

Annual Budget

City of Raleigh, North Carolina

Fiscal Year Beginning July 1, 2007

Recommended to the City Council by the City ManagerMay 15, 2007
Adopted by the City Council by the City ManagerJune 11, 2007

The City Council

Charles C. Meeker, Mayor
James P. West, Mayor Pro Tem
Thomas Craven
Thomas G. Crowder
Philip R. Isley
Joyce Kekas
Russ Stephenson
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*Cover Design by Javier Oseguera, Public Affairs Department
Cover Photo of Raleigh Wide Open*

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City Of Raleigh *North Carolina*

June 30, 2007

Mayor Charles C. Meeker
Mayor Pro Tem James P. West
Councilor Tommy Craven
Councilor Thomas G. Crowder
Councilor Philip R. Isley
Councilor Joyce Kekas
Councilor Russ Stephenson
Councilor Jessie Taliaferro

Dear Mayor and Councilors:

Presented in this document is the Adopted FY 2007-08 Annual Budget for the City of Raleigh, as approved by City Council on June 11, 2007. The combined capital and operating budget for the fiscal year beginning July 1, 2007, net of interfund transfers, totals \$557,066,589.

The Budget Message for the FY 2007-08 Proposed Operating Budget that immediately follows this letter was originally presented May 15, 2007, and does not reflect adjustments made by City Council prior to formal adoption of the budget. Listed below is a summary of changes made to the proposed budget during Council deliberations.

Revenue Adjustments

- All proposed parking rate changes were approved, with the exception of meter rate changes, which have been deferred pending Downtown Parking Task Force recommendations.
- A \$100 increase in the nutrient reduction water and sewer fee, to be used as a source of funding for the Upper Neuse Initiative and Water Quality and for future water quality protection and enhancement projects in the Swift Creek and Little River Water Supply watersheds is included in the budget. In FY 2007-08, the funding level for the Upper Neuse Initiative will increase from \$500,000 to \$1,000,000 based on the new fee.

Expenditure Adjustments

The City Council deferred two general public improvement projects, Markets Plaza and West Morgan Street Streetscapes, to fund the expenditure increases which are outlined below:

- Planning Department position (approximately \$60,000) primarily responsible for comprehensive plan text changes.
- Increase in the arts per capita funding to \$4.00 (from \$3.50).
- The following agency allocation adjustments were made -

Carolina Ballet: Appropriation of an additional \$115,500 for a total appropriation of \$250,000.

Urban Ministries: Appropriation of \$105,000 for two years for their capital program.

Legal Aid of North Carolina: Appropriation of \$50,000.

Tammy Lynn Center: Appropriation of an additional \$63,000 for a total appropriation of \$80,000.

Community Alternatives for Supportive Abodes (CASA): Appropriation of an additional \$75,000 for a total appropriation of \$89,000.

Playspace: Appropriation of \$25,000.

North Carolina Symphony: Appropriation of an additional \$50,000 for a total appropriation of \$100,000.

Raleigh City Museum: Appropriation of an additional \$70,000 for a total appropriation of \$157,250.

Healing Place: Appropriation of an additional \$50,000 for a total appropriation of \$100,000.

DHIC: Appropriation of an additional \$20,000 for a total appropriation of \$120,000.

Interact: Appropriation of \$100,000 for three years for their capital program.

Kyran Anderson Academy: Appropriation of \$12,500.

Hospice: Appropriation of \$150,000 for 3 years for their capital program.

International Affairs Council: Appropriation of \$20,000.

Southlight: Appropriation of an additional \$30,000 for a total appropriation of \$60,850.

Kids Voting: Appropriation of an additional \$2,000 for a total appropriation of \$12,000.

Center for Volunteer Caregivers: Appropriation of \$13,000.

Garner Road YMCA: Appropriation of an additional \$21,000 for a total appropriation of \$30,000.

Interfaith Food Shuttle: Appropriation of an additional \$40,000 for a total appropriation of \$77,500.

Mighty Men of Valor: Appropriation of \$3,000.

Glory to Glory Ministries: Appropriation of an additional \$5,000 for a total appropriation of \$14,500.

Other Adjustments and Directives:

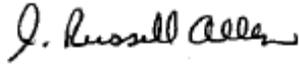
- During the June 4, 2007, budget work session, revenue and expenditure adjustments needed for the operations at Pullen Park (due to change in construction schedule) were discussed, as well as the elimination of retiree dependent health insurance coverage for new employees. New employees hired subsequent to July 1, 2007, will be required to fund any medical coverage elected for their spouse or dependents at 100 percent of the cost to the City upon the city employee's retirement. The Pullen Park and retiree health insurance coverage adjustments were made to the budget following the work session.
- The issue of Police incentive pay was referred to City Administration for review with consideration of funding on 1/1/2008 from the current fiscal year-end funds.

Mayor and Council
Adopted Operating Budget
June 30, 2007

- Council also requested City Administration review the city-wide Spanish speaking incentive program.

City Administration is prepared to implement the policies and programs contained within the City Council's 2007-08 budget work plan for the City of Raleigh.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Russell Allen". The signature is written in a cursive style with a prominent initial "J".

J. Russell Allen
City Manager



City Of Raleigh North Carolina

May 15, 2007

Mayor Charles C. Meeker
Mayor Pro Tem James P. West
Councilor Tommy Craven
Councilor Thomas G. Crowder
Councilor Philip R. Isley
Councilor Joyce Kekas
Councilor Russ Stephenson
Councilor Jessie Taliaferro

Dear Mayor and Councilors:

In accordance with §159-11 of the North Carolina General Statutes, the *Proposed Budget* for the City of Raleigh for the fiscal year beginning July 1, 2007 and ending June 30, 2008 is hereby submitted.

In preparing the fiscal year 2008 budget a year ago, the outlook was somewhat reserved. Only twenty-eight new positions were included in the projection with twenty of those residing in self-sustaining enterprise funds. This projection was particularly troublesome, given the fact, that the City has experienced significant growth without comparable increases in staffing. In fact, from FY 2003 to the current fiscal year, the number of full-time staff (from all funds except Public Utilities) has decreased from 9.1 employees per thousand population to 8.42 employees per thousand.

Despite this drop, City staff has found ways to continue to provide a high level of quality municipal service through technological innovation and implementation of operational efficiencies. There are, however, limits to gains from these changes and additional staff is required to keep up with increasing demands from citizens.

I am pleased to report that this budget adds 87 new positions (excluding Public Utilities). Coupled with the 57 new staff added mid-year by Council action FY 2007, we improve our service delivery ratio to 8.75 employees per thousand in FY 2008. A summary of the overall change in positions (including Public Utilities) from the FY 2007 adopted budget appears below:

	Mid-Year Council Adds	Mid-Year Convert from PT to FT	Proposed New Positions
General Fund	29	27	81
Public Utilities	32	0	21
Other Funds	1	0	6

I am also pleased to report this budget maintains the high standards of fiscal planning, management, control and reserves expected from a AAA quality credit. 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 AA+ by Moody's, AAA by Standard and Poor's and AAA by Fitch. Raleigh is only one of a very few whose revenue bonds are rated at such a high level. There is good reason to believe that such ratings will continue into the foreseeable future.

Proposed Budget for Fiscal Year 2008

The following provides an overview of the major components of the proposed budget for fiscal year 2008.

Revenues

The net operating and capital budget for FY 2008 is \$556,433,439 which includes a General Fund total operating budget of \$320,706,103. The significant revenue components which support this budgeting plan include the following:

- An increase in the solid waste fee of \$2 per month which covers costs for additional staff and equipment related to growth; additional landfill and transfer station costs; and assists in the recovery of costs overall. Calculations indicate Solid Waste Services will recover approximately 68 percent of its costs in FY 2008 as compared to 61 percent two years ago;
- A retail water rate increase of 9 percent and a respective 9 percent increase in the city's sewer rate. The water and sewer rate model, approved in FY 2005, predicted and programmed water and sewer rate increases over the next several fiscal years in order to maintain parity debt coverage and fund balance goals within the Public Utilities operating fund as a sizeable capital program is implemented;
- Increases of 5 percent in property tax revenues, primarily due to the growth in the property tax base (no tax rate increase is recommended), and 6.4 percent in sales tax revenues;
- Second increment of Council-approved facility fee increases; and
- Full implementation of the revenue indexing program in development services, approved by Council during FY 2007.

Operating Fund Expenditures

The FY 2008 budget funds continuation of current operations and provides additional funding and staffing for the most pressing needs (predominately operational) which have resulted from the city's growth, additional programs, expansion of facilities, and managing of the capital improvement program. The primary changes in the budget are articulated below.

Major Cost Increases to Existing Operation

This section of the budget message describes the major differences between the FY 2007 budget and the proposed FY 2008 budget.

- *Employee Compensation*—Exclusive of new positions for FY 2008, the budget incorporates the same level of compensation changes as this current budget year: 1) a 1.5 percent range adjustment, 2) continued phased implementation of recommendations associated with the 2003 *Pay & Classification Study* which increases the entry level pay over a four-year period and assures an annual review of 1/3 of the city's job classifications, and 3) continuation of the

city's merit pay program. Additional changes can be found in the Authorized Personnel and Pay and Class Plan Changes section of the Proposed Budget Document.

- *Health Insurance* – The city anticipates spending an additional \$3.9 million (\$3M General Fund) on employee and retiree health insurance in FY 2008. This represents a 10.5% employer side “premium” cost increase. Employees with dependent coverage will pay an additional 8% for health insurance premiums, effective October 1, 2007. Looking to the longer term, the City will begin implementation of a targeted wellness strategy in response to an employee health insurance task force recommendation. These programs will be monitored to gauge their effectiveness at reducing future health insurance costs.
- *Other Post Employment Benefits (OPEB)* – Due to a new Governmental Accounting Standards Board (GASB) reporting standard, the City will now be required to record health and other benefits to retirees much like a pension plan where the cost of the benefits are recognized as expenses over the course of active employment as compared to the current practice of cash funding of claims benefits after retirement. While actuarial funding of the benefit is optional, credit considerations make it advisable for the City to fund the OPEB requirement at the annually required contribution level. A state OPEB investment pool should be approved by the legislature allowing better earnings on contributions, moderating the budget impact. After anticipating the earnings impact from a state investment pool, funding of the OPEB calculation required an additional \$2.5 million for FY 2008. To accomplish this, the City will utilize a combination of existing medical fund reserves, an additional \$500,000 of General Fund fund balance and \$500,000 in charges to City enterprise funds. The total accrued liability per the actuarial report is \$154.8 million which will be a footnote disclosure in the City's financial statements.
- *Parks and Recreation Track-Out Program* – Expanding this program due to the potential increase in the number of year-round schools will help serve the youth of Raleigh. Full cost recovery is a future goal for this program. Included in the budget are the expenditures and revenues to run the program at an approximate 80% cost recovery rate. Funding is included for the following positions and equipment: five Recreation Program Specialist positions, five Assistant Recreation Program Specialists, part-time salaries for program and business office support, one Administrative Assistant position, one Recreation Program Manager, one Receivable Specialist, and two mini school buses.
- *General Costs* – Fuel costs continue to fluctuate leaving the budgeting for this resource difficult, at best. A slight increase of approximately 7.5 percent in department fuel accounts is included for FY 2008. Staff will continue fossil fuel reduction strategies. The budget includes a 7 percent increase for electricity. Other energy costs maintain status quo or are slightly reduced based on forecasted needs. Due to the sale of the 301 Hillsborough building, there are increases to the rental – real property and relocation and set-up accounts.
- *Accessible Raleigh Transit (ART)* – Due to the taxi-rate increase and increasing service requests, costs bourn by ART have increased as well. For this reason, the city's subsidy to ART increased by approximately 15 percent.
- *Enterprise Resource Planning (ERP) System*: A request for proposal is currently being pursued on an ERP system that would replace the current financial applications, including the core financial areas: budget, human resources, payroll, and utility billing. An ERP system is consistent with current technology strategies of the city and often includes functionality for such enterprise functions as “311” processes, inventory management and enhanced analytics. If approved, Technology Fund annual budgets will be used to fund short-term borrowing for the system.

Major Additions to Budget

- *Completion of Major Capital Projects*—Completion of major capital projects often results in new operating costs.
 - A full year of operating expenses is included in the budget to staff Fire Station #28 which opened the end of April 2007.
 - Included in the budget is funding to support and manage new Parks and Recreation bond-funded facilities such as Walnut Creek Interpretive Center, Sanderford Road Center addition, conversion of Millbrook Exchange Pool to a year-round, Green Road gymnasium expansion, Lake Lynn gymnasium expansion, Skate Park facility, Chavis Carousel indoor facility, and additional bond-funded greenway trails.
- *City Manager’s Office* – Included in the budget is funding for an Emergency Management Coordinator. This position will be the designated City contact in emergency preparation and coordination. Advance planning and documentation of the city’s response plan (which must be in accordance with NIMS or National Incident Management System) is critical. At this time the position is located in the City’s Manager’s budget.
- *Arts Commission Office* – A new Program Coordinator position is included to assist with the development of new Arts Commission programs and projects that are currently underway. This is the first full-time staff addition in 30 years.
- *Personnel Department* – Funding is included for a Benefits and Class Administrator position to respond to the increasing customer service needs of approximately 3,500 permanent employees. Also, based on a Benefit Committee recommendation, \$75,000 is included for employee health profiles, health risk assessments, and other employee health incentives.
- *Finance Department Additions:*
 - *Accountant/Auditor III:* This position will enhance the citywide internal audit function.
 - *Business Process Analyst (Billing Administration):* The Utility Billing Division will use this position to provide technical assistance with the CIS billing system.
 - *Business Process Analyst (Customer Service Trainer):* This position is added to the Utility Billing Division to assist in providing excellent customer service.
- *Information Technology Department Additions* – The budget includes funding for a Security Administrator position and for an automated call distribution system for the Technology Support Center. The distribution system will assist the Technology Support Center in delivering top customer service and it will enable existing staff to field larger volumes of calls.
- *Public Works Department*—the following changes are included for Public Works:
 - *Transportation Inspector:* This position is added to assist with the increased workload driven by the increased street resurfacing budget.
 - *Civil Engineer:* Housed in the Transportation Division, this position will be responsible for handling all transportation-related development review plans that are submitted and reviewed through the Inspections Department. Revenue generated by express review fees cover one-half of the cost of this position.

- *Leaf Machines:* As street mileage continues to increase, the need for additional equipment and staff increases. This equipment will assist in keeping existing crews on schedule for leaf collection.
- *Additional Sweeper:* This equipment will allow crews to increase the city street cleaning cycle along major thoroughfares to three times per year instead of the current one time per year.
- *Year 3 of the Transit Plan:* This phase of the plan continues to improve existing services by lowering headways during the weekday peak periods and on Saturdays. It also includes the development of a new transit route in southeast Raleigh.
- *Inspections Department* – Funding for a Housing/Environmental Inspectors Development and Compensation Program is included in the budget. This program provides an incentive to Housing Inspector I positions to obtain both Building and Electrical Code certifications and work service requirements which will then make them eligible for promotion to a Multi-Trade Inspector I position.
- *Police Department Additions* – The following staffing and equipment are proposed for FY 2008:
 - *800 MHz radios:* Included in the budget is funding to purchase 800 MHz radios for the entire Police Department. The radios will be phased-in over FY 2008 and FY 2009.
 - *Secondary Employment Personnel:* These two positions are included in the budget to administer programs related to officers who have secondary employment.
 - *Special Operations Lieutenant:* The addition of this position is to enhance the planning and operational safety of the Special Operations Division's tactical and enforcement units.
 - *District Policing Personnel:* An additional 14 Police Officers and 3 Detectives are included due to city growth through annexations and population changes. The positions are needed to maintain adequate police service coverage.
 - *Take Home Vehicle Program:* This program continues at full implementation.
- *Fire Department*—The following staffing and equipment additions are included for FY 2008:
 - *Full-Time Fire Investigators:* Currently fire investigations (arson) are done by engine company personnel who do not have the time to do thorough fire investigations. Adding these three positions will allow the department full-time staff to work in a critical investigative capacity.
 - *Mobile Computing:* Five mobile data terminals for line chief officers are included in the budget. The computers, located in battalion and division chief emergency response vehicles, would provide vital data while in route to an emergency which will enhance the safety of both firefighters and building occupants.
- *Emergency Communications*—Included in the budget are ten telecommunicator positions; five to be hired October 1st, 2007 and five to be hired January 1, 2008. Wake County has agreed to assume county-only costs for a portion of five positions. These positions are required to maintain an adequate level of service to public safety agencies supported by the Emergency Communications Center and to the public.

- *Solid Waste Services Additions* -
 - o *Fully Automated Crew and Yard Waste Crew:* Approximately 11,750 households which will be added to the Solid Waste Services routes in FY 2008. To handle this growth, a fully automated crew, which includes one position, and a yard waste crew, comprised of three positions, are needed.
 - o *Multi-Family Collection:* Six service workers are included to ease the burden on current Solid Waste Services staff who service multi-family containers. At present, current staff has to work overtime to complete the work.
 - o *Transfer Station:* Due to the new Wake County landfill opening in Holly Springs and the closure of the existing landfill in late 2007, this facility will be used as part of an interlocal government agreement to receive and transport solid waste to the new facility. Cost recovery on the portion of expenditures associated with those interlocal government participants as well as others that will utilize this facility will be collected via a transfer station tipping fee.
- *Parks and Recreation*— The following additions have been made to the Parks and Recreation Department budget:
 - o *Greenway Crew for Bond-Funded Trails:* This crew of seven is included to provide the current level of service related to ongoing maintenance of an expanding capital area greenway system. An additional 7.65 miles of greenway trails and facilities funded by the 2003 parks bond and the capital improvement program have been constructed recently and an additional 15 miles will come online by FY 2009.
 - o *Park Planner:* Included is a position to implement capital improvement projects for the 2000 Park Bond, 2003 Park Bond, annual capital improvements program, grant-funded projects, and community improvement projects in the Design Development Division.
 - o *Maintenance Mechanic III (Irrigation):* Current employee responsibilities have exceeded capacity to properly maintain the department's irrigation equipment. With the addition of this position, the department is better able to manage the irrigation and backflow systems to provide more efficient water usage and conservation of those resources.
 - o *Athletic Field Maintenance Crew:* These two positions are included to assist with the 12 new athletic fields which have been added since FY 2002. Additionally, 12 new open space fields were added to the maintenance regimen in FY 2005. Part-time salaries included in the Parks Division budget were decreased as an offset to receive the full-time positions.
 - o *Recreation Program Manager (Nature):* This position is funded through an offsetting reduction in part-time salaries. It will serve as the assistant to the City's Naturalist.
 - o *Position conversion* – An Automotive Services Technician and an Administrative Assistant were converted from part-time status to full-time status in the Building Maintenance Division.
 - o Also included is part-time funding for compliance and staff development, volunteer assistance, and part-time training, two park facility maintenance trucks, and various computer equipment.

- *Community Development* – A mid-year position was added in this department to support the expanding housing rehabilitation program.

Capital Improvement Program

Highlights of the proposed Capital Improvement Program (CIP) which spans Fiscal Years 2007-08 to 2016-17 includes the continued rollout of the Transportation bond proceeds authorized in the October, 2005 referendum. Also programmed for expenditure during the Phase I portion of the annual CIP are the remaining proceeds from the 2003 Parks bonds also authorized via referendum.

The significant initiative represented in the 2007-08 edition of the CIP is consideration for alternative financing for funding city facility needs.

Additional details for projects proposed for funding in the investment areas of transportation, water and sewer infrastructure, parks, stormwater, housing, and general public improvements may be found by referring to the Proposed Capital Improvement Program document which accompanies the operating budget proposal.

Other Funds

The following funds are appropriated either through enterprises (fee collected) or through interfund transfers from other city departments.

Public Utilities

The FY 2008 budget incorporates for the first time the full merger implementation of all six water and sewer systems with Raleigh. During FY 2007, 32 positions were added due to the mergers with Wendell and Zebulon, and the 21 new positions that are included in this budget are to support the continued growth that has occurred over the combined seven water and sewer service areas. The implementation of an aggressive capital improvement plan with projects spread across all service areas, along with the start of construction of the new Dempsey E. Benton Water Treatment Plant, is necessary to maintain the quality of service expected and to maintain a sound environmental stewardship approach to all department operations.

Stormwater

Included in the Stormwater Utility Fund is the addition of four positions including a Staff Analyst, a Stormwater Control Inspector, a Senior Conservation Engineer, and an Engineering Technician. Tracking of the Stormwater Maintenance activities provided within the General Fund by the Streets division has been made more accurate this budget year with its segregation into a separate budgetary organization. Previously, Stormwater was billed for Streets staff labor, equipment and supplies used for this function, but this process was cumbersome and not comprehensive. Stormwater now pays 100% of the Stormwater Maintenance function (which has expanded with 10 new staff and the required equipment and supplies added mid-year). In addition, erosion control and grading review fees generated from Stormwater activities are now allocated to the Stormwater Fund. FY 2008 will be the first year stormwater revenue bonds will be used to pay for capital improvement projects.

Vehicle Fleet Services

The addition of an Equipment Specification Analyst who will perform a variety of data review and analysis in support of the Vehicle Fleet Services Division is included the budget.

Convention Center Complex

No additional positions or equipment are included for FY 2008 for the Convention Center Complex; however, FY 2009 does reflect the opening of the new convention center.

Parking Fund

A Parking Coordinator is included in the budget for FY 2008. This position will coordinate daily parking-related activities within the parking program allowing the Parking Administrator to focus on downtown parking programs and issues. Small changes in rates are included in the FY 2008 budget and two maintenance worker positions are included for FY 2009.

Biannual Budget 2008-2009

The biannual budget projection is challenged by modest revenue increases which are insufficient to support the additional staffing and other resources needed to provide our current level of service to Raleigh's growing population. The FY 2009 projected budget provides continuation funding for services and initiatives funded in FY 2008, as well as small increases in staff (seven positions in the General Fund) to support new facilities which are due to come on line. Other significant changes in the FY 2009 budget include:

- A retail water rate increase of 9% and sewer rate increase of 9%;
- Continuation of existing employee compensation changes; and
- Costs related to the opening and operations of the Convention Center.

Without additional revenues in FY 2009, the growing demand for services will exceed existing staff capacity to provide it. It is critical that every avenue for revenue enhancements is explored including an increase to the solid waste fee to align fees with actual service delivery costs, property tax options in light of the upcoming revaluation, local option fees (if available), nutrient fee increases for water quality protection, and seeking legislation to authorize the city to increase the vehicle tax to support continued expansion of the Transit Plan.

The Future

Raleigh's renaissance of downtown redevelopment and other economic initiatives will continue to spur growth in and around the city. Significant indicators of the city's ability to sustain this economic vitality in the long term are the resources we commit to our employees and the level of service we provide to our residents. We take enormous pride in providing superior municipal service at one of the lowest costs of service of comparable communities. But we must continue to invest in our workforce, the quality of our service delivery, and our infrastructure and major capital needs to preserve our world-class community and the quality of life to which we are accustomed. This budget provides sufficient funding to support current initiatives and levels of service; however, the FY 2009 projected budget is constricted by limited revenue increases and maintains only a continuation budget with a limited staffing increase. I am optimistic that as a community we can think creatively to identify and implement new revenue sources which meet the demands of the future.

The city administration and staff stands ready to assist as you review and discuss the budget proposals for both the upcoming 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), the bi-annual budget policy, 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 bi-annual budget policy serves as a guide for the second upcoming fiscal year to provide a longer range view of the city's financial policies and goals. 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. 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. 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.

Budget Preparation & Process

The budget preparation process begins in October with a workshop on budget preparation and the 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 two fiscal years. 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 late-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, budget staff review and analyze the operating budget requests with each department.

Once the budget staff review is finalized, executive work budgets are prepared for the City Manager's review. From January to mid-April, the City Manager reviews the departmental requests. The City Manager then prepares a proposed capital improvement budget, an annual operating budget, and a bi-annual budget policy statement for City Council consideration.

The North Carolina Local Government Budget and Fiscal Control Act requires each local government to operate under an annual balanced budget ordinance.

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 5 year Capital Improvement Plan, the final budget ordinance with balanced revenues and expenditures, and sets the tax rate for the next fiscal year. The City Council also adopts a resolution of the Bi-Annual Budget Policy that serves as a financial planning guide for the next two-year fiscal period.

Implementation

During the month of July, budget staff prepares and distributes the Adopted Budget document, which incorporates all of the changes approved by the City Council. During the month of 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.

CIP Overview

The annual budget adopted each year by the City Council is comprised of two elements, an operating and a capital budget. This document incorporates both the operating and capital budgets for the upcoming fiscal year.

A separate Capital Improvement Program (CIP) document is prepared each year which contains the expenditures and revenues planned for the upcoming ten-year period. The first year of the ten years covered by the CIP is the basis for the capital budget component of the annual budget.

The CIP is a ten-year plan for matching the City's needs for new public facilities with a funding plan sufficient to meet those needs. Implementation of the CIP is dependent upon the actual appropriation of funds through the adopted budget ordinance since no funds are actually appropriated through the CIP.

Projects which are 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. This excludes vehicles and heavy equipment, with the exception of additional equipment associated with construction of a new building. Examples of capital projects include such items as new roads, park land acquisition and development, and waste treatment plant improvements.

The ten-year Capital Improvement Program is updated each year with projects being altered, added and deleted. To begin the review process, departments are provided with instructions in October on how to prepare their CIP requests. These requests are submitted to the City Manager's Office in December. The requests are then reviewed and adjusted as appropriate. The City Manager's proposals are then included in the Recommended CIP which is presented to the City Council in May.

After all modifications are made by the City Council, the CIP is adopted by formal resolution and the Adopted CIP document is prepared and distributed. The first year of the CIP then becomes the basis for the capital budget component of the annual budget for the upcoming fiscal year.

Amending the Budget

Throughout any fiscal year, adjustments to the original budget ordinance may become necessary to carry out planned programs and 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 is used to request an increase or decrease in a fund's revenue and expenditure appropriations. An amendment request form must be used which describes the purpose of the amendment, a justification for the increase or decrease, the revenue and

expenditure accounts involved, and the amount of the change.

A budget transfer is used to request a change in line-item appropriations within a particular fund without changing the fund total. A request for transfer form must be used which explains the transfer, identifies the accounts involved, and specifies the amount of the transfer.

Each amendment and transfer request is reviewed and signed by the City's Finance Director or authorized representative. Department heads may approve transfers up to \$10,000. Transfer requests between \$10,000 and \$50,000 are approved by the City Manager. A list of these administratively approved transfers is provided to the City Council at each scheduled City Council meeting and is recorded in the minutes.

All budget amendments and transfers over \$50,000 which are approved by the City Manager are then submitted to the City Council for approval. The City Council also approves any request for transfer that is between funds or affects budgeted revenues.

Capital project contract change orders generally require budget amendments or transfers of funds. Such requests are initiated on contract change order forms or on special capital project budgetary action forms and must go through an administrative approval process very similar to that stated above.

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.

Budget Detail		All columns represent expenditures as adopted by Council.				
	ADOPTED BUDGET 2004-05	ADOPTED BUDGET 2005-06	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE 2006-07 TO 2007-08	
EMPLOYEES	41	41	45	45	0	
DIRECT EXPENDITURES BY DIVISION						
Administration	\$ 1,099,735			\$ 4,363,593	18.2%	
Current Planning Services	1,107,218			-		
Econ & Development Planning	1,021,247			-		
TOTAL	\$ 3,228,200			\$ 4,363,593	18.2%	
DIRECT EXPENDITURES BY TYPE						
Personal Services	\$ 2,274,580			\$ 2,680,873	5.3%	
Employee Benefits	506,909			644,516	5.8%	
Operating Expenditures	444,711			1,019,704	90.1%	
Special Programs and Projects	-			18,500		
Capital Equipment - New	2,000			-		
TOTAL	\$ 3,228,200	\$ 3,236,444	\$ 3,690,876	\$ 4,363,593	18.2%	

***Account Types Include the Following:**

Personal Services – includes all salary accounts such as part-time, full-t

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.

Column indicates the change from one fiscal to the next.

Raleigh City Council 2006-2007

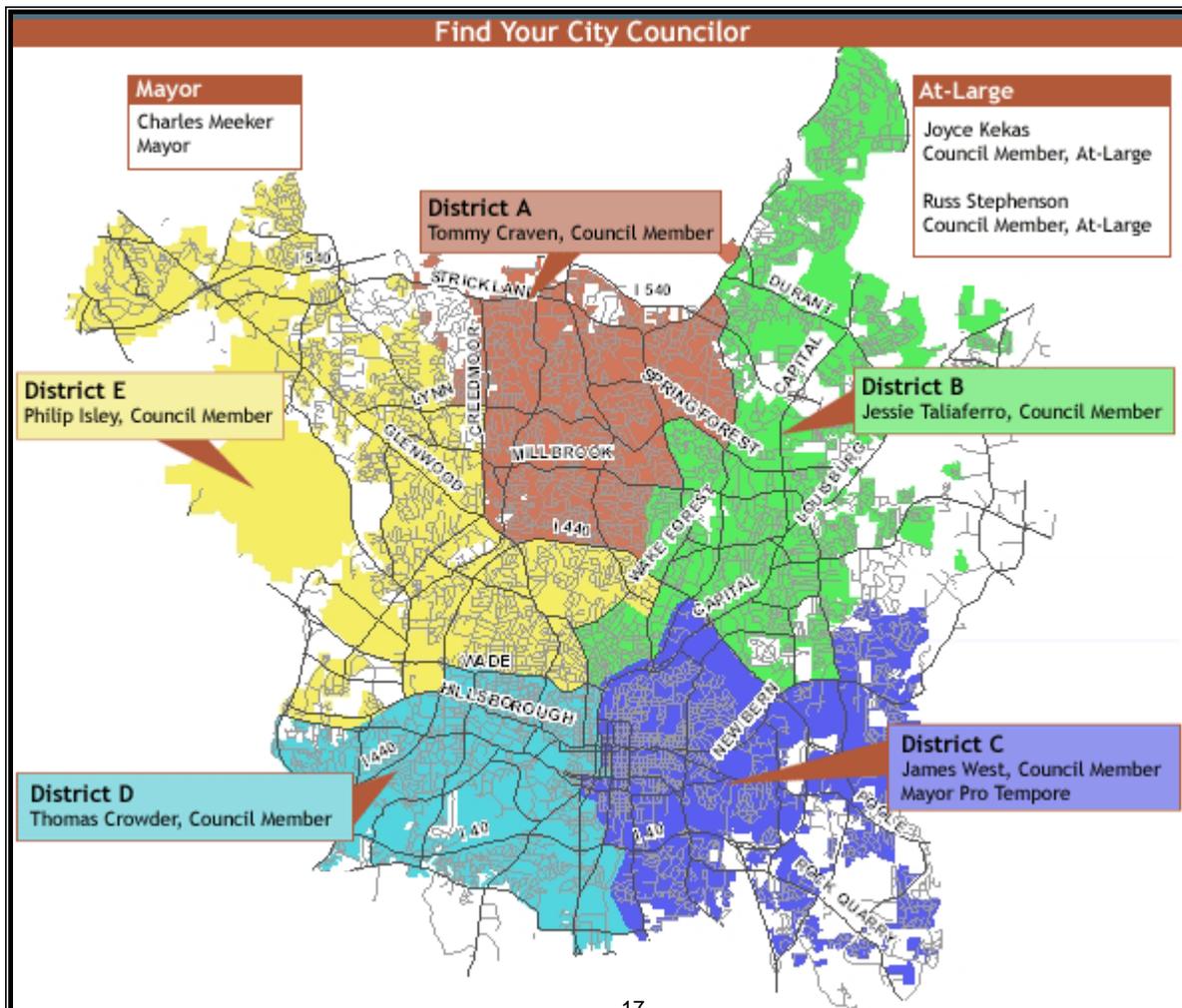


Bottom Row:

Mayor Charles Meeker, Joyce Kekas, Jessie Taliaferro, Mayor Pro Tem James West

Top Row:

Tommy Craven, Russ Stephenson, Thomas Crowder, Philip Isley



Profile of City of Raleigh

Raleigh is situated in the heart of the State called the Piedmont region, 150 miles from the sandy Atlantic beaches and 190 miles from the Great Smoky Mountains. The city, the county seat of Wake County and the capital of North Carolina, covers an area of more than 134 square miles and has an estimated population of 353,604. The city forms one point of the Research Triangle Park developed in 1959 for industrial, governmental and scientific research, with Chapel Hill and Durham at the other two points. 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 1.4 million.

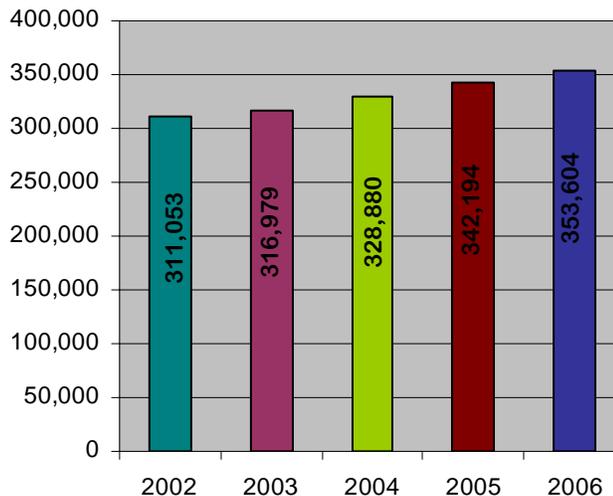
The North Carolina General Assembly purchased land for the original site of the city for the specific purpose of being the Capital of North Carolina. The city was established in 1792 by an act of the General Assembly and has utilized a council-manager form of government since 1947. The Mayor and two 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 the 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 resulting in the present infrastructure being in excellent condition.

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. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the city's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads or the City Manager may make transfers of appropriations within a fund up to \$50,000. Transfers greater than \$50,000 and transfers of appropriations among funds require approval of the City Council.

Five-Year Population Growth



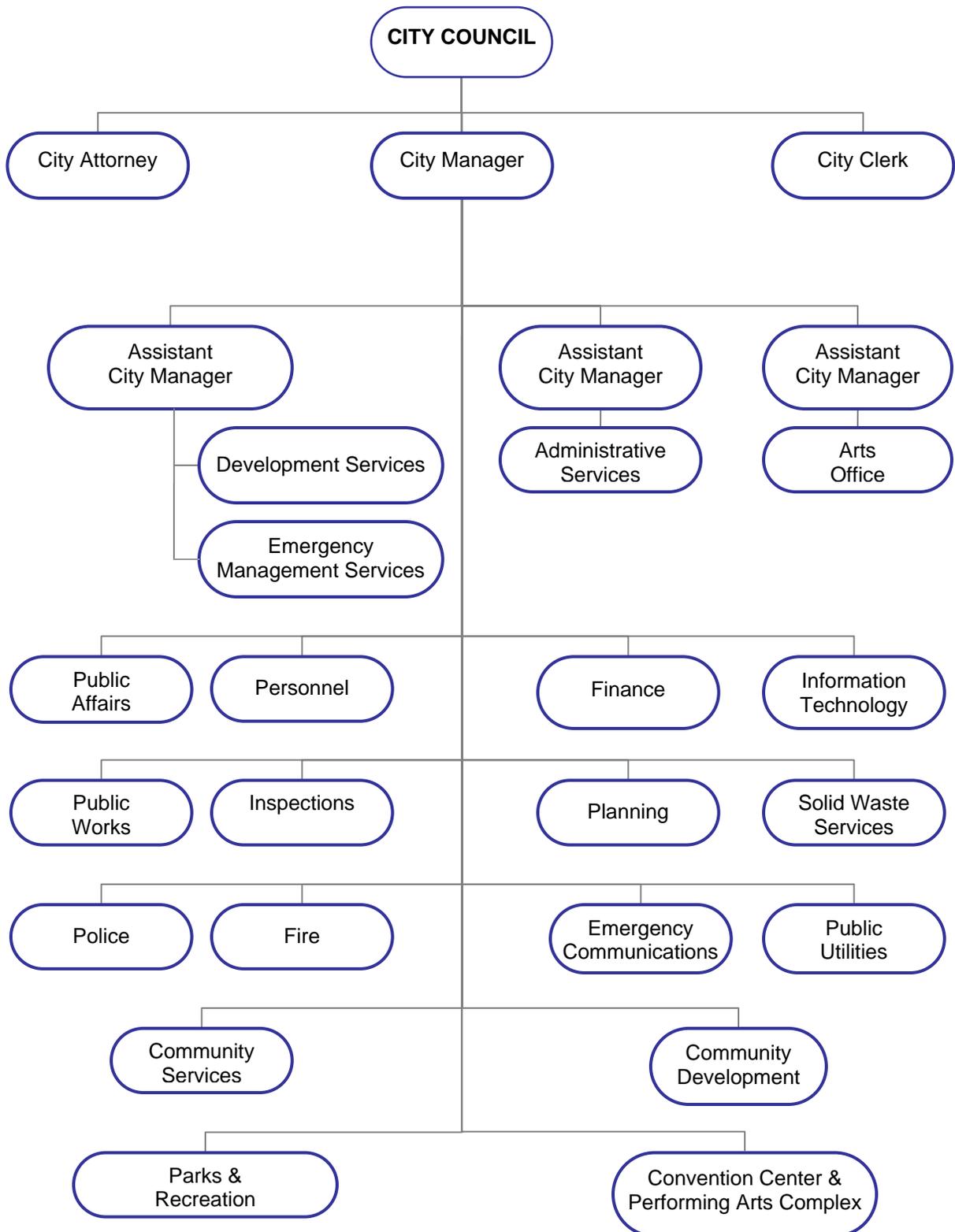
City of Raleigh Statistics

Function	Fiscal Year				
	2002	2003	2004	2005	2006
Raleigh Property Tax Rate	0.385	0.385	0.385	0.395	0.395
Wake Co Property Tax Rate	0.564	0.564	0.604	0.604	0.604
Population	311,053	316,979	328,880	342,194	353,604
School Enrollment	101,967	107,448	112,158	117,986	120,381
Unemployment Rate	5.5	5.2	4	4.3	3.5
Public Safety					
Police stations	5	7	7	7	7
Fire stations	24	26	26	26	27
Highways and streets					
Streets (miles)	1,068	1,089	1,118	1,161	1,194
Streetlights	29,345	29,875	30,628	31,976	32,737
Signalized intersections	473	485	489	493	496
Leisure services					
Number of major parks	58	66	70	71	72
Parks acreage	7,437	7,979	8,010	8,101	8,672
Aquatic facilities	8	8	8	8	8
Community centers (staffed and unstaffed)	58	66	32	32	34
Water					
Water mains (miles)	1,320	1,356	1,380	1,415	2,050
Sewers					
Sanitary sewers (miles)	1,424	1,447	1,468	1,501	2,000

Note: No capital asset indicators are available for the general government function.

Source: Various city departments.

