of non-recreational programs and activities that are also expected to recover or exceed program costs through fees and/or contributions. Types of programs include classes offered by the Raleigh Television Network (RTN) and the Inspections training program. Other departments with programs in this fund receive contributions that are used to purchase community watch signs and to support special Police programs.

Budget Detail

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 to <u>2012-13</u>
DIRECT EXPENDITURES					
Transfers to Fd 100, 625	\$ 459,538	\$ 281,906	\$ 310,073	\$ 266,988	(13.9%)
Environmental Awards Program	-	-	9,500	9,500	0.0%
Arts Commission	6,000	-	6,000	91,535	1425.6%
Artist of Tomorrow	5,000	-	-	-	-
RTN Promotions	25,000	25,000	25,000	-	-
RTN Equipment	69,500	69,500	69,500	140,000	101.4%
Raleigh Historic District Loan Fund	191,000	-	-	-	-
Appearance Commission	3,000	1,000	1,000	1,000	0.0%
Trans - Pole Banners	4,000	-	-	-	-
Inspections Training Prog	4,500	4,500	4,500	9,302	106.7%
Inspections At Your Service	20,001	20,735	-	-	-
Citizen Involvement	12,000	12,000	12,000	12,000	0.0%
Community Watch Signs	3,500	3,500	4,937	4,937	0.0%
Police Donations	4,000	4,000	4,000	4,000	0.0%
Fire-Reg Resp Team #4	57,000	60,000	100,000	200,000	100.0%
Fire - USAR	-	-	80,964	80,964	0.0%
SWS-Ldfill Gas Maint & Repair	-	190,820	190,820	190,820	0.0%
SWS - Landfill Gas Recovery	400,000	400,000	400,000	400,000	0.0%
Adventure Camps	100,000	109,902	91,792	89,526	(2.5%)
Biltmore Hills Center	55,900	56,562	65,500	65,501	0.0%
Borden Building	27,500	18,745	20,000	27,501	37.5%
Camp Friendly	275,500	282,070	240,001	155,844	(35.1%)
Carolina Pines Center	71,000	95,079	95,001	75,000	(21.1%)
Chavis Youth Program	125,000	112,612	74,001	50,000	(32.4%)
Community Center Equipment	185,000	215,130	245,000	220,001	(10.2%)
Fall Youth Baseball	242,000	219,000	380,000	315,000	(17.1%)
Fletcher Award Program	5,000	5,000	5,000	8,600	72.0%
General Recreation	205,000	257,160	290,000	303,000	4.5%
Golden Years	201,400	200,014	129,033	163,001	26.3%
Green Road Center	179,500	170,994	185,000	195,000	5.4%
Halifax Center	23,900	23,942	24,000	20,001	(16.7%)
Hemerocallis Garden	4,125	3,625	3,625	14,000	286.2%
Jaycee Center	207,000	227,028	154,000	170,000	10.4%
Lions Park	50,000	50,007	38,501	28,000	(27.3%)
SUBTOTAL	\$ 3,464,264	\$ 3,380,820	\$ 3,258,748	\$ 3,311,021	1.6%

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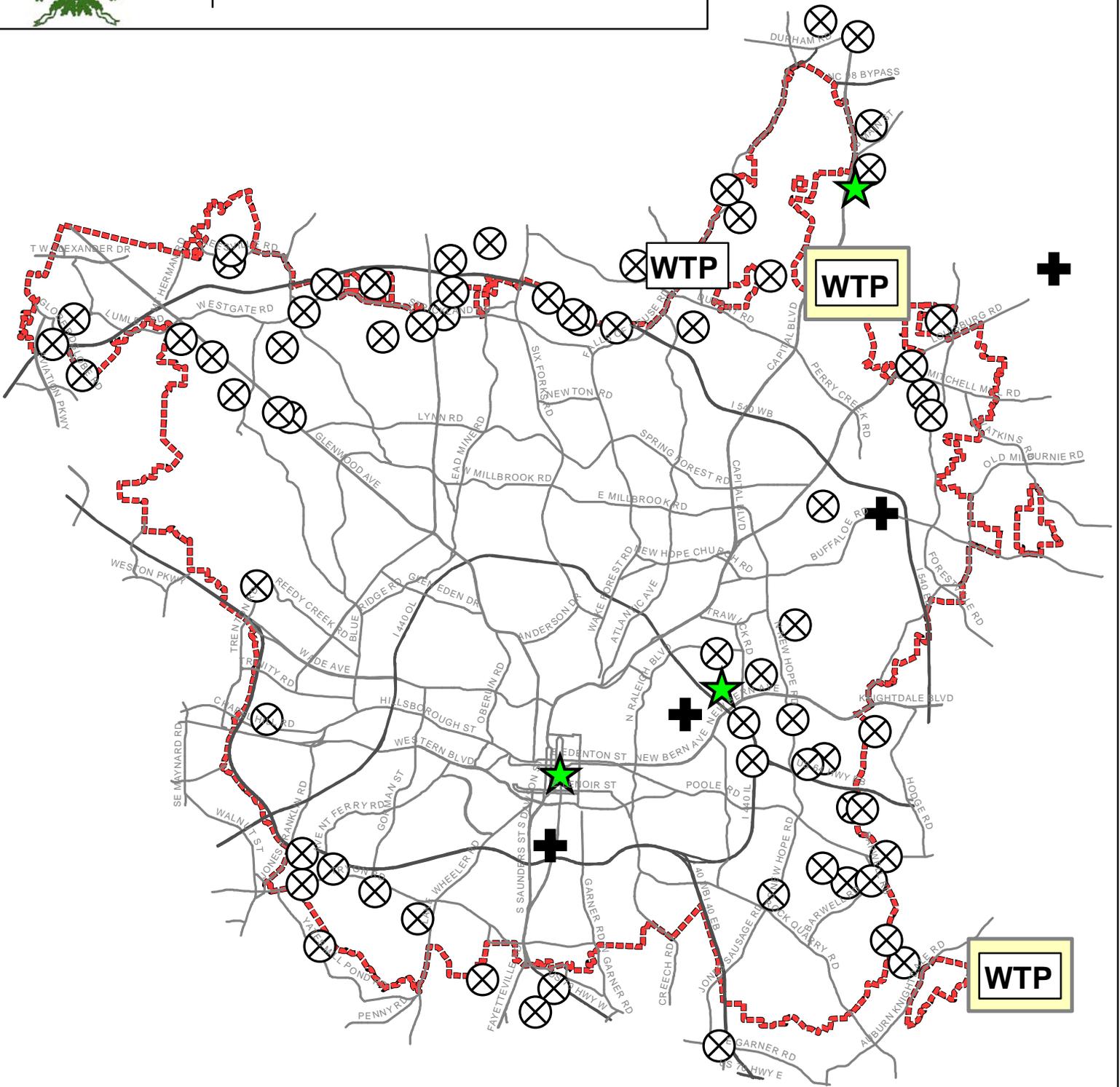
Budget Detail (continued)

