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POLICE NON-EMERGENCY:  
890-3335

CITY INFORMATION:  
890-3000

CRIME PREVENTION:  
807-5433

FIRE PREVENTION:  
831-6392

TRASH / RECYCLING:  
831-6890



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9/07*

**NUMBERS TO REMEMBER**

## BUDGET SERVES GROWING RALEIGH; NO PROPERTY TAX INCREASE

The Raleigh City Council approved a budget for Fiscal Year 2007-2008 (FY08) that enhances services to a rapidly growing city while maintaining the property tax rate. The City's fiscal year is from July 1 to June 30.

The net operating and capital budget for FY08 is \$557,066,589 representing an 8.3 percent increase from last year's appropriation. The budget includes a General Fund total operating budget of \$343,672,081 which correlates to an 8.8 percent increase over the previous year's operating budget.

## MAJOR REVENUE COMPONENTS

The following are significant revenue components to support this budgeting plan:

- a \$2-per-month increase in the solid waste fee to cover costs for additional staff and equipment needed to serve an increasing population, additional landfill and transfer station costs and to increase overall recovery costs. The City Manager projects that the fee increase will enable Solid Waste Services to recover approximately 68 percent of its costs in FY08 compared to 61 percent two years ago;
- 9 percent increases in the water and sewer rates. These increases are in keeping with the water and sewer rate model approved by the city council in FY2005 to fund a significant capital improvement program;
- a projected 5 percent increase in property tax revenues and a 6.4 percent increase in sales tax revenues, both primarily due to growth;
- the second increment of Council-approved facility fee increase; and,
- full implementation of the revenue indexing program in development services. This was approved by the City Council this year.

## OPERATING INCREASES

Areas of notable growth in the operating budget include:

- expansion in the Parks and Recreation Track-Out Program due to the increase in the number of year-round schools. While full-cost recovery is the goal of this program, this increase will post an 80 percent recovery rate. The program expansion includes the addition of five recreation program specialist positions, five support positions, one administrative assistant position, one recreation program manager, one receivable specialist and two mini-school buses;
- general operating costs increases, most significantly a 7.5 percent increase in fuel costs, a 7 percent increase in electricity costs, and additional rental, real property and relocation costs due to the pending sale of the 301 Hillsborough Street building;
- a 15 percent increase in funding for the City's Accessible Raleigh Transit service brought about by taxi rate increases and increasing service requests;
- employee compensation and benefit changes, including: a 1.5 percent range adjustment, continuation of the merit pay program, continuation of the annual job classifications review, and adjustments to the entry pay levels, as well as an anticipated \$3.9 million increase in the cost of employee and retiree health insurance. The budget proposal includes an increase of 8 percent in employee costs for dependent coverage, and;
- an enterprise resource planning system to replace current financial applications for the core financial areas such as budget, human resources, payroll and utility billing.

## MAJOR ADDITIONS

The budget contains 87 new positions (excluding Public Utilities) and funding for the necessary expenses to operate and maintain the additions to the City's capital inventory. The City Council approved 57 of the new staff positions in

mid year FY07. Additionally, 32 new positions are proposed for the Public Utilities Department.

The most significant staff additions include:

- 10 telecommunicator positions for the Emergency Communications Center;
- 20 new positions in the Police Department. Two are to administer programs related to officers who have secondary employment. A special operations lieutenant position is proposed for the Department's Special Operations Division's tactical and enforcement units;
- a dozen new positions are requested for the Parks and Recreation Department. A crew of seven would provide ongoing maintenance of the expanding greenway system. A park planer position would be used to implement capital improvements. A maintenance mechanic position would maintain irrigation equipment. Two positions would assist with maintaining 12 new athletic fields that have been added in the past five years. Another requested position would assist the City's naturalist.

A full-year of operating expenses is included in the proposed budget to staff Fire Station #28 which opened in late April. Funding to support and manage the Walnut Creek Interpretive Center, Sanderford Road Center, conversion of Millbrook Exchange Park pool to year-round, expansion of the Green Road gymnasium, expansion of the Lake Lynn gymnasium, the Skate Park, the Chavis Carousel indoor facility and additional bond-funded greenway trails.

The newly adopted budget also includes funding for:

- leaf machines to assist crews in serving increasing street mileage;
- an additional sweeper to allow for a three-times-per-year cleaning cycle as opposed to the current once a year;
- implementation of year three of the transit plan, effective Jan. 1, 2008, which lowers headways during weekday peak periods and on Saturdays, and development of a new transit route for southeast Raleigh;
- initial implementation for conversion of the Police Department to 800 MHz radio communication;
- five mobile data terminals for the Fire Department's line chief officers. The computers will be located in battalion and division chief emergency response vehicles to provide vital data while in route to an emergency.

## PROPOSED CAPITAL IMPROVEMENTS

Included in the council's vote was approval of the City's Capital Improvement Program (CIP). The CIP is the City's plan for facility and infrastructure improvements. The CIP is presented in two five-year phases. Phase I covers FY08 through FY2012. The second phase takes the program from FY2013 through 2017.

Highlights of the program include the continued rollout of the transportation bond proceeds authorized in the 2005 referendum. The projects included in the 2003 parks referendum also are included in Phase I.

The program also contains the issuance of \$47 million stormwater revenue bonds over the next two fiscal years as a means of expediting stormwater projects.

The CIP supports continuation of the largest public utilities capital program in Raleigh's history. Revenue bonds in excess of \$450 million are proposed to finance the water, wastewater and reuse water projects necessary to ensure efficient and effective services to successfully serve the fully merged system area.

The total appropriations for Phase I of the CIP are:

- Transportation at \$117.7 million;
- Public Utilities at \$331.1 million;
- Parks at \$53.9 million;
- Stormwater utility and Neuse Basin Environmental Program at \$76.5 million;
- Housing at \$22.6 million; and,
- General public improvements at \$34.1 million.

Transportation – The \$117.7 million for transportation improvements over the coming five fiscal years will complete the projects approved in the 2005 transportation bond referendum. Specifically, nine major street widening projects are included as is an enhanced street resurfacing program. This also covers funding for transit bus acquisitions, transit equipment maintenance, and replacement and preventive maintenance. The repair of the municipal parking deck and the purchase of parking equipment and parking meters also are included.

Public Utilities -- The \$331.1 million for public utilities improvements includes a massive number of investment projects and initiatives to improve water and wastewater operations through Raleigh's service area.

Parks – The \$53.9 million for parks capital improvements includes \$5 million earmarked for property acquisition, \$20 million in development projects and \$28 million in phased expenditures from the 2003 parks bond. Projects that have been removed from the bond program have been deferred to Phase II of the CIP.

Stormwater Utility and Neuse Basin Environmental Program – The \$76.5 million acceleration of the number of stormwater projects funded within the Phase I Stormwater Utility Program is funded through the issuance of revenue bonds. Phase I includes a total of almost \$47 million in bonded debt to be issued to fund a variety of drainage improvements and culvert upgrades throughout Raleigh. The program also includes repairs to the Lake Johnson dam which was damaged by flooding in the fall of 2006.

General Public Improvements – Economic development initiatives consume \$11 million of the \$34.1 million proposed for general public improvements in Phase I of the CIP. A total of \$22.8 million is dedicated to general improvements. While the Clarence Lightner Public Safety Center at \$107 million and the Remote Operations Facilities concept at \$177 million are referenced in the CIP, a resource for financing the projects has not been determined.

The budget may be reviewed on the City's website at [www.raleighnc.gov](http://www.raleighnc.gov). For more information on the budget, contact the City's Budget Office at 890-3840.