City of Raleigh Organization Chart



Revenue and Expenditure Summary

		REVENUES			EXPENDITURES		
		Total	Less Approp	NET	Total	Less Approp	NET
		Revenues	Fr Other Fds	Revenues	Expenditures	To Other Fds	Expenditures
OPERATING FUNDS							
100	General Fund	\$ 343,672,081	\$ 22,832,828	\$ 320,839,253	\$ 343,672,081	\$ 49,917,843	\$ 293,754,238
110	Economic Dev Fund	1,021,500	1,016,500	5,000	1,021,500	-	1,021,500
310	Public Utilities Fund	128,373,042	372,768	128,000,274	128,373,042	52,895,734	75,477,308
460	Stormwater Utility Fund	15,501,984	308,600	15,193,384	15,501,984	10,329,845	5,172,139
642	RCCC/PAC Operations	18,980,504	2,627,777	16,352,727	18,980,504	343,600	18,636,904
	SUBTOTAL	\$ 507,549,111	\$ 27,158,473	\$ 480,390,638	\$ 507,549,111	\$ 113,487,022	\$ 394,062,089
CATEGORICAL PROGRAM FUNDS							
130	Revolving Fund	\$ 7,723,909	\$ -	\$ 7,723,909	\$ 7,723,909	\$ 351,140	\$ 7,372,769
140	Hotel/Motel Tax Fund	680,000	-	680,000	680,000	680,000	-
410	Public Transit Fund	18,085,921	12,798,787	5,287,134	18,085,921	128,335	17,957,586
442	Parking Facilities Fund - Oper	9,550,745	1,466,535	8,084,210	9,550,745	5,972,913	3,577,832
711	Wireless 911 Tax Fund	239,666	-	239,666	239,666	239,666	-
	Housing Development Funds	1,527,386	756,384	771,002	1,527,386	67,516	1,459,870
	Community Develop Funds	5,676,348	-	5,676,348	5,676,348	243,200	5,433,148
	SUBTOTAL	\$ 43,483,975	\$ 15,021,706	\$ 28,462,269	\$ 43,483,975	\$ 7,682,770	\$ 35,801,205
CAPITAL DEBT SERVICE FUNDS							
190	General Debt Service Fund	\$ 29,798,411	\$ 28,164,116	\$ 1,634,295	\$ 29,798,411	\$ -	\$ 29,798,411
315	Utility Debt Service Fund	34,489,769	20,000,000	14,489,769	34,489,769	-	34,489,769
444	Parking Debt Service Fund	6,629,736	5,020,000	1,609,736	6,629,736	-	6,629,736
644	RCC/PAC Debt Svc Fund	10,322,854	2,039,112	8,283,742	10,322,854	-	10,322,854
	SUBTOTAL	\$ 81,240,770	\$ 55,223,228	\$ 26,017,542	\$ 81,240,770	\$ -	\$ 81,240,770
CAPITAL PROJECT FUNDS							
320	Water Capital Projects Fund	\$ 3,900,000	\$ 3,850,000	\$ 50,000	\$ 3,900,000	\$ -	\$ 3,900,000
325	Sewer Capital Projects Fund	4,750,000	4,700,000	50,000	4,750,000	-	4,750,000
446	Parking Facilities Fund - Proj	2,007,000	665,000	1,342,000	2,007,000	1,342,000	665,000
470	Stormwater Util Cap Proj Fd	6,317,300	6,317,300	-	6,317,300	-	6,317,300
501	Technology Fund	2,000,000	2,000,000	-	2,000,000	-	2,000,000
505	Capital Projects - Misc	4,935,391	4,335,391	600,000	4,935,391	-	4,935,391
515	Sidewalk Fund	1,033,800	543,800	490,000	1,033,800	-	1,033,800
525	Street Improvement Fund	12,210,991	8,480,020	3,730,971	12,210,991	2,256,451	9,954,540
545	Street Facility Fees Fund	4,146,680	-	4,146,680	4,146,680	4,146,680	-
610	Park Acq -- Facility Fees Fd	2,614,648	-	2,614,648	2,614,648	2,614,648	-
625	Park Improvement Fund	4,490,505	3,780,505	710,000	4,490,505	-	4,490,505
646	Conv Cr/Mem Aud Project Fd	300,000	300,000	-	300,000	-	300,000
650	Walnut Creek Amph Fund	368,000	-	368,000	368,000	-	368,000
700	Powell Bill Fund	9,799,660	-	9,799,660	9,799,660	9,799,660	-
715	Convention Center Fin. Fund	10,400,632	-	10,400,632	10,400,632	4,352,643	6,047,989
720	Housing Bnd Reserve Fund	1,600,000	-	1,600,000	1,600,000	400,000	1,200,000
	SUBTOTAL	\$ 70,874,607	\$ 34,972,016	\$ 35,902,591	\$ 70,874,607	\$ 24,912,082	\$ 45,962,525
	Adjustment for Bond Transfers		\$ 13,706,451				
	TOTAL ALL FUNDS	\$ 703,148,463	\$ 146,081,874	\$ 557,066,589	\$ 703,148,463	\$ 146,081,874	\$ 557,066,589

Total Budget Summary

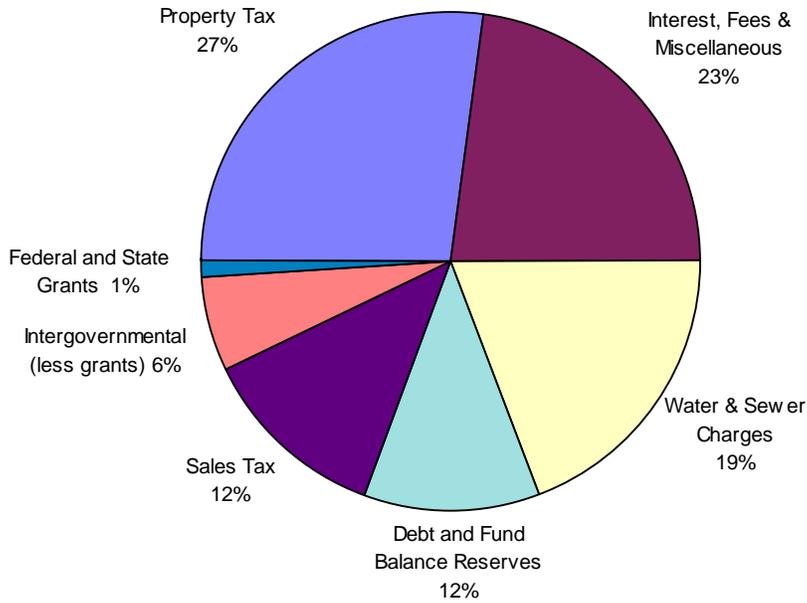
(net of interfund transfers)

	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
REVENUES				
Property Tax	\$ 125,213,050	\$ 144,455,320	\$ 151,549,595	4.7%
Interest, Fees & Miscellaneous	105,933,075	127,512,147	127,683,522	0.1%
Water & Sewer Charges	88,631,615	94,263,784	105,427,766	10.6%
Debt and Fund Balance Reserves	40,759,410	46,974,206	64,406,724	27.1%
Sales Tax	59,537,407	63,216,755	67,279,550	6.0%
Intergovernmental (less grants)	31,141,927	31,372,932	34,858,452	10.0%
Federal and State Grants	6,219,870	5,843,589	5,860,980	0.3%
	\$ 457,436,354	\$ 513,638,733	\$ 557,066,589	8.5%
EXPENDITURES				
Public Safety	\$ 113,512,276	\$ 125,388,239	\$ 134,568,867	7.3%
	59,937,490	76,684,840	81,240,770	5.9%
Public Utilities	61,128,633	63,758,828	75,477,308	18.4%
Leisure Services	55,381,213	63,373,451	63,865,956	0.8%
Capital Improvements	40,715,842	46,019,923	45,962,525	(0.1%)
Public Works & Public Transit	35,954,252	42,028,084	44,683,120	6.3%
Community Development Services	29,893,795	31,836,067	34,904,500	9.6%
General Gov't & External Agencies	23,093,325	24,784,740	29,524,171	19.1%
Solid Waste Services	18,364,686	19,293,040	22,717,205	17.7%
Information Technology	10,534,205	10,959,414	13,251,475	20.9%
Financial Management	8,920,637	9,512,107	10,870,692	14.3%
	\$ 457,436,354	\$ 513,638,733	\$ 557,066,589	8.5%

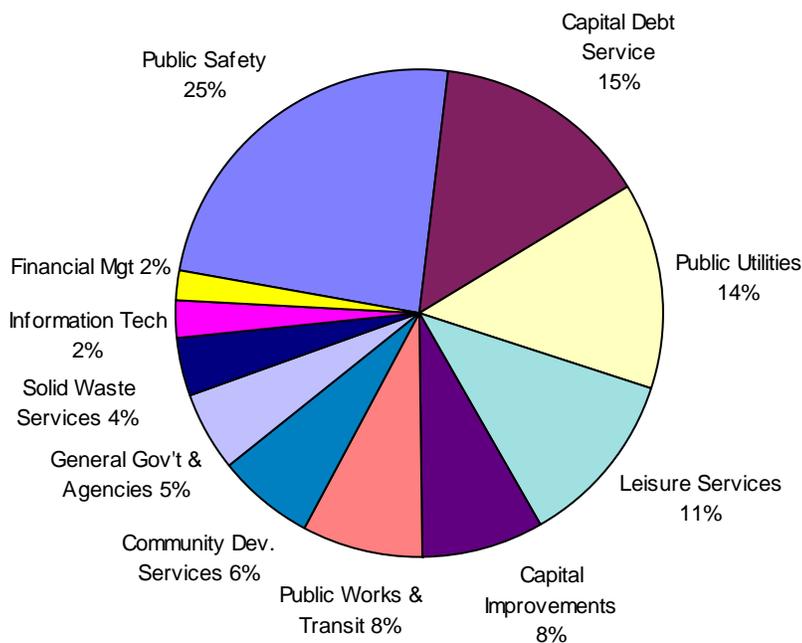
Total Budget Summary

(net of interfund transfers)

REVENUES



EXPENDITURES



General Fund Summary

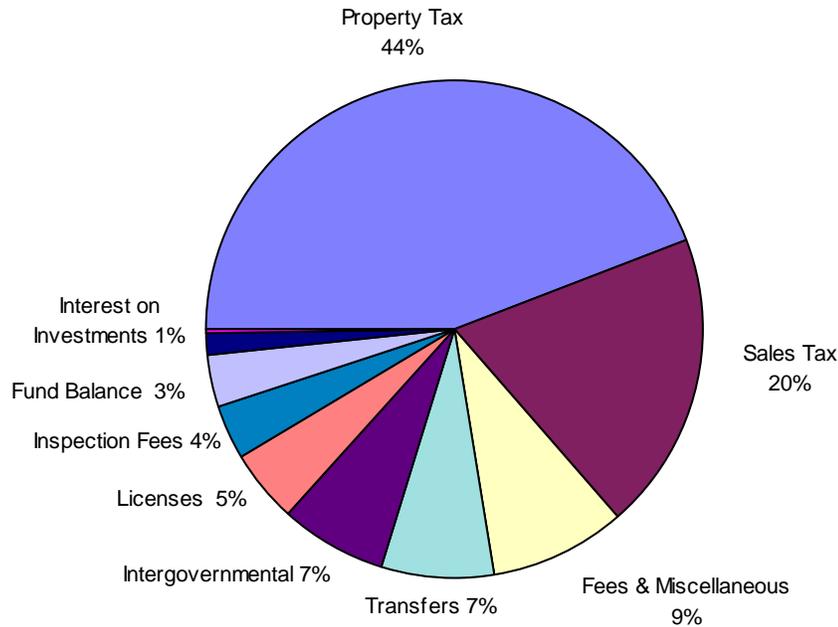
(including interfund transfers)

	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
REVENUES				
Property Tax	\$ 125,213,050	\$ 144,455,320	\$ 151,549,595	4.9%
Sales Tax	59,537,407	63,216,755	67,279,550	6.4%
Fees & Miscellaneous	21,186,619	22,117,179	30,143,454	36.3%
Transfers from Other Funds	16,549,933	19,932,187	25,202,315	26.4%
Intergovernmental	20,635,927	20,923,412	23,991,792	14.7%
Licenses	11,005,500	14,156,000	15,735,000	11.2%
Fund Balance	13,096,750	12,587,500	13,000,000	3.3%
Inspection Fees	10,067,700	10,600,000	10,990,415	3.7%
Interest on Investments	4,689,105	6,301,163	5,019,360	(20.3%)
Public Works Fees	1,253,000	1,498,000	760,600	(49.2%)
	\$ 283,234,991	\$ 315,787,516	\$ 343,672,081	8.8%
EXPENDITURES				
Public Safety	\$ 113,557,102	\$ 125,430,467	\$ 134,610,165	7.3%
Public Works & Public Transit	31,268,794	37,118,574	39,537,996	6.5%
Leisure Services	30,748,287	34,513,763	38,322,343	11.0%
Appropriation to Capital Debt	19,800,000	26,800,000	27,100,000	1.1%
General Government	22,384,003	23,108,107	26,677,317	15.4%
Solid Waste Services	18,381,006	19,309,585	22,801,850	18.1%
Community Development Services	17,057,427	18,291,889	18,996,395	3.9%
Information Technology	10,534,205	10,959,414	13,251,475	20.9%
Financial Management	8,920,637	9,512,107	10,870,692	14.3%
Appropriation to Capital Program	8,122,500	7,944,667	8,269,748	4.1%
External Agencies	2,461,030	2,798,943	3,234,100	15.5%
	\$ 283,234,991	\$ 315,787,516	\$ 343,672,081	8.8%

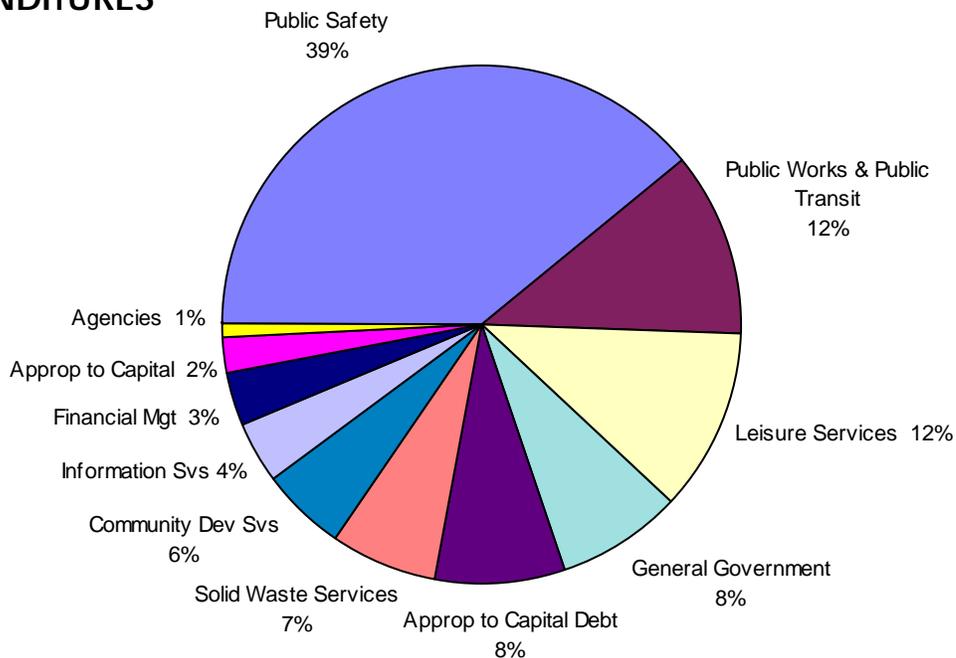
General Fund Summary

(including interfund transfers)

REVENUES



EXPENDITURES



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 FY 1993-94 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 **Stormwater Utility Fund (460)** provides for stormwater operations and stormwater capital projects 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 **Civic & Convention Center and Performing Arts Center Operations Fund (642 - formerly 125)** has been established to separate the operations of the city's Civic & 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 <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
GENERAL FUND (100)	\$ 315,787,516	\$ 343,672,081	
<i>Less Appropriation to Other Funds</i>	(49,145,515)	(49,917,843)	
NET GENERAL FUND	\$ 266,642,001	\$ 293,754,238	10.2%
ECONOMIC DEV FUND (110)	\$ 1,026,562	\$ 1,021,500	
<i>Less Appropriation to Other Funds</i>	-	-	
NET ECONOMIC DEVELOPMENT FUND	\$ 1,026,562	\$ 1,021,500	(0.5%)
PUBLIC UTILITIES FUND (310)	\$ 100,726,561	\$ 128,373,042	
<i>Less Appropriation to Other Funds</i>	(36,967,733)	(52,895,734)	
NET PUBLIC UTILITIES FUND	\$ 63,758,828	\$ 75,477,308	18.4%
STORMWATER FUND (460)	12,537,796	15,501,984	
<i>Less Appropriation to Other Funds</i>	(8,857,977)	(10,329,845)	
NET STORMWATER FUND	\$ 3,679,819	\$ 5,172,139	40.6%
RCCC/PAC OPERATIONS FUND (642)	\$ 23,359,951	\$ 18,980,504	
<i>Less Appropriation to Other Funds</i>	(233,600)	(343,600)	
NET RCCC/PAC OPERATIONS FUND	\$ 23,126,351	\$ 18,636,904	(19.4%)
TOTAL OPERATING FUNDS	\$ 453,438,386	\$ 507,549,111	11.9%
<i>Less Appropriation to Other Funds</i>	(95,204,825)	(113,487,022)	
NET OPERATING FUNDS	\$ 358,233,561	\$ 394,062,089	10.0%

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.

Revenues supporting the **Hotel/Motel Tax Fund (140)** come from a 6% occupancy tax levied by Wake County. The county remits tax proceeds to the city in the amount of \$680,000 annually. This represents the city's "holdback" amount. These funds are used to support visitor related facilities and economic development programs and activities, including associated off-street parking facilities.

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 System and for the city program for disabled residents, Accessible Raleigh Transportation (ART).

The **Parking Facilities Fund (442)** provides for the general operational and maintenance costs for the Municipal, Cabarrus, Progress Energy, 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 **Wireless 911 Fund (711)** 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>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
REVOLVING FUND (130)	\$ 6,465,289	\$ 7,723,909	
<i>Less Appropriation to Other Funds</i>	(326,904)	(351,140)	
NET REVOLVING FUND	\$ 6,138,385	\$ 7,372,769	20.1%
HOTEL/MOTEL TAX FUND (140)	\$ 680,000	\$ 680,000	
<i>Less Appropriation to Other Funds</i>	(680,000)	(680,000)	0.0%
NET HOTEL/MOTEL TAX FUND	\$ -	\$ -	
PUBLIC TRANSIT FUND (410)	\$ 17,011,255	\$ 18,085,921	
<i>Less Appropriation to Other Funds</i>	(123,546)	(128,335)	
NET PUBLIC TRANSIT FUND	\$ 16,887,709	\$ 17,957,586	6.3%
PARKING FACILITIES FUND - OPER (442)	\$ 7,520,643	\$ 9,550,745	
<i>Less Appropriation to Other Funds</i>	(4,374,743)	(5,972,913)	
NET PARKING FACILITIES FUND	\$ 3,145,900	\$ 3,577,832	13.7%
WIRELESS 911 TAX FUND (711)	\$ -	\$ 239,666	
<i>Less Appropriation to Other Funds</i>	-	(239,666)	
NET WIRELESS 911 TAX FUND	\$ -	\$ -	
HOUSING DEVELOPMT FUNDS (735-736)	\$ 1,446,892	\$ 1,527,386	
<i>Less Appropriation to Other Funds</i>	(62,716)	(67,516)	
NET HOUSING DEVELOPMENT FUNDS	\$ 1,384,176	\$ 1,459,870	5.5%
COMMUNITY DEVELOP FUNDS (741-781)	\$ 5,439,239	\$ 5,676,348	
<i>Less Appropriation to Other Funds</i>	(295,000)	(243,200)	
NET COMMUNITY DEVELOPMENT FUNDS	\$ 5,144,239	\$ 5,433,148	5.6%
TOTAL CATEGORICAL PROG FUNDS	\$ 38,563,318	\$ 43,483,975	12.8%
<i>Less Appropriation to Other Funds</i>	(5,862,909)	(7,682,770)	
NET CATEGORICAL PROGRAM FUNDS	\$ 32,700,409	\$ 35,801,205	9.5%
TOTAL CITY OPERATIONS	\$ 492,001,704	\$ 551,033,086	12.0%
<i>Less Appropriation to Other Funds</i>	(101,067,734)	(121,169,792)	
NET CITY OPERATIONS	\$ 390,933,970	\$ 429,863,294	10.0%

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, and certificates of participation. 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 bonds have 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)

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.

Capital Debt Service Funds

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
GENERAL DEBT SERVICE FUND (190)	\$ 30,480,998	\$ 29,798,411	(2.2%)
UTILITY DEBT SERVICE FUND (315)	\$ 30,132,052	\$ 34,489,769	14.5%
PARKING DEBT SERVICE FUND (444)	\$ 5,737,706	\$ 6,629,736	15.5%
<u>CONVENTION CENTER DEBT SRV (644)</u>	<u>\$ 10,334,084</u>	<u>\$ 10,322,854</u>	<u>(0.1%)</u>
TOTAL CAPITAL DEBT SERVICE	\$ 76,684,840	\$ 81,240,770	5.9%

CAPITAL PROJECT FUNDS

The purpose of the Capital Project 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 Capital Project Funds provide for street and sidewalk improvement projects, park improvement projects, stormwater, water and sewer system improvements, affordable housing projects, and various other general improvement projects which typically cost over \$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 collections, Powell Bill revenues (a portion of the 1 $\frac{3}{4}$ ¢ per gallon state gasoline tax and a portion of the State Highway Trust Fund revenues), street assessments, and facility fees.

Capital Project Funds

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
WATER CAPITAL PROJECTS FUND (320)	\$ 2,900,000	\$ 3,900,000	34.5%
SEWER CAPITAL PROJECTS FUND (325)	\$ 3,175,000	\$ 4,750,000	49.6%
PARKING FACILITIES FUND - PROJ (446)	\$ 675,000	\$ 2,007,000	197.3%
<i>Less Appropriation to Other Funds</i>	-	(1,342,000)	
NET PARKING FACILITIES FUND (446)	\$ 675,000	\$ 665,000	(1.5%)
STORMWATER UTILITY CAP PROJ (470)	\$ 6,852,000	\$ 6,317,300	(7.8%)
TECHNOLOGY FUND (501)	\$ 2,100,000	\$ 2,000,000	(4.8%)
CAPITAL PROJECTS FUND (505)	\$ 9,493,000	\$ 4,935,391	(48.0%)
<i>Less Appropriation to Other Funds</i>	(50,000)	-	
NET CAPITAL PROJECTS FUND (505)	\$ 9,443,000	\$ 4,935,391	(47.7%)
SIDEWALK FUND (515)	\$ 859,800	\$ 1,033,800	20.2%
STREET IMPROVEMENT FUND (525)	\$ 8,064,510	\$ 12,210,991	51.4%
<i>Less Appropriation to Other Funds</i>	-	(2,256,451)	
NET STREET IMPROVEMENT FUND (525)	\$ 8,064,510	\$ 9,954,540	23.4%
STREET FACILITY FEES FUND (545)	\$ 3,060,000	\$ 4,146,680	35.5%
<i>Less Appropriation to Other Funds</i>	(3,060,000)	(4,146,680)	
NET STREET FACILITY FEES FUND (545)	\$ -	\$ -	-
PARK FACILITY FEES FUND (610)	\$ 2,002,000	\$ 2,614,648	30.6%
<i>Less Appropriation to Other Funds</i>	(2,002,000)	(2,614,648)	
NET PARK ACQ -- FACILITY FEES FUND (610)	\$ -	\$ -	-
PARK IMPROVEMENT FUND (625)	\$ 3,501,667	\$ 4,490,505	28.2%
CONV CTR & MEM AUD PROJECTS FD (646)	\$ 200,000	\$ 300,000	50.0%
WALNUT CREEK AMPH. CAPITAL FUND (650)	\$ 334,000	\$ 368,000	10.2%
STORMWATER PROJECTS FUND (655)	\$ 1,400,000	\$ -	
<i>Less Appropriation to Other Funds</i>	(1,400,000)	-	
NET STORMWATER PROJECTS FUND (655)	\$ -	\$ -	-
POWELL BILL FUND (700)	\$ 9,382,520	\$ 9,799,660	4.4%
<i>Less Appropriation to Other Funds</i>	(9,382,520)	(9,799,660)	
NET POWELL BILL FUND (700)	\$ -	\$ -	-
CONVENTION CENTER FINANCING FUND (715)	\$ 9,502,752	\$ 10,400,632	9.4%
<i>Less Appropriation to Other Funds</i>	(3,062,806)	(4,352,643)	
NET CONVENTION CTR FINANCING FUND (715)	\$ 6,439,946	\$ 6,047,989	(6.1%)
HOUSING BND RSRV FUND (720)	\$ 1,875,000	\$ 1,600,000	(14.7%)
<i>Less Appropriation to Other Funds</i>	(400,000)	(400,000)	
NET HOUSING BOND FUND (720)	\$ 1,475,000	\$ 1,200,000	100.0%
TOTAL CAPITAL PROJECT FUNDS	\$ 65,377,249	\$ 70,874,607	8.4%
<i>Less Appropriation to Other Funds</i>	(19,357,326)	(24,912,082)	
NET CAPITAL PROJECT FUNDS	\$ 46,019,923	\$ 45,962,525	(0.1%)
TOTAL CAPITAL APPROP (incl debt service)	\$ 142,062,089	\$ 152,115,377	7.1%
<i>Less Appropriation to Other Funds</i>	(19,357,326)	(24,912,082)	
NET CAPITAL APPROPRIATIONS	\$ 122,704,763	\$ 127,203,295	3.7%
NET OPERATING & CAPITAL BUDGET	\$ 513,638,733	\$ 557,066,589	8.5%

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.

Bond Funds

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
WATER REVENUE BOND FUND (348)	\$ 62,975,000	\$ 22,920,000	(63.6%)
SEWER REVENUE BOND FUND (349)	\$ 63,599,000	\$ 69,231,725	8.9%
STORMWATER UTIL BOND FUND (475)	\$ -	\$ 24,220,000	
MISC. CAPITAL PROJECTS FUND (506)	\$ 18,635,000	\$ -	(100.0%)
STREET BOND FUND (531)	\$ 11,574,000	\$ 28,971,000	150.3%
PARK BOND FUND (636)	\$ 5,251,000	\$ 17,469,034	232.7%
HOUSING BOND FUND (724)	\$ 2,825,000	\$ 3,350,000	18.6%
TOTAL BOND FUNDS	\$ 164,859,000	\$ 166,161,759	0.8%

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 Shop (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 and photocopy accounts and a subsidy from the General Fund.

The **Insurance 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 (260)** was established with adoption of the FY 2002-03 budget 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.

Internal Service Funds

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
PRINT SHOP (210)	\$ 1,021,359	\$ 1,048,886	2.7%
<i>Less Appropriation to Other Funds</i>	(75,000)	(75,000)	
NET PRINT SHOP FUND	\$ 946,359	\$ 973,886	2.9%
INSURANCE FUND (230)	\$ 7,497,437	\$ 8,750,188	16.7%
<i>Less Appropriation to Other Funds</i>	-	-	
NET INSURANCE FUND	\$ 7,497,437	\$ 8,750,188	16.7%
HEALTH/DENTAL TRUST FUND (240)	\$ 26,936,853	\$ 38,940,997	44.6%
<i>Net Appropriation to OPEB Trust (925)</i>	-	(1,469,155)	
NET HEALTH/DENTAL TRUST FUND	\$ 26,936,853	\$ 37,471,842	39.1%
GOVERNMENTAL EQUIPMENT FUND (251)	\$ 18,262,535	\$ 22,443,597	22.9%
<i>Less Appropriation to Other Funds</i>	(908,976)	(2,000,000)	
NET GOVERNMENTAL EQUIPMENT FUND	\$ 17,353,559	\$ 20,443,597	17.8%
ENTERPRISE EQUIPMENT FUND (252)	\$ 6,109,323	\$ 6,761,359	10.7%
<i>Less Appropriation to Other Funds</i>	-	-	
NET ENTERPRISE EQUIPMENT FUND	\$ 6,109,323	\$ 6,761,359	10.7%
VEHICLE FLEET SERVICES (260)	\$ 12,398,042	\$ 13,341,364	7.6%
<i>Less Appropriation to Other Funds</i>	(294,014)	(313,037)	
NET VEHICLE FLEET SERVICES FUND	\$ 12,104,028	\$ 13,028,327	7.6%
TOTAL INTERNAL SERVICE FUNDS	\$ 72,225,549	\$ 91,286,391	26.4%
<i>Less Appropriation to Other Funds</i>	(1,277,990)	(2,388,037)	
NET INTERNAL SERVICE FUNDS	\$ 70,947,559	\$ 88,898,354	25.3%

General Fund

Appropriations by Division

		ADOPTED BUDGET <u>2006-07</u>		ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
General Government					
City Council	\$	175,212	\$	168,932	(3.6%)
City Clerk		436,392		494,403	13.3%
City Attorney		1,785,273		1,891,768	6.0%
Special Appropriations		19,266,499		21,253,337	10.3%
City Manager		1,275,113		1,502,531	17.8%
Development Services		-		1,010,792	
Enterprise Project Management		297,770		-	(100.0%)
Public Affairs		894,452		934,390	4.5%
Raleigh TV Network		510,967		654,873	28.2%
Arts Office		155,184		227,431	46.6%
Subtotal, General Gov't	\$	24,796,862	\$	28,138,457	13.5%
Personnel	\$	2,829,532	\$	3,259,442	15.2%
Administrative Services	\$	1,426,380	\$	1,549,166	8.6%
Finance					
Administration	\$	1,255,505	\$	962,761	(23.3%)
Internal Audits		-		291,878	
Treasury		-		423,168	
Accounting		653,047		668,907	2.4%
Revenue		1,389,316		1,341,711	(3.4%)
Utility Billing		4,352,097		5,355,306	23.1%
Purchasing		448,940		519,257	15.7%
Financial Reporting and Planning		507,430		504,864	(0.5%)
Controller		316,146		185,028	(41.5%)
Payroll		589,626		617,812	4.8%
Subtotal, Finance	\$	9,512,107	\$	10,870,692	14.3%
Information Technology					
Administration	\$	6,174,725	\$	7,907,900	28.1%
IT Operations		226,011		783,768	246.8%
IT Applications		4,558,678		4,559,807	0.0%
Subtotal, Info Services	\$	10,959,414	\$	13,251,475	20.9%
Public Works					
Public Works (formerly Cntrl Engin)	\$	13,630,735	\$	13,969,517	2.5%
Construction Management		925,715		1,038,882	12.2%
Public Works Continued					
Street Maintenance		9,331,060		7,920,811	(15.1%)
Stormwater Maintenance		-		2,570,288	

General Fund

Appropriations by Division

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
Safelight	961,457	902,029	(6.2%)
CAMPO	305,178	337,682	10.7%
Subtotal, Public Works	\$ 25,154,145	\$ 26,739,209	6.3%
Planning	\$ 3,690,876	\$ 4,424,117	19.9%
Inspections	\$ 11,831,907	\$ 11,840,304	0.1%
Community Services	\$ 1,932,588	\$ 1,975,590	2.2%
Police			
Administration	\$ 11,168,738	\$ 13,272,986	18.8%
Police Chief's Office	1,978,459	2,292,525	15.9%
Special Operations	10,015,816	10,469,868	4.5%
Field Operations	37,810,715	40,020,980	5.8%
Detective Operations	15,762,272	15,768,178	0.0%
Subtotal, Police	\$ 76,736,000	\$ 81,824,537	6.6%
Fire			
Administration	\$ 672,912	\$ 757,532	12.6%
Fire Prevention	1,875,144	2,268,642	21.0%
Fire Operations	36,616,188	39,078,199	6.7%
Support Services	2,622,804	2,923,222	11.5%
Training	946,400	961,304	1.6%
Subtotal, Fire	\$ 42,733,448	\$ 45,988,899	7.6%
Emergency Communications	\$ 5,961,019	\$ 6,796,729	14.0%
Solid Waste Services			
Administration	\$ 1,249,732	\$ 1,527,507	22.2%
Recycling	4,626,245	5,189,701	12.2%
Residential Collection	11,899,341	11,116,978	(6.6%)
Transfer Station	-	3,216,788	
Yard Waste Center	1,534,267	1,750,876	14.1%
Subtotal, Solid Waste Serv.	\$ 19,309,585	\$ 22,801,850	18.1%
Parks & Recreation			
Administration	\$ 1,462,856	\$ 1,771,944	21.1%

General Fund

Appropriations by Division

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
Highway Maintenance	1,458,102	1,546,590	6.1%
Cemeteries	252,877	283,352	12.1%
Greenway	1,077,288	1,312,345	21.8%
Recreation	9,080,625	9,665,387	6.4%
Project Phoenix	85,285	32,136	(62.3%)
P&R Schools Based Programs	-	1,712,675	
Urban Trees	1,020,762	1,084,727	6.3%
Design & Development	765,110	860,810	12.5%
Park Facility Maintenance	2,914,177	4,908,835	68.4%
Building Maintenance	3,968,553	3,073,912	(22.5%)
Aquatics Administration	291,112	311,542	7.0%
Durant Nature Park	567,961	771,927	35.9%
Mordecai Historic Park	191,823	205,358	7.1%
Lake Johnson Boat House	236,264	261,895	10.8%
Lake Wheeler	288,656	309,192	7.1%
Optimist Pool	501,737	309,869	(38.2%)
Pullen Aquatics Center	585,576	688,433	17.6%
Pullen Park	415,421	437,946	5.4%
Shelley Lake	60,085	61,914	3.0%
Year-round Pool #3	47,345	461,244	874.2%
Seasonal Pools	483,479	416,131	(13.9%)
Subtotal, Parks & Recreation	\$ 34,513,763	\$ 38,322,343	11.0%
General Fund Special Programs			
Arts Agencies	\$ 1,331,679	\$ 1,533,500	15.2%
Human Service Agencies	737,000	724,000	(1.8%)
Other Agency Appropriations	730,264	976,600	33.7%
Public Transit & ART	11,964,429	12,798,787	7.0%
Housing Appropriations	836,518	756,384	(9.6%)
Technology Fund Appropriation	2,000,000	2,000,000	0.0%
Capital Debt Service Appropriation	26,800,000	27,100,000	1.1%
Subtotal, Special Programs	\$ 44,399,890	\$ 45,889,271	3.4%
TOTAL GENERAL FUND	\$ 315,787,516	\$ 343,672,081	8.8%
<i>Less Approp to Other Funds</i>	(49,145,515)	(49,917,843)	1.6%
NET GENERAL FUND	\$ 266,642,001	\$ 293,754,238	10.2%

General Fund

Appropriations by Type

	ADOPTED BUDGET <u>2006-07</u>	% OF <u>TOTAL</u>	ADOPTED BUDGET <u>2007-08</u>	% OF <u>TOTAL</u>	% Change 2006-07 TO <u>2007-08</u>
Salaries & Related Services *	\$ 187,865,324	59.5%	\$ 203,111,316	59.1%	8.1%
Operating Expenditures	73,410,294	23.2%	84,779,142	24.7%	15.5%
Capital Equipment **	2,087,949	0.7%	2,085,409	0.6%	(0.1%)
Appropriations to Other Operating Funds	14,621,751	4.6%	15,401,235	4.5%	5.3%
Appropriations to Capital Debt Service	26,800,000	8.5%	27,100,000	7.9%	1.1%
Appropriations to Capital Programs	7,944,667	2.5%	7,715,494	2.2%	(2.9%)
Appropriations to External Organizations	3,057,531	1.0%	3,479,485	1.0%	13.8%
TOTAL	<u>\$ 315,787,516</u>		<u>\$ 343,672,081</u>		<u>8.8%</u>

* 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 <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHANGE 2006-07 TO <u>2007-08</u>
<i>Public Utilities</i>			
Administration	\$ 3,760,047	\$ 4,412,044	17.3%
Water Plant	15,420,875	16,606,442	7.7%
Waste Treatment Plant	12,815,263	15,518,363	21.1%
Reuse Operation	4,058,323	4,433,632	9.2%
Utilities Construction	6,088,921	6,522,738	7.1%
Utilities Sewer Collection	5,811,403	6,115,068	5.2%
Utilities Water Distribution	5,521,500	6,611,043	19.7%
Meter	5,002,629	6,096,083	21.9%
Warehouse	1,469,513	2,421,421	64.8%
Special Appropriations	20,778,087	39,636,208	90.8%
Capital Dept Service Appropriation	20,000,000	20,000,000	0.0%
Subtotal, Public Utilities Fund	\$ 100,726,561	\$ 128,373,042	27.4%
TOTAL PUBLIC UTILITIES	\$ 100,726,561	\$ 128,373,042	27.4%
<i>Less Approp to Other Funds</i>	(36,967,733)	(52,895,734)	43.1%
NET PUBLIC UTILITIES FUND	\$ 63,758,828	\$ 75,477,308	18.4%

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 10 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.

In recent years, 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 8% of assessed value. The fiscal year 2007-08 tax base is projected at \$34,916,832,000, which yields a legal debt capacity of \$2,793,346,560.

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 \$976,059,154 on July 1, 2007 with approximately 35.5% of that maturing within 10 years. From this amount \$5,377,769 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 \$14,000,000 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 2007-08 include issuance of \$16M Parks Bonds authorized by the 2003 bond referendum and \$25M Street Improvement and \$3.3M Housing Bonds authorized by the 2005 referendum.

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 AA+ by Moody's, AAA by Standard and Poor's and AAA by Fitch. Raleigh is only one of a very few whose revenue bonds are rated at such a high level. There is good reason to believe that such ratings will continue into the foreseeable future.

Fund Balance

The undesignated General Fund balance of the city was \$47,995,455 on June 30, 2006. At this point in the fiscal year, the estimated undesignated General Fund balance as of June 30, 2007 is projected to be near the \$49 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 FY 2007-08 includes the appropriation of \$13 million of General

Fund undesignated fund balance expected from FY 2006-07 operations. Appropriations of this amount, which is consistent with prior years, should still allow the undesignated fund balance to be maintained at an approximate level of 14% of the FY 2007-08 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%	\$ 34,860,657	13%
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%	\$ 49,633,453	14%
2007-08	\$ 13,000,000	4%	\$ 52,435,517	14%

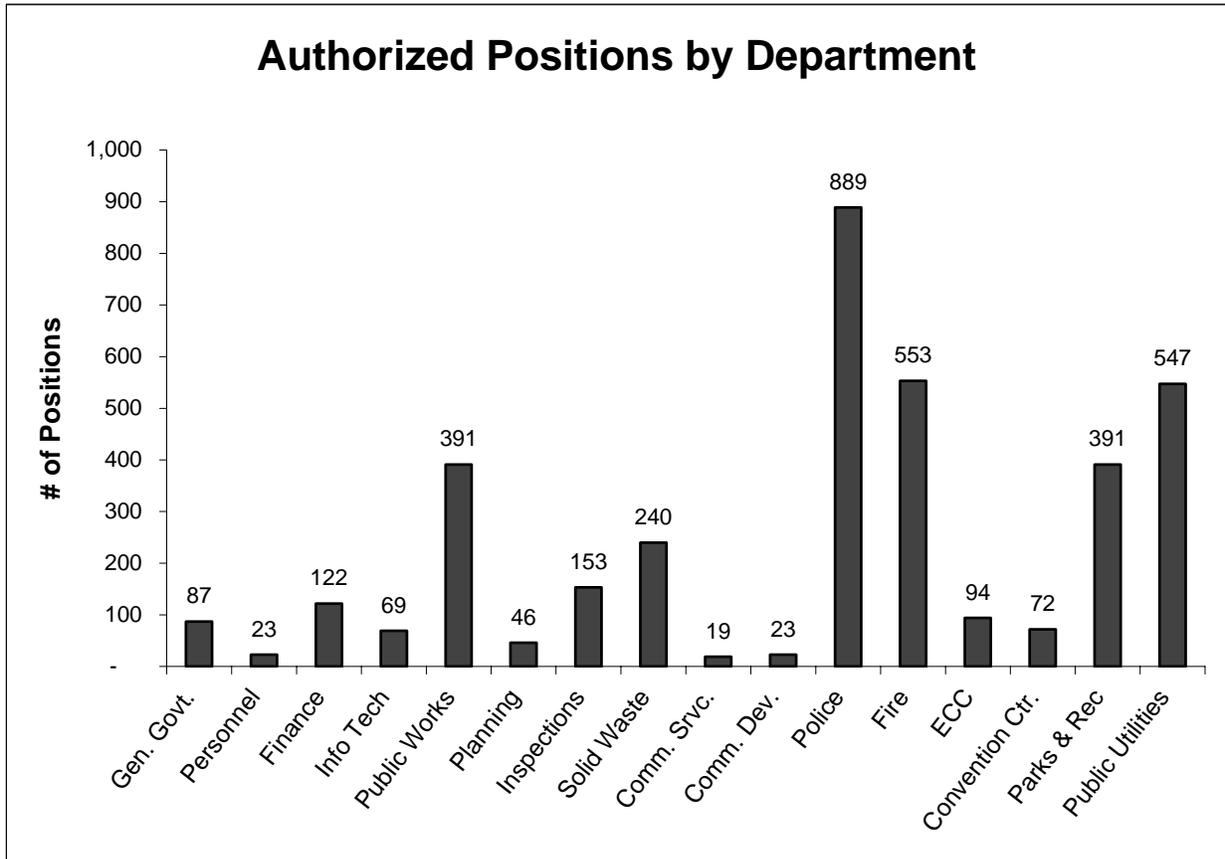
*Operating General Fund only — does not include debt service fund or other funds consolidated for financial statement purposes.