DIRECT EXPENDITURES (Continued)	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 to 2012-13
Method Center	\$ 82,400	\$ 82,428	\$ 89,000	\$ 100,501	12.9%
Millbrook Center	160,000	178,561	174,950	195,001	11.5%
Nature Camp	45,936	40,317	35,000	43,000	22.9%
Optimist Center	80,000	67,011	64,000	60,800	(5.0%)
Parks & Recreation Automation	530,000	529,943	470,640	360,183	(23.5%)
Parks & Recreation Marketing	406,100	405,803	353,935	301,252	(14.9%)
Parks & Rec Sports Consortium	45,000	61,892	98,935	91,000	(8.0%)
Pullen Arts & Crafts	220,000	219,983	220,000	222,501	1.1%
Pullen Community Center	78,000	77,971	96,000	103,000	7.3%
Raleigh Youth Council	13,755	13,755	10,500	14,500	38.1%
Ralph Campbell Center	10,000	9,000	11,000	9,001	(18.2%)
Roberts Park	44,000	48,440	49,000	49,001	0.0%
Run for the Oaks	43,000	23,999	20,500	20,001	(2.4%)
Sertoma Arts Center	217,000	215,314	222,582	213,001	(4.3%)
Computer Labs	120,000	167,541	155,000	245,001	58.1%
Tarboro Road Center	66,000	66,002	66,249	64,500	(2.6%)
Teen Camps	157,220	237,153	236,200	227,500	(3.7%)
Tennis	610,375	414,980	450,001	467,000	3.8%
Tucker Mansion	40,000	35,614	36,001	30,001	(16.7%)
Visual/Hearing Impaired	48,100	35,000	32,500	65,221	100.7%
Walnut Terrace	11,000	11,000	8,250	8,571	3.9%
Worthdale Center	45,000	45,000	45,000	45,000	0.0%
Aquatic Instruction Programs	307,100	317,381	318,432	361,329	13.5%
Laurel Hills Center	320,875	319,893	254,373	197,000	(22.6%)
Lake Lynn Center	223,200	172,974	187,000	201,500	7.8%
Lake Johnson Center & Cabin	100,275	100,216	33,800	66,500	96.7%
Camp Ranoca	201,000	188,466	190,001	346,001	82.1%
Lake Wheeler	43,725	36,780	6,000	20,002	233.4%
Anderson Point	25,000	61,780	45,000	50,000	11.1%
Third Party Events	6,899	6,687	15,000	5,000	(66.7%)
Neighborhood Street Trees	45,000	20,000	32,000	35,000	9.4%
Peach Road Comm Center	11,575	11,320	6,800	5,550	(18.4%)
Barwell Rd. Community Center	145,600	114,106	124,205	120,001	(3.4%)
Briar Creek Community Center	171,000	228,290	228,000	228,000	0.0%
Mordecai Park	129,500	112,479	102,999	102,001	(1.0%)
ESL Program	-	-	6,000	11,400	90.0%
Middle School Programs	29,000	39,069	21,000	15,500	(26.2%)
Courtney Johnson Neighborhood Cntr	9,475	10,100	10,100	20,000	98.0%
Top Greene Center	20,100	32,500	37,500	45,001	20.0%
Sanderford Road Center	10,475	11,650	11,650	11,650	0.0%
Marsh Creek Center	34,200	80,000	66,999	68,001	1.5%
Greystone Recreation Center	-	87,400	87,399	111,001	27.0%
Walnut Creek Wetland Center	-	30,000	20,000	20,001	0.0%
Pullen Amusements	-	-	43,407	70,300	62.0%
Wilkerson Nature Preserve Park	-	-	-	3,500	-
TOTAL	\$ 8,128,749	\$ 8,087,629	\$ 8,051,655	\$ 8,360,795	(0.4%)



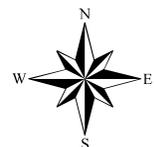


City of Raleigh Public Utilities Facilities



- Highway
- Major Roads
- Raleigh ETJ
- Odor Facilities
- Pump Stations
- Administrative Offices
- Water Treatment Plant
- Wastewater Treatment Plant

1 inch = 2.6 miles



Map Created by COR GIS
Updated May 2011

Public Utilities

The Public Utilities Department provides for the treatment and distribution of drinking water, the collection and treatment of wastewater, distribution of reuse water and watershed protection in Raleigh, Garner, Rolesville, Wake Forest, Knightdale, Wendell and Zebulon. Raleigh also provides water and/or wastewater treatment to several nearby agencies including the towns of Apex, Fuquay-Varina, Holly Springs, Middlesex, Clayton and Johnston County. Public Utilities Department operations are conducted within the confines of a self-supporting enterprise fund, fully funded by revenues received from rates and fees for services, and from fees associated with new development.

The Public Utilities Department is organized in nine divisions:

Administration Division provides supervisory, administrative, management, financial, and technical support to the entire Public Utilities Department. The division reviews development plans and issues permits for water and sewer infrastructure extensions within the service area. This division also interacts directly with State regulatory agencies, contractors, developers, customers, and other area utility providers on a wide range of issues.

Capital Improvements Division oversees the design and construction of water and sewer projects within the City's utility service territory. Utility oversight includes system extensions, infrastructure repair and rehabilitation, asset management program, new technology evaluation, implementation and capital improvement planning. This division contains Construction Project Administration, Construction Inspections and Utility GIS services. By establishing standards, reviewing designs for compliance, procuring contractors and consultants and inspecting utility infrastructure installation, the Capital Improvement Division serves to promote reliable water and sewer systems and sound infrastructure planning.