** Projected

Authorized Position Summary

	Authorized July 1, 2005		Authorized July 1, 2006		Adopted July 1, 2007	
	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	15	-	16	-	16	-
City Manager	13	-	11	-	12	-
Development Services	-	-	-	-	7	-
EPMO	1	-	1	-	-	-
Public Affairs	16	2	16	2	17	2
Arts Office	2	-	2	-	3	-
Personnel	22	-	22	-	23	-
Administrative Services	17	-	17	-	17	-
Finance	113	-	113	4	118	4
Information Technology	63	-	63	-	69	-
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Infrastructure and Public Services						
Public Works	230	124	244	132	252	139
Planning	41	-	45	-	46	-
Inspections	154	-	157	-	153	-
Solid Waste Services	199	-	193	-	240	-
Community Services	16	3	16	3	16	3
Community Development	-	21	-	22	-	23
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Public Safety						
Police	851	-	868	1	888	1
Fire	523	-	549	-	553	-
ECC	78	-	79	-	94	-
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Leisure Services						
Convention Center	-	71	-	72	-	72
Parks & Recreation	349	6	366	-	391	-
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Public Utilities						
Public Utilities	-	438	-	494	-	547
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Total	2,716	665	2,791	730	2,928	791
Total All Funds	-	3,381	-	3,521	-	3,719
Net Annual Change			75	65	137	61

Authorized Position Summary



Position Count Changes

<u>Department</u>	<u>Change</u>	<u>Position Title</u>	<u>Action</u>
City Manager	1	Emergency Management Coord	FY08 New Position
Development Services	1	Business Process Analyst	From Inspections
	1	Sr. Business Process Analyst	From Inspections
	1	Web Content Manager	From Inspections
	1	Assistant Development Srvcs Mgr	From Inspections
	1	Development Services Manager	From Planning
	1	Public Information Officer	Mid-Year Council
	1	Administrative Assistant	Mid-Year Council
EPMO	-1	Assistant IT Director	To Info Tech
Public Affairs	1	RTN Production Specialist	Mid-Year Convert
Arts Office	1	Arts Program Coordinator	FY08 New Position
Personnel	1	Benefits and Class Administrator	FY08 New Position
Finance	1	Buyer III	FY08 New Position
	1	Accountant/Auditor III	FY08 New Position
	2	Business Process Analyst	FY08 New Position
	-2	UB Customer Service Specialist	Mid-Year Council
	1	Staff Assistant	Mid-Year Council
	1	Utility Billing Field Technician	Mid-Year Council
	1	Sr. Utility Billing Field Technician	Mid-Year Council
	1	Sr. Utility Bill Cust Service Spec.	Mid-Year Council
	-1	Sr. Customer Service Rep	To Inspections
Information Tech	1	Assistant IT Director	From EPMO
	1	Telephone Systems Analyst	From Parks & Rec
	1	Operations Analyst	From Parks & Rec
	1	IT Security Manager	FY08 New Position
	1	GIS Technician	Mid-Year Convert
	1	Planning Technician	Mid-Year Convert
Public Works	1	Civil Engineer	FY08 New Position
	1	Transportation Inspector	FY08 New Position
	5	Service Worker	Mid-Year Council
	1	Equipment Operator	Mid-Year Council
	4	Lead Service Worker	Mid-Year Council
	-3	Communication Technician	To ECC
	-1	Communication Maint Supervisor	To ECC

<u>Department</u>	<u>Change</u>	<u>Position Title</u>	<u>Action</u>
Parking	1	Parking Coordinator	FY08 New Position
Transit	1	Transit Marketing Specialist	Mid-Year Council
Vehicle Fleet	1	Equipment Specification Analyst	FY08 New Position
Stormwater Mgt	1	Staff Analyst	FY08 New Position
	1	Engineering Technician	FY08 New Position
	1	Senior Conservation Engineer	FY08 New Position
	1	Stormwater Control Inspector	FY08 New Position
Planning	1	Planner II	FY08 New Position
	1	Senior Planner	Mid-Year Council
	-1	Development Services Manager	To Dev. Services
Inspections	1	Sr. Customer Services Rep	From Finance
	-1	Business Process Analyst	To Dev Sevices
	-1	Sr. Business Process Analyst	To Dev Sevices
	-1	Web Content Manager	To Dev Sevices
	-1	Asst. Inspections Director	To Dev Sevices
	-1	Sr Building Plans Examiner	To Fire
Solid Waste Services	1	Equipment Operator III	FY08 New Position
	3	Scale Operator	FY08 New Position
	1	GIS Programmer/Analyst	FY08 New Position
	1	Payroll Technician	FY08 New Position
	5	Service Worker	FY08 New Position
	24	Service Worker	Mid-Year Convert
	6	Equipment Operator III	Mid-Year Council
	6	Service Worker	Mid-Year Council
Comm Development	1	Sr. Loan Specialist	Mid-Year Council
Police	1	Senior Staff Support Specialist	FY08 New Position
	1	Staff Assistant	FY08 New Position
	1	Police Lieutenant	FY08 New Position
	14	Police Officer	FY08 New Position
	3	Police Detective I	FY08 New Position
Fire	1	Sr Building Plans Examiner	From Fire
	3	Fire Inspector III	FY08 New Position

<u>Department</u>	<u>Change</u>	<u>Position Title</u>	<u>Action</u>
ECC	3	Communication Technician	From Public Works
	1	Communication Maint Supervisor	From Public Works
	10	Telecommunicator I	FY08 New Position
	1	Public Safety Radio Specialist	Mid-Year Council
Parks and Recreation	2	Service Worker	FY08 New Position
	2	Maintenance Worker I	FY08 New Position
	1	Accounts Receivable Specialist	FY08 New Position
	2	Rec Facil & Program Supv II	FY08 New Position
	2	Recreation Program Manager	FY08 New Position
	2	Administrative Assistant	FY08 New Position
	5	Recreation Program Specialist	FY08 New Position
	5	Asst. Rec Program Specialist	FY08 New Position
	1	Parks Planner	FY08 New Position
	1	Automotive Services Technician	FY08 New Position
	1	Maintenance Mechanic III	FY08 New Position
	1	Rec Facil & Program Supv I	FY08 New Position
	2	Equipment Operator I	FY08 New Position
	-1	Telephone Systems Analyst	To Info Tech
-1	Operations Analyst	To Info Tech	
Public Utilities	1	Water Distribution Superintendent	FY08 New Position
	1	Assistant Public Utilities Director	FY08 New Position
	1	Laboratory Analyst	FY08 New Position
	2	Plant Maintenance Mechanic	FY08 New Position
	1	Water/Wastewater Treatment Mgr	FY08 New Position
	4	Equipment Operator III	FY08 New Position
	1	Utility Supervisor III	FY08 New Position
	6	Utilities Technician	FY08 New Position
	1	Motor Equipment Mechanic	FY08 New Position
	2	Lead Water Meter Mechanis	FY08 New Position
	1	Inventory Assistant	FY08 New Position
	1	Plant Maintenance Supervisor	Mid-Year Council
	2	W/S Supervisor I	Mid-Year Council
	3	Equipment Operator III	Mid-Year Council
	1	Water Conservation Specialist	Mid-Year Council
	1	W/S Supervisor III	Mid-Year Council
	1	WW Treatment Facility Manager	Mid-Year Council
	1	Senior Treatment Plant Operator	Mid-Year Council
	2	Maintenance Mechanic	Mid-Year Council
	9	Equipment Operator II	Mid-Year Council
1	Treatment Plant Operator	Mid-Year Council	
1	Senior Engineering Inspector	Mid-Year Council	
1	Environmental Monitoring Tech	Mid-Year Council	

<u>Department</u>	<u>Change</u>	<u>Position Title</u>	<u>Action</u>
Public Utilities (cont.)	1	PU Construction Project Admin	Mid-Year Council
	1	Industrial Pre-Treatment Tech	Mid-Year Council
	4	Water Meter Mechanic	Mid-Year Council
	1	Chemist	Mid-Year Council
	1	Accountant Auditor II	Mid-Year Council

Staffing Changes FY07-FY08	
Mid-Year Council Changes	62
Mid-Year Convert from PT	27
FY08 Additions	109
Net Total	198

Adopted FY 2008 Budget Staffing Changes	
Additions General Fund	82
Additions Public Utilities	21
Additions Other Funds	6

Position Classification Changes

The FY 2007-08 Budget includes the following pay grade and/or title reclassifications as well as new position classifications. The following reclassifications are based on market data, an interim review and an annual review of 1/3 of the city's job classifications.

NEW CLASSIFICATIONS

Position	Grade
Arts Program Coordinator	35
Asst. Recreation Prog. Specialist	27
Benefits and Classification Admin	42
Emergency Management Coord	39
Equipment Specification Analyst	32
Fire Investigator	FE
IT Security Manager	42
Parking Coordinator	33
Senior CD Loan Specialist	33
Sr. Multi-Trades Housing Inspctr (I)	34
Transportation Inspector Supervisor	33

GROUP CHANGES (effective August 4, 2007 for the FY2007-08 Budget)

(Classifications with more than 2 employees in which ALL employees within the class are affected by the change)

Position	Current	Grade	Position	Adopted	Grade
Budget Analyst		36	Same		37
CD Program Manager		37	Same		39
CD Program Coordinator		35	Same		36
Communications Technician		31	Same		32
Equipment Operator I		24	Same		25
Water and Sewer Supervisor I		29	Utilities Supervisor I		29
Water and Sewer Supervisor II		31	Utilities Supervisor II		31
Water and Sewer Supervisor III		32	Utilities Supervisor III		32

INDIVIDUAL CHANGES (effective August 4, 2007 for the FY2007-08 Budget)

(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)

Position	Current	Grade	Position	Adopted	Grade
<i>Administrative Services</i>					
Budget and Program Eval Manager		39	Budget Manager		42
Senior Budget Analyst (2)		37	Same		38
<i>City Manager</i>					
Assistant City Manager (2)		50	Same		51
Assistant City Manager-Admin		50	Same		51
Community Relations Admin.		35	Same		36
<i>Community Development</i>					
Community Development Director		45	Same		46
<i>Community Services</i>					
Community Services Director		44	Same		45
Community Specialist Supv.		36	Same		37
<i>Development Services</i>					
Web Content Manager		34	Same		35
<i>ECC</i>					
ECC Director		44	Same		Planner I 46
Deputy Communications Director (2)		41	Same		42
Senior Systems Administrator		37	ECC Sys Mngr		39
Communications Maint. Supv		33	Same		34
<i>Finance</i>					
Chief Financial Officer		48	Same		49
Deputy Financial Officer		44	Same		45
Accountant/Auditor II		36	Accountant/Auditor I		34
Financial Systems Administrator		35	Same		37
Financial Systems Administrator		35	UB Systems Admin		35
Payroll Administrator		34	Same		36
UB Customer Service Supv		31	Utility Field Operations Supervisor		32
Water & Sewer Supv I		29	Asst Utility Field Ops Supervisor		29
Accounts Receivable Specialist (2)		25	Same		27
<i>Fire</i>					
Fire Chief		FI	Same		48
Staff Analyst		36	Sr. Staff Analyst		37

CITY OF RALEIGH

ADOPTED BUDGET 2007-08

Current	Grade	Adopted	Grade
Position		Position	
<i>Information Technology</i>			
Chief Information Officer	47	Same	48
EPMO Director	43	Assistant IT Director	44
Assistant IT Director (3)	42	Same	44
Assistant IT Director	42	Information Technology Analyst	42
IT Manager (5)	40	Same	41
IT Manager	40	IT Business Process Analyst	37
IT Security Administrator	39	IT Network Security Admin	40
Senior Systems Administrator	37	Technical Suppt Admin	37
GIS Technician	30	GIS Analyst	32
GIS Technician	30	GIS Analyst	32
<i>Inspections</i>			
Inspections Director	45	Same	46
<i>Parks and Recreation</i>			
Parks and Rec Director	46	Same	48
Parks Superintendent	41	Same	43
Building Superintendent	41	Same	43
Recreation Superintendent	41	Same	43
Recreation Superintendent	41	Same	43
Staff Analyst	36	Sr. Staff Analyst	37
Rec Facil & Program Supv III	35	Rec Facil & Spec Proj Mngr	37
Recreation Program Manager	35	Recreation Program Director	37
P & R Safety Coordinator	33	Same	34
Volunteer Services Coordinator	31	P&R Vol Prog Coord	33
<i>Personnel</i>			
Personnel Director	45	Same	47
Deputy Personnel Director	44	Same	45
Employee Services Manager	38	Same	39
City Safety Program Administrator	36	Same	37
Workplace Healthcare Specialist	35	Same	36
Safety Specialist	34	City Safety Prog Spec	35
Personnel Technician	28	Sr. Personnel Tech	30
<i>Planning</i>			
Planning Director	45	Same	47
Assistant Planning Director	42	Deputy Planning Dir	44
Planner II	36	SERA Coordinator	36
Planner I	33	Planner II	36
Planning Technician	31	Graphic Designer	32
Planning Technician	31	Graphic Designer	32
<i>Police</i>			
Police Chief	PL	Same	49
IT Manager	40	Same	41
Public Information Officer	37	Police Information Manager	38
Strategic Planning Specialist	36	Same	37
Communications Maint. Supv.	33	RPD Radio Equip Supv	33

CITY OF RALEIGH

ADOPTED BUDGET 2007-08

Position	Current Grade	Position	Adopted Grade
<i>Public Affairs</i>			
Public Affairs Director	44	Same	45
Web Content Manager	34	Same	35
<i>Public Utilities</i>			
Public Utilities Director	47	Same	50
Assistant PU Director (2)	44	Same	45
Plants Safety Coordinator	33	Same	34
Utility Safety Coordinator	33	Same	34
Water and Sewer Supervisor III	32	Warehouse Supervisor	31
Water & Sewer Supervisor II	31	Utility Supervisor III	32
Meter Mechanic Supervisor (2)	31	Same	32
Utility Field Operations Supv	31	Same	32
Sewer Monitoring Supervisor	30	Sewer Monitoring Supervisor I	30
Sewer Monitoring Supervisor	30	Sewer Monitoring Supervisor II	31
Warehouse Supervisor	30	Asst. Utility Support Superintendent	34
Warehouse Supervisor	30	Same	31
Utilities Technician	26	Lead Utilities Tech	27
<i>Public Works</i>			
Public Works Director	47	Same	48
Staff Analyst	36	Sr. Staff Analyst	37
Welder	29	Same	30
Infrastructure Svs Supv	35	Street Services Supervisor	37
Support Services Supervisor	35	Same	37
Planning Technician	31	Planner I	33
VFS Manager	32	Vehicle Fleet Parts and Srvcs Mgr	34
VFS Superintendent	39	Same	41
Crew Supervisor (4)	30	Street Maint Supv. II	32
Assistant Crew Supervisor (4)	28	Street Maint Supv. I	29
Staff Support Specialist	25	Admin Support Specialist	27
Auto Service Technician (2)	22	Senior Auto Service Technician	25
<i>Performing Arts Center and Convention Center</i>			
RCCC Director	47	Same	49
Accounting Technician	30	Administrative Assistant	31
Assistant RCCC Director	41	Same	42
Asssitant RCCC Box Office Manager	28	Same	30
RCCC Box Office Manager	33	Same	34
RCCC Financial Business Manager	39	Same	40
RCCC House Manager	31	Same	32
RCCC Marketing Specialist	34	Same	35
RCCC Production Supervisor	32	RCCC Marketing Assistant	33
RCCC Sales Director	38	Same	40
<i>Solid Waste Services</i>			
Solid Waste Services Director	45	Same	46
Assistant SWS Director	40	Same	41
Recycling Program Coordinator	33	Waste Reduction Specialist	33

Pay Table Changes

The FY 2007-08 Budget includes the following changes to the city's pay tables:

General Pay Table

1. For grades 20 - 47: Increase minimum rates by 5% and maximum rates by 1.5%.
2. For grades 48-50: Do not adjust the minimum rates, but increase the maximum rates to provide a 62% spread from minimum to maximum (to align with 2003 pay and class study).
3. Add pay grade 51 to be 5% above the current minimum rate of pay grade 50.

Exceptional Pay Table

1. For pay ranges CA through CG and MA, TA, and TB: Increase the minimum rates by 5% and the maximum rates by 1.5%.
2. For pay grades PA through PJ and PM: Increase both the minimum and maximum rates by 1.5%.
3. Pay grade PK: Increase both the minimum and maximum rates by 5%.
4. Delete pay grade PL.
5. For pay grades FA through FG and FR through FV: Increase the minimum rates by 2.75% and the maximum rates by 1.5%.
6. Pay grade FH: Increase both the minimum and maximum rates by 5%.
7. Delete pay grade FI

Temporary Classification Pay Table

Increase the minimum rates for temporary, classified positions by 9% annually over the next four years to align these temporary classifications with their permanent classification counterparts. This will improve internal equity and enhance recruitment. The increase only will affect employees whose current hourly rate is below the new minimum hourly rate. Because this change only applies to temporary, classified positions, the budgetary impact is minimal and has been incorporated into the budget.

Revenue Summary

	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHG FY07 to FY08
OPERATING FUNDS				
100 General Fund	\$ 283,234,991	\$ 315,787,516	\$ 343,672,081	8.8%
110 Economic Development Fund	840,000	1,026,562	1,021,500	(0.5%)
120 Revenue & Special Facil Fund	-	-	-	0.0%
310 Public Utilities Fund	93,482,353	100,726,561	128,373,042	27.4%
460 Stormwater Utility Fund	11,133,766	12,537,796	15,501,984	23.6%
642 Convention Center Operations Fd	18,831,322	23,359,951	18,980,504	(18.7%)
SUBTOTAL	\$ 407,522,432	\$ 453,438,386	\$ 507,549,111	11.9%
CATEGORICAL PROGRAM FUNDS				
130 Revolving Fund	\$ 6,497,687	\$ 6,465,289	\$ 7,723,909	19.5%
140 Hotel/Motel Tax Fund	680,000	680,000	680,000	0.0%
410 Public Transit Fund	13,862,171	17,011,255	18,085,921	6.3%
442 Parking Facilities Fund - Operating	6,716,318	7,520,643	9,550,745	27.0%
711 Wireless 9-1-1- Tax Fund	-	-	239,666	
Housing Development Funds	1,336,367	1,446,892	1,527,386	5.6%
Community Development Funds	5,424,742	5,439,239	5,676,348	4.4%
SUBTOTAL	\$ 34,517,285	\$ 38,563,318	\$ 43,483,975	12.8%
CAPITAL DEBT SERVICE FUNDS				
190 General Debt Service Fund	\$ 24,214,488	\$ 30,480,998	\$ 29,798,411	(2.2%)
315 Utility Debt Service Fund	19,839,999	30,132,052	34,489,769	14.5%
444 Parking Debt Service Fund	5,317,003	5,737,706	6,629,736	15.5%
644 New Conv Center Debt Service Fd	10,566,000	10,334,084	10,322,854	(0.1%)
SUBTOTAL	\$ 59,937,490	\$ 76,684,840	\$ 81,240,770	5.9%
CAPITAL PROJECT FUNDS				
320 Water Capital Projects Fund	\$ 2,425,000	\$ 2,900,000	\$ 3,900,000	34.5%
325 Sewer Capital Projects Fund	3,650,000	3,175,000	4,750,000	49.6%
346 Water Revenue Bond Fund 2001	-	-	-	
446 Parking Facilities Fund - Projects	270,000	675,000	2,007,000	197.3%
470 Stormwater Utility Cap Proj Fund	6,247,000	6,852,000	6,317,300	(7.8%)
501 Technology Fund	2,250,000	2,100,000	2,000,000	(4.8%)
505 Capital Projects Fund	6,016,700	9,493,000	4,935,391	(48.0%)
515 Sidewalk Fund	735,000	859,800	1,033,800	20.2%
525 Street Improvement Fund	9,217,681	8,064,510	12,210,991	51.4%
545 Street Facility Fees Fund	2,806,000	3,060,000	4,146,680	35.5%
610 Park Acq -- Facility Fees Fund	1,820,000	2,002,000	2,614,648	30.6%
625 Park Improvement Fund	3,048,000	3,501,667	4,490,505	28.2%
646 Conv Ctr/Mem Aud Project Fund	300,000	200,000	300,000	50.0%
650 Walnut Creek Amphitheater Capital Fun	320,000	334,000	368,000	10.2%
655 Stormwater Projects Fund	-	1,400,000	-	
700 Powell Bill Fund	10,446,000	9,382,520	9,799,660	4.4%
715 Convention Center Financing Fund	8,637,766	9,502,752	10,400,632	9.4%
720 Housing Bond Fund 6/96	400,000	1,875,000	1,600,000	(14.7%)
816 Disaster Recovery Fund	974,000	-	-	
SUBTOTAL	\$ 59,563,147	\$ 65,377,249	\$ 70,874,607	8.4%
TOTAL ALL FUNDS	\$ 561,540,354	\$ 634,063,793	\$ 703,148,463	10.9%
LESS: Interfund Transfers	(104,104,000)	(120,425,060)	(146,081,874)	
NET OPERATING & CAPITAL BUDGET	457,436,354	513,638,733	557,066,589	8.5%

Revenue Estimates

The revenue estimates for the FY 2007-08 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 \$151,549,595

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 seven years along with projections for the current and following year in thousands of dollars.

(in thousands of dollars)

<u>FY</u>	<u>Gross Tax Value</u>	<u>Growth Rate</u>
99-00	17,008,260	5.8%
00-01	25,629,176	**50.7%
01-02	26,772,410	4.5%
02-03	28,187,871	5.3%
03-04	29,380,152	4.2%
04-05	30,669,500	4.4%
05-06	32,216,124	5.0%
06-07 (Projected)	33,252,097	3.2%
07-08 (Projected)	34,916,832	5.0%
<i>** Revaluation year</i>		

Projected tax base components for FY 07-08 compared with the projected final FY 06-07 amounts in thousands of dollars are as follows:

(in thousands of dollars)

	<u>Projected FY 06-07</u>	<u>Projected FY 07-08</u>	<u>Percent of Change</u>
Real	\$27,555,316	28,918,310	5.0%
Personal	4,982,737	5,331,616	7.0%
State Certified	714,044	666,906	(6.6%)
Totals	<u>\$33,252,097</u>	<u>\$34,916,832</u>	<u>5.0%</u>

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

1. Real Property Values: The FY 07-08 projected real property tax base of land, buildings and residences reflects a net growth factor of 5.0% based upon continuing growth and new annexations effective June 30, 2007.
2. Personal Property Values: This category includes business personal property and all re-licensed motor vehicles that are taxed under state law enacted in FY 93-94.
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 CP&L, Southern Bell, CSX Railroad, freight carriers, etc. The projected value for FY 07-08 is \$666,906,779.

Ad Valorem Tax Revenue - Current

The ad valorem tax revenue estimate represents a tax rate of \$.435, applied to the projected net tax base of \$34,916,833,332 with a collection rate of 98% and adjusted for estimated rebates, for an estimated total of \$148,850,430.

Municipal Service Districts – Ad Valorem Tax

The budget includes the consolidation of two Municipal Service Districts in the downtown area into one district with an additional tax rate of \$.0786 per \$100 of assessed property value. The estimated total for the consolidated service district is \$599,165.

Ad Valorem Tax - Prior Years

The city receives back-taxes and penalties for collections on prior year levies. For FY 07-08, the anticipated total is \$2,100,000.

B. Intergovernmental Revenues \$23,991,792

North Carolina Franchise Tax

This 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 FY 99-00; and (3) a sales tax on telecommunication services begun in 2001 that replaced the utility franchise tax on local telephone service. A 6% franchise tax is levied by the state with 3% 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 FY 07-08 revenue estimate of \$18,700,000 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 FY 95-96, real growth has remained very moderate. A budget projection of \$1,400,000 is estimated for FY 07-08.

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. Our estimate for FY 07-08 is \$919,000.

North Carolina Fire Reimbursement

The State reimburses a portion of the cost of providing fire protection to state-owned property. In FY 97-98, the legislature approved an increase from the previous \$296,320 to an annual total of \$1,146,382.

Payments in Lieu of Taxes

The city budgets payments in lieu of taxes from the Raleigh Housing Authority (\$171,725) and the Raleigh Entertainment and Sports Arena Complex (\$804,743). The total for FY 07-08 is \$878,088.

Other Intergovernmental Revenues

The city receives annual revenues from Wake County for the Hazmat, School Resource Officers, EMT, and Interlocal Agreement Support, and from the Federal Government for forfeitures. Those intergovernmental revenues for FY 07-08 are projected at \$849,942.

C. Sales Tax \$67,279,550

Local Option Sales Tax (1 cent)

The Local Option Sales tax is distributed to each county on the basis of point of sale 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 FY 07-08 of \$31,895,902 is budgeted.

Supplemental Sales Tax (Two ½ cents)

The Wake County Commissioners authorized the assessment of the supplemental (half-cent) sales tax beginning July 1, 1984. A second half-cent was levied October, 1986. These two half-cent sales taxes are collected by the state and remitted to counties and cities on a statewide population basis, rather than point of sale. The different distribution basis accounts for the variance in the revenue estimates for the supplemental sales tax amount versus the one cent allocation. Our estimate for FY 07-08 is \$22,844,152.

The following is a chart reflecting amounts of local and supplemental sales tax received for the last seven years plus current projected.

<u>Fiscal Year</u>	<u>Amount Received</u>	<u>% of Change</u>
99-00	40,598,796	3.3%
00-01	42,521,655	4.7%
01-02	40,363,564	-5.1%
02-03	38,333,336	-5.0%
03-04	44,882,608	10.6%
04-05	45,593,202	1.5%
05-06	50,027,581	9.7%
06-07 (Projected)	52,634,667	5.2%
07-08 (Projected)	54,740,054	4.0%

Economic conditions, new rules on the situs of sales tax, and growing internet sales volumes will have an impact on amounts paid.

New Sales Tax in Lieu of Reimbursements (½ cent)

The Wake County Commissioners authorized the assessment of a new (half-cent) sales tax beginning December 1, 2002. The sales tax was enacted by the state to provide a replacement for the State’s reimbursements to the city. The half-cent sales tax is collected by the state and remitted to counties and cities on both a statewide population and point of sale basis. Our estimate for FY 07-08 is \$12,539,496.

D. Licenses \$15,735,000

Automobile License Tax

The state legislature has authorized an automobile license tax of \$20 per vehicle. This tax is expected to generate total collections of \$5,094,000 for FY 07-08.

Cablevision Franchise

Recent deregulation of the cable industry essentially ended the franchise fee and Public Educational Government (PEG) fee structure on December 31, 2006. These fees have now been replaced with a sales tax fee on cable, and video services. Due to the uncertainty surrounding the new fee structure, we will need to be conservative with our revenue estimates and monitor this item closely. Our projection of the franchise fee is \$3,900,000 for FY 07-08.

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 ten thousand dollars (\$10,000). Based on collection trends a combined total of \$6,700,000 is projected for FY 07-08.

Other Licenses

The city collects various other licenses such as dog/cat tags and regulatory licenses. The estimated amount for FY 07-08 is \$41,000.

E. Interest on Investments \$5,019,360

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. An amount of \$5,019,360 is estimated for FY 07-08.

F. Inspection Fees \$10,990,415

The activity in inspection fees goes through cycles that are connected to the economy, trends in general building levels and fee increases. Our projection for inspection fees is \$10,990,415 for FY 07-08.

G. Highway Maintenance Refunds \$1,065,000

The State of North Carolina reimburses the city for road maintenance work done on state-maintained streets. This work is done by the Street Maintenance and Parks Divisions. Levels of reimbursement are based upon state available money. The annual level of support for FY 07-08 is projected at \$1,065,000.

H. Solid Waste Revenues \$17,280,218

Residential Solid Waste Fees

The current solid waste fee is \$7.00 per month. In addition, a monthly residential recycling fee of \$1.30 is charged. The FY07-08 estimate is based on increasing the solid waste fee by an additional \$2.00 per month for a combined monthly fee of \$10.30 per month. The estimate for FY07-08 is \$15,628,600.

Drop Off and Curb Side Recycling

The city has negotiated a new recycling contract to be effective July 1, 2006. This contract is structured differently than the previous contract and yields lower revenues, however, the offset is an anticipated reduction in labor costs due to longer route length. These revenues are also market sensitive based upon ongoing market prices for recyclable materials. The estimate for FY 07-08 based on current market prices is \$580,000.

Transfer Station Tipping Fee

The City will begin operating a solid waste transfer station in FY 07-08. The transfer station will be utilized by the City of Raleigh and other haulers as a temporary deposit point for solid waste that will be transported via contractors to the Wake County landfill located in Holly Springs. The City will collect a fee based on tonnage to offset the operational cost of the facility. At this time, the fee has been set at \$10 per ton. The revenue estimate for FY 07-08 is \$448,098.

Other Miscellaneous Solid Waste Accounts

Other solid waste revenue accounts are yard waste tip fees (\$265,220), yard waste sales (\$105,000), tax exempt collection fees (\$50,000), additional container fees (\$51,500), landfill gas recovery (\$150,000), and miscellaneous fees (\$1,800).

I. Parks and Recreation Revenues \$4,372,549

The city collects various athletic fees, community center program fees, and other revenues in the General Fund. An estimated total of \$4,372,549 is projected for FY 07-08 based on historical trends.

J. Public Works Fees \$760,600

The city collects various fees for engineering inspections and permits. An estimated total of \$760,600 is projected for FY 07-08 for these revenues.

K. Penalty Revenues \$182,400

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 \$182,400 is projected for FY 07-08.

L. Miscellaneous Fees and Charges \$7,243,287

A variety of other revenues are shown within the miscellaneous fees and charges. These include ECC support from Wake County (\$2,294,398), proceeds from the safe light program (\$902,029), and miscellaneous income (\$900,000). The total estimated for all accounts for FY 07-08 is \$7,243,287.

M. Transfers from Other Funds \$8,384,266

Appropriations include annual transfers in from the Powell Bill Fund and Hotel/Motel Tax Fund, as well as indirect cost transfers from Print Services, Vehicle Fleet Services, and Community Block Grant Funds. The total for FY 07-08 is \$8,384,266.

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

The appropriation from Fund Balance for FY 07-08 is \$13,000,000. Such appropriations result from the expected budget variances from operating results for FY 06-07 and appropriation of other available reserves. This level is considered available for appropriation in FY 07-08 without adversely affecting the city's financial position, which is critical to the maintenance of the city's AAA/Aaa credit ratings.

O. Reimbursements from Utility Fund \$12,805,504

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 FY 07-08 is \$12,805,504.

P. Reimbursements from Stormwater Fund \$4,012,545

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 FY 07-08 is \$4,012,545.

Total Fund 100 General Fund \$343,672,081

FUND 110 ECONOMIC DEVELOPMENT FUND**A. Transfers & Other Revenues \$1,021,500**

Transfers from the General Fund and the Utility Operating Fund and appropriation of fund balance constitute the major funding sources for the Economic Development Fund.

Total Fund 110 Economic Development Fund \$1,021,500

FUND 310 UTILITY OPERATING FUND**A. Utility Sales \$105,427,766**

The primary revenues from sales of water and waste water service are projected using a growth rate of approximately 3% over FY 06-07 expected results, and a 9% water and waste water rate increase to provide adequate funding for ongoing operations and investments in capital assets. 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 FY 07-08 are projected at \$89,328,168. Another \$16,099,598 is projected from wholesale customers and for other utility services.

B. Other Revenues \$22,945,276

The city also projects other non-operating revenues such as interest income (\$3,410,276) and operating reserve (\$19,135,000). The total other revenues for FY 07-08 are estimated at \$22,945,276.

Total Fund 310 Utility Operating Fund \$128,373,042

FUND 460 STORMWATER OPERATING FUND

A. Fees \$13,866,175

The city began collecting fees for stormwater services in the spring of 2004. The total revenues generated from the fees in FY 07-08 are estimated at \$13,866,175.

B. Other Revenues \$1,635,809

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 \$15,501,984

FUND 642 CONVENTION CENTER OPERATIONS FUND

A. Convention Center Fees and Charges \$15,352,727

A variety of fees and charges associated with the revenue generating facilities of the convention center program are used to recover a major portion of the expenses incurred by the various revenue producing operations. Such fees, estimated at \$15,292,727 for FY 07-08 include sources such as facility fees, staff services, and box office services.

B. Transfers from Other Funds \$2,627,777

Annual appropriations from the General Fund and Convention Center Financing Fund provide approximately 13% 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 \$18,980,504

TOTAL OPERATING FUNDS \$507,549,111

II. CATEGORICAL PROGRAM FUNDS

FUND 130 REVOLVING FUND

A. Fees, Sales & Other Misc. Revenues \$5,236,304

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 \$5,236,304 for FY 07-08. While most of the Revolving Fund activities are recreational in nature, others that receive self-supporting fees and sales include community television promotions and convention street plaza activities.

B. Appropriation of Prior Year Revenues \$2,487,605

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 FY 07-08 is \$2,487,605.

Total Fund 130 Revolving Fund \$7,723,909

FUND 140 HOTEL/MOTEL TAX FUND**A. Room/Food Taxes and Other Revenue \$680,000**

A 6% occupancy tax and a 1% prepared foods tax, both levied by the Wake County Board of Commissioners, are restricted for various statutory distributions, such as the Raleigh Convention and Visitors Bureau, as well as for special projects agreed upon by the County Board of Commissioners and the Raleigh City Council. All of the funds are held in an interest-bearing trust fund at Wake County and distributed according to the statute and to an interlocal agreement between the city and the county. All excess funds that accrue can be used only according to plans approved by the Council and the Board of Commissioners. The city expects to receive \$680,000 in FY 07-08 from a "holdback" allocation. All other room and food taxes are retained in the trust fund until project drawdowns are made.

Total Fund 140 Hotel/Motel Tax Fund \$680,000

FUND 410 PUBLIC TRANSIT FUND**A. Passenger Revenues \$2,902,134**

Estimated farebox revenues (\$2,358,228) and passenger ART ticket purchases (\$543,906) constitute 16% of budgeted operating activities for the two programs in FY 07-08.

B. State Grant \$2,000,000

State grant funding (\$2,000,000) constitutes 11% of funded transit operating activities for FY 07-08.

C. Transfers from Other Funds \$12,798,787

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 \$385,000

Several revenue sources including advertising revenues (\$75,000), prior year revenues available for appropriation (\$300,000) and other miscellaneous receipts (\$10,000) provide supplemental funding for the transit operation in FY 07-08.

Total Fund 410 Public Transit Fund \$18,085,921

FUND 442 PARKING FACILITIES OPERATING FUND**A. Parking Fees \$5,017,346**

Parking fees at city-owned parking facilities are estimated at 5,017,346 for FY 07-08. The amounts are based upon fee adjustments and terms of the combined parking management contract.

B. Other Revenues \$4,533,399

Other revenues of the parking facilities fund for FY 07-08 include parking violation penalties (\$1,483,000), transfers from other funds (\$1,466,535), appropriation of prior year revenues (\$1,503,864) and other miscellaneous sources (\$80,000).

Total Fund 442 Parking Facilities \$9,550,745

FUND 711 Wireless 9-1-1 Tax Fund

A. Wireless Fees \$239,666

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.

Total Fund 711 Wireless 9-1-1-Fund \$239,666

FUND 735 - 736 HOUSING DEVELOPMENT FUNDS

A. Transfers from Other Funds \$756,384

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

B. Other Revenues \$771,002

Other revenues include appropriation of prior year revenues, interest income and various program income generated in the housing program.

Total 735-736 Housing Development Funds \$1,527,386

FUND 741 - 781 COMMUNITY DEVELOPMENT FUNDS

A. Federal Grants \$3,784,980

Federal grants make up the majority of revenues for the Community Development programs. Funding includes the CDBG Block Grant (\$2,449,077) and HOME Grant (\$1,335,903).

B. State Grants \$76,000

The city will receive the NCHFA Job Training Grant (\$76,000).

C. Other Revenues \$1,815,368

Other Revenues in the Community Development Fund include program income (\$1,815,368).

Total 741-781 Community Development Funds \$5,676,348

TOTAL CATEGORICAL PROGRAM FUNDS \$43,483,975

III. CAPITAL DEBT SERVICE FUNDS

FUND 190 GENERAL DEBT SERVICE FUND

A. Transfers from Other Funds \$28,164,116

The major source of revenue for making the FY 07-08 annual debt service payments on obligations of the city is the General Fund (\$27,100,000). Other funds having direct benefit from projects financed

with general long-term resources also make annual contributions (\$1,064,116) to the debt service fund.

B. Other Revenues \$1,634,295

Other revenues used to fund the annual debt service program include rent from the Walnut Creek Amphitheater (\$1,000,000) and interest income (\$634,295).

Total Fund 190 General Debt Service Fund \$29,798,411

FUND 315 UTILITY DEBT SERVICE FUND

A. Transfers from Other Funds \$20,000,000

The major revenue source for the utility debt service program for FY 07-08 is the annual transfer from the Utility Operating Fund (\$20,000,000).

B. Other Revenues \$14,489,769

Other revenues funding the utility debt service program include interest income (\$1,156,066), appropriation of fund reserves (\$12,152,229), and assessments and other miscellaneous receipts (\$1,181,474).

Total Fund 315 Utility Debt Service Fund \$34,489,769

FUND 444 PARKING DEBT SERVICE FUND

A. Transfers from Other Funds \$5,020,000

The major revenue source for the parking debt service program for FY 07-08 is the annual transfer from the Parking Facilities Fund (\$5,020,000).

B. Other Revenues \$1,609,736

Other revenues funding the parking debt service program include appropriation of fund reserves (\$1,471,313) and interest income (\$138,423).

Total Fund 444 Parking Debt Service Fund \$6,629,736

FUND 644 CONVENTION CENTER DEBT SERVICE FUND

A. Other Revenues \$10,322,854

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 (\$2,039,112) and appropriation of fund reserves (\$8,283,742).

Total Fund 644 Convention Center Debt Service Fund \$10,322,854

TOTAL CAPITAL DEBT SERVICE FUNDS \$81,240,770

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 FY 07-08 Capital Projects program.

A. Powell Bill Allocation \$9,799,660

The Powell Bill revenue is a distribution of the state gasoline tax (1.75 cents per gallon) based in part on local state system street mileage and in part on population.

B. Facility Fees \$6,761,328

Estimated street facility fees (\$4,146,680) and open space facility fees (\$2,614,648) 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 \$70,874,607

TOTAL ALL FUNDS \$703,148,463

TOTAL ALL FUNDS (NET OF INTERFUND TRANSFERS) \$557,066,589

Tax Values, Rates and Collections

(In Thousands of Dollars)

Fiscal Year Ended <u>30-Jun</u>	Year of <u>Levy</u>	Appraised/ Assessed Values	% Chg	Tax Rates	Gross Levy	Gross Collected Current	% Collected Current	Collected Prior Years	Total Collected	% Total Collected to Current Levy
1997	1996	14,436,011	6.3%	0.5375	77,941	76,050	97.6%	803	76,853	98.6%
1998	1997	15,328,441	6.2%	0.5375	82,602	80,681	97.7%	1,706	82,387	99.7%
1999	1998	16,068,479	4.8%	0.5250	84,576	82,600	97.7%	1,746	84,346	99.7%
2000	1999	17,008,260	5.8%	0.5250	89,412	87,245	97.6%	1,919	89,164	99.7%
¹ 2001	2000	25,629,176	50.7%	0.3850	98,016	95,868	97.8%	1,918	97,786	99.8%
2002	2001	26,772,410	4.5%	0.3850	103,396	101,218	97.9%	1,898	103,116	99.7%
2003	2002	28,187,871	5.3%	0.3850	109,099	106,645	97.8%	2,169	108,814	99.7%
2004	2003	29,380,152	4.2%	0.3850	113,861	111,949	98.3%	1,616	113,565	99.7%
² 2005	2004	30,669,500	4.4%	0.3950	121,770	119,880	98.4%	1,487	121,367	99.7%
² 2006	2005	32,216,124	5.0%	0.3950	127,767	125,745	98.4%	0	125,745	98.4%
² 2007	2006	33,252,097	3.2%	0.4350	144,647	141,754	98.0%	0	141,754	98.0%
2008	2007	34,916,832	5.0%	0.4350	151,888	148,850	98.0%	0	148,850	98.0%

1 - Revaluation year

2 - Projected

City Council

The City Council is Raleigh's governing body, consisting of eight citizens elected to serve two-year terms. 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 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) 890-3070, or via email at russell.allen@ci.raleigh.nc.us

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	8	8	8	8	0
DIRECT EXPENDITURES	\$ 163,047	\$ 164,839	\$ 175,212	\$ 168,932	(3.6%)
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 97,800	\$ 99,470	\$ 99,470	\$ 99,470	0.0%
Employee Benefits	6,747	7,609	6,747	6,747	0.0%
Operating Expenditures	58,500	57,760	61,995	62,715	1.2%
Capital Equip - Replacement	-	-	7,000	-	(100.0%)
TOTAL	\$ 163,047	\$ 164,839	\$ 175,212	\$ 168,932	(3.6%)

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 clerical and 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) 890-3040, or via email at gail.smith@ci.raleigh.nc.us

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	6	5	5	5	0
DIRECT EXPENDITURES	\$ 516,587	\$ 412,578	\$ 436,392	\$ 494,403	13.3%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 296,493	\$ 262,419	\$ 273,946	\$ 305,602	11.6%
Employee Benefits	67,314	56,264	63,493	72,901	14.8%
Operating Expenditures	152,780	93,895	91,953	115,900	26.0%
Capital Equip - Replacement	-	-	7,000	-	(100.0%)
TOTAL	\$ 516,587	\$ 412,578	\$ 436,392	\$ 494,403	13.3%

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 legal programs, represents and advocates the city's legal interests, 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 via email at tom.mccormick@ci.raleigh.nc.us

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	11	15	16	16	0
DIRECT EXPENDITURES	\$ 1,289,499	\$ 1,537,674	\$ 1,785,273	\$ 1,891,768	6.0%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 953,679	\$ 1,124,227	\$ 1,324,746	\$ 1,407,575	6.3%
Employee Benefits	177,570	222,177	275,652	294,303	6.8%
Operating Expenditures	158,250	187,220	183,375	189,890	3.6%
Capital Equip - Replacement	-	4,050	1,500	-	(100.0%)
TOTAL	\$ 1,289,499	\$ 1,537,674	\$ 1,785,273	\$ 1,891,768	6.0%

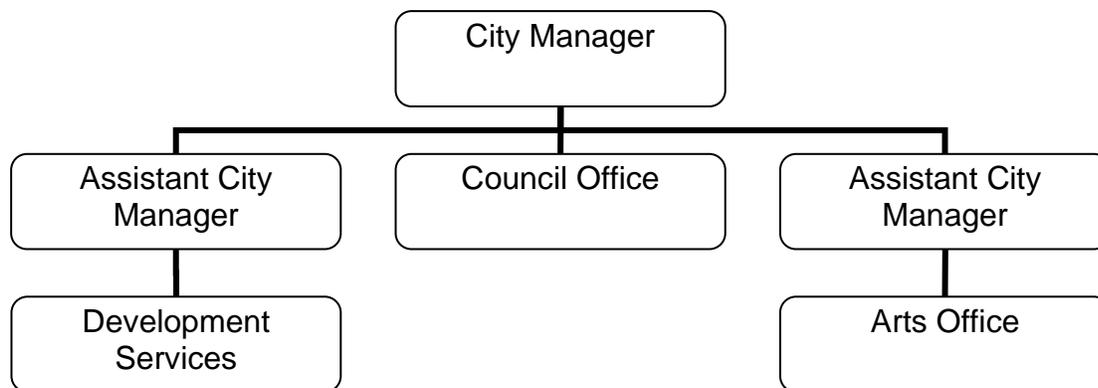
City Manager

The City Manager's Office is the administrative center of the City of Raleigh's organization. In addition to the coordination and oversight of activities of all city departments, the City Manager's office also provides direct staff assistance to the City Council and Council committees, leads the financial and budget management process for the city and directs the city's efforts to plan for the future. The City Manager's office is responsible for the activities of the Arts Office, the Community Relations Administrator, and the Development Services Division, which provides cross-departmental management for the City's land development approval and inspections services. Also, much of the city's interaction with federal and state agencies and other outside organizations 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) 890-3070 or via email at russell.allen@ci.raleigh.nc.us.