Meters Division provides meter reading services to all customers of the utilities system, for the purpose of billing water services. The division also maintains, tests, repairs and services the department's entire inventory of over 184,000 water meters covering seven municipalities.

Reuse Division is responsible for operation and maintenance of the 1.29 million gallons per day Wrenn Road Spray Irrigation Wastewater Treatment Plant which is currently undergoing refurbishment as an industrial wastewater treatment facility to address the waste load from the D.E. Benton Water Treatment Plant (DEBWTP). This division carries out the industrial pretreatment program, and the residuals and biosolids management program serving the City's water and wastewater treatment facilities. The division is also responsible for the water reuse program, which includes reclaimed water generated from the Neuse River Wastewater Treatment Plant, and a reuse pipeline distribution system from both the Neuse River Wastewater Treatment and the Little Creek Waste Water Treatment Plants. This division issues all utilization permits for users in the Raleigh and Zebulon service areas as well as approval of bulk distributors and applicators. The reuse water system in the Zebulon service area provides 200,000 gallons per day (gpd) of reclaimed water to industrial customers. The reclaimed water system in the southeastern Raleigh service area provides approximately 400,000 gpd to customers.

Sewer Maintenance Division provides maintenance and repair services to more than 2,300 miles of sewer lines located throughout the wastewater collection infrastructure system. Division maintenance staff is responsible for sewer TV inspection, smoke testing, sewer rodding/dragging/grease removal, manhole inspection, and remediation of sewer main blockages. Sewer Maintenance also maintains over 930 miles of sanitary sewer easements through inspections, mowing, and cutting. The repair staff is responsible for installing sewer and water taps for customers, repair and reconstruction of sanitary sewer manholes and pipeline, as well as rebuilding and stabilization of easements. This Division also operates the water and sewer maintenance system for the Town of Garner as a result of system mergers with surrounding towns.

Wastewater Treatment Plant (WWTP) Division operates and maintains the Neuse River WWTP, which treats a flow of approximately 42 million gallons of wastewater per day (MGD) from Raleigh and other Wake County municipalities. The division also operates and maintains the Smith Creek Wastewater Treatment Plant, which treats approximately 1.3 million gallons per day (MGD) from a portion of the Wake Forest service area; and the Little Creek wastewater treatment plant, which treats approximately 600,000

gallons per day from the Zebulon service area. All three facilities are equipped with laboratories. The division also services 114 sewer pump stations and five odor control stations.

Water Distribution Division provides maintenance and repair services for more than 2,300 miles of water mains that exist within its service area. Division staff repair and maintain approximately 22,000 fire hydrants, more than 61,400 valves, and perform emergency repair and replacement of customer water and sewer service taps. The water and sewer lines for the Wake Forest, Rolesville, Knightdale, Wendell and Zebulon service areas are also operated and maintained from this division as the result of the utility system mergers with the respective towns.

Water Plant Division operates and maintains the City's E.M. Johnson Water Treatment Plant (EMJWTP), located near Falls Lake, as well as the D.E. Benton Water Treatment Plant in Garner, which can treat water up to 14 MGD. The average daily production between both Water Plants is approximately 51 MGD, while meeting State and Federal drinking water quality standards. The plants are equipped with sophisticated laboratories used to perform extensive water quality analysis.

Utilities Support Division receives, issues, inventories and maintains all materials and supplies for utility department operations at Utility Field Operations located at the Lake Woodard Drive, North Raleigh Utility Field Operation Center (NRUFOC), East Raleigh Utility Field Operation Center (ERUFOC), South Raleigh Utility Field Operation Center (SRUFOC) facilities. Additionally, the Facilities Support Division requisitions all material and processes the receipts to accounting for the operational groups payments. The Utilities Support Division also maintains and operates the department's two-way radio system and manages the buildings, grounds for all operation centers and fuel storage and dispensation at the Lake Woodard Utility Field Operations Center.

In a process that began at the end of FY11, the Public Utilities Department began developing a strategic management plan in accordance with the Effective Utilities Management principles. That plan is expected to be finalized in FY12, and implementation has already begun. The senior management of the department has been realigned to facilitate plan implementation and to provide new perspectives on work flow efficiencies. This new alignment places the operation and maintenance of core water functions, regulated under the Safe Drinking Water Act, under one Assistant Utility Director and operation and maintenance of core wastewater functions, regulated under the Clean Water Act, under another Assistant Utility Director. Utility Support has also been realigned with Administration and Capital Improvements, as these functions all support the operation of the utility.

Three programs will be redefined this year. The first, Regulatory Affairs & Enforcement, will align the department's current code enforcement staff and employee development staff with similar functions in other programs to improve uniformity and customer interaction when implementing and enforcing city code. It will also encompass and provide oversight to existing regulatory compliance programs to ensure exemplary State and Federal regulatory compliance by the Department.

The second programmatic change, Environmental Management Systems, is envisioned as a platform to implement significant components of the departmental strategic plan. These components include implementation of formalized management systems, such as ISO 140001, the National Biosolids Partnership, and the Partnership for Safe Water, throughout the department. Such systems are most effective when implemented in conjunction with business process evaluations designed to optimize and seek efficiency.

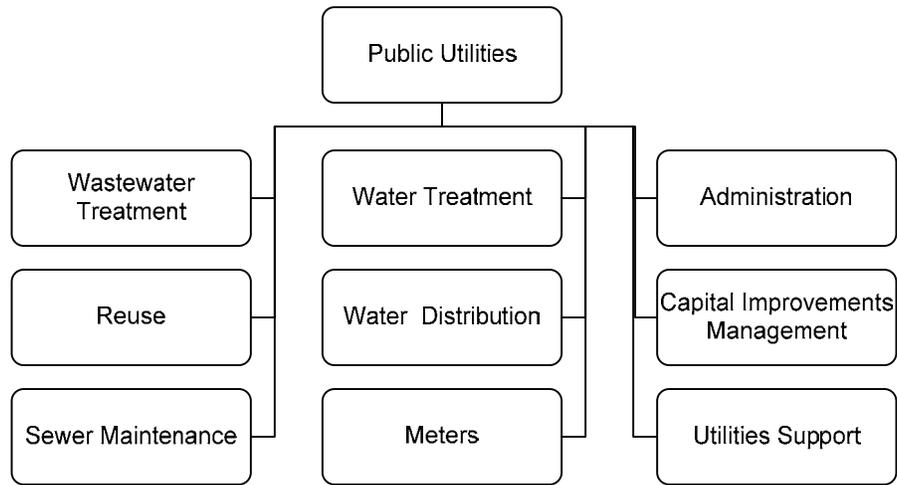
The final program change, Water Resource Development, will formalize the department's new water resources team, which is tasked with developing a comprehensive water resources plan, implementation of water conservation and efficiency policies, promotion of non-potable water reuse opportunities and protection of water supply watersheds.

This alignment is anticipated to remain in place until the department completes all business process evaluations necessary to finalize a new organization structure and implement the findings of the Water Utility Transition Advisory Taskforce and the department's strategic plan.

Additional information regarding the Public Utilities Department may be obtained by contacting John Robert Carman, Public Utilities Director, at (919) 996-4540 or via email at carman@raleighnc.gov.

Mission

The goal of the Public Utilities Department is to provide the best water and wastewater services for our customers while protecting the environment and maintaining public health at a fair and reasonable cost.



Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 TO 2012-13</u>
EMPLOYEES					
Administration	39	40	34	35	1
Capital Improvement Management	0	0	24	25	1
Water Plant	82	87	87	87	0
Waste Treatment Plant	83	83	84	84	0
Reuse Operations	28	28	28	28	0
Utilities Construction	70	68	0	0	0
Sewer Maintenance	0	0	121	121	0
Sewer Collection Maintenance	69	68	0	0	0
Water Distribution Maintenance	106	103	105	108	3
Meters	79	78	88	84	(4)
Facilities Support	15	15	15	14	(1)
TOTAL	571	570	586	586	0

Budget Detail (continued)

	ADOPTED BUDGET <u>2009-10</u>	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>	CHANGE 2011-12 TO <u>2012-13</u>
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 4,826,926	\$ 5,277,309	\$ 5,898,620	\$ 6,009,360	1.9%
Capital Improvement Management	-	-	1,839,944.00	2,140,001	16.3%
Water Plant	21,125,518	21,322,137	20,996,791	21,182,702	0.9%
Waste Treatment Plant	15,819,554	17,054,881	17,184,240	16,895,700	(1.7%)
Reuse Operations	5,154,035	4,979,015	4,942,488	4,865,195	(1.6%)
Utilities Construction	7,051,418	6,460,195	-	-	-
Sewer Maintenance	-	-	11,083,655	10,788,328	(2.7%)
Sewer Collection Maintenance	6,160,059	5,916,974	-	-	-
Water Distribution Maintenance	7,537,722	7,394,174	7,497,785	7,978,771	6.4%
Meters	5,290,652	5,266,366	5,700,065	5,479,666	(3.9%)
Facilities Support	2,789,380	3,741,329	3,640,035	2,628,057	(27.8%)
Subtotal, Utilities Operations	\$ 75,755,264	\$ 77,362,380	\$ 78,783,623	\$ 77,967,780	(1.0%)
Special Appropriations	\$ 65,570,460	\$ 75,915,319	\$ 95,530,036	112,152,650	17.4%
TOTAL	\$ 141,325,724	\$ 153,277,699	\$ 174,313,659	\$ 190,120,430	9.1%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 25,609,913	\$ 26,240,207	\$ 26,628,560	\$ 26,976,152	1.3%
Employee Benefits	8,496,018	9,609,169	10,149,878	10,572,055	4.2%
Operating Expenditures	42,071,669	42,019,826	43,081,952	41,384,164	(3.9%)
Special Programs and Projects	9,585,883	13,193,533	13,030,066	12,649,038	(2.9%)
Capital Equipment	576,900	1,015,000	1,680,968	1,466,617	(12.8%)
Interfund Transfers	54,985,341	61,199,964	79,742,235	97,072,404	21.7%
TOTAL	\$ 141,325,724	\$ 153,277,699	\$ 174,313,659	\$ 190,120,430	9.1%

Highlighted Budget Changes

- The FY13 budget increased by \$15,806,771, a 9% increase over the FY12 budget. The increase is largely from a \$15,000,000 increase in pay-go capital funding.

FY13 Anticipated Accomplishments that further City Council Mission

- Accommodate projected 1.5% customer growth, while maintaining meter reading estimation rate of less than 0.25%.
- Continue 100% compliance record with Safe Drinking Water Act (SDWA) and National Pollutant Discharge Elimination System (NPDES) permits at all plants.
- Continue applying new technology to improve effectiveness and efficiency in customer delivery.
- Continue sewer collection system maintenance programs to reduce sanitary sewer overflows.
- Implement the Water Utility Transition Advisory Taskforce (WUTAT) final recommendations for Strategic Planning, Water Infrastructure Planning and Management, Environmental Stewardship, Financial Planning and Policy, Operations Management, Customer Education and Support, and implementation policy guiding principles.
- Implement the approved Capital Improvements Program to stay ahead of growth and provide for sustainable infrastructure.
 - Complete Biosolids Master Plan Update and begin an update of the Reclaimed Water Master Plan. Obtain NCDENR permit to apply biosolids to a portion of the NRWTP farm land.

- Complete Crabtree Creek Wastewater System Conveyance Improvements Project Phase
- Complete first phase of Asset Management Program for water and sewer main prioritization.
- Continue phased 15 MGD expansion of the NRWWTTP.
- Begin expansion of the LCWWTP to 2.2 MGD.
- Complete the upgrade of waste pump station at the EMJWTP dewatering facility.
- Expand the EMJWTP warehouse and construct the new chemical facilities.
- Complete the high speed SCADA network to monitor remote pump stations and water tanks.
- Complete the Raw Water Pump Station generator upgrade, including removal of the underground fuel tank.
- Continue to implement utility merger capital projects.