Mission

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



Accomplishments (July 2006 – June 2007)

- Established Development Services Division.
- Organized the initial Mid Eastern Athletic Conference (MEAC) basketball tournament at the RBC Center.
- Enhanced project management capacity in technology, resulting in savings of over \$250,000 on specific projects in Public Utilities, Police, and Public Affairs.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
City Manager	13	13	11	12	1
Development Services	0	0	0	7	7
EPMO	1	1	1	0	(1)
Arts Office	2	2	2	3	1
TOTAL	16	16	14	22	8
DIRECT EXPENDITURES BY DIVISION					
City Manager	\$ 1,302,745	\$ 1,367,599	\$ 1,275,113	\$ 1,502,531	17.8%
Development Services	-	-	-	1,010,792	
EPMO	279,615	259,647	297,770	-	(100.0%)
Arts Office	162,939	148,655	155,184	227,431	46.6%
TOTAL	\$ 1,745,299	\$ 1,775,901	\$ 1,728,067	\$ 2,740,754	58.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 1,067,574	\$ 1,101,406	\$ 1,059,260	\$ 1,687,626	59.3%
Employee Benefits	230,720	242,369	241,260	396,704	64.4%
Operating Expenditures	439,505	427,626	424,347	629,699	48.4%
Operating Expenditures	-	-	-	8,000	
Capital Equip - New	7,500	4,500	3,200	17,725	453.9%
Capital Equip - Replacement	-	-	-	1,000	
TOTAL	\$ 1,745,299	\$ 1,775,901	\$ 1,728,067	\$ 2,740,754	58.6%

Highlighted Budget Changes (July 2007 – June 2008)

- Transfer of EPMO to Information Technology Department.
- Addition of Emergency Management Coordinator position.

Administrative Services

The Administrative Services Department coordinates the development of the city operating budget and Capital Improvement Program, provides real estate services related to the acquisition of real property for city purposes, and facilitates the development of minority and women-owned business enterprises.

Additional information regarding the Administrative Services Department may be obtained by contacting Julian Prosser, Assistant City Manager, at (919) 890-3840 or via email at julian.prosser@ci.raleigh.nc.us.

Mission

The Department of Administrative Service provides assistance to other City of Raleigh departments for the delivery of quality services to the public and for the accomplishment of their missions more efficiently and effectively by providing financial management, real estate services, and the development of minority- and women-owned business enterprises (MWBE). The real estate section strives to acquire the necessary real property rights needed for authorized city functions in such a manner that, not only are the city's taxpayers well served, but the sellers feel that they have been treated fairly and courteously by their city.

Accomplishments (July 2006 – June 2007)

- Agreement for joint acquisition with Wake County of 215.82 acres, located north of Falls Lake Reservoir, for \$4,960,000.
- Acquisition of land and improvements totaling 49.74 located on Old Baucom Road for \$1,003,500 for addition to the Neuse River Waste Water Treatment Plant operational facilities.
- Negotiation and completion of a restaurant lease agreement for 9,193 square feet in the One Exchange Plaza Building for a period of 9 years 11 months.
- The MWBE Program certified 102 businesses and formulated an inter-local agreement with Wake County Public School System (WCPSS) to assist with their MWBE's efforts.
- The Budget Office served as staff support for a number of projects and committees over the course of the past year, including the Environmental Advisory Board, the Law and Public Safety Committees, the Benefits and Space Needs Committees, the Budget Advisory, Gain-sharing, and Business Team Committees, and the Business Continuity and Telework projects.
- Continued the redesign of both the Proposed and Adopted Budget documents.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	17	17	17	17	0
DIRECT EXPENDITURES	\$ 1,440,445	\$ 1,379,079	\$ 1,426,380	\$ 1,549,166	8.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 1,084,931	\$ 1,028,301	\$ 1,056,488	\$ 1,148,976	8.8%
Employee Benefits	220,246	218,776	242,137	269,585	11.3%
Operating Expenditures	135,268	132,002	127,755	130,605	2.2%
TOTAL	\$ 1,440,445	\$ 1,379,079	\$ 1,426,380	\$ 1,549,166	8.6%

Highlighted Budget Changes (July 2007 – June 2008)

- Part-time position added to work with Environmental Advisory Board and other tasks as assigned by director.

Goals and Objectives

Goal: To extend the community outreach component of the City of Raleigh MWBE Program (making the community aware of the City’s MWBE Program/Loan Pool Program, Downtown Raleigh Loan Program and WCPS construction opportunities).

Objective: Conduct two expos within the fiscal year. This is to be conducted as a joint effort with the Wake County Public School System and hopefully will include Wake County Government.

Objective: To partner with the Raleigh Small Business & Technology Center in an effort to develop a class to educate small businesses on the fundamentals of operation.

Goal: Budget information will be made available to internal and external decision makers.

Objective: The final Budget Document will be prepared and made available to the public within 45 days of adoption.

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 Council by the Raleigh Arts Commission; human service agency funding requests are recommended by the Human Relations Commission; and other agency category requests are those that do not fit into either the arts agency or human service agency funding categories or they are funded through Council action during budget deliberations. Most agencies included in the "other" category are reviewed by the Assistant City Manager of Operations and the Budget Office. An annual subsidy to the Accessible Raleigh Transportation (ART) program, which provides transportation services to disabled city residents, is also included under interfund expenditures in this organization. A detailed listing of the funding granted for arts, human service, and other external agencies appears on the following pages.

The increase in the Agency Appropriations budget reflects the corresponding increase to the annual Arts Appropriation, which is based on a per capita funding formula. Included in the budget is an increase in the arts funding per capita from \$3.50 to \$4.00. An increase in the appropriation to the Accessible Raleigh Transportation program is also reflected in this organization.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2005-06 TO <u>2006-07</u>
DIRECT EXPENDITURES	\$ 4,919,385	\$ 5,480,182	\$ 6,238,561	\$ 7,465,163	19.7%
DIRECT EXPENDITURES BY TYPE					
Arts Appropriations	\$ 1,159,420	\$ 1,226,080	\$ 1,331,679	\$ 1,533,500	15.2%
Human Services Appropriations	555,000	602,500	737,000	724,000	(1.8%)
Other Appropriations	736,100	632,450	730,264	976,600	33.7%
Interfund Expenditure	2,468,865	3,019,152	3,439,618	4,231,063	23.0%
TOTAL	\$ 4,919,385	\$ 5,480,182	\$ 6,238,561	\$ 7,465,163	19.7%

Agency Appropriations

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
ARTS APPROPRIATIONS					
Arts Access	\$ 9,500	\$ 9,000	\$ 9,000	\$ 6,900	
Arts Commission Programs	121,620	115,138	119,768	138,616	
Arts Together	40,000	40,000	40,000	36,550	
Artspace	197,000	95,000	100,000	95,000	
Artsposure	100,000	105,000	114,500	120,000	
Carolina Ballet Theatre	150,000	172,000	250,000	250,000	
Raleigh Chamber Music Guild	15,000	17,500	20,000	28,750	
Greater Raleigh Community Music School	37,000	47,000	47,000	37,474	
International Focus	40,000	40,000	40,000	25,000	
North Carolina Theatre	23,000	26,500	36,500	51,250	
Pinecone	50,000	49,693	52,500	50,000	
Even Exchange	11,000	11,000	11,000	11,000	
Raleigh Boy Choir	7,500	8,000	12,546	17,000	
Raleigh Ensemble Players	38,500	50,000	52,000	36,800	
Raleigh Little Theatre	70,200	68,000	82,615	77,100	
N.C. Master Chorale	32,500	28,500	29,000	38,000	
Raleigh Symphony Orchestra	25,000	27,000	29,000	38,000	
Raleigh Civic Symphony & Chamber Orchestra	12,000	13,000	15,000	13,440	
Theatre in the Park	34,600	32,000	34,250	36,600	
Visual Art Exchange	42,000	42,000	47,000	51,000	
Burning Coal Theatre	50,000	53,000	55,000	59,250	
Opera Company of North Carolina	40,000	50,000	65,000	85,000	
Classical Voice of North Carolina	4,000	6,500	6,500	8,970	
Raleigh Dance Theatre	-	1,250	-	-	
Nuv Yug Cultural Organization	9,000	13,999	14,000	10,000	
El Pueblo, Inc.	-	3,000	-	-	
North Carolina Wind Orchestra	-	5,000	6,500	5,100	
Capital Opera Raleigh	-	-	23,000	25,700	
Raleigh Civic Ventures	-	-	-	3,000	
Shaw University	-	-	20,000	-	
Arts Funding Reserve	-	97,000	-	178,000	
SUBTOTAL	\$ 1,159,420	\$ 1,226,080	\$ 1,331,679	\$ 1,533,500	15.2%

Agency Appropriations

Budget Detail (continued)

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
HUMAN SERVICES APPROPRIATIONS					
AIDS Service Agency	\$ 8,000	\$ 10,940	\$ 10,940	\$ 10,940	
Filling in the Gaps of Wake County	8,000	8,000	8,000	8,590	
Garner Road YMCA	20,000	17,000	16,000	30,000	
Hargett Street YWCA	13,000	13,000	13,000	14,000	
Haven House	32,000	32,000	30,000	30,000	
Hopeline	4,000	861	-	-	
Hospice	25,000	28,166	25,000	25,000	
Interact	42,000	42,000	40,000	40,000	
Meals on Wheels	45,000	47,443	45,327	45,327	
Pan Lutheran Ministries	15,000	15,000	14,000	14,000	
Playspace	15,000	15,000	15,000	25,000	
Prevent Blindness of North Carolina	10,000	10,000	8,000	8,000	
Resources for Seniors	40,000	40,000	37,000	37,000	
Safechild	15,000	17,446	15,000	15,000	
Tammy Lynn Center	58,000	61,000	78,000	80,000	
Triangle Radio Reading Service	1,000	1,000	1,000	1,500	
Triangle Family Services	5,000	5,000	5,000	5,000	
Urban Ministries of Wake County	45,000	45,000	130,000	40,000	
Wake Enterprises	7,500	7,500	7,500	8,000	
Wake Interfaith Hospitality Network	19,000	21,443	20,000	20,000	
Women's Center of Wake County	24,000	24,000	20,000	20,000	
Inter-Faith Food Shuttle	30,000	65,943	36,443	77,500	
The Darius House, Inc.	20,000	20,000	19,000	18,000	
Glory to Glory Ministries	20,000	15,330	14,330	14,500	
Martin Street Community Development Corp	4,250	4,428	2,460	-	
CASA Agency	13,000	15,000	89,000	89,000	
Step Up Ministry	7,000	7,000	7,000	10,000	
Neighbor to Neighbor Ministries	-	-	3,000	3,000	
Wake Health Services	-	-	9,000	12,000	
Big Brothers/Sisters of Triangle	-	-	-	7,430	
Community Partnerships	-	-	-	2,213	
Avent West Community Development Corp	4,250	8,000	8,000	8,000	
Hilltop Home	5,000	5,000	5,000	5,000	
JRuth	-	-	3,000	-	
Raleigh Lions Clinic for the Blind	-	-	2,000	-	
SUBTOTAL	\$ 555,000	\$ 602,500	\$ 737,000	\$ 724,000	(1.8%)

Agency Appropriations

Budget Detail (continued)

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
OTHER APPROPRIATIONS					
North Carolina Symphony	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Raleigh City Museum	87,250	100,000	130,250	157,250	
SouthLight-The Awareness Outreach Program	30,850	30,850	-	60,850	
The Healing Place	55,000	50,000	50,000	100,000	
Kryan Anderson Academy	-	12,500	-	12,500	
Triangle Lost Generation Task Force	-	-	-	50,000	
Downtown Housing Improvement Corporation	120,000	120,000	120,000	120,000	
Raleigh Historic Districts Commission	51,500	51,500	51,500	51,500	
RDU Airport	12,500	12,500	12,500	12,500	
Kid's Voting	10,000	10,000	10,000	12,000	
Passage Home CDC, Inc.	25,000	93,100	92,014	105,000	
Latin American Resource Center	25,000	-	-	-	
International Affairs Council	-	-	-	20,000	
Center for Volunteer Caregiving	-	-	-	13,000	
Capital Area Preservation	150,000	-	-	-	
Legal Aid of N.C. - Raleigh Office	30,000	35,000	50,000	50,000	
Homeless Support Circles	-	-	100,000	100,000	
Keep America Beautiful	15,000	-	-	-	
La Liga de Raleigh	15,000	8,000	5,000	-	
Men of Valor	-	-	-	3,000	
Mayor's Committee for Persons w/Disabilities	9,000	9,000	9,000	9,000	
SUBTOTAL	\$ 736,100	\$ 632,450	\$ 730,264	\$ 976,600	33.7%
INTERFUND EXPENDITURES					
To Accessible Raleigh Transit	\$ 2,468,865	\$ 3,019,152	\$ 3,439,618	\$ 4,231,063	23.0%
TOTAL AGENCY APPROPRIATIONS	\$ 4,919,385	\$ 5,480,182	\$ 6,238,561	\$ 7,465,163	(1.9%)

Arts Commission Office

The Arts Commission Office provides grants, arts resources, and information to city staff, artists, arts groups, and the public. In addition, the office organizes the Miriam Block Municipal Building Art Exhibitions, coordinates public art initiatives, offers arts-related workshops (open to the public), creates and disseminates various arts publications, and produces the annual Medal of Arts Award Ceremony. The office advises and coordinates all projects and activities of the City of Raleigh Arts Commission (CORAC).

Additional information regarding the Arts Commission may be obtained by contacting June Guralnick, Executive Director, (919) 890-3610 or via email at june.guralnick@ci.raleigh.nc.us.

Mission

Serving as the official advisory body and advocate for the arts to the Raleigh City Council, the Commission's myriad activities foster, support, and promote the arts in the Capital City. Additionally, the Commission serves the city by recommending policies that proactively address challenges and opportunities in the arts community.

Accomplishments (July 2006 – June 2007)

Grants

- Arts Commission funds in the amount of \$119,768 were utilized to support arts programs and projects. The Arts Office managed these funds, as well as the distribution of grant monies to arts grantees (FY 2006-07 total grant funds, \$1,354,033).
- Facilitated the Arts Grant review process to recommend allocations to 27 arts and cultural non-profits.
- Facilitated workshop for potential grantees led by Doug Borwick (Not-for-Profit Vision, Inc.).

Public Art

- Facilitated the selection of artists and artwork for permanent installation in Fletcher Park and Chavis Park.
- Installation in Chavis Park of "Glimpses of the Promised Land" by artist Mike Roig with opening dedication ceremony.
- Recommended placement of Chandeliers on Boylan Heights Bridge.
- Explored possibility of creating Art-on-the-Move bus project (for FY 2007-08).
- Presented artists' work in the Miriam Block Gallery Municipal Building Exhibition Series throughout year.
- Integrated interdisciplinary component for Block Gallery receptions.
- Participated in downtown Plaza Design dialogue, and facilitation, with Urban Design Center, Design Box, and Downtown Raleigh Alliance, of public art workshop.

Arts Support (Public Relations/Community Outreach)

- Installed rotating arts information exhibit at Cameron Village Library.
- Redesigned CORAC publications and increased distribution.
- Established and videotaped monthly arts segment for the city-cable channel.
- Developed 30th Anniversary Celebration and Outreach Plan.
- Produced successful Medal of Arts Ceremony with performances by grantees.
- Facilitated a workshop, in collaboration with Peace and Meredith Colleges (and Burning Coal Theatre) of symposium with internationally recognized theatre artists.
- Increased communication and collaboration with the grantees, public and other city staff.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	2	2	2	3	1
DIRECT EXPENDITURES	\$ 162,939	\$ 148,655	\$ 155,184	\$ 227,431	46.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 96,003	\$ 103,891	\$ 108,298	\$ 156,877	44.9%
Employee Benefits	23,422	22,800	23,539	36,507	55.1%
Operating Expenditures	43,514	21,964	23,347	31,322	34.2%
Capital Equipment - New	-	-	-	2,725	
TOTAL	\$ 162,939	\$ 148,655	\$ 155,184	\$ 227,431	46.6%

Highlighted Budget Changes (July 2007 – June 2008)

- Minimally increased budget items are in the areas of office supplies, salaries, and supplemental retirement for current positions.
- Includes the addition of a Program Coordinator, to assist with the development of new and current Arts Commission programs.

Goals and Objectives

Goal: Increase visibility and impact of the commission.

Objective: Implement various public art projects that beautify Raleigh's landscape.

Objective: Develop and install consistent labeling for indoor and outdoor city-owned art.

Objective: Present arts workshops and roundtables to bring in speakers to build interest in the arts and communicate the ongoing efforts of the Arts Commission.

Objective: Revise and expand CORAC publications to reach wider audience and focus Artsbeat on dialogue about the importance of art.

Objective: Build interdisciplinary events around Block Gallery Exhibition openings.

Objective: Engage in dialogue with city agencies and the public about integrating art in downtown City Plaza design.

Objective: Increase Commission communication with Council members and other city staff.

Goal: Plan events for CORAC 30th anniversary celebration.

Objective: Expand Medal of Arts Ceremony to include 30th anniversary.

Objective: Focus 07-08 Artsbeat on Anniversary events.

Objective: Plan, as part of Block Gallery receptions, a celebration honoring CORAC grantees.

Objective: Produce publications related to 30th anniversary.

Objective: Explore "Art-on-the-Move" Bus project to celebrate 30th Anniversary.

Objective: Produce a 30th anniversary video.

Objective: Plan additional events for 30th Anniversary.

Development Services

The Development Services Division provides an independent, overarching management structure to the development process from a more general and all-encompassing position. The division will resolve interdepartmental conflicts and pursue solutions by amending existing procedures to promote efficient processes. Development Services will also establish new procedures across departmental lines intended to improve the overall development process, while allowing technical expertise involved in the development process to remain connected to the department with jurisdiction over the subject matter.

Additional information regarding the Development Services Division may be obtained by contacting Hamid Dolikhani, AICP, Development Services Manager at (919) 516-2232 or via email at hamid.dolikhani@ci.raleigh.nc.us.

Mission

To increase and maintain a high level of service for the development process in the City of Raleigh through management, guidance, and implementation of advanced technology. To become a proactive team in managing and improving the development process in the city through establishing collaborative relationships with the internal and external stakeholders.

Accomplishments (July 2006 – June 2007)

- Implemented new governance procedures.
- Filled Development Services Manager, Asst. Manager and support staff positions.
- Established relationship with core team and departments.
- Created Development Services Guide (phase I).

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	0	0	0	7	7
DIRECT EXPENDITURES	\$ -	\$ -	\$ -	\$ 1,010,792	
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ -	\$ -	\$ -	\$ 509,972	
Employee Benefits	-	-	-	121,256	
Operating Expenditures	-	-	-	363,564	
Capital Equipment - New	-	-	-	15,000	
Capital Equip - Replacement	-	-	-	1,000	
TOTAL	\$ -	\$ -	\$ -	\$ 1,010,792	

Highlighted Budget Changes (July 2007 – June 2008)

- Development changes will be made within the departments to improve operations, business continuity and efficiency, and provide stronger customer service and broader technical assistance.

Goals and Objectives**Goal: Implement new governance procedures.**

Objective: Establish complaint tracking and documentation procedure.

Objective: Create Development Services Guide.

Objective: Create a website that describes the development process from project conception to occupancy.

Objective: Detail processes including policy amendments, development approvals and construction permits (Phase 1).

Goal: Establish new customer service ethic among staff.

Objective: Establish and implement training program.

Objective: Create internal procedures / training manual.

Objective: Create communication link between field and office.

Goal: Implement pre-application meetings.

Objective: Expand pre-application meeting program.

Objective: Establish fee schedule and resource tracking.

Goal: Re-invent recorded plat / HOA / Stormwater document review process.

Objective: Conduct resource / staffing analysis.

Goal: Re-organize website.

Objective: Create unified Development Services website with comprehensive information on both process and content.

Goal: Improve implementation of text changes.

Objective: Create new system to reduce impact of multiple text amendments.

Goal: Create and use performance measurement tools.

Objective: Establish and implement "Build-Stat" program.

Objective: Publish tracking data on web.

Objective: Develop process for periodic reporting to Council / Manager / stakeholders.

Goal: Implement IRIS improvements.

Objective: Expand IRIS routing procedures consistently throughout process.

Objective: Implement automatic escalation of overdue tasks.

Objective: Create interactive project status website.

Goal: Re-invent express review process.

Objective: Find and implement new ways to utilize express review concept.

Objective: Extend process to smaller projects involving fewer staff.

Objective: Analyze customer service liaison concept (ombudsmen).

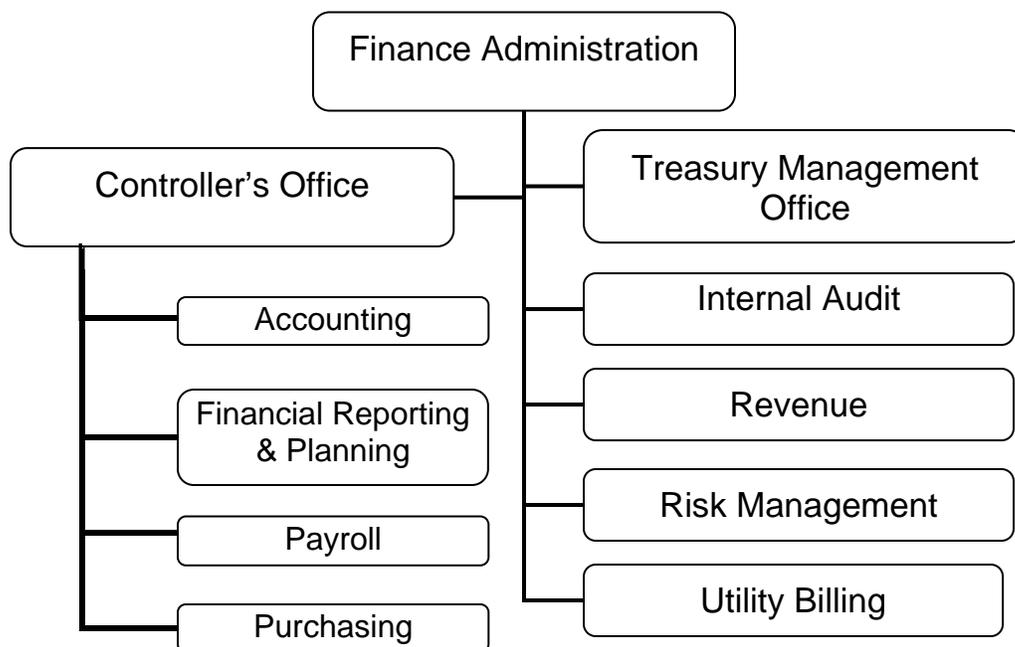
Finance

The Finance Department provides treasury functions, accounting, purchasing, revenue management, utility billing, internal audit, financial reporting and risk management services for city management, City Council, fellow city employees and departments as well as all of Raleigh's citizens and utility customers.

Additional information regarding the Finance Department may be obtained by contacting Perry E. James III, Chief Financial Officer, at (919) 890-3215 or via email at Perry.James@ci.raleigh.nc.us.

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."



Accomplishments (July 2006 – June 2007)

- Issued \$242 million in water and sewer revenue bonds in September 2006 and issued \$59 million water and sewer refunding revenue bonds in September 2006 for a net present value savings of \$1.6M.
- Maintained AAA general obligation bond rating from all three rating agencies, as well as Aa1 and AAA ratings on revenue bonds.
- Continued use of Yield Advantage System to obtain higher yielding investment returns.
- Assessment of the city's Financial Information System (FIS). The outcome of the assessment will have a dramatic impact on the direction the city takes in leveraging technology to procure an Enterprise Resource Management system to provide a highly integrated and scalable solution for the city to effectively manage its operations.
- New Business License System, with the basic licensing activity, implemented in April 2007.
- Successful utility mergers with the Town of Wendell and the Town of Zebulon in October of 2006, which added about 6,000 new utility customers.

- Completed upgrade of Interactive Voice Response System, which allows utility customers to obtain information concerning their account and make payments over the telephone.
- Created two new divisions: The Internal Audit Office provides independent oversight of all city functions by conducting financial, operational and compliance audits. A Treasury Management Office provides support to the continuing growth in investments, debts and financial modeling and analysis.
- Supported and developed improvements to the timekeeping procedures for the Solid Waste Services Department.
- Established new monthly reporting procedures for Workers' Compensation and General Property and Liability.
- Completed property valuation relating to insurance program for all real property owned by the city.
- Worked with Personnel, City Attorney and other key stakeholders on the development of Risk Management cost containment strategies.
- Completion of FY 2005-06 CAFR with an unqualified opinion from the independent auditors. Report submitted to Government Finance Officers Association (GFOA) for certificate of achievement consideration

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Administration	11	11	8	4	(4)
Internal Audit	0	0	0	3	3
Treasury Manager	0	0	0	4	4
Accounting	9	10	10	10	0
Revenue	22	22	22	20	(2)
Utility Billing	42	50	52	56	4
Purchasing	6	6	6	7	1
Financial Reporting and Planning	7	7	5	5	0
Controller's Office	-	-	3	2	(1)
Payroll	6	7	7	7	0
Risk Management Fund	0	0	4	4	0
TOTAL	103	113	117	122	5

DIRECT EXPENDITURES BY DIVISION

Administration	\$ 1,342,262	\$ 1,407,290	\$ 1,255,505	\$ 962,761	(23.3%)
Internal Audit	-	-	-	291,878	
Treasury Manager	-	-	-	423,168	
Accounting	529,129	603,670	653,047	668,907	2.4%
Revenue	1,425,867	1,298,696	1,389,316	1,341,711	(3.4%)
Utility Billing	3,187,368	3,875,823	4,352,097	5,355,306	23.1%
Purchasing	377,934	425,691	448,940	519,257	15.7%
Financial Reporting and Planning	645,945	679,597	507,430	504,864	(0.5%)
Controller's Office	-	-	316,146	185,028	(41.5%)
Payroll	555,113	629,870	589,626	617,812	4.8%
TOTAL-GENERAL FUND DIVISIONS	\$ 8,063,618	\$ 8,920,637	\$ 9,512,107	\$ 10,870,692	14.3%
Risk Management Fund	\$ 4,609,500	\$ 6,782,000	\$ 7,497,437	\$ 8,750,188	16.7%
TOTAL-FUNDS	\$ 4,609,500	\$ 6,782,000	\$ 7,497,437	\$ 8,750,188	16.7%

DIRECT EXPENDITURES BY TYPE - ALL DIVISIONS

Personnel	\$ 4,396,927	\$ 4,887,995	\$ 5,126,687	\$ 5,475,877	6.8%
Employee Benefits	1,044,118	1,153,108	1,287,618	1,440,683	11.9%
Operating Expenditures	2,618,873	2,869,034	3,097,802	3,937,032	27.1%
Capital Equipment - New	2,500	3,000	-	17,100	
Capital Equipment - Replacement	-	7,500	-	-	
Interfund Transfers	1,200	-	-	-	
TOTAL	\$ 8,063,618	\$ 8,920,637	\$ 9,512,107	\$ 10,870,692	14.3%

Highlighted Budget Changes (July 2007 – June 2008)

- The Utility Billing division is experiencing accelerated customer growth from the mergers and from robust economic development within the areas being serviced. Utility Billing is also experiencing postal rate increases and a partial transition to monthly billing in support of automated meter reading.
- Also in Utility Billing, two business process analysts are being added to enhance customer service to the expanding Public Utilities customer base. One analyst will provide technical assistance for the Customer Information System, which will be undergoing a major upgrade or be entirely replaced. The second position will be utilized as a trainer, and its duties will include assisting in the development of training manuals, streamlining business processes, and training staff to continually enhance the services provided to our utility customers.

- Upgrade Interactive Voice Response system used by Utility Billing to accommodate continued utility customer growth (\$8,400).
- Utility Billing will work collaboratively with Public Utilities to transition from bi-monthly to monthly billing through the implementation of automated meter reading. This transition also will reduce bad debt from unpaid final billed accounts (\$185,000).
- Begin developing and implementing recommendations from the FIS Assessment, which has recommended procuring and implementing a new Enterprise Resource Planning (ERP) System inclusive of core financials. An investment in an ERP system will provide a scalable solution that can be used by all city departments and assist them in improving the services provided to customers.
- Implement a fraud hotline to assist in detecting and deterring possible fraudulent acts that might occur within the city. The implementation of the hotline was recommended by the city’s external auditors and endorsed by Council.
- Work collaboratively with the third party administrator, City Attorney’s Office, Actuary, and city departments in strategically mitigating workers’ compensation claims, reducing the overall cost of the claims and future Incurred But Not Reported (IBNR) reserve estimates. The completion and implementation of the citywide Return to Work Policy will be a cornerstone of this process.
- Improve services available to non-English speaking citizens.
- An Accountant/Auditor III has been added to enhance the citywide Internal Audit function. The 2004 Association of Local Government Auditors survey of the largest 50 local governments shows an average of one internal auditor per 946 employees; the city’s current ratio is one per 1,500 employees.

Goals and Objectives

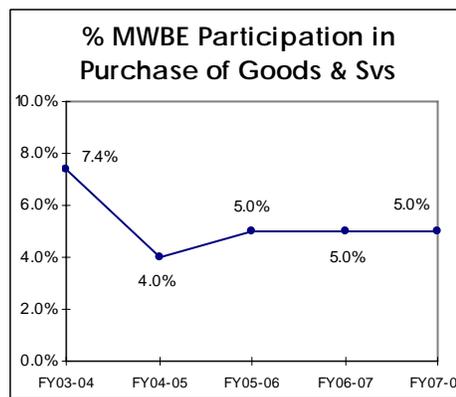
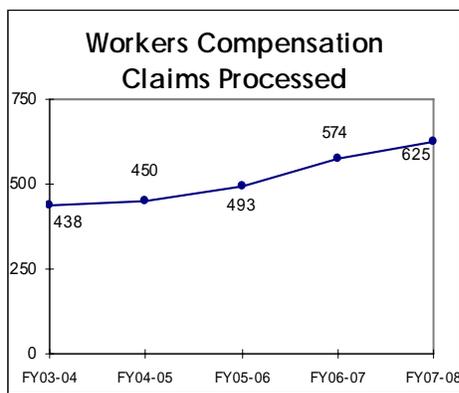
Goal: Reduce bad debt from unpaid final billed accounts.

Objective: Reduce bad debt for the utility operation to one percent of annual revenue by June 30, 2008. In FY 2005-06, bad debt was estimated at 1.8% (\$1,285,984) of total annual revenue of \$71,982,924.

Goal: Provide a higher accountability of internal risks and implement audit functions recommended by the city’s external auditors.

Objective: Implement a larger scale internal audit work plan, which will focus on high priority functions. During the next fiscal year, it is anticipated that the Internal Audit Office will conduct about five audits.

Performance Measures



Information Technology

The Information Technology (IT) Department provides technical solutions for citizens and city employees. The department continually seeks to transform itself into a more responsive unit that delivers the most cost-effective and innovative technical solutions to all its customers. The focus of the next year will be to improve response time to our customers and to promote service excellence. The IT organization will focus on filling service level gaps and improving technical competency in order to support emerging technologies.

Administration – Administration, Infrastructure Systems & Operations, and the Technology Support Center. The Administration program includes the Chief Information Officer’s office and manages the administrative, financial, and procurement functions of the department, PC leasing program, and enterprise software licensing compliance. The Infrastructure Systems and Operations program manages the city’s network infrastructure and connectivity. The Technology Support Center is responsible for desktop customer service to all city employees. Phase I of the IT reorganization under the leadership of the city’s first CIO will include the development of a “one number to call” Help Desk organization.

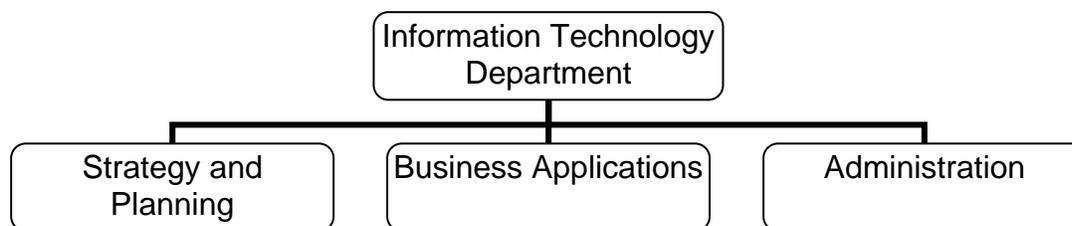
Strategy and Planning – Focus on new and innovative industry “best practices” technology, responsible for the IT Technical Strategy and Technical Reference Guide, and provides other planning and project support. The EPMO will become a part of the strategy and planning function of the IT organization. The continued development of project management skills will enable the IT organization to provide solutions that are well managed.

Applications – Business Applications includes planning, development, implementation and maintenance of software systems. Web Services manages the city’s intranet and internet. The GIS program is responsible for the city’s geographic data, as well as the dissemination of GIS technology to other city programs, including Stormwater. Database Services designs and maintains the city’s databases.

Additional information related to the Information Technology Department is available through the Chief Information Officer (CIO), Ms. Gail M. Roper, at (919) 890-3271 or via email at gail.roper@ci.raleigh.nc.us.

Mission

To successfully integrate people, process, and technology by fostering partnerships and consistently delivering solutions that serve as the foundation of city operations.



Accomplishments (July 2006 – June 2007)

- A tactical strategy to establish best practice processes to benefit the delivery of technology services to the organization was completed in January of 2007.
- Transferred the telecommunications program from Parks & Recreation to Information Technology for centralization and management of landlines, cell phones, and hand-held devices to ensure that contracts and services are managed to benefit organization productivity and fiscal accountability.
- Implemented a streaming video solution for web-casting City Council meetings.
- Increased the city's network bandwidth to many sites which resulted in improved system performance for users.
- Assisted with the Automated Meter Reading for the Public Utilities Department.
- Provided technical support (applications, network, and systems administration) for the Wendell, Zebulon, and Knightdale utility mergers.
- Increased the number of trained departmental web liaisons by 21%.
- Increased the capacity to feature more content on city homepages.
- Continued assistance implementing the following improved processes/system:
 - New Raleigh Time and Attendance Program (RTAP).
 - Linux Operating Systems Migration.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
IT Administration	9	7	27	31	4
IT Research & Planning	25	26	2	3	1
Info Infrastructure	0	0	0	0	0
IT Applications	27	30	34	35	1
TOTAL	61	63	63	69	6
DIRECT EXPENDITURES BY DIVISION					
IT Administration	\$ 1,573,504	\$ 1,446,803	\$ 6,174,725	\$ 7,907,900	28.1%
IT Research & Planning/Operations	4,840,934	5,259,408	226,011	783,768	246.8%
Info Infrastructure	-	-	-	-	
IT Applications	3,328,206	3,827,994	4,558,678	4,559,807	0.0%
TOTAL	\$ 9,742,644	\$ 10,534,205	\$ 10,959,414	\$ 13,251,475	20.9%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 3,594,041	\$ 3,752,375	\$ 4,042,524	\$ 4,619,014	14.3%
Employee Benefits	772,636	835,739	942,170	1,084,140	15.1%
Operating Expenditures	5,374,267	5,944,391	5,974,720	7,541,321	26.2%
Capital Equipment - New	-	-	-	7,000	
Capital Equipment - Replacement	1,700	1,700	-	-	
TOTAL	\$ 9,742,644	\$ 10,534,205	\$ 10,959,414	\$ 13,251,475	20.9%

Highlighted Budget Changes (July 2007 – June 2008)

- As we continue to improve in meeting the demands of 24x7 support, overtime funding that was increased for FY 2006-07 will be fully utilized. However, a reduction is reflected in the Web Services program due to anticipated use.
- Auditing the ORACLE database license structure to determine best cost options.

- The focus on advanced tools to improve the maintenance of the IT infrastructure is a major priority. Another major focus is to provide equipment and an automated call distribution system for the help desk operation. Upgrading the Help Desk software and adding phone functionality will provide the tools needed to improve customer response time.
- The addition of VMWare software is to manage and decrease the number of servers proliferated across the organization.
- Improved network service/connectivity between city facilities to promote high efficiency in the transmission of data communications.
- IT is currently identifying and utilizing tools to assess areas in IT for improvement. Managers and employees are identifying training needed to improve skill-sets for each employee. Also, a competency diagnostic tool is being used to identify key attributes of a world-class IT organization, which will also identify improvement areas in IT and skills needed to improve in these areas. Funding was moved from the 1810-182 program to 1810-181 program to fund subscriptions to the organizations that provide these tools being utilized by IT. There is a small increase in the GIS training budget for the IRIS Rewrite Project.
- Professional services funds are increased to continue the \$100,000 for technology research/innovation services provided by Robert Half Technology and \$165,000 to hire professional contractors to help expand the web site portal implementation and further enhance the functionality of the web site. \$100,000 was encumbered at the end of FY 2005-06 to allow for the Robert Half Technology services in FY 2006-07.
- A contracted Research Engineer added mid-FY06 will be continued (\$110,000) to continue work on special projects, including video conferencing, streaming video, campus wireless, and website Spanish translation.
- The city is transitioning to a one-number call contact center, which will be called the Technology Help Desk. As part of this transition, an automated call distribution system and upgrades to the current call tracking software are required (\$103,000).
- A Security Administrator is being added after a recent security assessment identified security gaps in the network infrastructure the City of Raleigh and Wake County share. The city currently does not have personnel with sufficient security specialization or background and the high-level technical skills required.

Goals and Objectives

Goal: Provide innovative, high quality, cost effective citywide IT solutions.

Objective: To add Spanish translation on the city's website.

Objective: Audit the Oracle licensing structure to determine that it is the best cost solution for the citywide organization.

Objective: Finalize the Information Technology Strategy document and adopt the content as the guiding force for expansion of the citywide IT Program. Continue the tactical strategy to bridge the gap in technical skills and competency within the IT organization.

Objective: Develop a strategy to enhance/update the city's telecommunications infrastructure and systems with the most cost effective approach.

Objective: Finalize and implement the Technology Reference Guide (TRG) to provide a compliance mechanism for information technology processes and procedures throughout the city in support of the approved city IT Governance Program.

Objective: Improve wireless network connectivity within city facilities.

Objective: Expand the use of video conferencing to several departments.

Objective: Incorporating the Enterprise Project Management Office (EPMO) into the IT organization to enhance the value of the governance committees, support innovation in the business departments, and to prioritize and implement many of the city portfolio projects as they drive productivity and efficiency across the organization within the budgeted funding.

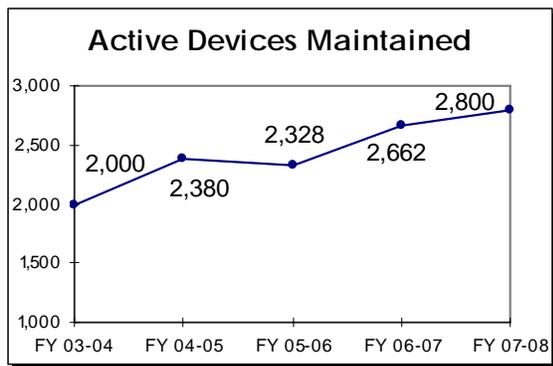
Objective: Continue quality assurance testing platforms for migration to LINUX operating systems environment to sustain support of the FIS and CIS major business applications as well as foundation support for other future migration/implementation efforts.