FY12 Accomplishments that further City Council Mission

- 100% compliance with SDWA requirements at EMJWTP and DEBWTP.
- 100% NPDES permit compliance at Neuse River WWTP, Smith Creek WWTP, and Little Creek WWTP.
- Supported Upper Neuse Basin Association in the implementation of the Falls Lake Nutrient Management Strategy (NMS).
- Supported the Jordan Lake Partnership in development of a regional water supply plan.
- Resolved long standing water quality issues in Wendell through the unidirectional flushing program.
- Added three megawatts of emergency electrical generator capability and completed the blower expansion at the Neuse River Wastewater Treatment Plant.
- Supported WUTAT with development of guiding principles and final recommendations for City Council. Developed a Strategic Plan in accordance with Effective Utility Management Principles.
- Completed renovations of South Raleigh field operations facilities.
- Performed required maintenance at EMJWTP:
 - Started construction of a Sodium Permanganate Chemical feed system.
 - Started construction of Raw Water Pump Station Generator upgrade.
 - Installed new roof, which also included updated lighting protection for the building.
 - Started expansion of the warehouse.
- Expanded the Reuse system for utilization at the Wilder's Grove Solid Waste Transfer Station, the Wake Med Complex on New Bern Ave., and the Wake County Swineburg Health Services Center.
- Completed renovations to the Operations Control Room in the Filter Building at the NRWWTTP.
- Initiated a sustainable infrastructure program to assess criticality, age, and condition of the buried pipeline infrastructure and develop a systematic program for rehabilitation and replacement.

Performance Indicators

	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	ESTIMATE 2011-12	PROJECTION 2012-13
WATER					
Total avg daily water flow , MG (all facilities)	48.0	49.0	52.0	53.5	55.0
Water quality complaints per 1,000	0.20	0.20	0.23	0.15	0.15
Miles of water mains	2,245	2,250	2,500	2,508	2,515
Miles of re-use	N/A	N/A	16	18	25
# of connections*	-	-	-	176,589	179,238
Employees per connection*	-	-	-	1.84	1.80
WASTEWATER					
Total Avg daily wastewater flow , MG (All Facilities)	44.1	46.2	45.7	46.5	45.9
Miles of sewer mains	2,374	2,350	2,600	2,612	2,620
Dry tons of biosolids beneficially used during	11,952	11,452	11,592	15,405	14,000
Total Costs per MG treated	\$1,202	\$1,096	\$1,130	\$1,187	\$1,178
# of connections*	-	-	-	165,071	\$167,547
Employees per connection*	-	-	-	1.58	1.57
DISTRIBUTION & COLLECTION					
Meter readings per reader per day	413	415	N/A	1,458	3,000
% Meter reading errors and adjustments	0.03%	0.03%	0.03%	1.50%	1.50%
Miles of water/sewer main maintained per err	28.95	25.78	26.90	26.64	27.00

* New measure for FY12.



Long-Term Debt Program

The City of Raleigh continues to construct, upgrade and maintain its infrastructure to a highly satisfactory level. The use of federal grants in earlier years along with regular use of pay-as-you-go current resources and debt financing for capital improvements has allowed this high level of facility and public improvement work to be done. The incremental incurrence of debt by the City has supplemented other capital resources, providing sufficient funding to permit necessary improvements to the infrastructure. The payback of borrowed funds over multiple years allows the cost of the asset to be spread equally over the life of the item.

The City of Raleigh manages its debt program along with its five year Capital Improvement Program (CIP) on a long-term basis in order to have the opportunity to structure debt events well in advance of specific need. This process also allows for a proper funding plan for debt service requirements before maturities must be met. In so doing, specific revenue sources are identified and dedicated to the debt retirement program, including new property taxes as appropriate. The objective realized is the avoidance of spontaneous funding of debt service and consequently, a much smoother channeling of funds to debt and related annual taxation adjustments.

The general obligation debt of the City is composed of both general and utility debt obligations. The full faith and credit of the tax base of the City secures this debt. However, the debt service funding resources for the general debt are the general revenues of the City, including property taxes, while the utility debt is funded totally from water and sewer service revenues. Part of the general debt is for parking improvements and is funded mostly by parking fees of the off-street and on-street programs.

The City has also issued water and sewer revenue bonds. The net revenues of the combined utility enterprise system are the security for the revenue bonds.

The legal debt limit imposed by state statute is eight percent of assessed value. The FY 2012-13 tax base is projected at \$50,560,000,000 which yields a legal debt capacity of \$4,044,800,000.

As a matter of internal policy, the City has maintained a debt position far below its legal limit. The City's gross debt obligation is projected to be \$1,477,508,785 on July 1, 2012 with approximately 42.96 percent of that maturing within 10 years. From this amount, \$2,307,846 of water bonds is allowed as a deduction for calculating the statutory limit. Also, each year, the retirement of debt naturally creates more capacity (about \$18,000,000 per year).

Also included in the gross debt obligation amount noted above are the City's outstanding principal obligations for various installment purchases, certificates of participation, state bond loan and state revolving loans.

Additional debt activity anticipated for FY 2012-13 may be the issuance of a portion of the remaining authorizations from the 2011 referendum, additional combined enterprise system revenue bonds and the next equipment fund financing.

The City has earned a AAA credit rating on its general obligation debt since 1973 and currently is rated Aaa by Moody's, AAA by Standard and Poor's, and AAA by Fitch, IBCA. The City's utility revenue debt is rated Aa1 by Moody's, AAA by Standard and Poor's and AAA by Fitch. There is good reason to believe that such ratings will continue into the foreseeable future.

Convention Center Debt Service Fund

The Convention Center Debt Service Fund provides for the payment of principal, interest, and other expenses related to the issuance of approximately \$200 million in Certificates of Participation for the construction of the convention center facility in downtown Raleigh. \$188.425 million of the Certificates of Participation were issued in conjunction with a forward starting fixed rate swap. \$55 million of Certificates of Participation were issued as weekly reset variable rate debt. In the front section of this document, there is an explanation of the City's long-term debt policies.