Objective: Implement innovative employee reward options and recommend solutions. This program is intended to improve our ability to offer greater rewards for good work and to improve our employee retention efforts.

Objective: Implement service delivery options including Six Sigma, Systems Development Life Cycle (SDLC) and Information Technology Infrastructure Library (ITIL). ITIL best practices implementation includes improved change management and customer service.

Objective: Review computer equipment leasing program and determine whether funding this program through the capital improvement program is feasible and more cost effective while sustaining or improving current levels for technology refresh.

Performance Measures



Personnel

The Personnel 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 Personnel Department may be obtained by contacting Carolyn Simmons, Personnel Director, at (919) 890-3317 or via email at carolyn.simmons@ci.raleigh.nc.us.

Mission

The Personnel 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.

Accomplishments (July 2006- June 2007)

- An Employee Benefits Task Force was formed to provide input on city benefits.
- Continued the expansion of health/wellness and safety programs to promote a healthier and safer lifestyle for employees.
- Implemented a CPR and Defibrillator (AED) training program and installed AED devices in several multi-use city facilities.
- Implemented a new pre-employment process for a more efficient/timely paperwork flow to hire new employees and to accommodate the implementation of the upcoming electronic time and attendance system; provided training on this new to all departments.
- Designed and delivered leadership and development training for senior managers, middle managers, and first-line supervisors.
- Concluded city-wide training on sexual harassment, workplace violence, and diversity; training has been incorporated into the New Employee Orientation Program.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	21	22	22	23	1
DIRECT EXPENDITURES BY PROGRAM					
Administration	\$ 664,579	\$ 564,301	\$ 591,683	\$ 609,377	3.0%
Recruitment and Selection	257,087	281,655	288,162	336,946	16.9%
Classification/Pay/Benefits	398,334	416,848	410,016	491,937	20.0%
Training/Career Develop	379,840	509,875	616,451	769,560	24.8%
Employee Health/Wellness	349,337	354,467	471,145	571,439	21.3%
Personnel Safety	268,729	312,567	330,733	352,160	6.5%
Tech and Spec Projects		116,742	121,342	128,023	5.5%
TOTAL	\$ 2,317,906	\$ 2,556,455	\$ 2,829,532	\$ 3,259,442	15.2%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 1,173,031	\$ 1,309,502	\$ 1,422,991	\$ 1,591,965	11.9%
Employee Benefits	327,575	356,619	396,912	440,497	11.0%
Operating Expenditures	816,915	889,449	989,244	970,450	(1.9%)
Special Programs and Projects	-	-	-	253,150	
Capital Equipment - New	-	500	20,000	3,380	(83.1%)
Capital Equipment - Replace	385	385	385	-	(100.0%)
TOTAL	\$ 2,317,906	\$ 2,556,455	\$ 2,829,532	\$ 3,259,442	15.2%

Highlighted Budget Changes (July 2007 – June 2008)

- The FY 2007-08 budget includes a \$4,000 increase in background investigations due to increased number of out of state background checks and a policy revision to include credit checks for employees with access to credit card numbers and other financial data.
- The FY 2007-08 budget includes \$75,000 for initiatives focused on promoting healthy lifestyles for city personnel. This will include: health appraisals and evaluations, outreach, incentives, and communication.
- The FY 2007-08 budget includes a Benefits and Classification Administrator position to review city benefits and pay classifications.
- The FY 2007-08 budget includes an additional \$100,000 in funding to address city-wide training and development needs.

Goals and Objectives

Goal: Provide services and programs to employees and support all city departments in a responsive, proactive, and timely manner.

Objective: Increase training and development programs for employees, co-workers, and management.

Objective: Provide an avenue for employees to resolve concerns related to workplace and personnel issues.

Objective: Increase safety awareness to minimize workplace accidents and injuries.

Objective: Increase the number of health education programs and clinics to promote healthy habits.

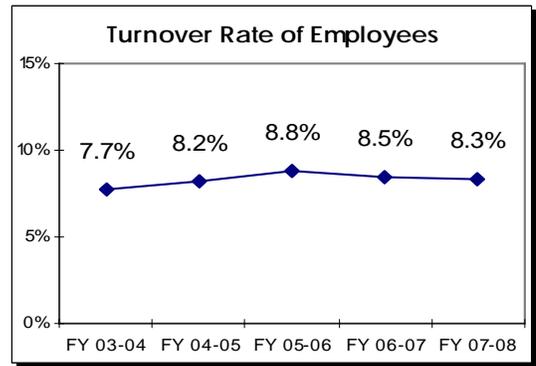
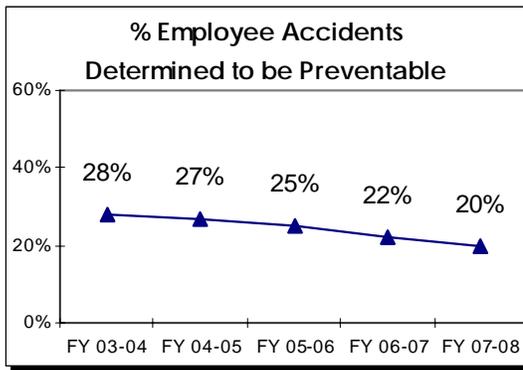
Goal: Ensure competitive salaries and internal equity for city positions to attract and retain quality employees.

Objective: Review each city job classification every three years.

Goal: Provide higher level of customer service to internal and external customers through increased use of technology.

Objective: Increase the electronic availability of paperwork and forms associated with program and service delivery.

Performance Measures



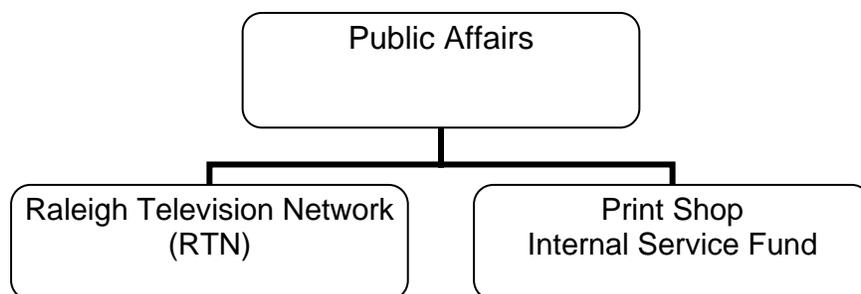
Public Affairs

The Public Affairs Department is responsible for developing and marketing information to the public and the media about city services, policies and procedures. The department manages the city's cable franchise operation that provides channels for public and government access. It also manages the city's cable franchise agreement and is the staff liaison to the Raleigh Telecommunications Commission. The Raleigh Television Network (RTN) is a state-of-the-art digital media center dedicated to serving the needs of Raleigh and Wake County. The Public Affairs Department includes the city's Print Services Division, which is responsible for on-site printing for Raleigh City Government.

Additional information regarding the Public Affairs Department may be obtained by contacting Jayne Kirkpatrick, Director, at (919) 890-3100 or via email at jayne.kirkpatrick@ci.raleigh.nc.us.

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 and trust in government.



Accomplishments (July 2006 – June 2007)

- Successfully kept public apprised of Fayetteville Street Renaissance project and worked with Downtown Raleigh Alliance (DRA) and Convention Center staff to produce the grand opening. Kept public apprised of the building of the new convention center and other efforts to revitalize downtown.
- Provided regular electronic version of Livable Streets newsletters to email subscribers and mail out hard copy.
- Provided comprehensive public information and marketing for all of the city's departments and programs.
- Produced monthly City Show and Convention Center program and a variety of city initiatives.
- Initiated City of Raleigh e-newsletter.
- Implemented video streaming.
- Initiated year-in-review video to inform and remind residents of the city's multitude of accomplishments in 2006.
- Initiated "Under Construction" quarterly program on RTN to inform residents of the CIP status.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Public Affairs	7	10	10	10	0
Raleigh Television Network (RTN)	6	6	6	7	1
TOTAL	13	16	16	17	1
DIRECT EXPENDITURES BY DIVISION					
Public Affairs	\$ 564,471	\$ 777,130	\$ 894,452	\$ 934,390	4.5%
Raleigh Television Network (RTN)	449,486	481,870	510,967	654,873	28.2%
TOTAL - General Fund Divisions	\$ 1,013,957	\$ 1,259,000	\$ 1,405,419	\$ 1,589,263	13.1%
Print Services	\$ 934,225	\$ 947,975	\$ 1,021,359	\$ 1,048,886	2.7%
TOTAL - ISF Funds	\$ 934,225	\$ 947,975	\$ 1,021,359	\$ 1,048,886	2.7%
DIRECT EXPENDITURES BY TYPE - General Fund Divisions					
Personal Services	\$ 615,976	\$ 797,000	\$ 886,782	\$ 901,751	1.7%
Employee Benefits	132,489	172,843	194,019	222,892	14.9%
Operating Expenditures	243,492	267,157	300,618	361,430	20.2%
Special Programs and Projects	-	-	-	45,000	
Capital Equip - New	20,000	20,000	20,000	55,190	176.0%
Capital Equip - Replacement	2,000	2,000	4,000	3,000	(25.0%)
TOTAL	\$ 1,013,957	\$ 1,259,000	\$ 1,405,419	\$ 1,589,263	13.1%

Highlighted Budget Changes (July 2007 – June 2008)

- Upgrades to Raleigh Television Network (RTN) on-air programming playback server will accommodate significantly increased programming needs.

Goals and Objectives

Goal: Further enhance website's content, timeliness and interactive capability.

Objective: Create dependable and timely news and information source for residents.

Goal: Further enhance RTN's city programming.

Objective: Make RTN11 a reliable source of in-depth information on city's services and initiatives.

Goal: Further evaluate costs and services provided by Print Services division to meet demand and ensure that high level expectations are met.

Objective: Examine services that are delivered and costs normally associated with division that may be more accurately born by user departments.

Print Services Fund

Print Services is an Internal Service Fund established to account for the full costs associated with centralized city functions performed by employees and charged to user departments. Revenue to cover direct expenditures in this fund comes from the operating accounts of the departments that use the services offered through this fund. This fund provides centralized printing and photocopy services. The budget represents the full cost of operating an in-house, full-service print shop and all photocopy machines in the Municipal Complex. Public Affairs oversees the operation of the city's Print Shop.

Accomplishments (July 2006 – June 2007)

- The purchase of a new color copier has allowed the Print Shop to pull all color outsourcing costs (which continue to increase) in-house.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY TYPE					
Print/Copy Revenue	\$ 930,121	\$ 943,716	\$ 800,456	\$ 750,000	(6.3%)
FR 100 General Fund	-	-	220,903	298,886	35.3%
FR XXX Copier Reimbursement	4,104	4,259	-	-	
TOTAL	\$ 934,225	\$ 947,975	\$ 1,021,359	\$ 1,048,886	2.7%

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Print Services	3	2	2	2	0
DIRECT EXPENDITURES	\$ 934,225	\$ 947,975	\$ 1,021,359	\$ 1,048,886	2.7%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 131,250	\$ 87,334	\$ 89,953	\$ 92,360	2.7%
Employee Benefits	29,039	19,671	21,756	22,892	5.2%
Operating Expenditures	709,936	764,970	834,150	858,134	2.9%
Capital Equipment - New	1,000	1,000	500	500	0.0%
Interfund Transfers	63,000	75,000	75,000	75,000	0.0%
TOTAL	\$ 934,225	\$ 947,975	\$ 1,021,359	\$ 1,048,886	2.7%

Goals and Objectives

Goal: Further evaluate costs and services provided by Print Services division to meet demand and to ensure high-level expectations are met.

Objective: Examine services that are delivered and costs normally associated with division that may be more accurately born by user departments.

Special Appropriations

The Special Appropriations budget funds expenses associated with the General Fund that are not charged to a department. Reclassifications identified in FY2006-07 for implementation in FY2007-08 have been included in department salary accounts.

The Employee Benefits category budgets the city's contribution toward health and life insurance for retirees, workers compensation, and unemployment. The amount of the Medicare Supplement benefit for retirees changed to \$100 in FY2006-07.

Direct expenditures funds contracted services such as tax billing and collections, a contingency account in the amount of \$214,976, the Municipal Service District special tax districts expenditure, and insurance user charges. In addition, the city's reserve for vehicle maintenance and operations is included to support potential shortfalls in departmental accounts from fluctuating fuel costs. The city has also funded \$225,000 for sponsorship of the MEAC tournament.

Interfund expenditures subsidize the General Debt Service, Economic Development, Community Development, Transit, and Print Shop funds. All of these funds are operated as business-like enterprise funds, but require some transfer of funds to remain operational. Also included in Interfund Expenditures are the following appropriations: \$2 million to the Technology Fund, \$4,335,391 to the capital program for General Public Improvements, \$1,065,857 to the Park Improvement Fund, and \$314,246 to the Convention Center Complex Operations Fund.

The risk management and health-related accounts funded in this section are aggregated at budget adoption to fund the Risk Management Internal Service Fund. As in the past, direct expenses of risk management will be paid from the Internal Service Fund. The substantial increases in this organization are due to the costs identified in the Risk Management Fund. A detailed account of this organization is included on the following pages.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 43,042,071	\$ 48,034,758	\$ 57,427,828	\$ 59,677,445	3.9%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 560,000	\$ 200,000	\$ 550,000	\$ -	(100.0%)
Employee Benefits	2,980,697	3,034,997	3,259,198	4,737,358	45.4%
Operating Expenditures	7,218,545	8,161,772	8,169,421	9,560,099	17.0%
Capital Equipment - New	-	150,000	-	-	0.0%
Interfund Expenditure	32,282,829	36,487,989	45,449,209	45,379,988	(0.2%)
TOTAL	\$ 43,042,071	\$ 48,034,758	\$ 57,427,828	\$ 59,677,445	3.9%

Special Appropriations

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
PERSONAL SERVICES					
Rsv - Supplemental Police Pay	\$ -	\$ -	\$ 350,000	\$ -	(100.0%)
Reclassification	60,000	-	-	-	0.0%
Salary Reserve	500,000	200,000	200,000	-	(100.0%)
SUBTOTAL	\$ 560,000	\$ 200,000	\$ 550,000	\$ -	(100.0%)
EMPLOYEE BENEFITS					
OPEB - Post Employment Benefits	\$ -	\$ -	\$ -	\$ 500,000	
Medicare Supplement	181,770	226,995	245,840	266,400	8.4%
Health Insurance	2,515,836	2,461,393	2,741,886	3,692,628	34.7%
Group Life Accidental Death & Disability	183,091	186,609	111,472	118,330	6.2%
Unemployment	100,000	160,000	160,000	160,000	0.0%
SUBTOTAL	\$ 2,980,697	\$ 3,034,997	\$ 3,259,198	\$ 4,737,358	45.4%
DIRECT EXPENDITURES					
City/Co Tax Billing & Collection	\$ 240,000	\$ 240,000	\$ 255,000	\$ 311,620	22.2%
City/Co Auto Tax Billing & Collection	62,000	62,000	62,000	-	(100.0%)
City Records Management	-	-	26,160	42,000	60.6%
Elections	-	177,800	-	125,000	
Fringe Benefit Consultant	120,000	125,000	75,000	75,000	0.0%
MEAC Sponsorship	-	200,000	225,000	225,000	0.0%
Penalty Payments to WCPSS	-	54,675	182,025	164,160	(9.8%)
Postage	450,000	475,000	500,000	500,000	0.0%
Remittances to County	20,000	20,000	20,000	20,000	0.0%
Reserve - Contingency	459,012	300,000	300,000	214,976	(28.3%)
Reserve - Electric Load Study	35,000	35,000	35,000	35,000	0.0%
Reserve - Vehicle Maint & Operations	500,000	500,000	300,000	643,323	114.4%
Reserve - Municipal Service District	503,433	535,897	545,320	599,165	9.9%
Safety Shoes	84,600	87,100	92,391	95,162	3.0%
Stormwater Utility Fees	260,000	70,800	30,000	20,000	(33.3%)
NSSF (GRCVB) 2003-05	25,000	-	-	-	0.0%
To ISF - Excess Prop/Liab Premium	750,000	801,000	835,000	1,200,000	43.7%
To ISF - Fire & Police Add Comp	27,000	27,000	20,000	20,000	0.0%
To ISF - Misc Insurance Premium	97,500	234,500	248,700	292,550	17.6%
To ISF - Other Insurance Service	445,000	916,000	1,092,825	1,011,143	(7.5%)
To ISF - SIR Prop/Liab Claim	500,000	800,000	800,000	816,000	2.0%
To ISF - SIR Workers Comp	2,290,000	2,500,000	2,500,000	3,150,000	26.0%
Miscellaneous Allocations	50,000	-	25,000	-	(100.0%)
Grant Match City Share	100,000	-	-	-	0.0%
CIAA Sponsorship	200,000	-	-	-	0.0%
SUBTOTAL	\$ 7,218,545	\$ 8,161,772	\$ 8,169,421	\$ 9,560,099	17.0%

Special Appropriations

Budget Detail (continued)

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
CAPITAL EQUIPMENT - NEW					
Office Renovations	\$ -	\$ 150,000	\$ -	\$ -	
SUBTOTAL	\$ -	\$ 150,000	\$ -	\$ -	
TRANSFERS OUT - BUDGETS GRANTS					
To 110 Economic Development Fund	\$ 725,000	\$ 751,500	\$ 946,562	\$ 941,500	(0.5%)
To 190 General Debt Service	18,000,000	19,800,000	26,800,000	27,100,000	1.1%
To 210 Print Shop	-	-	220,903	298,886	35.3%
To 410 Transit Operations	5,243,757	5,982,631	8,524,811	8,567,724	0.5%
To 444 Parking Debt Service	580,000	-	-	-	0.0%
To 501 Technology Fund	2,181,788	2,200,000	2,000,000	2,000,000	0.0%
To 505 Misc Capital Projects Fund	1,038,200	4,774,500	4,893,000	4,335,391	(11.4%)
To 625 Park Improvement Fund	976,800	1,148,000	1,051,667	1,065,857	1.3%
To 642 RCCC/PAC Operations Fund	2,803,447	1,000,208	175,748	314,246	78.8%
To 735 Housing Operations	428,454	571,566	702,628	441,394	(37.2%)
To 736 Housing Projects	305,383	259,584	133,890	314,990	135.3%
SUBTOTAL	\$ 32,282,829	\$ 36,487,989	\$ 45,449,209	\$ 45,379,988	(0.2%)
TOTAL	\$ 43,042,071	\$ 48,034,758	\$ 57,427,828	\$ 59,677,445	3.9%

Community Development

The Community Development Department is responsible for the administration of the City's housing programs which include citywide first time homeownership loans, affordable rental housing, rehabilitation, housing initiatives for the homeless and neighborhood revitalization efforts in identified target areas.

Additional information regarding the Community Development Department may be obtained by contacting Michele Grant, Community Development Director, at (919) 857-4330 or via email at michele.grant@ci.raleigh.nc.us.

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.

Accomplishments (July 2006 – June 2007)

- Completed 12 substantial rehabilitation projects by providing loans for major repairs totaling \$587,803 to primarily elderly homeowners residing in the redevelopment and low-income census tract areas. Staff has also processed and set up escrow accounts totaling nearly \$600,000 for rehabilitation of 14 additional homes. Loan staff and CD's hired consultant, Firm Foundations, are currently processing an additional 30 and 40 applications, respectively, for substantial rehabilitation.
- Completed 12 limited repair projects by providing loans for emergency repairs totaling \$75,829 to homeowners throughout the city. Loan staff is currently processing an additional nine loans totaling \$46,500.
- Closed 31 bond-funded second mortgage loans totaling \$555,000 provided to first-time homebuyers. Twelve of these loans included third mortgage loan processing for those first-time homebuyers purchasing homes in low-income census tract areas. These funds leveraged over \$3 million in private funds. An additional \$625,000 is projected to be spent for 31 additional first-time homebuyers by the end of FY 2006-07.
- Closed two bond-funded Joint Venture Rental loans totaling \$770,478, making 31 units available for low-income renters. These funds were used to leverage \$735,000 in private and other public funds. Closed two HOME-funded JVR loans totaling \$1,350,000, making 84 units available for low-income renters. These funds were used to leverage more than \$6 million in private and other public funds. An additional three JVR loans totaling \$2,775,000 are scheduled to close by end of FY 2006-07, making 199 units available to low-income renters.
- The first phase of the Cooke Street redevelopment plan was completed with the construction and sale of the last five lots (for a total of 29) to first-time homebuyers. The greenway has been completed and the development of the adjacent 15 lots in the second phase of the project is pending completion of land and infrastructure planning.
- Rehabilitation of the eight homes in the Martin Haywood area is complete and will be sold to first-time homebuyers. Revenue received from the sale of these properties will be used to further the department's redevelopment in the College Park/Idlewild area.
- Eighteen units of the city's affordable rental housing stock have been rehabilitated with bond funds; an additional 12 are underway.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Housing Development - City	21	21	22	23	1
TOTAL	21	21	22	23	1
DIRECT EXPENDITURES					
Housing Development - City	\$ 1,064,354	\$ 1,286,367	\$ 1,396,892	\$ 1,477,386	5.8%
Ending Homelessness - City	-	50,000	50,000	50,000	0.0%
Community Development - Federal	5,741,982	5,424,742	5,439,239	5,676,348	4.4%
TOTAL	\$ 6,806,336	\$ 6,761,109	\$ 6,886,131	\$ 7,203,734	4.6%

Highlighted Budget Changes (July 2007 – June 2008)

- The city-wide affordable rental housing revenues will again support New Horizon debt service. These units are still off-line and future sale is awaiting current request for proposals and environmental findings. Sale of this property will affect the program income stream for city-funded projects.
- The department anticipates an increase in revenues generated from the city-wide affordable rental housing programs once the refurbishing and rehabilitation of all units is complete.
- The HUD relocation regulations have seen a significant change, which will impact the available resources in the CDBG program. Given the demographics of the redevelopment target areas and the new rules, the cost to relocate existing tenants has increased substantially over previous years.
- The FY 2007-08 budget reflects the FY 2006-07 mid-year addition of a Senior Loan Specialist to support the council recommended expansion of the Homeowner Repair Loan Program.

Goals and Objectives

Goal: To develop viable urban communities within the Raleigh city limits by providing decent housing, suitable living conditions and expanded economic opportunities benefiting low- and moderate-income families and eliminating slum and blight.

Objective: To acquire and demolish or rehabilitate 15 dilapidated residential units within the redevelopment areas and to relocate existing tenants to standard units with FY 2006-07 funds.

Objective: To increase the tax base and encourage homeownership by providing 40 down payment assistance or second mortgage loans to first-time homebuyers city-wide.

Objective: To provide construction trade training to 30 low-income persons.

Objective: To increase the affordable rental housing stock by a minimum of 75 units providing low interest gap financing to at least two private and/or nonprofit developers.

Objective: To provide funds for homeownership counseling to 80 persons seeking to become homeowners.

Objective: To improve the City of Raleigh's existing housing stock by providing loans to 35 homeowners to rehabilitate their residences.

Objective: To provide at least 15 loans to homeowners for limited repairs to their homes.

Objective: To complete major capital improvements on each unit in the city’s affordable rental housing stock by rehabilitating and/or upgrading at least 30 units per year.

Goal: To improve the department’s ability to retrieve, analyze and provide to citizens historical program data in ways that continuously improve equitable service delivery and program effectiveness, developing policy and proposals that will better serve low- and moderate-income citizens of Raleigh while remaining sensitive to historic preservation and existing community values and social networks.

Objective: To increase the number of informational documents available by 20%.

Objective: To improve reporting by continuing work with the city’s Information Technology and Finance departments to design and implement a more automated management system to capture, track and integrate programmatic and financial data.

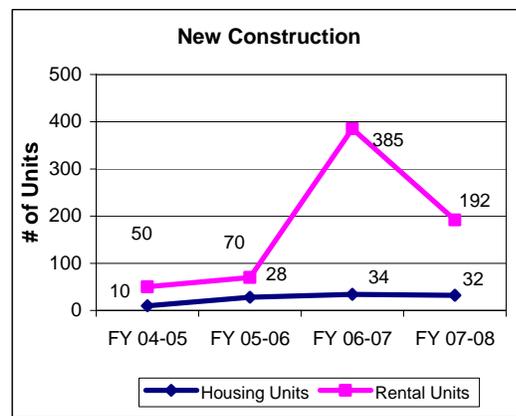
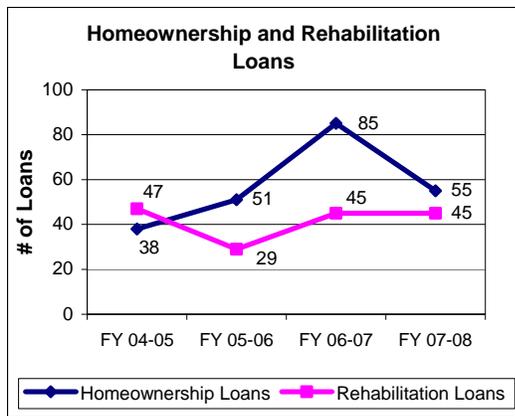
Objective: To evaluate existing programs to ensure lending practices are sound and enable low- and moderate-income residents to access city housing resources for homeownership, rehabilitation or affordable rental units.

Goal: To enhance the department’s loan and redevelopment programs by continuing to develop new and innovative strategies that will better meet the needs of the citizens and developers to increase participation and use of the City’s housing programs.

Objective: To provide 25 owner occupants with up to \$45,000 in discounting loans for the rehabilitation of their homes using both bond and HOME resources.

Objective: To encourage more participation in the department’s programs through increased marketing of city housing programs to target 25 people per month; increase the number of flyer distributions by 20%; attend at least three workshops per year held by nonprofits and private mortgage lenders.

Performance Measures



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 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 from the U.S. Department of Housing and Urban Development (HUD) and program income from CDBG projects (loan repayments and rental income). Projects funded in this budget include the rehabilitation loan program for rental and owner occupied units; emergency repair loans to the elderly and handicapped; and the Thompson Hunter and Garner Road redevelopment projects. The HOME program also provides affordable housing to low and moderate income residents.

The Job Training Grant from the North Carolina Finance Agency (NCHFA) focuses on job training, job creation, and business development/expansion in the construction and hospitality sectors of the local community.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES BY PROGRAM					
CDBG	\$ 3,677,025	\$ 3,599,435	\$ 3,749,099	\$ 3,799,834	1.4%
HOME Program	1,886,022	1,749,307	1,614,140	1,800,514	11.5%
Emergency Shelter Grant	102,935	-	-	-	0.0%
Job Training Grant	76,000	76,000	76,000	76,000	0.0%
TOTAL	\$ 5,741,982	\$ 5,424,742	\$ 5,439,239	\$ 5,676,348	4.4%

Housing Development – City Program

The combined total budget of Housing Development includes a subsidy transfer from the General Fund in the amount of \$691,195 for the Community Development Department and \$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.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	21	21	22	23	1
DIRECT EXPENDITURES BY PROGRAM					
Administration	\$ 428,454	\$ 521,566	\$ 652,628	\$ 691,195	5.9%
Ending Homelessness	-	50,000	50,000	50,000	0.0%
House/Rental Ins/Svc Fees	112,100	109,600	110,600	110,600	0.0%
Property Maintenance	48,500	48,500	49,000	49,000	0.0%
Homeowner Counseling	15,000	15,000	15,000	15,000	0.0%
Home Grant Match	294,739	326,777	314,198	396,875	26.3%
Citywide Rental Housing	-	150,000	152,000	152,000	0.0%
New Horizons	62,717	62,717	62,716	62,716	0.0%
Continuum of Care Match	102,844	52,207	40,750	-	(100.0%)
TOTAL	\$ 1,064,354	\$ 1,336,367	\$ 1,446,892	\$ 1,527,386	5.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 1,019,421	\$ 1,068,239	\$ 1,150,709	\$ 1,265,719	10.0%
Employee Benefits	232,305	240,819	287,381	324,743	13.0%
Operating Expenditures	203,397	221,791	220,763	193,730	(12.2%)
Contractual Services	-	50,000	50,000	50,000	0.0%
Grant Support Exp Reimb	(1,043,169)	(1,024,156)	(1,025,525)	(1,113,942)	8.6%
Capital Equipment - New	-	1,100	19,300	20,945	8.5%
Capital Equipment - Replacement	16,500	16,000	-	-	0.0%
Housing Initiatives	573,183	699,857	681,548	723,475	6.2%
Interfund Expenditures	62,717	62,717	62,716	62,716	0.0%
TOTAL	\$ 1,064,354	\$ 1,336,367	\$ 1,446,892	\$ 1,527,386	5.6%

Community Services

The Community Services Department facilitates citizen participation and coordinates volunteer service programs. The department meets the needs of the city's diverse citizenry by serving as a primary referral resource for human services, coordinating and facilitating citizen involvement, and improving community relations. Community Services is directly involved with the following: Citizen Advisory Councils, Human Relations Commission, Substance Abuse Advisory Commission, Fair Housing, Youth Employment Programs, Dispute Resolution Program, Citizens Participation Leadership Institute, Neighborhood Association Registry, Neighborhood Improvement Matching Grants, Neighborhood Exchange Conference, and Latino American Liaison and Volunteer Services. Community Services also assists and monitors city contracts with community human service agencies. It operates the Retired Senior Volunteer, Foster Grandparent, and Neighborhood College programs. It also oversees the Neighborhood Improvement and World Changers programs - a home rehabilitation program that uses volunteers to improve inner-city homes.

Additional information regarding the Community Services Department may be obtained by contacting Hardy R. Watkins, Community Services Director, at (919) 831-6100 or via email at hardy.watkins@ci.raleigh.nc.us.

Mission

The Community Services Department provides innovative services and programs, which consist of, but are not limited to, enhancing the quality of life for the people and communities of the City of Raleigh.

Accomplishments (July 2006 – June 2007)

- Maintained existing programs at a high level of proficiency.
- Full implementation of Leadership Development Institute.
- Developed and implemented, "We Are Neighbors", an initiative designed to improve relationships in neighborhoods between residents.
- Realized an increase in Neighborhood Associations registering in some of our more needed areas.

Budget Detail

	ADOPTED BUDGET 2004-05	ADOPTED BUDGET 2005-06	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE 2006-07 TO 2007-08
EMPLOYEES					
General Fund positions	18	16	16	16	0
Grant Funded positions	3	3	3	3	0
TOTAL	21	19	19	19	0
DIRECT EXPENDITURES BY PROGRAM					
Comm Dev Svs Admin	\$ 260,507	\$ 263,171	\$ 271,286	\$ 304,248	12.2%
Operations - Neigh Services	832,755	792,431	806,946	840,784	4.2%
Volunteer/Human Services	353,142	353,697	357,153	380,973	6.7%
Youth Employment Program	304,366	385,641	439,668	392,050	(10.8%)
Neighborhood Improvement	-	-	26,913	26,913	0.0%
Beltline Beautification	30,622	30,622	30,622	30,622	0.0%
Nuisance Abatement	119,732	-	-	-	
TOTAL	\$ 1,901,148	\$ 1,825,562	\$ 1,932,588	\$ 1,975,590	2.2%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 1,224,427	\$ 1,179,529	\$ 1,207,278	\$ 1,248,344	3.4%
Employee Benefits	203,474	204,827	223,465	238,749	6.8%
Operating Expenditures	473,223	441,206	501,845	156,553	(68.8%)
Special Programs and Projects	-	-	-	331,944	
TOTAL	\$ 1,901,124	\$ 1,825,562	\$ 1,932,588	\$ 1,975,590	2.2%

Highlighted Budget Changes (July 2007 – June 2008)

- Increase of \$17,000 for the continued support of the Retired Senior volunteer and Foster Grandparent Programs.
- Transfer of \$50,000 from the Youth Employment program to the Agency Appropriations division for the Triangle Lost Generation Task Force.

Goals and Objectives**Goal: Increase participation in Citizen Advisory Councils (CAC).**

Objective: Increase the amount of time spent in the field by Community Specialists.

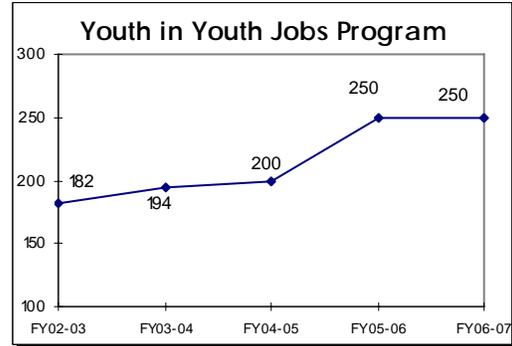
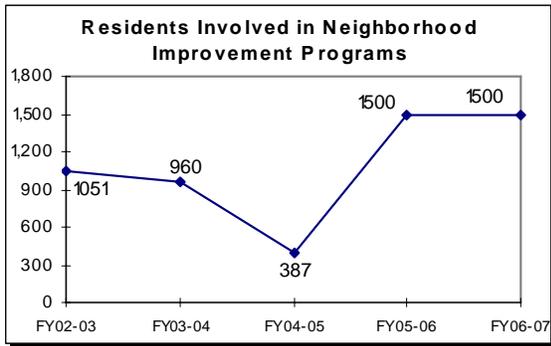
Objective: Build relationships in neighborhoods that help to organize associations and send representatives to CAC meetings.

Goal: Enhance services provided to the citizens and communities of the City of Raleigh.

Objective: Develop a citizens' advertisement on Raleigh Television Network (RTN) regarding department programs and benefits of citizen participation.

Objective: Develop and implement new strategies to gain participation through integration of Latino/Hispanic population in existing CAC's and neighborhood associations.

Performance Measures



Inspections

The Inspections Department is responsible for enforcing International and North Carolina building construction codes and the city's minimum housing code and public nuisance codes; reviewing construction plans for code compliance and issuing permits; and enforcing the city's tree preservation code, land use, and sign regulations.

Additional information regarding the Inspections Department may be obtained by contacting Larry Strickland, Inspections Director at (919) 516-2701 or via email at larry.strickland@ci.raleigh.nc.us.

Mission

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 exceed their expectations for efficiency, effectiveness, and adaptability.

Accomplishments (July 2006 – June 2007)

- Issued 46,864 building permits (building, electrical, plumbing, and mechanical).
- Performed about 140,000 field inspections (building, electrical, plumbing, and mechanical).
- Issued 3,254 zoning permits and performed 8,791 site and sign inspections.
- Zoning held seven workshops for the public and development community on the use and implementation of the Tree Conservation Ordinance. Over 175 attended these sessions.
- Housing performed 23,290 unfit-unsafe housing and public nuisance inspections and 475 zoning nuisance vehicle cases.
- Created Senior Multi-trade Housing Inspector positions. These inspectors will be certified in all four construction trades (building, electrical, plumbing and mechanical) and qualified to make all required inspections in minimum housing cases thus reducing the need for multiple inspectors to visit one location.
- Technology enhancements:
 - Fully implemented Web based permits including fee collection for repair/replacement of plumbing, mechanical, and electrical permitting. To date, about \$288,000 collected through on-line permits.
 - Fully implemented the mobile office for inspectors and supporting software.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	148	154	157	153	(4)
DIRECT EXPENDITURES BY PROGRAM					
Administration	\$ 695,045	\$ 819,356	\$ 885,930	\$ 322,076	(63.6%)
Construction	4,259,780	4,551,842	4,573,831	4,856,392	6.2%
Housing/Environmental	1,570,619	1,868,284	1,922,808	1,972,940	2.6%
Permit Office	2,425,987	2,541,707	2,990,956	3,061,581	2.4%
Zoning	904,292	1,157,314	1,214,471	1,310,664	7.9%
Neighborhood Preservation	317,400	225,768	243,911	316,651	29.8%
TOTAL	\$ 10,173,123	\$ 11,164,271	\$ 11,831,907	\$ 11,840,304	0.1%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 7,274,192	\$ 7,703,153	\$ 7,986,180	\$ 7,852,823	(1.7%)
Employee Benefits	1,643,457	1,795,179	2,004,057	2,052,822	2.4%
Operating Expenditures	1,239,324	1,629,239	1,770,020	1,903,209	7.5%
Special Programs and Projects	-	-	-	-	
Capital Equipment - New	4,100	18,850	42,800	12,000	(72.0%)
Capital Equipment - Replacement	12,050	17,850	28,850	19,450	(32.6%)
Interfund Transfers	-	-	-	-	
TOTAL	\$ 10,173,123	\$ 11,164,271	\$ 11,831,907	\$ 11,840,304	0.1%

Highlighted Budget Changes (July 2007 – June 2008)

- Planned technology enhancements:
 - Web-based payment of re-inspections fees (18,000 transactions annually-on schedule to be rolled out mid year).
 - Investigation and design of web-based permitting for new single family construction (inter-local agreement phase II).
 - Process improvements as defined by the current Farragut study of “Development Review Process Improvement”.
- The FY2007-08 budget reflects the transfer of six positions: four to Development Service, one to Fire, and one from Finance.
- The FY2007-08 budget includes the creation of the Housing/Environmental Inspectors Development and Compensation Program.

Goals and Objectives

Goal: To improve customer service and solicit input on how to improve and provide needed services from our major user groups.

Objective: Provide a quick response when service is requested. Our customer base expects next day service when calling in for an inspection.

Objective: Addressing issues and concerns voiced by the City Manager, Council, clients, contractors and the recent Land Development Process Study conducted by Farragut Systems, Inc.

Objective: Improve the permitting process by reducing the plan review time.

Objective: Work closely with the Development Service Organization and other departments to improve the overall review process.

Objective: Indexing department fees to the CPI index. By establishing fees to a reliable index, the construction industry will be able to project construction costs related to permits and other fees.

Goal: To provide educational opportunities for staff.

Objective: Create a multi-level compensation program for Housing Inspectors to improve services in a cost effective manner and retain staff.

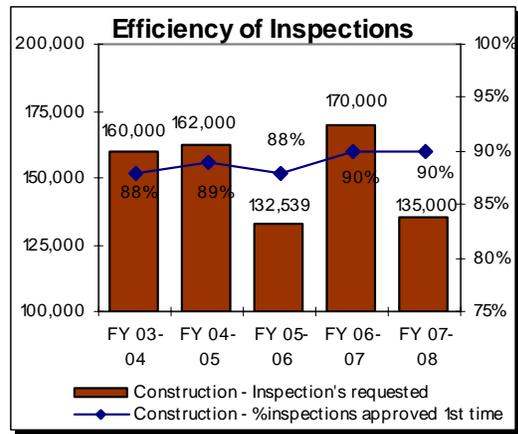
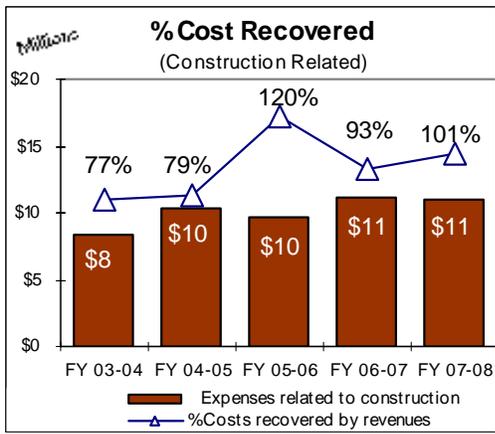
Objective: Realign duties and responsibilities of key personnel in the department. With the moving of four positions out of Inspections to the new Development Services Group, many job duties need to be shifted to other existing positions within the department.

Goal: To build and enhance our technology capabilities.

Objective: Increase the capabilities of our web-based permitting and payment process.

Objective: Continue to improve the capacity of field mobility. This will have a positive impact on meeting our next day service goal for inspections.

Performance Measures



Planning

The Planning Department supports the City Council, City Administration, Raleigh Planning Commission, Raleigh Historic Districts Commission, Raleigh Appearance Commission, and several other city planning committees and task forces. The department also provides research, design, and advisory services related to the physical and economic planning, and development of the city. Planning conducts studies and prepares recommendations related to long-range city development, administers city development regulations, and oversees economic planning and development as guided by the Council's policy.

Additional information regarding the Planning Department may be obtained by contacting Mitchell Silver, AICP, Planning Director at (919) 516-2625 or via email at mitchell.silver@ci.raleigh.nc.us.

Mission

To provide guidance for the growth, preservation and development of the City of Raleigh in order to maintain a high quality of life for all.

Accomplishments (July 2006 – July 2007)

- Implemented a new organizational structure to deliver services more efficiently, expedite development review more effectively, and develop staff skills and expertise.
- Worked with the Assistant City Manager and other development services-oriented departments to implement internal improvements and inter-departmental coordination. Internal improvements included creating a new map recordation unit, helping start the new development coordination office, and improving the city's digitized zoning maps and administrative approval forms.
- Provided extensive technical assistance on three dozen projects that were not listed on the Planning Department's FY 2006-07 work program. These projects were highly technical and often required a quick turn-around. Projects included: Dorothea Dix plan, City Center Plaza, Department of Defense exemptions, Public Safety Center, Randleigh Farm, Tax Increment Financing, Stadium Feasibility and Hillsborough Street.
- Conducted extensive research, gathered data, and created baseline information to start the Comprehensive Plan Update process. Worked with other departments and developed a broad public outreach effort.
- Fostered a strong working relationship with the press to ensure accurate information is reported to the public. Developed a strong working relationship with regional agencies and neighboring municipalities.
- Developed an Economic Development Working Group in FY 2005-06. The Planning Department continues to provide seamless communication and collaboration among the various economic development entities in the city (Downtown Raleigh Alliance, Chamber of Commerce, Planning Department and Assistant City Manager). Supported discussions regarding Economic Development Policy, included self-financing bonds, and continued to assist the development community with feedback on development opportunities within the city.
- Processed 80 voluntary annexation petitions. There were 63 annexations petitions processed in FY 2005-06.
- Approved annexations created \$5 million in increased tax revenue and fees. This is a \$2.4 million increase in revenues from approved annexations seen in FY2005-06.

- Rezoning requests have gradually increased each year for the past four years. However, the number of zoning cases decreased last year. The decrease may be attributed to the new city and state guidelines that went into affect on January 1, 2006. Although the number of requests last year was less than peak years experienced in the past (early 1980s, mid-1990s), the number of conditional use rezoning requests has risen and now accounts for about 95% of all cases. As would be expected, the review and processing of conditional use zoning and Planned Development District (PDD) requests is more time consuming, accounting for 2 to 4 times the number of staff hours associated with general use district requests.
- Processed 24 text changes. The average number of annual text changes processed over the past six years is 18.
- Reviewed 80 site plans. The total amount of site plans reviewed was 113 in FY 2003-04, 108 in FY 2004-05 and 62 in FY 2005-06. With passage of several new text changes, case review has become more time-consuming.
- Reviewed 10 PDD master plans. This represents a significant increase from previous years and reflects confidence in the development community to undertake larger projects and long term investments in the city. We anticipate that this trend will continue.
- Reviewed 160 subdivision/re-combination plans including infill. The total amount of subdivisions/recombination plans have fluctuated over the past few years from 98 in FY 2003-04, 125 in FY 2004-05, and 100 in FY 2005-06.
- Reviewed 900 maps authorized for recording. The total amount of map recordings decreased from 784 in FY 2003-04, and 757 in FY 2004-05, to 688 in FY 2005-06.
- Processed 180 Certificates of Appropriateness. Increase in number and complexity; the previous five-year average has been 170.
- Processed 20 Façade grants. This is an increase of 12 grants from FY 2005-06.
- Processed 20 Comprehensive Plan amendments. The number of Comprehensive Plan Amendments has fluctuated over the past few years. There were 30 in FY 2004-05 and 13 in FY 2005-06.
- Processed four district, small area or neighborhood plans. The average is two to four plans per year.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	41	41	45	46	1
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 1,099,735	\$ 399,490	\$ 3,690,876	\$ 4,424,117	19.9%
Current Planning Services	1,107,218	1,377,838	-	-	
Econ & Development Planning	1,021,247	1,459,116	-	-	
TOTAL	\$ 3,228,200	\$ 3,236,444	\$ 3,690,876	\$ 4,424,117	19.9%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 2,274,580	\$ 2,317,908	\$ 2,545,258	\$ 2,723,617	7.0%
Employee Benefits	506,909	518,927	609,340	655,776	7.6%
Operating Expenditures	444,711	397,609	536,278	1,026,224	91.4%
Special Programs and Projects	-	-	-	18,500	
Capital Equipment - New	2,000	2,000	-	-	
TOTAL	\$ 3,228,200	\$ 3,236,444	\$ 3,690,876	\$ 4,424,117	19.9%

Highlighted Budget Changes (July 2007 – June 2008)

- A Planner II has been added to assist with text changes for infill standards related to comprehensive planning.
- Changes will be made within the department to improve administration and operations, business continuity, increase staff productivity and efficiency, and provide stronger customer service and broader technical assistance.
- Increase in rental property budget for Urban Design Center relocation costs.
- Enhance computer equipment and graphics capability to improve communications.
- Completion of Phase II of the Comprehensive Plan Update included in this budget.
- Increase in the travel, training and registration budgets to broaden staff development, best practices research, and site visits to other cities.

Goals and Objectives

Goal: Advance management strategies.

Objective: Work with other departments to find ways 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.

Objective: Develop a departmental work program that takes the management strategies into consideration.

Objective: Identify inter-departmental work products, such as the Comprehensive Plan Process and Development Review Coordination to improve department collaboration.

Goal: Increase productivity.

Objective: Reduce the amount of time staff reviews plans.

Objective: Increase the number of plans, certificates of appropriateness, and subdivision/recombination plans reviewed annually.

Objective: Increase staff productivity by 25% by tracking performance measures on a monthly basis.

Objective: Strengthen business continuity by cross training staff to expand job skills and to back up other staff during high caseload periods and by maintaining institutional knowledge and expertise within the department.

Goal: Provide a long-range plan.

Objective: Update the Comprehensive Plan to offer guidance for the future development, preservation and growth of the city.

Goal: Provide more technical assistance to the development community and citizens.

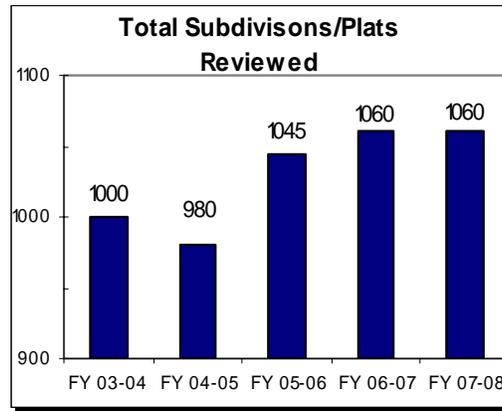
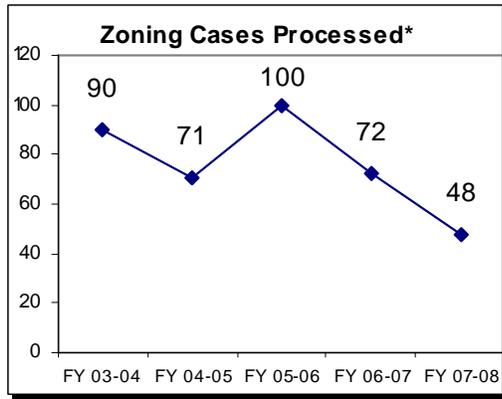
Objective: Conduct pre-application meetings to reduce the review time and improve quality and completeness of applications.

Objective: Attend more CAC meetings to provide technical advice on complex site plans, master plans, zoning cases and text changes. Hold public information meetings to educate the public about planning and zoning matters.

Objective: Develop handbooks and other tools to educate the public about planning, zoning and historic district requirements.

Objective: Use the Comprehensive Plan Update process as way to educate the public about planning.

Performance Measures



** The number of processed zoning cases is cyclical and may be further influenced by 2006 State Statute requirements for stricter justification of approving re-zonings based on Comprehensive Plan compliance, compatibility, and public benefit.*

Public Works

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.

The General Fund programs of Public Works provide the following services: assuring effective implementation of all policies and programs and emergency management; roadway design and construction; surveying and CADD designs; inspection services of construction within public rights of way for city funded projects and private development projects; assessment for streets, sidewalks, water, and sewer construction projects; traffic engineering and accident analysis; management of the traffic signal program; management of the traffic signs and marking program; reviewing and approving all new development plans and administering the street light program; budgeting and programming of all capital transportation projects; traffic calming program; bicycle & pedestrian programs; transportation planning; and NC Department of Transportation project coordination.

Public Works also provides fleet management services through an internal service fund and parking, transit and stormwater management services through enterprise funds.

Construction Management manages capital building and general improvement projects 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, and acceptance of projects by the city and administering warranty periods on new facilities and improvements. Projects include new construction, renovations, or improvements to city owned buildings/facilities. The range of projects includes general government offices, parking decks, Police and Fire facilities, Solid Waste facilities, Convention Center, Performing Arts facilities, and roof replacements on City structures.

Street Maintenance provides maintenance for 1,054 miles of city and state highway system streets and rights-of-way within the city limits. Services include patching and resurfacing of asphalt pavements, concrete repairs, storm drain and culvert repairs and inspections, street sweeping, snow and ice control, special load collection, tree root damaged sidewalk repairs, and graffiti removal. Street Maintenance and Stormwater staff have collaboratively developed a stormwater drainage maintenance program to increase the level of service on city streets.

The intent of the Safelight program is to decrease the number of crashes caused by traffic signal violations and increase public awareness of safe driving. Any revenues in excess of program costs are to be distributed to Wake County Public Schools.

The Capital Area Metropolitan Planning Organization (CAMPO) expanded its planning boundary to include parts of Granville, Franklin, Johnston and Harnett counties, including the municipal governments therein. The Capital Area MPO serves as the coordinating agency between local governments, NCDOT, and FHWA. The MPO is responsible for carrying out an annual work program approved by the standing committees, part of which must address updating the Metropolitan Transportation Improvement Program (a seven-year project programming schedule) and a long-range transportation plan (a minimum twenty-year forecast of projects and programs).

Vehicle Fleet Services provides equipment replacement, 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 operational and maintenance costs related to the city parking decks and surface lots, management of on-street and off-street parking contracts, and the placement and removal of parking signage.

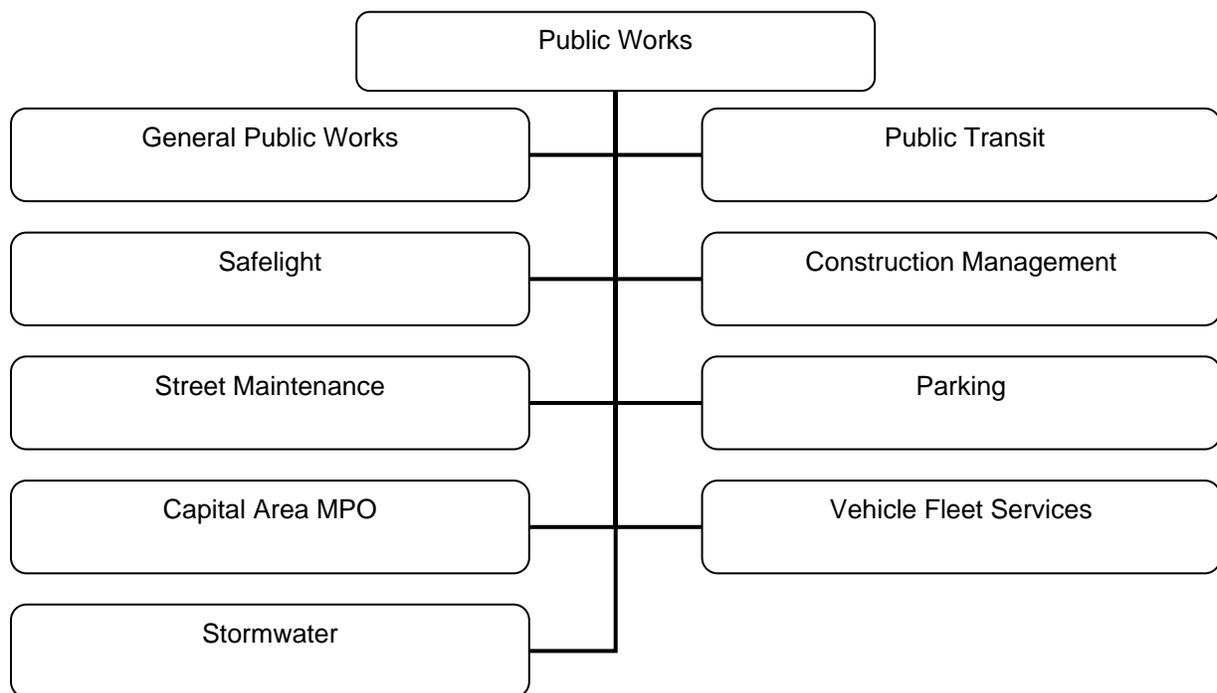
The Stormwater Utility Fund provides services for Raleigh’s citizens including public storm drainage projects, assistance with private drainage concerns, water quality issues as mandated by State state and federal agencies, as well as plan review and inspection functions related to sedimentation control, 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 and plan review fees.

Additional information regarding the Public Works Department may be obtained by contacting Carl R. Dawson, Jr., Public Works Director, at (919) 890-3030 or via email at carl.dawson@ci.raleigh.nc.us.

Mission

The Public Works Department administers the planning, design, and construction of transportation, pedestrian, mass transit, stormwater, parking, general government and city facilities while at the same time maintaining many of these facilities and the city’s vehicle fleet.

The Public Works Department provides the services including roadway design and construction, engineering inspections, traffic engineering operation, traffic signs and markings, traffic signals, safelight, computerized signal system, transit, parking management, assessments, surveying, CADD services, regional transportation planning coordination, construction management of public improvements, street maintenance, vehicle fleet services, and stormwater management.



Accomplishments (July 2006 – June 2007)

- Completion of the first phase of Fayetteville Street Renaissance streetscape project at an estimated construction cost of \$9.7 million.
- Completion of seven road projects at a cost of \$11.65 million.
- Confirmed 15 utility, street and sidewalk assessment rolls totaling \$821,000 by December 5, 2006. Projecting an additional 22 assessment rolls will be confirmed prior to July 1, 2007.
- Street Maintenance Division is currently expending about \$1.1 million dollars per year on drainage system maintenance and street sweeping. The current two catch basin crews and two jet flusher crews that cover the city only react to complaints due to time constraints which is currently a level of service D. Street Maintenance and Stormwater staff have worked together to develop a program to add four catch basin crews and a jet flusher crew to increase the level of service at a cost of about \$500,000 in FY 2006-07. It is anticipated these additions will increase the level of service for drainage system maintenance on city streets to somewhere between a C+ and a B+. The plan is to use these crews for 1-2 years and develop performance data to project any additional needs.
- Inspection and acceptance of 611,726 linear feet of public infrastructure.
- Completion of Fire Station #28 construction.
- Completion of Municipal Office Space renovations and relocations Phase II.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Public Works	109	109	110	107	(3)
Construction Management	6	6	11	11	0
Streets-Stormwater Maintenance	0	0	0	42	42
Street Maintenance	110	114	122	91	(31)
Safelight	1	1	1	1	0
Vehicle Fleet Services	58	60	61	62	1
Public Transit	5	5	7	8	1
Parking Facilities Fund	9	13	13	14	1
Stormwater Utility	35	37	40	44	4
TOTAL	333	345	365	380	15
GRANT POSITIONS					
Public Transit	3	3	4	4	0
CAMPO	6	6	7	7	0
TOTAL GRANT FUNDED POSITIONS	9	9	11	11	0
DIRECT EXPENDITURES BY DIVISION					
Public Works	\$ 12,286,928	\$ 12,808,199	\$ 13,630,735	\$ 13,969,517	2.5%
Construction Management	498,256	551,652	925,715	1,038,882	12.2%
Streets - Stormwater Maintenance	-	-	-	2,570,288	
Street Maintenance	7,272,738	7,866,114	9,331,060	7,920,811	(15.1%)
Safelight	1,237,626	817,847	961,457	902,029	(6.2%)
CAMPO	301,688	223,119	305,178	337,682	10.7%
TOTAL-GENERAL FUND DIVISIONS	\$ 21,597,236	\$ 22,266,931	\$ 25,154,145	\$ 26,739,209	6.3%
Vehicle Fleet Services	\$ 8,674,484	\$ 10,057,374	\$ 12,398,042	\$ 13,341,364	7.6%
Public Transit	12,654,242	13,862,171	17,011,255	18,085,921	6.3%
Parking Facilities Fund	4,336,773	6,716,318	7,520,643	9,550,745	27.0%
Stormwater Utility	11,800,000	11,133,766	12,537,896	15,501,984	23.6%
TOTAL- OTHER FUNDS	\$ 25,665,499	\$ 30,635,863	\$ 49,467,836	\$ 56,480,014	14.2%
DIRECT EXPENDITURES BY TYPE - GENERAL FUND DIVISIONS					
Personal Services	\$ 9,310,104	\$ 9,771,008	\$ 10,659,292	\$ 11,292,940	5.9%
Employee Benefits	2,283,008	2,410,660	2,847,806	3,136,272	10.1%
Operating Expenditures	9,586,771	9,747,774	11,377,523	11,710,178	2.9%
Special Programs and Projects	-	-	-	404,560	
Capital Equipment - New	72,195	64,600	171,754	131,584	(23.4%)
Capital Equipment - Replace	41,000	36,000	84,000	50,000	(40.5%)
Interfund Transfers	304,158	236,889	13,770	13,675	(0.7%)
TOTAL	\$ 21,179,883	\$ 21,929,442	\$ 25,154,145	\$ 26,739,209	6.3%

Highlighted Budget Changes (July 2007 – June 2008)

- Lease Robotic Total Station equipment for survey crews to improve the level of service.
- Upgrade computer hardware to facilitate electronic plan reviews and enhanced computer graphics capabilities.

- The Radio Shop, which maintains and repairs handheld radios for the city, has been transferred to the Emergency Communications Center in preparation for expansion of this function with implementation of the 800 MHz project.
- LED conversion of stoplights is being done as part of Capital Improvement Plan signalization project. This conversion is expected to significantly reduce maintenance and operating costs from longer bulb life and decreased energy usage.
- The Streets Division has expanded its Stormwater Maintenance program with 10 new employees added mid-FY2006-07, the expenses for which are reimbursed by the Stormwater enterprise fund. The FY2007-08 budget reflects a full-year of budgeting for these costs. This program has also added a new street sweeper.
- As street mileage continues to increase, an additional leased truck and leaf machine is required to maintain the current collection schedule.
- A Transportation Inspector was added to allow the city to increase its street resurfacing program in response to the projected increasing street miles eligible for resurfacing each fiscal year.
- Expansion of the Express Review Fee program has required the addition of a Civil Engineer position to conduct administrative site plan reviews. One-half of this position will be devoted to Express Reviews and the remainder of the time will be spent conducting plot plan reviews, reviewing driveway permits and responding to customer inquires.
- A mandatory, bi-annual bridge inspection will be conducted in FY2007-08 at a cost of \$122,000.
- The Capital Area MPO has expanded its planning boundaries to include parts of Granville, Franklin, Johnston and Harnett counties and the municipalities therein. CAMPO will also be conducting a transportation study of the US 70 & I-440 area as part of its Capital Improvement Plan.

Goals and Objectives

Goal: Provide for safe, efficient travel through major city corridors. Provide increased travel efficiencies through improved traffic signalization.

Objective: Increase travel efficiencies through improved traffic signalization.

Objective: Proceed with design of new generation of computerized traffic signal system by June 2008.

Objective: Complete design and commence construction on the last of the 2000 bond projects, pending permitting approvals, while soliciting proposals and beginning design on second year of the funded 2005 bond projects.

Objective: Establish the response time at 15 days to address citizen requests for the speed reduction program by June 30, 2008.

Objective: Increase the number of annual traffic calming projects to three to six by June 30, 2008, if funding allows.

Goal: Continue effort to pursue digital plan archiving to allow for electronic access of plans by staff, with the ultimate goal of allowing citizens similar access through the web in coordination with Information Technology. Electronic plan storage would allow for reduced physical storage space needs, quicker search capability and tighter security by eliminating the possibility of misplaced plans, and allow the capability for future use within the new IRIS environment.

Objective: Complete scanning or digital reproduction of all departmental plan archives by 6/30/09. In coordination with other internal users, implement new electronic plan submittal requirement for outside developers/consultants to allow for immediate electronic storage.

Objective: Coordinate effort to increase use of currently available plan review software and upgraded hardware and increase opportunity for digital plan format submittals. Software is currently available to anyone within the city who wishes to utilize it. Would require enterprise wide support to implement, so no clear way to measure this enterprise-wide from a departmental perspective.

Goal: Support the Revenue division of the Finance Department with the ability to collect accurate and timely assessments.

Objective: Calculate assessment rolls within six months of project completion. In FY2007-08, the team will continue to complete final calculations of utility assessment rolls that are backlogged; projecting to confirm assessments on 17 completed utility projects and eight roadway/sidewalk projects by June 30, 2008.

Goal: Increase efficiency in surveying operation through use of new technology to reduce time per work order and as the result, make new surveying opportunities available to other departments currently out-sourcing this work.

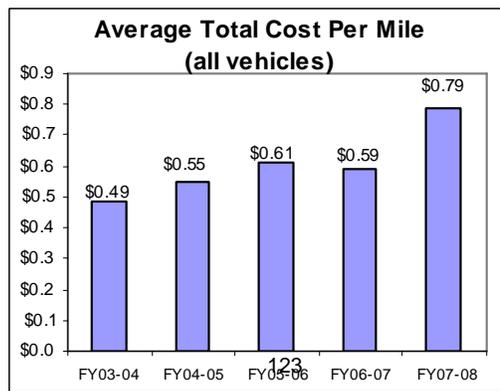
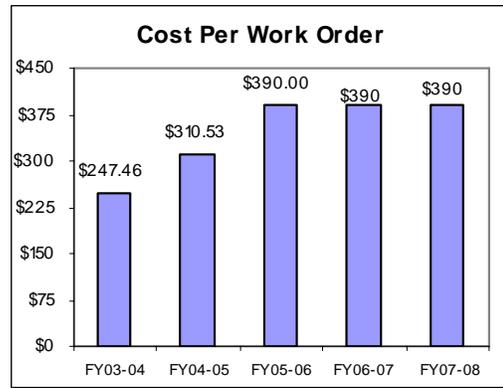
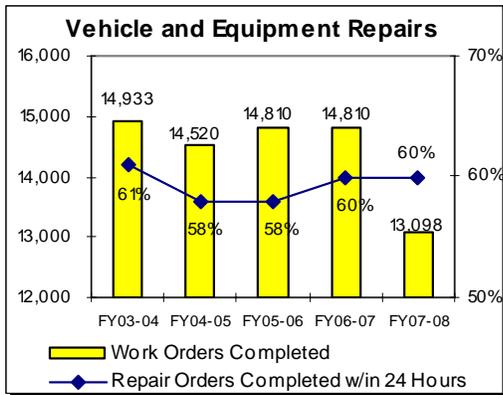
Objective: Decrease time per work order by 10% through implementation of GPS and robotic total station survey equipment to expedite field work and allow flexibility with smaller crew size by June 30, 2008.

Goal: Manage municipal facility construction and renovation.

Objective: Continue managing the construction of the Convention Center and Underground Parking deck project, staying on schedule and in budget to the extent possible barring unforeseen and unknown conditions. Complete the construction by October 2008.

Objective: Continue managing the city departmental office moves at the municipal buildings to minimize disruption, stay on schedule and in budget to the extent possible barring unforeseen and unknowns. Complete the project by June 30, 2008.

Performance Measures



Parking

The Parking Funds 442-446 are enterprise funds operated under the management of the Public Works Department. The Parking operation oversees operation and maintenance of six decks, seven surface lots, and the on-street, metered parking program.

Mission

The Parking Management Section administers the on-street and off-street parking contracts, is responsible for processing requests for the placement and removal of parking signage, and maintains city parking facilities.

Accomplishments (July 2006 – June 2007)

- Off-street parking management contract was implemented in November 2006 at a cost of \$504,289.
- Fee structure changes implemented in October 2006 provided \$300,000 in additional revenue to improve long term sustainability of parking enterprise.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY DIVISION					
Non-Program Expenditures	\$ -	\$ 220,000	\$ -	\$ 2,925,864	
Downtown Parking Maintenance	4,336,773	6,496,318	7,520,643	6,624,881	(11.9%)
TOTAL	\$ 4,336,773	\$ 6,716,318	\$ 7,520,643	\$ 9,550,745	27.0%
REVENUES BY TYPE					
Interest on Investments	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	0.0%
Approp from Prior Year	452,963	886,571	1,488,845	1,503,864	1.0%
FR 446 Parking Capital Fund	-	-	-	1,342,000	
Parking Violations	623,000	1,610,000	1,533,600	1,456,600	(5.0%)
Parking Deck Fees	3,180,810	3,982,387	4,272,052	5,017,346	17.4%
Handicap Parking Violations-WCPS	-	-	26,400	26,400	0.0%
FR410 for Moore Square Maintenance	-	157,360	119,746	124,535	4.0%
TOTAL	4,336,773	6,716,318	7,520,643	9,550,745	27.0%

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	9	13	13	14	1
DIRECT EXPENDITURES BY DIVISION					
Non-Program Expenditures	\$ -	\$ 220,000	\$ -	\$ 8,653	
Downtown Parking Maintenance	4,336,773	6,496,318	7,520,643	9,542,092	26.9%
TOTAL	\$ 4,336,773	\$ 6,716,318	\$ 7,520,643	\$ 9,550,745	27.0%

DIRECT EXPENDITURES BY TYPE

Personal Services	\$ 321,476	\$ 465,668	\$ 501,601	\$ 581,989	16.0%
Employee Benefits	77,416	119,632	130,924	160,488	22.6%
Operating Expenditures	416,611	2,389,578	2,513,375	2,835,355	12.8%
Capital Equipment - Replacement	6,260	27,000	-	-	
Interfund Transfers	3,521,270	3,741,440	4,374,743	5,972,913	36.5%
TOTAL	\$ 4,343,033	\$ 6,743,318	\$ 7,520,643	\$ 9,550,745	27.0%

Highlighted Budget Changes (July 2007 – June 2008)

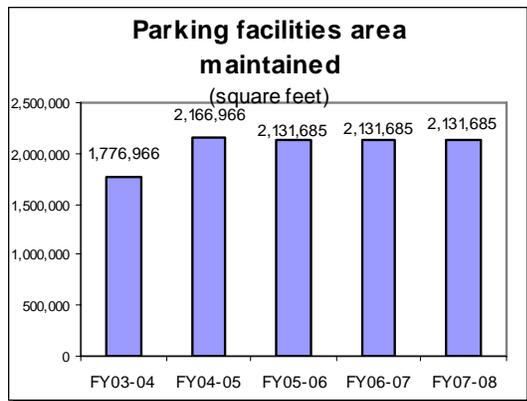
- Increase of \$3,500 in training on newer technology and parking management software.
- Addition of a Parking Coordinator to coordinate daily parking operations and allow the Parking Administrator to focus on downtown parking programs and broader management and analysis issues. The pre-opening costs for the underground deck are \$18,420.
- Proposed on-street metered parking rate changes will be deferred pending a report by the parking Task Force.

Goals and Objectives

Goal: Provide adequate off-street parking to encourage economic development.

Objective: Develop the management and maintenance programs for the Underground Parking Deck by June 2008.

Performance Measures



Public Transit

Capital Area Transit, Raleigh's public transportation system, consists of 38 routes and carries more than 13,000 riders daily. With a fleet of 87 revenue-generating vehicles, Capital Area Transit (CAT) serves the major commercial, employment, and 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 a physical or mental disability that make it impossible to drive a car and/or use regular CAT service may be eligible for Accessible Raleigh Transportation (ART). The ART program provides subsidized curb-to-curb transportation service through forty-five (45) participating taxi companies within Raleigh's city limits (Tier I) and within a 3/4 mile boundary of CAT fixed routes (Tier II). ART performs about 400 passenger trips per day.

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.

Accomplishments (July 2006 – June 2007)

- Year 2 of the Five Year Transit Plan was implemented January 2007. Planning began for the implementation of Year 3 of the Five Year Transit Plan, which will start in 2008.
- The base transit fare for CAT increased from \$.75 to \$1.00. The fare for the Accessible Raleigh Transit (ART) program increased from \$1.50 to \$2.00.
- Thirteen new heavy duty, low floor, 40-foot transit buses were procured, expanding the fleet from 74 to 87.
- Paratransit software was implemented for the Accessible Raleigh Transit (ART) program, which will improve customer service and program efficiency.
- An Automated Vehicle Location (AVL) and Real Time Traveler Information System was procured for CAT. This system will provide vehicle location, performance data, and real time passenger information for CAT customers.
- A new phone system was installed for the ART Program in order to improve customer service and program efficiency. The phone system will stack calls and reduce the number of disconnected calls resulting from busy phone lines. The new phone system will also provide a reporting function that will allow management to monitor call volumes and assign personnel resources as needed.
- The Seamless Service Initiative, which was developed to create a seamless transit network in the Triangle Region, was continued with the startup of the Regional Transit Call Center. Patrons can call a single number, 485-RIDE, to access route and schedule information throughout the Triangle.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY DIVISION					
Accessible Raleigh Transit (ART)	\$ 2,829,005	\$ 3,426,660	\$ 3,946,058	\$ 4,774,969	21.0%
Public Transit Operations	9,825,237	10,435,511	13,065,197	\$ 13,310,952	1.9%
TOTAL	\$ 12,654,242	\$ 13,862,171	\$ 17,011,255	\$ 18,085,921	6.3%
REVENUES BY TYPE					
State Grants	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	0.0%
Farebox Revenue	2,047,580	2,047,580	2,130,086	2,358,228	10.7%
Passenger Revenues	360,140	407,508	506,440	543,906	7.4%
Advertising Revenue	40,000	40,000	45,000	75,000	66.7%
Misc. Revenue	65,300	65,300	65,300	10,000	(84.7%)
Appropriations from Prior Year	400,000	300,000	300,000	300,000	0.0%
FR 100 General Fund - CAT	5,243,757	5,982,631	8,524,811	8,567,724	0.5%
FR 100 for Assessible Ral. Transit (AR	2,468,865	3,019,152	3,439,618	4,231,063	23.0%
TOTAL	12,654,242	13,862,171	17,011,255	18,085,921	6.3%

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Accessible Raleigh Transit (ART)	3	3	5	5	0
Public Transit Operations	2	2	2	3	1
Grant-funded positions	3	3	4	4	0
TOTAL	8	8	11	12	1
DIRECT EXPENDITURES BY DIVISION					
Accessible Raleigh Transit (ART)	\$ 2,829,005	\$ 3,426,660	\$ 3,946,058	\$ 4,774,969	21.0%
Public Transit Operations	9,825,237	10,435,511	13,065,197	13,310,952	1.9%
TOTAL	\$ 12,654,242	\$ 13,862,171	\$ 17,011,255	\$ 18,085,921	6.3%
GENERAL FUND CONTRIBUTION					
Accessible Raleigh Transit (ART)	\$ 2,468,865	\$ 3,019,152	\$ 3,439,618	\$ 4,231,063	23.0%
Public Transit Operations	5,243,757	5,982,631	8,524,811	8,567,724	0.5%
TOTAL	\$ 7,712,622	\$ 9,001,783	\$ 11,964,429	\$ 12,798,787	7.0%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 217,993	\$ 226,998	\$ 265,748	\$ 346,005	30.2%
Employee Benefits	47,954	47,984	68,182	87,168	27.8%
Operating Expenditures	12,388,295	13,426,029	16,503,779	17,524,413	6.2%
Special Programs and Projects	-	-	50,000	-	(100.0%)
Interfund Transfers	-	161,160	123,546	128,335	3.9%
TOTAL	\$ 12,654,242	\$ 13,862,171	\$ 17,011,255	\$ 18,085,921	6.3%

Highlighted Budget Changes (July 2007 – June 2008)

- The operations fuel budget continues significantly increased by \$1.6 million because of historically high costs.

- Year 3 of the Five Year Transit Plan is planned for FY2007-08, this will require additional city resources to expand bus service hours. It is anticipated that Year 3 service improvements will cost \$950,000.
- The Seamless Service Initiative is continued with requested funding for the regional Transit Call Center; the Public Transit budget programmed \$147,000 in FY2007-08 and \$163,000 in FY2008-09.

Goals and Objectives

Goal: To expand routes and offer service alternatives that provide increased passenger comfort and reduce weekday and Saturday headways on selected routes.

Objective: To implement Year 3 of the Five Year Transit Plan by January 1, 2008, as directed by the Raleigh Transit Authority, by developing routes, service alternatives, and budgets that meet the requested outcomes of the plan.

Objective: To prioritize and install passenger amenities, to include pole schedules, benches, and shelters, in order to increase stop level ridership above current documented levels at selected locations.

Objective: To reduce CAT's most productive routes headways to thirty minutes all day while maintaining a 20 passenger per hour system productivity average.

Goal: To improve Accessible Raleigh Transportation's (ART) level of customer service and program efficiency.

Objective: Use recently installed phone technology to efficiently assign personnel in order to reduce busy signal complaints.

Objective: Efficiently schedule and track passenger trips with the aid of new scheduling software; thereby, reducing ART's current average trip cost of \$22.

Stormwater Utility

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 our environment.

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.

Accomplishments (July 2006 – June 2007)

- Completed or closed out 19 stormwater projects at a cost of \$650,000.
- More than 77 stormwater projects at an estimated cost of over \$40 million dollars are currently under design.
- Investigated more than 2,000 complaints/ inquiries concerning drainage, water quality, and utility billing.
- The number of accounts being billed for stormwater increased 2.5% to 104,300, with projected revenues of \$12.6 million dollars.
- Completed 12,100 inspections for floodplain, soil erosion, and stormwater facilities
- Reviewed 1,450 plans for floodplain, soil erosion, and stormwater facilities. In addition, the average plan review time has dropped to 3 days per plan in FY 2006-07 from 3.5 days per plan in FY 2005-06.
- The collection rate for the stormwater utility fees has increased to 97%, which is an increase of 3% over FY 2005-06.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY TYPE					
Stormwater Fees from City Depts.	\$ -	\$ 189,200	\$ 222,655	\$ 313,600	40.8%
Interest on Investments	26,516	126,481	315,141	411,977	30.7%
Erosion Control Fees	-	-	-	1,008,827	
Grading Review Fees	-	-	-	215,005	
Stormwater Utility Fees	11,773,484	10,818,085	12,000,000	13,552,575	12.9%
TOTAL	11,800,000	11,133,766	12,537,796	15,501,984	23.6%

Budget Detail

	ADOPTED BUDGET 2004-05	ADOPTED BUDGET 2005-06	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE 2006-07 TO 2007-08
EMPLOYEES	35	37	40	44	4
DIRECT EXPENDITURES BY DIVISION					
Stormwater Administration	\$ 892,967	\$ 987,001	\$ 1,103,860	\$ 1,208,228	9.5%
Stormwater Services	352,467	330,852	415,924	530,262	27.5%
Water Quality - Stormwater	339,559	425,839	438,474	465,566	6.2%
Infrastructure Management	415,593	612,693	456,578	479,371	5.0%
Conservation Engineering	337,751	432,026	444,429	539,433	21.4%
Conservation Inspections	474,824	513,173	608,372	722,677	18.8%
Non-Program Expenditures	8,986,839	7,832,182	9,070,259	11,556,447	27.4%
TOTAL	\$ 11,800,000	\$ 11,133,766	\$ 12,537,896	\$ 15,501,984	23.6%

DIRECT EXPENDITURES BY TYPE

Personal Services	\$ 1,718,491	\$ 1,919,398	\$ 2,132,711	\$ 2,439,671	14.4%
Employee Benefits	403,399	450,814	537,752	689,234	28.2%
Operating Expenditures	1,395,901	860,689	970,456	870,020	(10.3%)
Special Programs and Projects	-	134,690	-	1,172,214	
Capital Equipment - New	8,000	47,125	18,000	-	(100.0%)
Capital Equipment - Replace	936,209	1,474,050	2,005,977	1,000	(100.0%)
Interfund Transfers	7,338,000	6,247,000	6,873,000	10,329,845	50.3%
TOTAL	\$ 11,800,000	\$ 11,133,766	\$ 12,537,896	\$ 15,501,984	23.6%

Highlighted Budget Changes (July 2007 – June 2008)

- Increase the number of employees with laptops and wireless connections to facilitate field operations, increase productivity, and enhance disaster recover resources.
- Three new full-time staff to maintain the current level of service, a Staff Analyst, an Engineering Technician, and a Stormwater Control Inspector. Adding a Stormwater Control Inspector will reduce the inspection time frame on private development sites for soil erosion control from 12-14 days to 10-12 days. The Engineering Technician position will focus on assisting with planned bond program projects. The Staff Analyst position will provide long term financial and performance planning, as well as facilitate improved collections and payments of stormwater utility fees.
- One new Senior Conservation Engineer will maintain the current level of service for the Express Permitting System in the Plans Development Review Center. There have been an increased number of requests for these express services. The funding for this position will be offset by a transfer from the General Fund Express Review Fees collected for these express services.
- Increase overtime pay for response to flood events and spills that are hazardous to the environment.

Goals and Objectives

Goal: Provide adequate capital programming to support the Stormwater Utility.

Objective: Develop a stormwater bond program for capital projects to be implemented in July 2007 and continue through 2011 per City Council directive.

Objective: Decrease the number of backlogged flooding and water quality projects in the Capital Improvement Program 25% by June 30, 2009.

Goal: Increase the Level of Service for the Stormwater Facility Maintenance Program per Council directive.

Objective: Work with the Street Maintenance Division to increase the level of service for the maintenance of storm drainage facilities in the street right-of-way. It is projected all drainage structures in city street right of way will be inspected over the next five years.

Objective: Work with the Stormwater Management Advisory Commission and City Council to address City policy concerning drainage system maintenance on private property. The outcome will be to determine the appropriate level of service for private property drainage system maintenance in Raleigh.

Objective: Accelerate the drainage system inventory by increasing the number of personnel or consultants doing data collection. This objective will assist us in meeting the Clean Water Act requirements and will assist in reaching the level of service goals for the stormwater facility maintenance program.

Goal: Provide customers with a consistently high level of service, while responding in a timely fashion.

Objective: Use technology, where appropriate, to improve customer service response times by 15% by June 30, 2008.

Objective: Obtain feedback from customers and stakeholders via a survey to ascertain where improvements may be in order.

Objective: Provide additional employee training within the Stormwater Division to enhance service delivery.

Objective: Review public education efforts within the Stormwater Division to ensure they are appropriate for service delivery by June 30, 2009.

Goal: Improve and begin longer term financial and performance planning for the Stormwater Utility.

Objective: Develop a financial model to project revenues and costs for a 5 to 10 year planning horizon by June 30, 2008.

Goal: Protect and improve the water quality in our streams and rivers.

Objective: Increase grant funding 100% from state and federal sources by June 30, 2008.

Objective: Decrease time between inspections of construction sites where sediment loss is a concern from 14 days to 10 days by June 30, 2008.

Objective: Implement stream restoration, lake preservation, and other capital projects to improve water quality to meet NPDES permit requirements. Seventeen projects are to be completed by June 30, 2009.

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.

Effective with the FY2002-03 budget, the VFS budget was converted to an internal service fund. This fund serves as an accounting entity to account for the full costs of the city's vehicle fleet service operations. Equipment service costs such as fuel, tires, repair parts, and preventive maintenance services are charged throughout the year to the respective Motor Fuels and Vehicle Maintenance and Operation (M&O) accounts of the various operating divisions, 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 departments of the City of Raleigh.

Accomplishments (July 2006 – June 2007)

- With water and sewer utility mergers and the continued growth of the city, the Vehicle Fleet Services has managed to maintain equipment availability at 95% and completed 51% of work orders within 24 hours.
- The fleet has increased by 193 pieces of new and used equipment.
- With 4,052 repair parts in stock to support the variety of fleet equipment, a 85% over the counter fill rate is achieved over 6,348 work orders with a inventory turn rate of 2.5 in FY2006-07.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY TYPE					
Maintenance and Operation Revenue	\$ 8,674,484	\$ 10,057,374	\$ 12,398,042	\$ 13,341,364	7.6%
TOTAL	\$ 8,674,484	\$ 10,057,374	\$ 12,398,042	\$ 13,341,364	7.6%

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	58	60	61	62	1
DIRECT EXPENDITURES BY DIVISION					
VFS Maintenance and Repair	\$ 7,739,996	\$ 9,022,417	\$ 11,078,406	\$ 11,858,939	7.0%
VFS Administration	934,488	1,034,957	1,319,636	1,482,425	12.3%
TOTAL	\$ 8,674,484	\$ 10,057,374	\$ 12,398,042	\$ 13,341,364	7.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 2,210,985	\$ 2,301,461	\$ 2,339,402	\$ 2,429,582	3.9%
Employee Benefits	578,498	608,683	691,304	785,501	13.6%
Operating Expenditures	5,507,496	6,754,485	8,987,922	9,715,544	8.1%
Capital Equipment - New	25,000	19,500	25,400	59,700	135.0%
Capital Equipment - Replace	6,260	27,000	60,000	38,000	(36.7%)
Interfund Transfers	346,245	346,245	294,014	313,037	6.5%
TOTAL	\$ 8,674,484	\$ 10,057,374	\$ 12,398,042	\$ 13,341,364	7.6%

Highlighted Budget Changes (July 2007 – June 2008)

- In an effort to keep up with Automotive Maintenance Industry best practices, additional equipment and tools for mechanics have been included. Diagnostic laptop computers will increase the capability of identifying equipment malfunction codes to repair equipment. A mobile heavy truck lift will provide the capability to lift vehicles that weigh up to 72,000 pounds, which includes garbage and dump trucks. This lift will be used in the Heavy Truck Shop to perform repairs that require the vehicle to be lifted. With the Jack Stands (also requested) it will provide the capability to lift two vehicles at the same time, which will increase production in some cases up 25%. Improvements in shop safety and reductions in workers' compensation claims are also anticipated.
- Although fuel prices have been moderately stable, the budget accommodates moderate price increases. During FY2005-06 and FY2006-07, the City experienced a fuel increase of 25-40%, and some financial forecasts predict fuel price increases in FY2007-08.
- A new grade of engine oil has been required in new diesel engine vehicles after December 31, 2006. For FY2007-08, the budget includes up to a 30% cost increase for this product; estimates for actual costs vary considerably.
- An Equipment Specification Analyst has been added to study and analyze equipment data, research cost effective products and services, prepare and recommend equipment specifications. Previously, these responsibilities were handled by the VFS Fleet Services Superintendent and the Operations Analyst, both of whom will now have capacity to improve management oversight of the department and respond to environmental initiatives.