Budget Detail

	<u>ADOPTED</u> <u>BUDGET</u> <u>2009-10</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2010-11</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2011-12</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>2012-13</u>	<u>CHANGE</u> <u>2011-12 TO</u> <u>2012-13</u>
DIRECT EXPENDITURES	\$ 67,697,510	\$ 12,742,715	\$ 11,502,930	\$ 11,166,170	(2.9%)
DEBT SERVICE BY PURPOSE					
Certificates of Participation	\$ 66,421,010	\$ 11,443,830	\$ 9,481,430	\$ 9,481,430	0.0%
Other Expenses	1,276,500	1,298,885	2,021,500	1,684,740	(16.7%)
TOTAL	\$ 67,697,510	\$ 12,742,715	\$ 11,502,930	\$ 11,166,170	(2.9%)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2012-13 CONVENTION CENTER FUND DEBT SERVICE REQUIREMENTS (ISSUED DEBT)	\$ -	\$ 9,481,430	\$ 9,481,430

General Debt Service Fund

The General Debt Service Fund provides for the payment of principal, interest, and other expenses related to existing debt, other than water and wastewater debt and other enterprise activities. State statutes require full funding for debt service obligations in the budget. The majority of general governmental debt has been issued as fixed rate debt. In the front section of this document, there is an explanation of the City's long-term debt policies.

Budget Detail

	ADOPTED BUDGET 2009-10	ADOPTED BUDGET 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	CHANGE 2011-12 TO 2012-13
DIRECT EXPENDITURES	\$ 77,911,256	\$ 46,298,439	\$ 47,714,134	\$ 52,693,546	10.4%
DEBT SERVICE BY PURPOSE					
G.O. Public Improvement	\$ 16,909,348	\$ 20,974,104	\$ 23,180,170	\$ 24,396,322	5.2%
G.O. Refunding	6,329,320	7,736,948	7,378,660	11,373,564	54.1%
Certificates of Participation	40,772,662	3,571,754	3,784,078	3,747,893	(1.0%)
Other Installment Finance Agreements	7,678,109	11,473,512	11,986,226	11,790,767	(1.6%)
Other Expenses	458,000	1,380,000	1,385,000	1,385,000	0.0%
Biannual Budget Reserve	5,763,817	1,162,121	-	-	-
TOTAL	\$ 77,911,256	46,298,439	47,714,134	52,693,546	10.4%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2012-13 GENERAL FUND DEBT SERVICE REQUIREMENTS (ISSUED DEBT)	\$ 31,695,663	\$ 19,612,883	\$ 51,308,546

Parking Debt Service Fund

The Parking Debt Service Fund provides for the payment of principal, interest, and other expenses related to existing debt associated with parking decks and other parking projects. In the front section of this document, there is an explanation of the City's long-term debt policies.

Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 TO 2012-13</u>
DIRECT EXPENDITURES	\$ 9,680,384	\$ 8,457,261	\$ 7,766,545	\$ 7,925,000	2.0%
DEBT SERVICE BY PURPOSE					
G.O. Refunding	898,447	860,489	753,100	589,629	(21.7%)
Certificates of Participation	8,097,534	6,264,622	5,696,295	5,764,200	1.2%
Other Installment Finance Agreements	359,403	807,150	762,150	899,150	18.0%
Other Expenses	325,000	525,000	555,000	672,021	21.1%
TOTAL	\$ 9,680,384	\$ 8,457,261	\$ 7,766,545	\$ 7,925,000	2.0%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2012-13 PARKING FUND DEBT SERVICE REQUIREMENTS (ISSUED DEBT)	\$ 3,891,029	\$ 3,361,950	\$ 7,252,979

Utilities Debt Service Fund

The Utilities Debt Service Fund provides for the payment of principal, interest, and other expenses related to debt associated with the water and wastewater systems. Revenues for this fund are generated from the provision of water and sewer services. In the front section of this document, there is an explanation of the City's long-term debt policies.

Budget Detail

	<u>ADOPTED BUDGET 2009-10</u>	<u>ADOPTED BUDGET 2010-11</u>	<u>ADOPTED BUDGET 2011-12</u>	<u>PROPOSED BUDGET 2012-13</u>	<u>CHANGE 2011-12 TO 2012-13</u>
DIRECT EXPENDITURES	\$ 45,044,599	\$ 50,083,648	\$ 54,729,528	\$ 51,589,669	(5.7%)
DEBT SERVICE BY PURPOSE					
G.O. Refunding	\$ 1,556,414	\$ 1,494,477	\$ 1,407,510	\$ 1,327,818	(5.7%)
Rev Bond Water & Sewer Improvement	25,795,144	26,121,931	33,294,843	31,548,915	(5.2%)
Revenue Bond Refunding	6,655,623	12,185,524	10,688,098	12,187,998	14.0%
Other Installment Finance Agreements	9,666,418	8,770,716	7,852,077	5,037,938	(35.8%)
Other Expenses	1,371,000	1,511,000	1,487,000	1,487,000	0.0%
TOTAL	\$ 45,044,599	\$ 50,083,648	\$ 54,729,528	\$ 51,589,669	(5.7%)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2012-13 PUBLIC UTILITY FUND DEBT SERVICE REQUIREMENTS (ISSUED DEBT)	\$ 18,500,463	\$ 31,602,206	\$ 50,102,669



Capital Summary

The Capital Budget includes appropriations for major public facility improvements that are authorized and budgeted in a number of capital funds. Certain funds reported below, such as the Powell Bill and Facility Fee funds, are special revenue funds used receive, disburse, and monitor revenues used in other capital or operating funds. Bond funds are also reported, since these proceeds fund capital improvements. The annual debt service costs associated with bond issuance are reported in the *Total Budget* and the *Summary Budget* sections of the budget document.

Fund totals reported are based on project funding requirements as outlined in the first year of the annual Capital Improvement Program. Details regarding specific projects funded within the capital budget are found in the FY 2012-13 Capital Improvement Program document. Descriptions for each major capital fund follow in the budget detail.

Budget Detail

	ADOPTED BUDGET <u>2010-11</u>	ADOPTED BUDGET <u>2011-12</u>	PROPOSED BUDGET <u>2012-13</u>
DIRECT EXPENDITURES			
Water Capital Projects Fund	\$ 3,300,000	\$ 8,500,000	\$ 16,150,000
Sewer Capital Projects Fund	200,000	7,500,000	17,766,000
Parking Facilities Fund-Projects	615,000	675,000	405,000
Stormwater Utility Capital	4,570,000	30,275,000	4,915,000
Technology Capital Fund - Projects	6,800,000	7,644,601	6,867,200
ERP Project Fund	2,000,000	-	-
General Public Improvements Fund	1,644,900	2,752,090	10,997,000
Sidewalk Fund	905,000	551,000	840,000
Street Improvement Fund	8,473,435	3,401,628	6,931,520
Street Facility Fees Fund	3,510,555	3,125,834	2,880,000
Park Acquisition -- Facility Fees Fund	821,406	2,400,000	1,420,000
Park Improvement Fund	1,015,000	2,825,000	2,070,000
Convention & Performing Arts Center Fund	200,000	-	5,772,761
Walnut Creek Amphitheater Capital Fund	401,677	415,000	900,000
Powell Bill Fund	8,902,520	9,500,520	9,931,020
Convention Center Financing Fund	14,569,000	14,301,000	17,163,200
Housing Bond Reserve Fund	1,430,000	648,000	500,000
Sub-Total Non-Bond Funds	\$ 59,358,493	\$ 94,514,673	\$ 105,508,701
BOND FUND SUMMARY			
Water Revenue Bond	\$ 11,590,000	\$ 7,620,000	\$ 17,500,000
Sewer Revenue Bond	31,150,000	48,450,000	49,584,000
Remote Ops Bond Fund	28,899,866	5,724,762	-
Street Bond Fund	2,000,000	2,480,000	22,070,000
Parks Bond Fund	27,386,221	7,735,000	-
Housing Bond Fund	7,195,000	158,000	4,500,000
Sub-Total Bond Funds	\$ 108,221,087	\$ 72,167,762	\$ 93,654,000
TOTAL CAPITAL BUDGET	\$ 167,579,580	\$ 166,682,435	\$ 199,162,701

Water Capital Projects Fund

Revenues for this capital fund come primarily from the Public Utilities Fund and interest income. Projects included are related to the maintenance of existing water delivery infrastructure, extension of water transmission lines, and projects located in the various service delivery areas.

Sewer Capital Projects Fund

The major revenue source for this is also primarily from the Public Utilities Fund. Included for funding in the sewer fund are projects for the replacement of sewer mains and for sewer construction in areas due for annexation.

Water Revenue Bond

Revenues for this capital fund come primarily from the issuance of revenue bonds. Projects included in this fund are related to the maintenance of water delivery infrastructure and various projects for maintenance and improvements on the water treatment plants.

Sewer Revenue Bond

Revenues for this capital fund come primarily from the issuance of revenue bonds. Projects included in this fund are related to the maintenance of wastewater infrastructure and various projects for maintenance and improvements on wastewater treatment plants.

Parking Facilities Fund-Projects

Funding is included for the initiation of a parking deck maintenance program as well as funding for the retail or commercial renovation required to allow for enterprise activities in specific, city-owned parking facilities.

Stormwater Utility Fund - Projects

This fund will provide for stormwater maintenance projects, basin studies, and Neuse River Basin Environmental Program projects. The major source of funding for these projects is stormwater utility fees.

Technology Capital Projects

This fund will provide for both remedial and new projects to upgrade and modernize the City's technology infrastructure. These efforts will enhance customer service and allow for greater productivity and efficiency via system upgrades or the implementation of new technology applications. Projects to be addressed with these funds include the implementation of a work order system, e-Procurement software, land management system assessment and document management assessment.

Enterprise Resource Planning (ERP) Project Fund

This fund accounted for the design, testing and implementation of the City's enterprise resource planning project.

General Public Improvements Fund (Miscellaneous Projects)

This is the major fund for the placement of general facility maintenance projects. The major funding source for this fund in FY12 is the local option sales tax. Fire station construction and improvements, streetscape projects and downtown way-finding, as well as various general facility maintenance and improvement projects are included.

Miscellaneous Capital Projects Bond

This is the major fund for placement of general facility maintenance projects. The major funding sources are 2/3rds General Obligation bond proceeds and Certificates of Participation. Funding related to remote operations facilities, however, has been moved to a separate Remote Operations Bond Fund.

Remote Operations Bond Fund

This fund will be used to construct remote operations facilities in various locations throughout the City. The revenues for this capital fund will come predominantly from certifications of participation (COP) funding.

Sidewalk Fund

Revenue to the Sidewalk Fund includes sidewalk assessments, fees paid in lieu, and facility fees. Projects include various sidewalk repairs and improvements as well as thoroughfare streetlight installations. A proposed 2011 transportation bond will provide funding to support projects within this program.

Street Improvement Fund

Recommendations for projects within this fund include paving, resurfacing and design costs for various streets and the City's contribution to the traffic system upgrade. A proposed 2011 transportation bond will provide funding to support projects within this program.

Street Bond Fund

The revenues for this capital fund come primarily from the issuance of bond proceeds (interest and reserves) authorized by the 2005 Street Bond referendum. A proposed 2011 transportation bond will provide funding to support projects within this program.

Street Facility Fees Fund

Facility fees are revenue sources funding a variety of eligible street projects in the applicable facility fee zones of the City. Revenue accrued to this fund is expended within other capital funds.

Park Acquisition - Facility Fees Fund

Facility fees are revenue sources funding a variety of eligible park and greenway projects in the applicable facility fee zones of the City. Revenue accrued to this fund is expended within other capital funds.

Park Improvement Fund

The revenues for this capital fund come primarily from the issuance of bond proceeds (interest and reserves) authorized by the 2003 and 2007 Parks Bond referendums.

Convention Center and Memorial Auditorium Fund

Inter-local Agreement proceeds provide the primary revenue resource for this fund. Reserve funding for capital maintenance and improvement projects for these facilities is placed in this fund.

Walnut Creek Amphitheater Capital Fund

Revenue received by the City from the operating agreement of the amphitheater will serve to fund capital maintenance and improvements to this facility.

Powell Bill Fund

The Powell Bill Fund receives revenues from the State Gasoline Tax and Highway Trust Fund, which must be used for street maintenance, construction, snow removal, and other related uses on local city streets that are not part of the state highway system. Funds are used to support the General Fund for Powell Bill eligible costs and are a major source of funding for street maintenance and construction within other capital projects.

Convention Center Financing & Special Revenue Fund

Proceeds from the Hotel Occupancy and Prepared Food and Beverage taxes are accrued to this fund. Expenditures include appropriations made to the new Convention Center Debt Service Fund and the Convention Center Fund and capital maintenance funds.