Goals and Objectives**Goal: To improve air quality and conserve fossil fuel use.**

Objective: Add 20 new alternative fuel vehicles (CNG, ethanol, bio-diesel and hybrids) to the city's fleet.

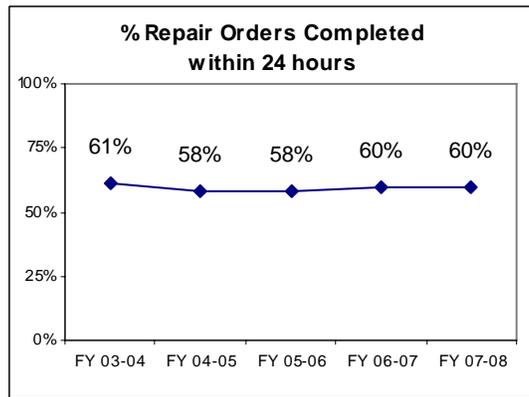
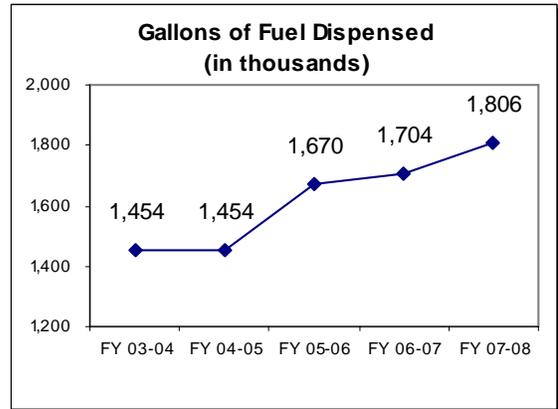
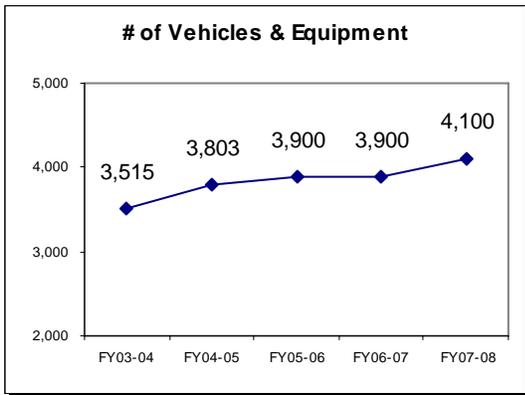
Goal: To maintain a high-level of equipment availability.

Objective: To maintain 95% availability of the city's 3,965 vehicles and equipment.

Objective: To complete 50% of work-orders within 24 hours.

Objective: To improve equipment scheduled preventive maintenance services by 10% within one month of scheduled date, which will improve employee morale by addressing their needs promptly and by providing the equipment needed to perform their missions.

Performance Measures



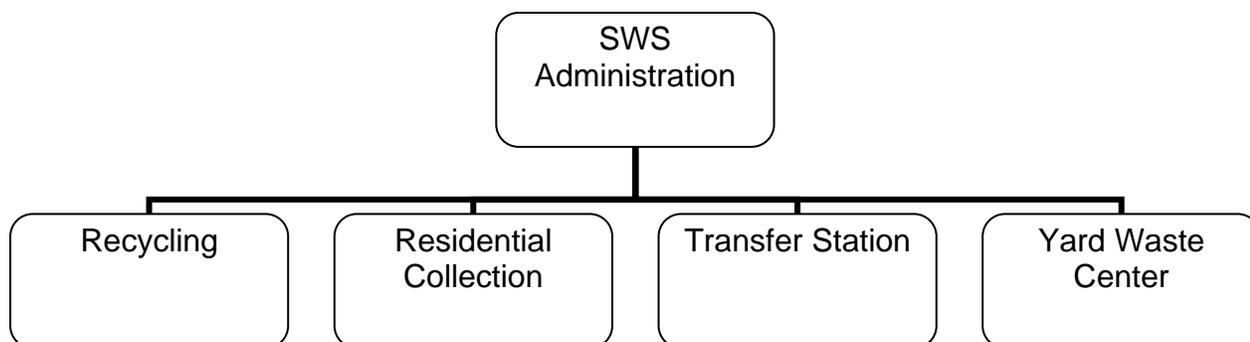
Solid Waste Services

The Solid Waste Services 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.

Additional information regarding the Solid Waste Services Department may be obtained by contacting Frederick Battle, Solid Waste Services Director, (919) 831-6073 or via email at frederick.battle@ci.raleigh.nc.us

Mission

To pursue a commitment to provide a safe, efficient, and effective solid waste collection and disposal system that protects the natural environment, the citizens of Raleigh and the employees of Raleigh and that preserves the quality of life of our citizens and their neighborhoods today and in the future. We shall pursue this commitment in such ways that no one else can compare.



Accomplishments (July 2006 – June 2007)

- Increased the tonnage of recycling materials collected by 30%, and added seven new materials to recycling collection.
- Entered into a contract with Paper Stock to bring dual stream recycling materials, a more efficient collection method, to their new facility for processing. While paid less for dual-stream materials than source separated materials, the increased tonnage has allowed our projected revenue to remain about the same as last year with the same number of employees.
- Implemented a skill-based training program to provide SWS employees a mechanism for advancement through the attainment of additional education, skills and experience.
- Took responsibility for the operations of the landfill methane gas extraction system located at Wilder's Grove Landfill, and negotiated the continued sale of the gas to a local consumer.
- Began the first phase of constructing the City's solid waste transfer station to meet both the City's and Wake County's disposal needs for the next 20 to 25 years.
- Reduced the number of employees on worker compensation by more than 95%.
- Improved employee attendance rate by 50%.
- Reduced number of valid complaints by 45% using complaint tracking data to identify problem areas and correct deficiencies in the field.
- Implemented a successful recycling program in the Central Business District (CBD).

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Administration	14	14	14	16	2
Recycling	69	71	65	78	13
Residential Collection	100	108	108	137	29
Transfer Station	0	0	0	3	3
Yard Waste Center	6	6	6	6	0
TOTAL	189	199	193	240	47

DIRECT EXPENDITURES BY DIVISION

Administration	\$ 990,995	\$ 1,060,319	\$ 1,249,732	\$ 1,527,507	22.2%
Recycling	4,225,675	4,540,452	4,626,245	5,189,701	12.2%
Residential Collection	15,070,943	11,361,976	11,899,341	11,116,978	(6.6%)
Transfer Station	-	-	-	3,216,788	
Yard Waste Center	1,294,262	1,418,259	1,534,267	1,750,876	14.1%
TOTAL	\$ 21,581,875	\$ 18,381,006	\$ 19,309,585	\$ 22,801,850	18.1%

DIRECT EXPENDITURES BY TYPE

Personal Services	\$ 7,598,415	\$ 7,206,678	\$ 7,940,625	\$ 8,639,314	8.8%
Employee Benefits	1,724,338	1,711,292	2,048,196	2,477,750	21.0%
Operating Expenditures	10,754,877	9,158,616	8,881,869	10,824,216	21.9%
Special Programs and Projects	-	-	-	300,000	
Capital Equipment - New	1,501,425	287,600	421,850	475,425	12.7%
Capital Equipment - Replace	500	500	500	500	0.0%
Interfund Transfers	2,320	16,320	16,545	84,645	411.6%
TOTAL	\$ 21,581,875	\$ 18,381,006	\$ 19,309,585	\$ 22,801,850	18.1%

Highlighted Budget Changes (July 2007- June 2008)

- This budget addresses adequate staffing levels, equipment shortages, and increased services demand needs. On average, the City of Raleigh is growing at a rate faster than 3% a year. The projected number of residential households served each week for FY08 is 103,500. This budget addresses those needs through increases in staffing, addition of equipment, and changes in existing methods of service delivery.
- Positions added either mid-year or as new positions with adopted budget are as follows:
 - 7 Equipment Operator III's
 - 3 Scale Operators
 - 1 GIS Programmer/Analyst
 - 1 Payroll Technician
 - 35 Service Workers
- To improve the efficiency of solid waste services, routing software and the technical support needed to successfully plan and implement collection routes throughout the City has been included.
- On July 1, 2006, the city entered into a contract with Paper Stock to accept recycling materials as dual stream, a more efficient collection method. However, Paper Stock pays about 36% less for dual stream recycling materials. During contract negotiations, Paper Stock agreed to accept seven more recycling materials. With the addition of the seven new recycling materials, the tonnage of recycling materials collected this year is projected to be about 30% more than last year with the same number of employees.
- Service Improvement Items:
 - The continued funding of the private call center for SWS, to assure our customers access a live call taker every time they call.

- The inclusion of routing software and a GIS position to manage this process will allow our drivers to run the most efficient routes possible.
- Phase 1 of construction on the City’s Transfer Station has begun. This facility will help the City and County meet its solid waste disposal needs for the next twenty to twenty-five years.

Goals and Objectives

Goal: To provide residential refuse collection.

Objective: To collect residential refuse from about 103,500 service points for FY 2007-08 and about 106,600 service points for FY 2008-09.

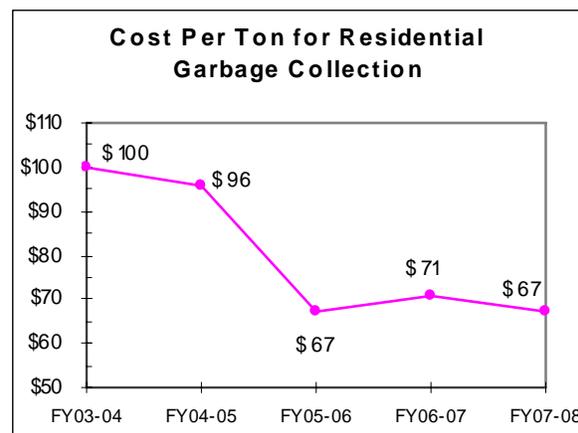
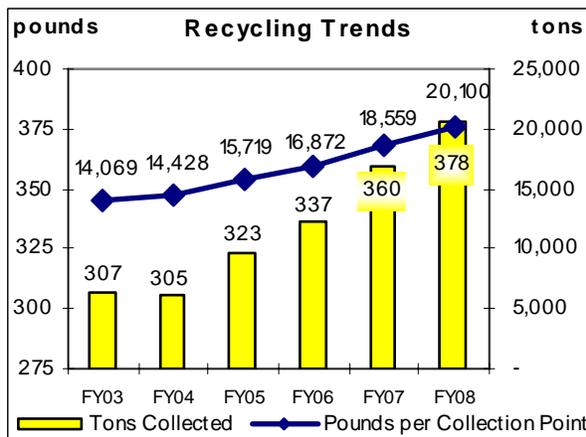
Goal: To provide residential and drop-off recycling collection.

Objective: To collect residential recycling from about 162,200 service points for FY 2007-08 and about 166,000 service points for FY 2008-09 on the scheduled collection day.

Goal: To provide a processing facility for residential yard waste, a recyclable refuse that is banned from landfills.

Objective: To recycle about 40,000 tons of residential yard waste.

Performance Measures



Emergency Communications

Emergency Communications is responsible for receiving 9-1-1 calls for assistance and dispatching 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, Communications Director, at (919) 890-3530 or via email at barry.furey@ci.raleigh.nc.us.

Mission

The Raleigh-Wake Emergency Communications Center provides communication links for individuals and service agencies to promote public safety and the preservation of life and property.

Accomplishments (July 2006 – June 2007)

- Made significant improvements in technology, including the upgrade and full scale testing of the backup 9-1-1 center, replacement of 9-1-1 Computer Aided Dispatch (CAD) PC's, implementation of Automatic Vehicle Location (AVL), and provision of traffic camera access to 9-1-1 telecommunicators. This was made possible, in part, through the approval and acquisition of one additional Systems Analyst during FY2005-06.
- Established a minimum level of staffing for the 9-1-1 center through the use of overtime and part-time funds.
- Conducted three training academies consisting of 21 employees and further formalized training forms and training officer selection under the direction of the reclassified Training and Compliance Supervisor.
- Managed an almost 10% increase in emergency medical dispatching through the use of reclassified telecommunicator positions.
- Updated and streamlined internal policies and procedures, eliminating incorrect and obsolete references, and began reorganization of all procedures in revised electronic format.
- Completed the necessary documentation and proofs of compliance for over 200 multi-part standards, and held a "mock" assessment in preparation for an on-site accreditation review by the Commission on Accreditation for Law Enforcement Agencies (CALEA). ECC is presently on pace to receive this award during FY2007-08 and to become the first 9-1-1 center in North Carolina, and one of less than 100 nationwide to be so acknowledged.
- Added a Radio Specialist position mid-year in order to help manage 800 MHz radios as the city continues its conversion.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	76	78	79	94	15
DIRECT EXPENDITURES BY PROGRAM					
City Only Cost	\$ 403,288	\$ 306,843	\$ 294,117	\$ 775,464	163.7%
Shared Cost	4,574,332	4,749,809	5,091,526	5,329,808	4.7%
County Only Cost	138,578	146,970	147,549	257,337	74.4%
Shared Cost - Barwell Rd	101,996	101,996	128,367	143,074	11.5%
Barwell Rd Backup Center	47,520	60,306	60,737	63,522	4.6%
Wireless Eligible ECC	-	261,864	238,723	227,524	(4.7%)
TOTAL	\$ 5,265,714	\$ 5,627,788	\$ 5,961,019	\$ 6,796,729	14.0%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 3,428,394	\$ 3,644,066	\$ 3,892,203	\$ 4,362,979	12.1%
Employee Benefits	794,935	839,385	931,710	1,125,667	20.8%
Operating Expenditures	1,034,375	1,135,201	1,127,833	1,187,511	5.3%
Special Programs and Projects	-	-	-	71,149	
Capital Equipment - New	-	-	-	40,000	
Capital Equipment - Replace	6,610	7,610	7,610	7,610	0.0%
Interfund Expenditure	1,400	1,526	1,663	1,813	9.0%
TOTAL	\$ 5,265,714	\$ 5,627,788	\$ 5,961,019	\$ 6,796,729	14.0%

Highlighted Budget Changes (July 2007 – June 2008)

- The FY2007-08 budget includes the transfer of Radio Shop activities and four employees from Public Works to Emergency Communications.
- The FY2007-08 budget includes ten telecommunicator positions – five will be starting in October 2007 and five in January 2008. These positions will reduce call answering time to an acceptable level, as well as relieve supervisors from operational duties.

Goals and Objectives

Goal: To meet and exceed service level expectations of the public and user agencies.

Objective: Improve recruitment and retention.

Objective: Obtain additional positions in order to provide sufficient staffing to consistently deliver service based upon established benchmarks, such as answering 90% of all 9-1-1 calls within three rings.

Goal: To continue ongoing work toward becoming a National Academy of Emergency Dispatch (NAED) and Commission on Accreditation for Law Enforcement Agencies (CALEA) accredited agency.

Objective: To continue to utilize existing personnel to review nationally accepted standards, and to enact and document internal policies and practices that conform to such standards.

Goal: To improve communications with all user agencies, and to improve the call throughput process within the 9-1-1 Center.

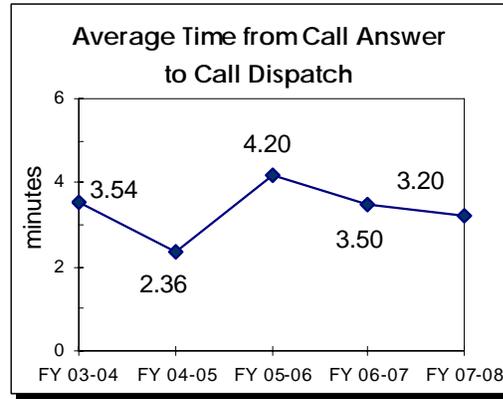
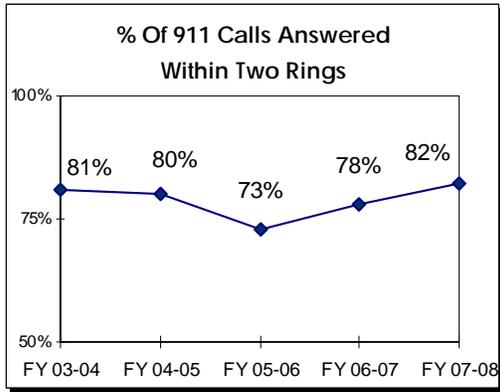
Objective: Incorporate new technology and procedures to improve service.

Objective: Continue to correct deficiencies at the back-up 9-1-1 facility.

Goal: To more effectively identify and utilize the space available to the ECC in order to modernize operations and administrative functions, and to support the growth of services to match the growth within the service area.

Objective: Through an internal space study, identify space deficiencies and utilize effective space planning. A space plan will be submitted to the City of Raleigh Space Committee, which will address the most efficient use of the limited space available within the confines of our current location.

Performance Measures



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.

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

Fire Prevention – Fire Prevention 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.

Fire Operations – 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.

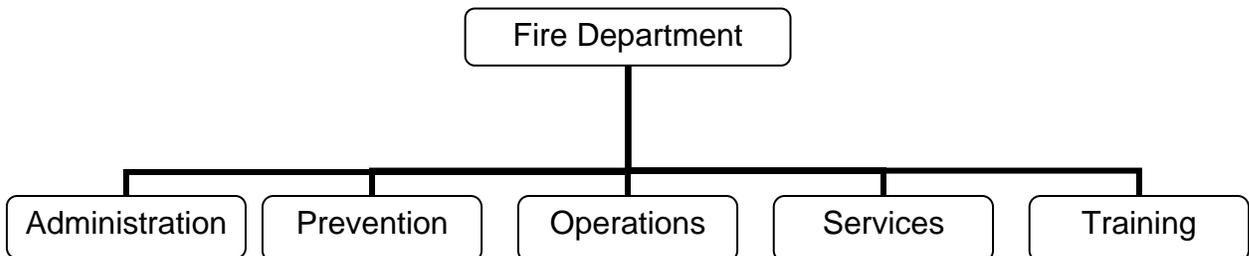
Fire Support Services – Support Services provides necessary supplies, equipment, repair, replacement services, and all uniforms, turnout gear, and specialty gear used by firefighters. The cost of operations, maintenance, and repair services for 29 Fire Department facilities (including Station 28 that opened in May 2007) 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, and repair parts.

Fire Training – This 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, service testing of all pumping apparatus, driver operator training and driver operator competency for First Class and Lieutenant promotions. The 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) 919-831-6115 or via email at john.mcgrath@ci.raleigh.nc.us.

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.



Accomplishments (July 2006 – June 2007)

- Continued implementation of the 800 MHz radio system, which will enhance Fire Department responders' ability to communicate with other responding agencies within the county and region.
- Installed standby generators at four Fire Department facilities, which will enhance the department's ability to serve our citizens during power outages.
- Converted, at minimal expense, a 1988 GMC truck into a mobile command vehicle through the efforts of departmental volunteers. Obtained two laptops for the command vehicle through a grant from Wake County.
- Continued to expand the use of 'free' software available on the internet to enhance departmental operations including Nagios, which is a program that automatically notifies Fire Department computer staff when any network devices or servers go down.
- Completed the implementation of the records management system in all divisions. This system allows access to incident reports, staffing and personnel data, pre-fire planning information, etc. It also allows the department to produce statistics for reporting purposes.
- Assisted with the recruitment process, which resulted in 671 applicants, and managed the hiring process for 32 new firefighter personnel. Trained new personnel during a 26-week recruit academy.
- Streamlined service to the public and enhanced building safety and access following the transition of eight personnel from the Inspections department into the Fire Prevention division. This transition increased RFD participation in the plan review process.
- Certified personnel as fitness trainers in an effort to enhance firefighter wellness through the proper use of the exercise equipment obtained through grant funding during FY 2005-06.
- Continued the regional Urban Search and Rescue (USAR) partnership with Cary, Durham, and Chapel Hill. Employees of each city serve on this team, which is capable of providing search and rescue services following any natural or man-made disasters. Raleigh Fire Department hosted a two-week USAR structural collapse school at the facility built by department personnel using donated materials and volunteer labor.
- Provided live burn training for 85% of departmental personnel. This training enhances firefighter's performance during real fire incidents.
- Enrolled company officers in the city's Capital Leadership training program to enhance their performance as employees and managers.
- Worked with architects, contractors, and construction management personnel to build and equip Fire Station 28. The opening of this facility will shorten response times and provide enhanced service to the community.
- Filled the Planner, Systems Analyst, and Facility Manager positions. The Planner is updating departmental procedures and developing a strategic plan for the department; the Systems Analyst is assisting with the implementation of the records and other new systems, as well as sharing in the support of the department's 549 users on a 24x7 basis; the Facility Manager is assisting the Assistant Chief of Services with oversight of all existing facilities, as well as the construction of Fire Station 28.
- Purchased defibrillators that comply with American Heart Association guidelines to replace older models on all fire apparatus. This will continue to improve our ability to save lives. Since January 2006, firefighters have participated in 44 resuscitations, which resulted in 15 lives saved. This represents a high rate of saves compared to the national average.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Fire Administration	3	5	7	7	0
Fire Prevention	13	13	21	25	4
Fire Operations	498	490	505	505	0
Fire Support Services	8	8	9	9	0
Fire Training	0	7	7	7	0
TOTAL	522	523	549	553	4
DIRECT EXPENDITURES BY DIVISION					
Fire Administration	\$ 323,062	\$ 528,073	\$ 672,912	\$ 757,532	12.6%
Fire Prevention	1,295,081	1,306,904	1,875,144	2,268,642	21.0%
Fire Operations	32,698,361	33,880,602	36,616,188	39,078,199	6.7%
Fire Support Services	1,975,719	2,143,434	2,622,804	2,923,222	11.5%
Fire Training	-	860,167	946,400	961,304	1.6%
TOTAL	\$ 36,292,223	\$ 38,719,180	\$ 42,733,448	\$ 45,988,899	7.6%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 25,649,986	\$ 26,856,400	\$ 29,074,202	\$ 31,166,766	7.2%
Employee Benefits	6,061,351	6,568,796	7,592,612	8,353,438	10.0%
Operating Expenditures	4,251,136	5,104,784	5,904,619	6,069,123	2.8%
Special Programs and Projects	-	-	-	178,737	
Capital Equip - New	141,300	124,300	95,800	170,500	78.0%
Capital Equip - Replacement	167,600	33,000	34,800	20,000	(42.5%)
Interfund Expenditure	20,850	31,900	31,415	30,335	(3.4%)
TOTAL	\$ 36,292,223	\$ 38,719,180	\$ 42,733,448	\$ 45,988,899	7.6%

Highlighted Budget Changes (July 2007 – June 2008)

- Replace an engine that has incurred high repair costs and has excessive mileage (93,000) for first line apparatus.
- Added three Fire Investigators to increase the number of fires investigated. The ability to identify arson cases and arsonists will aid in prosecution and conviction rates and has the potential to decrease property damage and fire fatalities.
- A Senior Building Plans Examiner was transferred to Fire Operations from Inspections.
- Five mobile data terminals for line chief officers will increase accessibility to information while en route to an emergency. This will enhance the safety of both fire fighters and building occupants, as well as potentially reduce property damage because firefighters will be better prepared upon arrival.
- Funds are included to continue the Capital Leadership training program for departmental personnel. The great success of the program during FY 2006-07 is the impetus for requesting additional funding for FY 2007-08.
- Additional funding included in support of the firefighter promotional process. Vendor costs have risen so it was necessary to increase the budget for this activity. However, the department is moving towards a two-year promotional list, which will lessen the frequency that this process occurs.
- Funds added in the Fire Prevention division for small equipment, supplies, and an additional computer. These items are needed for some of the personnel who transferred to the Fire Department from the Inspections Department. This includes replacement puppets used in the department's educational puppet show, which are more than 15 years old and are worn out, and digital cameras used by inspectors for documentation purposes.
- Holiday premium pay costs were increased in accordance with new city procedures.

- Increased payment to the NC Firemen’s Association related to death benefits for firefighters killed in the line of duty. The cost rose from \$12 to \$17 per firefighter.
- A gas chemical identifier is included in the hazardous materials budget, replacing an antiquated unit. The need for this equipment was evident during the October 2006 incident in Apex, NC. This device can identify gases within minutes and without repeated entries by response personnel, expediting evacuation orders if required.
- The uniform budget is increased to pay for the higher cost of turnout gear and to allow the department to catch up on some uniform replacements and purchases that have had to be deferred over the past couple of years.
- With the implementation of the 800 MHz system in early 2006, the department incurred charges from Wake County to cover its investment in and maintenance of the 800 MHz infrastructure. Although this will be an increased cost for the city, the enhanced communications allowed by this system should be an asset to emergency responders. These fees are higher in FY 2007-08 due to additional radios in the system.
- The cost of training supplies in the Training Division has been increased, partially due to the cost of liquid smoke used in the new training tower to simulate a real fire situation.

Goals and Objectives

Goal: To enhance capabilities in investigating fires.

Objective: To enhance the Fire Department’s ability to obtain convictions in arson situations through the use of full-time fire investigators.

Goal: To enhance the longevity of and decrease repair costs for vehicles and apparatus.

Objective: To better maintain the Fire Department fleet through preventive maintenance performed on schedule according to manufacturer recommendations.

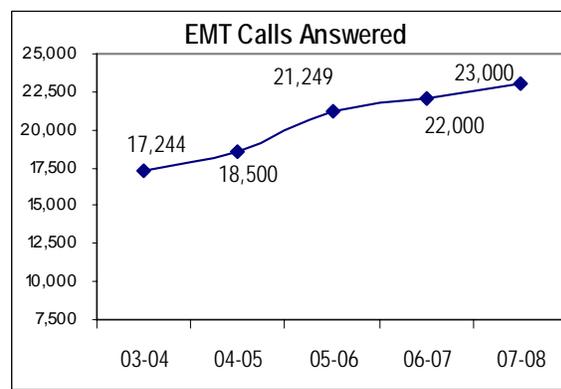
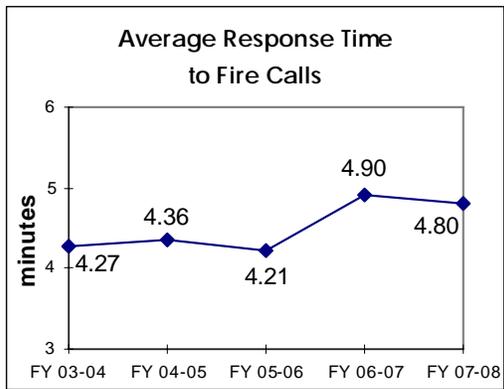
Goal: To use technology to enhance customer service during fires and other emergencies.

Objective: To provide real time building and inspection data to Fire Department personnel through the use of mobile data terminals and wireless connectivity in battalion and division chief vehicles.

Goal: To provide professional development opportunities for RFD personnel.

Objective: To continue to provide Capital Leadership training classes.

Performance Measures



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 reducing crime in Raleigh and making it an even better place to live, work, visit, and do business.

Police Chief – The Chief’s Office supervises and coordinates the department operations. The Internal Affairs office, the Police Attorney, the Public Information Officer and the Compstat Unit are included in the Chief’s Office.

Administrative Services – The Administrative Services 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. The division also is responsible for personnel recruitment and accreditation.

Special Operations – The Special Operations Division performs specialized police enforcement services for the department. Units within the division include animal control, K-9, selective enforcement, traffic, domestic violence, drug enforcement, and community relations. The division is also responsible for front desk operations at Police Headquarters and taxi inspections.

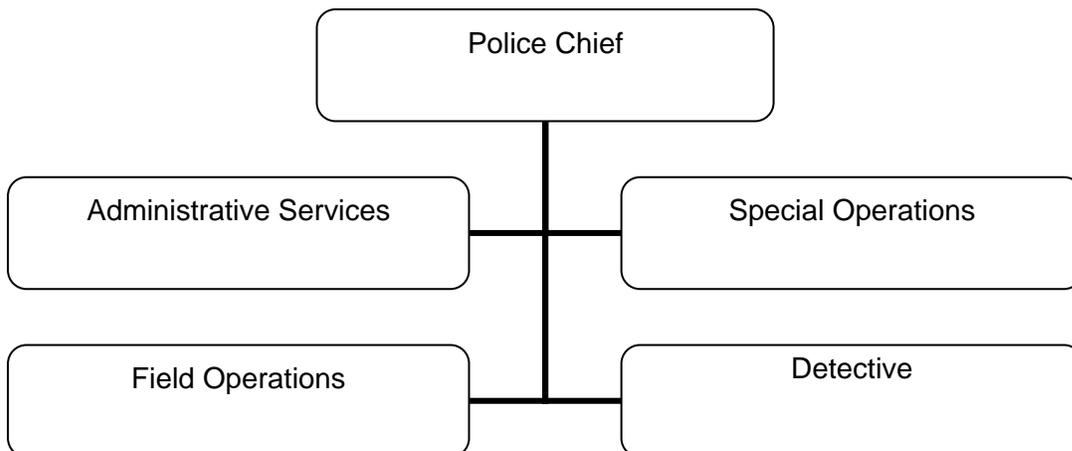
Field Operations – The Field Operations Division patrols all areas in the Raleigh city limits and responds to 9-1-1 calls for service. The division also provides school safety, crime prevention, crime analysis and other services.

Detective - The Detective Division conducts follow-up investigations, makes arrests, and helps prosecute offenders. The General Investigations program includes general investigative units, as well as the vice and narcotics, fraud and forgery, robbery, gang intervention and suppression, and major crimes task force units.

Additional information regarding the Police Department may be obtained by contacting Kent Sholar, Interim Police Chief, at (919) 890-3385 or via email at kent.sholar@ci.raleigh.nc.us.

Mission

Working with the community, the Raleigh Police Department exists to preserve life, peace and property through conscientious attention to our lawful duties.



Accomplishments (July 2006 - June 2007)

- The Police Department introduced its first Drug Market Initiative based on the High Point, NC model. With the goal of eliminating street-level drug dealing and the violence associated with it, this project combines law enforcement techniques and community involvement to encourage non-violent offenders to turn around their lives and support them in this transition.
- The formation of the seven-member Gang Suppression Unit led the Department's effort to address the amount of gang activity in Raleigh. The Gang Suppression Unit worked to contain gang activity and apprehend the most violent offenders. RPD also hosted an advanced gang investigations school and worked in collaboration with the Wake County School System and Wake County Sheriff's Office to create brochures and posters on gang prevention as part of a grant.
- The Robbery Task Force became a permanent investigative unit in July 2006. In the first six months of operation, the Task Force investigated 467 robberies, cleared 166 cases, and made 193 arrests. In response to a continued upward trend in reported robberies, the Task Force will maintain a central role in RPD's efforts to fight crime.
- The Raleigh Police Department was awarded a \$2,000,000 grant from the NC Department of Crime Control and Public Safety to assist the department transition from its current UHF radio system to the 800 MHz radio system. The grant award, coupled with a \$1,500,000 city contribution, funded the addition of seven channels on the Wake County system, bringing the total channel count to 24. This will maintain a grade of service that maximizes the safety of the emergency responders using the system and provides for interoperability with other agencies.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Administrative Services	68	76	73	72	(1)
Chief's Office	19	19	18	22	4
Special Operations	80	102	106	100	(6)
Field Operations	517	495	501	514	13
Detective Division	145	159	170	180	10
Grant Funded Employees	6	0	1	1	0
TOTAL	835	851	869	889	20

DIRECT EXPENDITURES BY DIVISION

Administrative Services	\$ 8,883,266	\$ 10,588,722	\$ 11,168,738	\$ 13,353,058	19.6%
Chief's Office	1,718,551	1,756,406	1,978,459	2,292,525	15.9%
Special Operations	7,720,566	9,251,751	10,015,816	9,882,686	(1.3%)
Field Operations	34,312,657	34,497,133	37,810,715	39,872,555	5.5%
Detective Division	11,705,223	13,116,122	15,762,272	16,423,713	4.2%
TOTAL	\$ 64,340,263	\$ 69,210,134	\$ 76,736,000	\$ 81,824,537	6.6%

DIRECT EXPENDITURES BY TYPE

Personal Services	\$ 42,361,364	\$ 44,308,716	\$ 47,109,563	\$ 49,274,467	4.6%
Employee Benefits	11,683,668	13,029,942	14,733,913	15,753,289	6.9%
Operating Expenditures	9,741,636	11,048,651	13,787,274	15,761,111	14.3%
Special Programs and Projects	-	-	-	54,100	
Capital Equip - New	326,925	528,425	743,600	495,420	(33.4%)
Capital Equipment - Replacement	222,420	283,000	352,500	477,000	35.3%
Interfund Expenditure	4,250	11,400	9,150	9,150	0.0%
TOTAL	\$ 64,340,263	\$ 69,210,134	\$ 76,736,000	\$ 81,824,537	6.6%

Highlighted Budget Changes (July 2007 - June 2008)

- Implementation of the 800 MHz communications system including the purchase of radios and service costs from Wake County.
- Secondary Employment Personnel program to provide increased oversight of officers that work secondary employment jobs.
- A Lieutenant has been added to the Special Operations Division to enhance the planning and operational safety of the division's tactical and enforcement units.
- District Policing personnel (17 positions) have been added to maintain adequate police service throughout the city in light of growth through annexations and population changes.
- Increases in the operations and maintenance supplies reflect the rising cost of training ammunition and vehicle up-fit supplies.
- Additional funding has been added to the computer operations and accessories accounts due to rising license fees for additional field applications (AVL), E-Crash and E-Citation maintenance, and inflationary increases in current hardware and software maintenance applications.
- Inflationary increases and planned replacement programs are affecting the audio visual equipment and capital equipment accounts.
- Increased lease and TICAM costs along with inflationary increases in utility services are also reflected.
- The uniforms and equipment account increases are due to increases in personnel, inflationary increases, and our continuing replacement program for bulletproof vests.
- Continuation of the new education incentive program for sworn personnel is reflected in salary accounts.

Goals and Objectives

Goal: To improve communication with and management of employees in the Special Operations and Detective divisions.

Objective: Add supervisory positions to units where there are more than 6-8 direct reports per supervisor and to units whose employees require multi-shift supervision.

Goal: To comply with city and departmental policies and procedures.

Objective: Create a formal process for off-duty police work, including a system of checks and balances.

Goal: To maintain and enhance police services given geographic, population and crime changes.

Objective: Add police officers and detectives to maintain the current level of patrol and investigative services.

Goal: To maximize the availability of sworn officers to respond to 9-1-1 calls for service and to participate in problem-oriented policing.

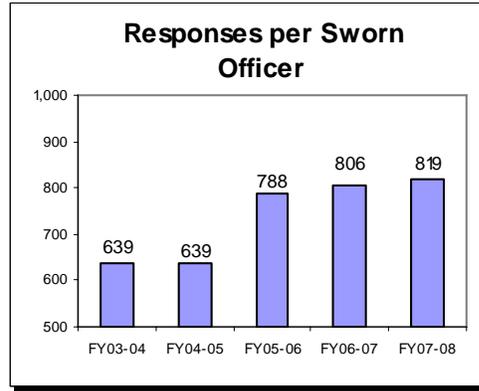
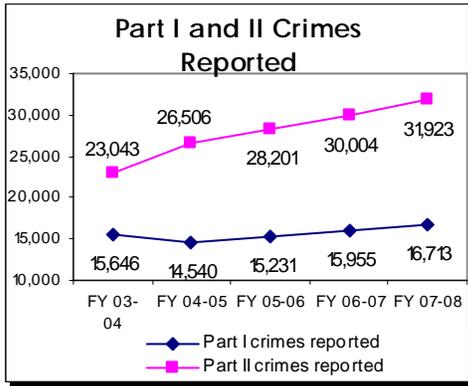
Objective: Make evidence readily available to officers and detectives and reduce the time it takes to submit evidence by providing collection services at the district stations.

Goal: To provide adequate support and resources to the growing department.

Objective: Use computer specialists to maximize the technological resources in which the department has invested and provide 24x7 support to officers.

Objective: Maintain a high level of vehicles in service.

Performance Measures



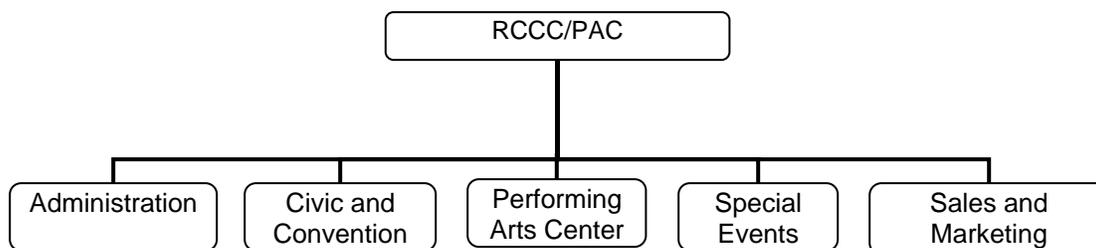
Convention Center Complex

The Convention Center Complex Department operates the Convention Center, the Progress Energy Center for the Performing Arts and a Special Events Division providing space for conventions, meetings, banquets, trade shows, and other general assembly events; performance space for concerts, plays, and other entertainment activities; sponsorship and presentation of Broadway Series South touring theater productions; performance space for the North Carolina Symphony and the North Carolina Theatre; and produces and/or manages a variety of outdoor entertainment activities in the Downtown area. This department is operated as an enterprise-fund.

Additional information regarding the Convention Center Complex may be obtained by contacting Roger Krupa, Convention Center Director at (919) 831-6011 or via email at roger.krupa@raleighconvention.com.

Mission

To provide citizens and visitors quality, general assembly spaces and related services. These assemblies include wide varieties of functions and events that enhance the social, economic, and cultural environment of the Greater Raleigh area.



Accomplishments (July 2006 – June 2007)

- Established “Connectors” program for corporate involvement in the new Convention Center.
- Implemented sales and marketing strategies for the new Convention Center.
- As of December 31, 2006, the staff had booked 71 conventions and major events for 2008 through 2018; these bookings and others that are currently in the proposal or final negotiation stages represent 150,000 hotel room nights.
- Helped secure the naming rights for the Shimmer Wall at the new Convention Center.
- Managed a record setting year in ticket sales for the Performing Arts Center with more than 400,000 tickets sold with gross revenue in excess of \$18.5 million dollars.
- Produced the Raleigh Wide Open event for the re-opening of Fayetteville Street.
- Produced 30 Downtown outdoor events, ranging from Spark Con to Rock & Roll.
- Managed production of the Boat Show and Antique Show in local warehouse space.
- Managed \$300,000 in capital improvements to Walnut Creek Amphitheatre.
- Continued working with Construction Management for best practices in implementing Convention Center operations needs to the day-to-day building of the center.

Revenue Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
REVENUES BY DIVISION					
Non Departmental	\$ 2,803,447	\$ 3,880,932	\$ 3,466,894	\$ 3,687,777	6.4%
Administration	595,000	699,664	609,664	529,664	(13.1%)
Civic & Convention Center	1,552,400	75,000	20,000	70,000	250.0%
Performing Arts Center	13,326,500	13,446,500	18,046,143	13,475,713	(25.3%)
Special Events	323,000	729,226	1,217,250	1,217,350	0.0%
TOTAL	\$ 18,600,347	\$ 18,831,322	\$ 23,359,951	\$ 18,980,504	(18.7%)

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Administration	19	14	14	15	1
Civic & Convention Center	23	7	6	6	0
Performing Arts Center	29	46	48	47	(1)
Special Events	0	1	1	1	0
New Convention Center	0	3	3	3	0
TOTAL	71	71	72	72	0

DIRECT EXPENDITURES BY DIVISION

Non Departmental	\$ -	\$ 200,000	\$ 400,000	\$ 300,000	(25.0%)
Administration	1,892,238	1,748,873	1,896,706	2,019,234	6.5%
Civic & Convention Center	3,131,340	1,058,873	170,950	318,893	86.5%
Performing Arts Center	13,236,381	13,712,093	18,531,268	13,970,426	(24.6%)
Special Events	340,388	891,636	1,405,069	1,394,782	(0.7%)
New Convention Center	-	1,219,847	955,958	977,169	2.2%
TOTAL	\$ 18,600,347	\$ 18,831,322	\$ 23,359,951	\$ 18,980,504	(18.7%)

**NET - TRANSFER FROM
GENERAL FUND**

\$ 2,803,447	\$ 3,880,932	\$ 175,748	\$ 314,246	78.8%
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DIRECT EXPENDITURES BY TYPE

Personnel	\$ 4,399,580	\$ 3,961,637	\$ 4,804,742	\$ 4,642,493	(3.4%)
Employee Benefits	835,772	721,117	868,482	877,187	1.0%
Operating Expenditures	13,273,495	14,062,468	17,430,627	2,908,927	(83.3%)
Special Programs and Projects	-	-	-	10,185,797	
Capital Expenditures - New	57,500	32,500	22,500	22,500	0.0%
Interfund Transfers	34,000	53,600	233,600	343,600	47.1%
TOTAL	\$ 18,600,347	\$ 18,831,322	\$ 23,359,951	\$ 18,980,504	(18.7%)

Highlighted Changes (July 2007 – June 2008)

- Funding for the opening and operation of the new Convention Center, which was previously projected to begin in the third quarter of FY 2007-08, is now budgeted for FY 2008-09.
- Remodel the office complex at the Performing Arts Center.