Housing Bond Funds

The revenues for these capital funds come primarily from the issuance of bond proceeds (interest and reserves) authorized by the 2005 and 2011 Affordable Housing Bond referenda.



Glossary

Account: The detailed record of a particular asset, liability, owners' equity, revenue or expense.

Accrual Basis of Accounting (or Full Accrual): Accounting method for proprietary funds that recognizes revenues in the accounting period in which they are earned and recognizes expenses in the period incurred.

Ad Valorem Tax (or Property Tax): Levied on real and personal property according to the property's valuation and tax rate.

Appropriation: A legal authorization by City Council to incur obligations and make expenditures for specific purposes.

Assessed Value: The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes. (Note: Wake County establishes property values.)

Authorized Bond: Bonds that have been legally approved but may or may not have been sold.

Balanced Budget: Expenditures equal revenues. N.C. state statute requires the adoption of a balanced budget.

Base Budget: Those resources necessary to meet an established and existing service level.

Bond Agency Fees: Fees charged by bond agencies for services related to debt issuance.

Bond Covenant: Provision in a bond or debt contract which require the debt issuer to meet certain standards or do certain things.

Bond Rating: Grade indicating a unit's investment qualities; ratings range from AAA (highest) to D (lowest). The City of Raleigh maintains the highest investment ratings available from each of the rating agencies: Standard and Poor's, Moody's, and Fitch.

Bond: A written promise to repay a specific amount of money with interest within a specific time period, usually long-term.

Budget Amendment: A legal procedure used by the City staff and the City Council to revise a budget appropriation or recognize new revenues and expenditures to amend the operating budget. Results in an overall budget increase or decrease.

Budget Message: A written overview of the proposed or adopted budget from the City Manager to the Mayor and City Council that discusses the major budget items and changes and the City's present and future financial condition.

Budget Ordinance: The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Capital Expenditure (or outlay): Expenditures that create future benefits, incurred when a business spends money to buy fixed assets or to add to the value of existing fixed assets with a useful life that extends beyond one year.

Capital Improvement Program (CIP): A multi-year plan for the construction or acquisition of major capital items.

Certificates of Participation (COPs): A security created as a part of a lease-purchase agreement. The lender, the holder of the certificate, owns a right to participate in periodic lease payments (interest and return of principal) as they are paid.

City Council: The governing board elected by districts and at large.

City Manager: An individual appointed by the Mayor and City Council to serve as the chief administrative officer of the City.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Allocations: A process that shares the costs of a central service provider with the internal departments that consume the service.

Debt Service Funds: Funds used for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt.

Depreciation: The process of estimating and annually recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

Designated Fund Balance: Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved for specific purposes and are unavailable for appropriation.

Effectiveness Measures: A performance measure describing the results achieved and the quality of the service (ex. timeliness, customer satisfaction). They indicate whether the program is achieving its mission.

Efficiency Measure: A performance measure identifying inputs used per unit of output, or unit costs (ex. cost per ton of yard waste/leaves collected).

Employee Benefits: Benefits beyond salary compensation including healthcare, retirement, disability, life insurance, etc.

Encumbrance: A financial commitment or earmark for services, contracts, or goods that have not as yet been delivered. An encumbrance typically occurs when a purchase order or contract is approved and budget is obligated for the future payment.

Enterprise Fund: A fund that accounts for governmental activities supported wholly or partially with user fees or charges and is operated using business principles. Examples include the Stormwater, Public Utilities and Solid Waste Services funds.

Fiscal Year: A declared accounting 12-month time period, not necessarily a calendar year. The fiscal year for the City of Raleigh is July 1 – June 30.

Fixed Asset: An asset of long-term character. For budgetary purposes, a fixed asset is defined as an item costing \$5,000 or more with an expected life of more than one year. Examples are land, buildings, furniture, and other equipment.

Fund Balance: Amounts shown as fund balance represent a running total of monies over the years that remain unspent after all expenditures have been made. N.C. General Statutes require general fund balance reserves of at least 8% of expenditures at the end of the fiscal year; City Council requires a minimum of 14% General Fund unassigned fund balance reserve.

General Fund: The main operating fund accounting for governmental functions supported by general taxes and revenues, and financial resources that legal requirements do not require to be accounted for in another fund. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees and service fees.

General Obligation Bonds (GO Bonds): Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

Indirect Cost: The component of the total cost for a service provided by and budgeted within another department or division.

Internal Service Fund: A fund that may be used to account for any activity that provides goods or services to other departments or funds within the same government such as Vehicle Fleet Services.

Liability: A loan, expense, or other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

Modified Accrual Basis of Accounting: Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available. Expenditures are recognized in the period the fund liability is incurred, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

Net Assets: The difference between total assets and current liabilities including non-capitalized long-term liabilities.

Operating Expenditures: Portion of the budget pertaining to the daily operations.

Ordinance: A legal document adopted by a governing body setting policy and procedures, adopted by the City Council.

Pay-As-You-Go: Financial policy that finances capital outlays from current revenues rather than borrowing.

Per Capita: Per unit of population; per person; equally to each individual.

Performance Measurement: The regular collection of quantifiable information regarding the results of city services.

Powell Bill Funds: Funding from state-shared gasoline taxes restricted for use on maintenance of local streets and roads.

Proprietary Funds: Funds used to separate, control, and track financial resources of business-type activities carried out by a government. The two proprietary fund types include enterprise funds and internal service funds.

Reappraisal (or Revaluation): The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

Reclassification: A change in the classification and corresponding job title of an existing position, which results from a major change in assigned responsibilities.

Reserve: An account designated for a portion of the fund balance that is to be used for a specific purpose.

Revenue bonds: Bond secured by and repaid from specific and limited revenues. The pledged revenues are most often net revenues or earnings from a self-supporting enterprise. Such revenue sources include special assessments and water/sewer fees.

Tax Levy: Revenue produced by applying the tax rate to a property's assessed, or tax, value.

Unassigned Fund Balance: The amount of fund balance available for future appropriations.

User Fee/Charge: Payment for direct receipt of a service by the party who benefits from the service.

Workload Measure: A performance measure identifying how much or how many products or services were produced (ex. number of yard waste/leaf collection points served).