Goals and Objectives**Goal: Adequately program the new Convention Center facility.**

Objective: Develop a Grand Opening program for the new center by June 30, 2008.

Objective: Book 20 or more additional conventions for the new Convention Center facility by June 30, 2008.

Objective: Maximize revenue of the new Convention Center facility by creating an FY 2008-09 public show calendar of at least 15 shows by June 30, 2008.

Objective: During FY 2007-08, market and publicize the local use of the new facility for meetings, banquets, and various social functions.

Objective: Meet or exceed the number of hotel room nights (72,900), events (282) and attendance figures (279,400) projected for the center's first full year of operation by HVS, International in their Raleigh Convention Center Business Plan.

Goal: Insure the efficient design and effective operation of the new Convention Center.

Objective: Continue to work with Construction Management toward successful budget management and completion of the new Convention Center project by the fall of 2008.

Objective: Create and begin implementation of a Customer Service Training Program for all Convention Center employees; the program is to be developed and contracted in partnership with Wake Technical Community College.

Objective: Sell two sponsorships of one million dollars each for the new Convention Center facility by June 30, 2008.

Goal: Provide for a new outdoor venue for downtown entertainment events.

Objective: Conceptualize and design new outdoor festival plaza facilities.

Objective: Develop a program for the new festival plaza facility to start in FY 2009-10.

Goal: Showcase the Progress Energy Center as the destination and premier facility for the performing arts in the Triangle.

Objective: Aggressively pursue available stage productions for inclusion in Broadway Series South's annual season and special presentation series.

Parks and Recreation

The Parks and Recreation Department is responsible for providing a broad range of recreation programs and leisure services that are responsive to the needs of all Raleigh citizens by acquiring, developing, managing and maintaining facilities and properties located throughout the city's interconnected system of parks, greenways and public open spaces. The department administers beautification programs, maintains trees and shrubs in parks and along street rights-of-way, operates and maintains city cemeteries, maintains the physical plant operations of the downtown municipal complex and provides city-wide emergency response to weather related events.

Administration - Provides centralized administrative, financial and business support services to all external and internal customers, including 70,000 family accounts registered in departmental programs and activities, 366 full-time employees and more than 2,000 part-time, temporary or seasonal Parks and Recreation employees. Coordinates budget preparation, manages and oversees all departmental fiscal affairs, monitors cash handling, conducts audits, daily deposit reconciliation, billing and payment processing, administers financial assistance program, payroll coordination and processing, contract preparation, routing and oversight, grant administration, technology program expansion, emergency incident planning and coordination for the department, safety monitoring and compliance, staff training and development, and marketing services.

Design Development - This division is responsible for park and greenway planning, public input process, management of the parks layer in GIS mapping, preparation of the department's capital program and design and construction of capital projects.

Parks - Maintains 5,226 acres of parkland through a district system comprised of six maintenance districts. Maintains Fayetteville Street landscaping and several other properties in the central business district, Pullen Park, the Raleigh Rose Garden, Walnut Creek Softball Complex, Buffalo Road Athletic Park, 86 athletic fields and coordination of volunteer activities. Division construction crews also provide assistance in completion of capital projects.

Cemetery - Operates Mt. Hope Cemetery, including sale of grave sites, burial preparation, coordination with funeral homes and families and perpetual maintenance. Also maintains the historic city cemetery, O'Rourke Cemetery and eight other cemeteries located on park properties.

Greenway - Maintains 56 miles of trails and 3,273 acres of greenway property as part of the Capital Area Greenway System. Including, litter and debris removal, mowing and pruning, bridge and boardwalk inspection/repair, signage and site furniture maintenance, trail surface repair/replacement and construction of new trails. Paving crews assist in repair of asphalt parking lots and driveways on city park properties.

Highway - Maintains approximately 138 linear miles of public right-of-way, primarily major thoroughfares assigned to the city for landscape maintenance through an agreement with NCDOT. This includes 3.17 miles of Beltline planter boxes on I-440. Maintenance includes work zone traffic control, litter and debris removal, mowing maintenance, weed control in plant beds, tree rings, concrete medians, guardrails, and sidewalks, pruning, mulching, tree and shrub replacement and assisting Raleigh DOT with abatement of visual obstructions.

Urban Forestry - Maintains trees located on public rights-of-way and other city property. Oversee line clearance, pruning and planting of city street trees, and in-house tree pruning and removal to ensure tree health and public safety on over 2,200 frontage miles of public right-of-way and 8,500 acres of park and greenway property. The division also coordinates the planting of new trees through the Neighbor Woods Program, Trees Across Raleigh and other volunteer efforts, as well as contractual replacement of trees within the Central Business District.

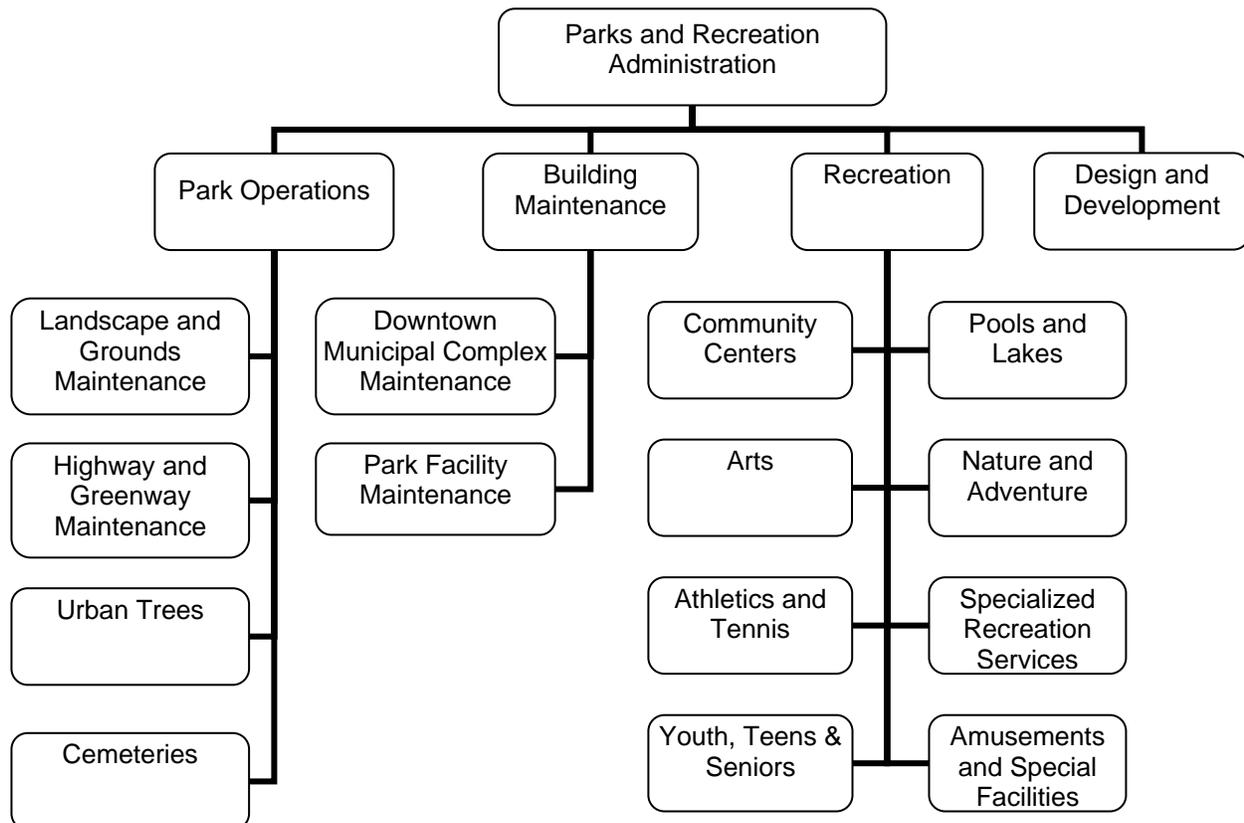
Recreation - Comprehensive, full-service recreation programs are conducted in 23 staffed community centers, two art centers, five seasonal swimming pools, three year-round pools (the third pool is Millbrook, which was converted to a year-round facility), three lake facilities, Pullen Park, Durant Nature Park and numerous other unique sites located throughout the city, including two historic carousels. Recreation Division manages 112 public tennis courts and 86 athletic fields city-wide. Major programs and special events are offered year-round for youth, teens, adults, senior citizens and for individuals with physical and mental impairments in areas including athletics, arts, adventure, aquatics, nature, tennis, summer camps and after-school activities.

Building and Park Facility Maintenance: Provides general repair and maintenance services, preventative maintenance, project oversight, facility analysis/management, facility scheduling, emergency response, tenant relations, contract management, lease management, facility audits, and custodial services for the downtown municipal complex, all park facilities, swimming pools, and other city operational facilities. Provides management of 213 electric and 34 natural gas utility bills associated with downtown, aquatic, and park facilities including energy consumption monitoring.

Additional information regarding the Parks and Recreation Department may be obtained by contacting Jack Duncan, Parks and Recreation Director, at (919) 890-3285 or via email at jack.duncan@ci.raleigh.nc.us.

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.



Accomplishments (July 2006 – June 2007)

- In association with Wake County Public School System (WCPSS), opened two jointly funded school/park facilities, Brier Creek and Barwell Road. Each of these new community center facilities is staffed with two new full-time positions to offer diverse programs and activities for residents of all ages and abilities.
- Continued to expand city-wide programming before school, after school and during track out periods, to meet an expressed need to provide quality leisure and educational opportunities for children, youth and teens enrolled in year-round schools.
- Offered a variety of Teen Outreach Programs (TOPS) at Lions, Method, Biltmore, Roberts and Peach Road centers. These programs are designed to engage teens in wholesome alternatives to crime and gang activity, while promoting the importance of staying in school.
- Developed a unique rugby program for quadriplegic individuals within the Specialized Recreation Services (SRS) Program. SRS program personnel continued to mainstream individuals with mental and physical impairments into regular recreation activities and camp programs through the use of inclusion specialists.
- Received two grants: one from Wake County Human Services for \$20,000 to purchase and install ADA compliant weight machines at Chavis and Barwell Road Community centers that can be utilized by patrons with physical disabilities; and another from the NC Division of Public Health for \$20,000 to develop a walking path around the new Barwell Road School/Park to enhance fitness opportunities for residents in that area of the city.
- Hosted 12 North Carolina High School Amateur Athletic Championships with an estimated economic impact of \$4.6 million.
- 5,000th tree planted in residential neighborhoods across the city under the NeighborWoods Program.
- Community involvement in park improvement projects continues to increase through volunteer and partnership opportunities initiated under the Adopt-a-Park Program and the Park and Greenway Improvement Program. Awarded \$60,000 in funding and provided staff support for more than 100 facility renovation and landscape improvement projects that were completed by volunteers at 40 different locations throughout the city. Established 26 Adopt-a-Park agreements with volunteers and worked with an additional 2,000 citizen volunteers providing service hours valued at \$115,000.
- Partnership with the Occoneechee Council of the Boy Scouts of America through the Adopt-a-Trail Program has resulted in adoption of six greenway trails by scout units.
- Completed first stage of the Beltline planter renovation program, which includes plant replacement and rejuvenation pruning of existing highway plantings.
- Updated fee structure and service enhancements initiated at Mt. Hope Cemetery.
- Expanded maintenance services on Fayetteville Street and in the Central Business District to cover additional operational hours of businesses and downtown special events.
- Completed improvements to Honeycutt Park including one baseball field, two basketball courts, volleyball court, playground, rest room building, picnic shelter and trails.
- Began pilot project to test a new automated work order and asset management software program for assessment of application for eventual city-wide implementation.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES					
Administration	12	13	17	18	1
Parks	131	113	110	113	3
Highway Maintenance	26	26	27	26	(1)
Cemeteries	4	4	4	4	0
Greenway	17	17	19	23	4
Recreation	81	88	93	95	2
School Based Programs	0	0	0	11	11
Urban Trees	13	13	13	13	0
Design & Development	7	9	10	11	1
Park Facility Maintenance	0	28	30	32	2
Building Maintenance	18	19	21	20	(1)
Aquatics Administration	9	2	2	2	0
Durant Nature Park	4	5	6	8	2
Mordecai Historic Park	0	1	1	2	1
Lake Johnson Boat House	2	2	2	2	0
Lake Wheeler	2	2	2	2	0
Optimist Pool	2	2	2	2	0
Pullen Aquatics Center	3	3	3	3	0
Pullen Park	2	2	2	2	0
Millbrook Exchange Pool	0	0	2	2	0
Grant Positions (Spec Pop)	6	6	0	0	0
TOTAL	339	355	366	391	25
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 1,069,113	\$ 1,168,961	\$ 1,462,856	\$ 1,771,944	21.1%
Parks	8,429,953	7,876,952	8,758,669	7,834,179	(10.6%)
Highway Maintenance	1,276,785	1,348,610	1,458,102	1,546,590	6.1%
Cemeteries	173,880	178,695	252,877	283,352	12.1%
Greenway	877,511	931,596	1,077,288	1,312,345	21.8%
Recreation	10,181,594	8,425,413	9,080,625	9,665,387	6.4%
Project Phoenix	85,285	85,285	85,285	32,136	(62.3%)
School Based Programs				1,712,675	
Urban Trees	898,108	935,123	1,020,762	1,084,727	6.3%
Design & Development	523,014	633,088	765,110	860,810	12.5%
Park Facility Maintenance	-	2,252,812	2,914,177	4,908,835	68.4%
Building Maintenance	3,338,280	3,577,247	3,968,553	3,073,912	(22.5%)
Aquatics Administration	735,088	283,858	291,112	311,542	7.0%
Durant Nature Park	393,828	472,868	567,961	771,927	35.9%
Mordecai Historic Park	-	167,715	191,823	205,358	7.1%
Lake Johnson Boat House	217,327	225,401	236,264	261,895	10.8%
Lake Wheeler	262,052	268,514	288,656	309,192	7.1%
Optimist Pool	678,541	462,512	501,737	309,869	(38.2%)
Pullen Aquatics Center	833,856	541,585	585,576	688,433	17.6%
Pullen Park	436,896	419,366	415,421	437,946	5.4%
Shelley Lake	58,063	59,939	60,085	61,914	3.0%
Millbrook Exchange Pool	-	-	47,345	461,244	874.2%
Seasonal Pools	532,277	432,424	483,479	416,131	(13.9%)
TOTAL	\$ 31,001,451	\$ 30,747,964	\$ 34,513,763	\$ 38,322,343	11.0%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 16,140,327	\$ 17,486,784	\$ 19,411,452	\$ 21,631,486	11.4%
Employee Benefits	3,367,616	3,542,712	4,296,072	4,921,151	14.6%
Operating Expenditures	8,686,085	9,282,426	10,360,391	10,846,436	4.7%
Special Programs and Projects	-	-	-	375,685	
Capital Equipment - New	50,200	4,800	5,100	28,525	459.3%
Capital Equipment - Replace	28,800	72,300	35,700	53,000	48.5%
Interfund Expenditure	2,728,423	358,942	405,048	466,060	15.1%
TOTAL	\$ 31,001,451	\$ 30,747,964	\$ 34,513,763	\$ 38,322,343	11.0%

Highlighted Budget Changes (July 2007 – June 2008)

- A structural assessment of existing bridges, boardwalks and similar structures located throughout the parks system will be conducted over a five year period.
- Increase in operating support for the Volunteer Services Program, based on first-year actual expenses and program interest and participation.
- Development of Teen Outreach Program to target high risk teens that need additional structured recreational opportunities.
- Increases in utility and operating accounts to accommodate rate increases; additional hours of operation at community and aquatic centers; new facilities (city and leased); and to accommodate the impact of new programs.
- Service contract increase to provide adequate funding for pest control and termite inspections at all park facilities, as well as increased rodent control in the downtown area.
- Optimist Pool and Pullen Park are scheduled for major capital improvements in FY2007-08 and part of FY2008-09. These improvements will impact patron use as well as revenues and expenditures.
- The budget include funding to manage and support new bond funded facilities opening in FY2007-08 and FY2008-09. In FY2007-08, Walnut Creek Interpretive Center, Sanderford Road Center, Millbrook Exchange year-round aquatic center, and the Chavis Carousel indoor facility will open. In FY2008-09, Marsh Creek Community Center will open. The budget includes two positions in FY2007-08: Recreation Facility and Program Supervisor II; and, three in FY2008-09: Recreation Facility and Program Supervisor III, II and Custodial Worker.
- The FY2007-08 budget includes a Recreation Facilities and Program Supervisor II position to support Walnut Creek Interpretive Center.
- The FY2007-08 budget includes a Recreation Facilities and Program Supervisor I position to support Mordecai Park.
- The FY2007-08 budget includes an increase in contractual cleaning services for additional recreation facilities.
- The FY2007-08 budget includes part-time positions for compliance and staff development and volunteer programs as well as additional part-time funding for part-time staff training.
- The FY2007-08 budget includes computers and hardware for the mobile work order system.
- The FY2007-08 budget includes additional staff and equipment to support greenway maintenance. The budget includes two Maintenance and two Service Workers.
- The FY2007-08 budget includes a Recreation Program Manager for youth services and Receivable Specialist to support the Recreation Division.
- The FY2007-08 budget includes a Park Planner to support the Design and Development Division.
- The FY2007-08 budget includes a Maintenance Mechanic III and equipment to support new irrigation systems.
- The FY2007-08 budget includes an Automotive Service Technician, Administrative Assistant and two maintenance vehicles to support the Building Maintenance Division.
- The FY2007-08 budget includes two Equipment Operators to provide athletic field maintenance to support the Parks Division.
- The FY2007-08 budget includes one Recreation Program Manager to support the Nature Program.
- The FY2007-08 budget includes equipment to support highway maintenance.
- The FY2007-08 budget includes a new division, School Based Programs, created in order to help meet the need for after/before school and track-out programs. This includes 11 positions: five Recreation Program Specialists, five Assistant Program Specialists, and one Administrative Assistant. The program includes part-time positions to maintain adequate staffing ratios and for business office support. The program also includes two mini-school buses. The program is revenue producing, offsetting most of the costs, with an eventual goal of full cost recovery.
- The FY2008-09 budget includes additional staff and equipment to support Fayetteville Street. The budget includes three positions: Lead service Worker and two Service Workers.

Goals and Objectives**Goal: Provide recreation and open space opportunities to serve all residents.**

Objective: Evaluate and prioritize potential park sites to maximize park acquisition.

Objective: Provide facilities and programs that serve a broad cross section of the city's residents.

Objective: Complete park master plans and system integration plans as required by Resolution 2003-735 for park development projects.

Objective: Complete CIP projects authorized and funded in prior year and current year budgets.

Goal: Capitalize on the value of park and recreation facilities, parks, and programs to improve the overall aesthetic character of the city and as a means of promoting livability.

Objective: Effectively maintain facilities and systems through preventative maintenance, performance standards, facility management and responsiveness to internal and external service requests.

Objective: Provide diverse programs, well-balanced and well-maintained parks.

Objective: Implement a recreation program development model to ensure balanced program opportunities throughout the city.

Goal: Optimize the appreciation, use and stewardship of Raleigh's historic, cultural and natural resource heritage.

Objective: Maintain parks and greenways using nationally-accepted sustainable design principles and best management practices.

Objective: Rehabilitation of the city cemetery.

Objective: Coordinate strategies with other city departments and NCDOT to upgrade existing landscape plantings for improved maintenance and appearance.

Goal: Provide the opportunity for community involvement and volunteerism

Objective: Increase marketing efforts to secure adoption of 56 miles of greenway trails by volunteer groups.

Goal: Encourage inter- and intra-governmental collaboration.

Objective: Pursue additional opportunities to coordinate and cooperate with Wake County, the Wake County Public School System, neighboring municipalities, the State of North Carolina and Federal agencies (e.g. US Army Corps of Engineers and Federal Highway Administration) in the acquisition, development and use of parks and recreational facilities.

Objective: Work with other departments to develop programs in targeted areas of the city where gang activity, substance abuse and crime issues need to be addressed.

Objective: Implement an inter-departmental maintenance management plan for Fayetteville Street.

Objective: Conduct regular inspections of all park facilities to identify and implement preventative measures to ensure compliance with federal and state regulations for the protection and safety of all staff and citizen users of our park facilities.

Goal: Increase customer service through technology initiatives

Objective: Provide technology support and training to enable department staff to expand their knowledge and use of class registration and facility reservation software modules and to implement a system upgrade to class software.

Objective: Develop implementation plan and provide system support and training for roll out of new Work Order and Asset Management system throughout the Parks and Recreation Department.

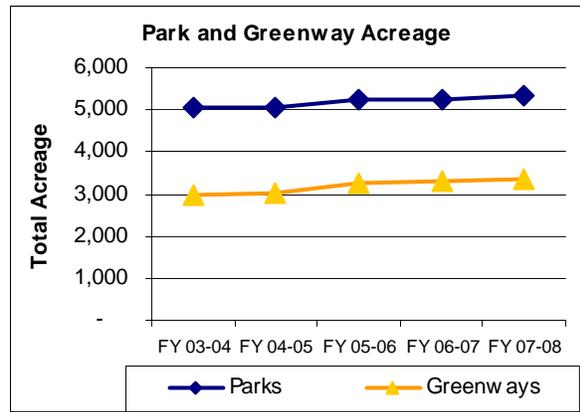
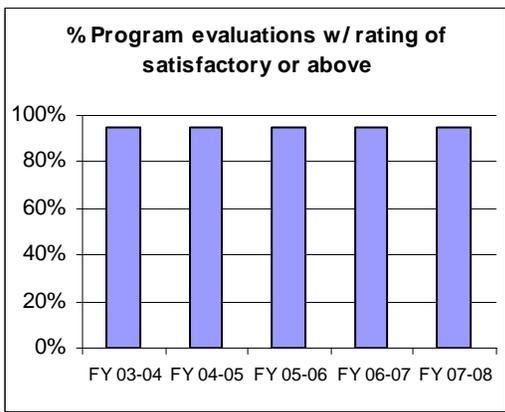
Objective: Implement the point-of-sale module initially at all aquatic facilities, and develop roll-out plan for expansion to other park sites with concession operations.

Objective: Increase network access and use of computers by supervisory and part-time staff where need is justified.

Goal: Capture all utility costs associated within facilities and systems.

Objective: Create a strategic energy plan to include emphasis on energy consumption within city facilities and make recommendations for efficient energy use and cost savings.

Performance Measures



Revolving Fund

The Revolving Fund consists of self-sustaining programs, primarily found in Parks and Recreation. 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 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, the Inspections training program and Transportation pole banners. 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	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	CHANGE 2006-07 TO
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2007-08</u>
DIRECT EXPENDITURES					
Transfers to Fd 625 (Parks Capital Program)	\$ 150,079	\$ 75,000	\$ 75,000	\$ 100,000	33.3%
Arts Commission	6,000	77,298	6,000	6,000	0.0%
Artspace Building	182,000	257,000	257,000	257,000	0.0%
RTN Promotions	56,427	55,663	28,992	25,000	(13.8%)
RTN Equipment	853,720	853,720	221,760	201,400	(9.2%)
Raleigh Historic District Loan Fund	-	191,000	191,000	191,000	0.0%
Appearance Commission	2,000	3,000	3,000	3,000	0.0%
Transportation - Pole Banners	2,000	2,000	4,000	4,000	0.0%
Inspections Training Prog	25,000	25,000	25,000	25,000	0.0%
Citizen Involvement	12,000	12,000	12,000	12,000	0.0%
Cornerstone - Snow Ave	85,158	-	-	-	
Community Watch Signs	3,500	3,500	3,500	3,500	0.0%
DARE Program	4,000	-	-	-	
Police Donations	-	4,000	4,000	4,000	0.0%
Fire-Reg Resp Team #4	-	-	67,000	67,000	0.0%
Adventure Camps	27,490	42,205	65,000	85,540	31.6%
Biltmore Hills Center	40,505	36,894	37,850	42,750	12.9%
Borden Building	40,098	40,586	39,600	40,585	2.5%
Camp Friendly	106,306	114,319	95,100	116,375	22.4%
Carolina Pines Center	110,458	48,074	48,475	48,185	(0.6%)
Charlotte Hilton Green Park	969	969	-	-	
Chavis Youth Program	94,350	71,754	85,750	86,670	1.1%
Community Center Equipment	80,000	165,000	150,000	130,000	(13.3%)
Fall Youth Baseball	23,000	22,185	23,200	42,750	84.3%
Fletcher Award Program	1,000	1,500	4,000	7,565	89.1%
General Recreation	95,390	131,639	135,000	150,650	11.6%
Golden Years	81,189	97,884	150,775	150,790	0.0%
Green Road Center	174,391	123,755	127,630	149,010	16.8%
Halifax Center	18,173	18,874	23,050	22,390	(2.9%)
Hemerocallis Garden	1,270	2,691	6,459	8,612	33.3%
Jaycee Center	210,772	208,775	251,425	240,175	(4.5%)
Lions Park	55,307	38,345	37,930	39,205	3.4%
Method Center	44,173	44,615	44,550	44,555	0.0%
Millbrook Center	141,342	138,722	140,375	158,330	12.8%
SUBTOTAL	2,728,067	2,907,967	\$ 2,364,421	\$ 2,463,037	4.2%

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CITY OF RALEIGH

ADOPTED BUDGET 2007-08

DIRECT EXPENDITURES (Continued)	ADOPTED BUDGET 2004-05	ADOPTED BUDGET 2005-06	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE 2006-07 TO 2007-08
Nature Camp	38,840	40,913	48,950	40,030	(18.2%)
Optimist Center	100,031	57,790	78,575	97,965	24.7%
Parks & Recreation Automation	470,805	392,855	420,812	473,140	12.4%
Parks & Recreation Marketing	250,569	256,521	265,750	298,670	12.4%
Parks & Rec Sports Consortium	28,000	40,000	40,000	40,000	0.0%
Participant Insurance	11,400	11,400	11,400	11,400	0.0%
Pullen Arts & Crafts	137,844	208,220	212,119	226,420	6.7%
Pullen Community Center	73,764	73,682	79,550	98,120	23.3%
Raleigh Youth Council	6,177	8,250	8,250	11,005	33.4%
Youth Team Uniforms	99,300	121,000	138,000	154,000	11.6%
Ralph Campbell Center	4,330	4,730	4,100	4,100	0.0%
Roberts Park	34,521	39,565	42,070	44,420	5.6%
Run for the Oaks	16,436	15,040	12,050	16,020	32.9%
Sertoma Arts Center	214,875	212,870	216,735	218,950	1.0%
After School	224,790	252,432	356,650	1,000,000	180.4%
Computer Labs	114,900	153,273	153,300	142,500	(7.0%)
Tarboro Road Center	19,186	21,230	34,690	47,890	38.1%
Teen Camps	35,165	72,230	84,400	89,910	6.5%
Tennis	224,137	299,136	371,170	433,005	16.7%
Tucker Mansion	19,960	30,256	29,260	31,760	8.5%
Visual/Hearing Impaired	39,797	39,757	49,275	46,325	(6.0%)
Walnut Terrace	17,956	6,730	7,675	8,485	10.6%
Worthdale Center	31,282	33,530	33,215	33,145	(0.2%)
Aquatic Instruction Programs	171,640	298,817	359,000	380,960	6.1%
Police Summer Basketball	10,045	10,146	9,975	10,045	0.7%
Laurel Hills Center	196,694	321,564	329,725	364,675	10.6%
Lake Lynn Center	181,412	189,426	203,675	239,565	17.6%
Lake Johnson Center & Cabin	51,870	61,230	62,075	61,340	(1.2%)
Camp Ranoca	173,500	203,680	222,000	255,080	14.9%
Lake Wheeler	46,000	31,636	31,650	41,490	31.1%
Anderson Point	12,785	14,930	13,950	18,730	34.3%
Third Party Events	11,209	12,922	12,922	12,922	0.0%
Pony Softball - 2002 Shared Rev	94,300	-	-	-	
Pony Softball - 2002 Non-Shared Rev	21,126	-	-	-	
Neighborhood Street Trees	22,000	45,000	65,000	85,000	30.8%
Peach Road Comm Center	-	8,959	9,700	12,895	32.9%
Barwell Rd. Community Center	-	-	20,750	74,750	260.2%
Briar Creek Community Center	-	-	20,750	82,010	295.2%
Mordecai Park	-	-	41,700	54,150	29.9%
TOTAL	\$ 5,934,713	\$ 6,497,687	\$ 6,465,289	\$ 7,723,909	19.5%

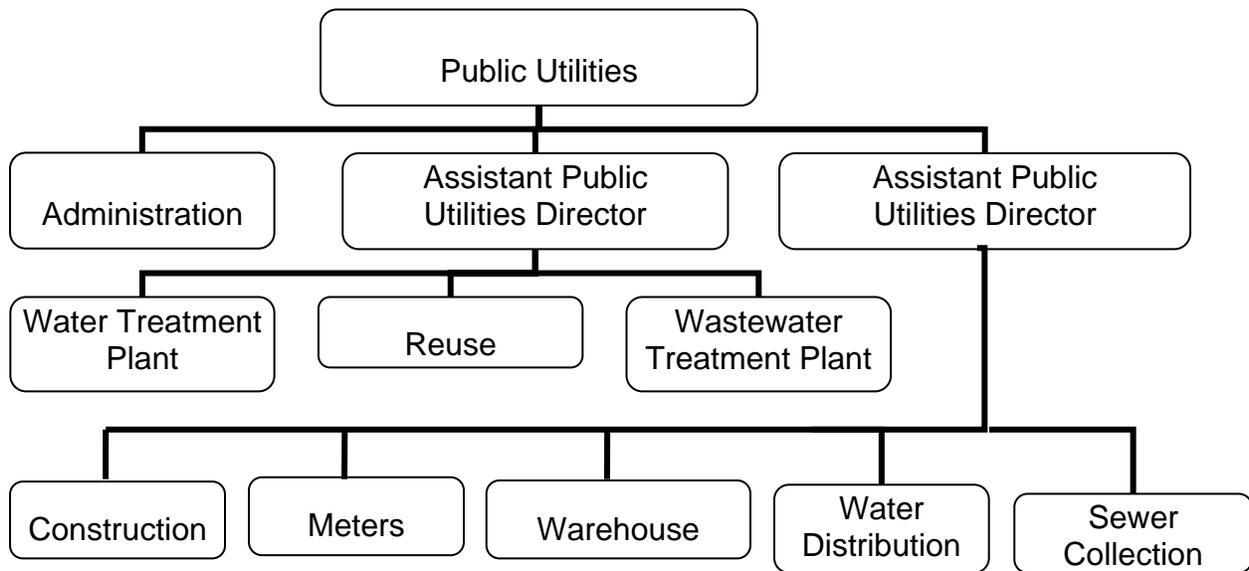
Public Utilities

The Public Utilities Department provides for the treatment and distribution of the City’s drinking water supply, as well as the collection and treatment of wastewater in Raleigh, Garner, Rolesville, Wake Forest, Knightdale, Wendell and Zebulon. Raleigh sells water, wastewater treatment or both services to several municipalities, including the towns of Apex, Fuquay-Varina, Holly Springs, and Clayton and to Johnston County. The budget for all departmental operations is a self-supporting enterprise, fully funded by revenues received from the users of the water and wastewater services.

Additional information regarding the Public Utilities Department may be obtained by contacting Dale Crisp, Public Utilities Director, at (919) 857-4540 or via email at dale.crisp@ci.raleigh.nc.us.

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.



Accomplishments (July 2006 - June 2007)

- Implemented the mergers with Wendell and Zebulon to provide water and wastewater services to the customers of these municipalities.
- 100% compliance in 2006 with Safe Drinking Water Act (SWDA) requirements at E.M. Johnson Water Treatment Plant (EMJWTP) and G.G. Hill Water Treatment Plant (GGHWTP).
- 100% National Pollutant Discharge Elimination System (NPDES) permit compliance at Neuse River Wastewater Treatment Plant (NRWWTP), Smith Creek Waste Water Treatment Plant (SCWWTP), Little Creek Waste Water Treatment Plant (LCWWTP) and Wrenn Road Waste Water Treatment Plant (WRWWTP).
- Completion of the expansion of Utility Field Operations Center (UFOC) and the start of renovations to the UFOC and North Raleigh UFOC.
- Successful completion of the Bio-solids Environmental Management Systems (EMS) Verification Audit.

- Received the Association of Metropolitan Water Agencies (AMWA) 2006 Platinum Award for Sustained Competitiveness Achievement.
- Received the National Association of Clean Water Agencies (NACWA) 2007 National Environmental Achievement Award for Public Information and Education.
- Started Automated Meter Reading Program installation to convert meters throughout entire service area.

Budget Detail

	ADOPTED BUDGET 2004-05	ADOPTED BUDGET 2005-06	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE 2006-07 TO 2007-08
EMPLOYEES					
Administration	40	27	35	40	5
Water Plant	53	65	78	80	2
Waste Treatment Plant	58	67	71	82	11
Reuse Operations	24	25	23	25	2
Utilities Construction	27	50	63	65	2
Sewer Collection Maintenance	65	67	67	69	2
Water Distribution Maintenance	41	64	79	99	20
Meters	61	64	68	75	7
Warehouse	8	9	10	12	2
TOTAL	377	438	494	547	53
DIRECT EXPENDITURES BY DIVISION					
Administration	\$ 3,588,536	\$ 3,134,625	\$ 3,760,047	\$ 4,412,044	17.3%
Water Plant	11,894,639	14,774,044	15,420,875	16,606,442	7.7%
Waste Treatment Plant	9,845,388	12,283,007	12,815,263	15,518,363	21.1%
Reuse Operations	3,735,286	3,712,997	4,058,323	4,433,632	9.2%
Utilities Construction	3,584,744	4,671,374	6,088,921	6,522,738	7.1%
Sewer Collection Maintenance	4,561,456	5,358,818	5,811,403	6,115,068	5.2%
Water Distribution Maintenance	2,318,453	4,743,534	5,521,500	6,611,043	19.7%
Meters	3,818,426	4,199,755	5,002,629	6,096,083	21.9%
Warehouse	1,063,633	1,214,049	1,469,513	2,421,421	64.8%
Subtotal, Utilities Operations	\$ 44,410,561	\$ 54,092,203	\$ 59,948,474	\$ 68,736,834	14.7%
Special Appropriations	\$ 34,588,468	\$ 39,390,150	\$ 40,778,087	\$ 59,636,208	46.2%
TOTAL	\$ 78,999,029	\$ 93,482,353	\$ 100,726,561	\$ 128,373,042	27.4%
DIRECT EXPENDITURES BY TYPE					
Personal Services	\$ 14,883,653	\$ 17,529,742	\$ 20,456,748	\$ 23,321,111	14.0%
Employee Benefits	3,886,534	4,617,207	5,793,625	7,337,903	26.7%
Operating Expenditures	29,370,616	38,454,389	36,590,875	38,043,294	4.0%
Special Programs and Projects	-	-	-	5,566,820	
Capital Equip - New	40,000	450,295	891,380	1,186,180	33.1%
Capital Equip - Replacement	7,000	77,000	26,200	22,000	(16.0%)
Interfund Transfers	30,811,226	32,353,720	36,967,733	52,895,734	43.1%
TOTAL	\$ 78,999,029	\$ 93,482,353	\$ 100,726,561	\$ 128,373,042	27.4%

Highlighted Budget Changes (July 2007 - June 2008)

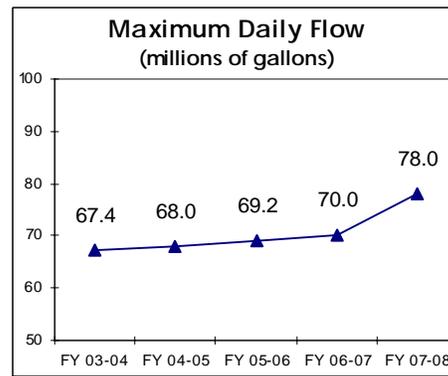
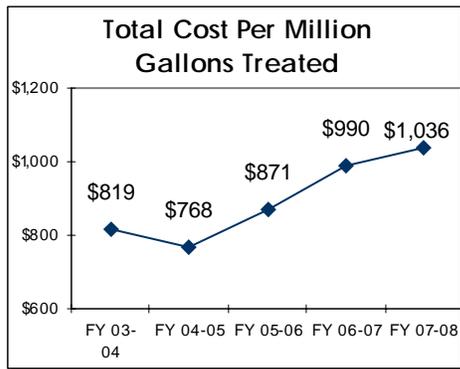
- Acquisition of Utility Field Operations Center sites in East Raleigh and South Raleigh.
- Implementation of an aggressive Public Utilities capital improvement program.
- Begin construction of the new Dempsey E. Benton Water Treatment Plant.
- The establishment of a water nutrient reduction fee, as a one-year source of funding for the Falls Lake Initiative and as a future source for similar water quality protection and enhancement projects in the Swift Creek and Little River Water Supply watersheds.

- Primary revenues from sales of water and waste water service are projected using a growth rate of approximately 3% over FY 2006-07 expected results and a 9% water and waste water rate increase necessary to maintain the quality of service expected and to invest in projects to maintain a sound environmental stewardship approach to operations.
- Budget request for FY 2007-08 is substantially the same as the projected bi-annual budget amount, except for addition of the Wendell and Zebulon water and sewer system operating budgets.

Goals and Objectives

- Goal: Maintain current level of service in all operating areas.
- Goal: Accommodate projected 3% customer growth.
- Goal: Continue 100% compliance record with SDWA and NPDES permits at all plants.
- Goal: Continue to apply new technology to improve effectiveness and efficiency in customer delivery.
- Goal: Return to monthly billing schedule throughout all service areas once Automated Meter Reading (AMR) sufficiently complete.
- Goal: Stop operations at GGHWTP and WRWWTP by providing water and sewer treatment capacity from EMJWTP and NRWTP.
- Goal: Prepare for start-up of D.E. Benton Water Treatment Plant (DEBWTP).
- Goal: Expand treatment capacity and operations at NRWTP, SCWWTP, LCWWTP and NRWTP.
- Goal: Develop East Raleigh UFOC and South Raleigh UFOC for service delivery.

Performance Measures



Convention Center Debt Service Fund

The Convention Center Debt Service Fund provides for the payment of principal, interest and other expenses related to the eventual issuance of approximately \$200 million in Certificate of Participation for the construction of a new convention center facility in downtown Raleigh.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 1,622,500	\$ 10,566,000	\$ 10,334,084	\$ 10,322,854	(0.1%)
DEBT SERVICE BY PURPOSE					
Certificates of Participation	\$ 1,622,500	\$ 10,326,000	\$ 9,837,830	\$ 9,837,830	0.0%
Other Expenses	-	240,000	496,254	485,024	(2.3%)
TOTAL	\$ 1,622,500	\$ 10,566,000	\$ 10,334,084	\$ 10,322,854	(0.1%)

Economic Development Fund

The Economic Development Fund provides support for economic development activities that benefit the City. Sources of revenue for this fund are primarily transfers from other operating funds, including a subsidy of \$941,500 from the General Fund and an annual contribution of \$75,000 from the Public Utilities Fund.

Included for FY 2007-08 is funding for several continuation and expansion programs such as \$197,500 for economic development initiatives conducted on behalf of the City by the Greater Raleigh Chamber of Commerce; \$82,500 for the City's membership in the Triangle J Council of Governments and support of an air quality study; and a \$10,000 appropriation to the World Trade Center North Carolina. In addition, there are appropriations of \$1,500 to the Capital City Band Expo and \$1,500 to the Wakefield Band Expo, which entitle the City to be named as a Corporate Sponsor of these events.

The FY 2007-08 budget includes an appropriation of \$230,000 to projects and initiatives identified by the Southeast Raleigh Assembly. The Assembly was created by Council for the purpose of initiating planning processes, programs, and economic development projects designed to improve the economic well-being of the Southeast Raleigh community.

Also, included are appropriations of \$100,000 to the Southeast Raleigh Virtual Business Incubator (VBI) and \$100,000 to the Raleigh Area Development Authority (RADA).

The continuation of certain funding in the Economic Development Fund is indicative of the City's continued support for economic development support for downtown initiatives including: \$155,000 to the Downtown Raleigh Alliance; \$100,000 for programming and planning of downtown events; \$15,000 for the business facade program; \$24,000 in reserve for economic development projects; and a modest amount of funding to provide public access wireless internet service in the 300 block of Fayetteville Street Mall.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 805,000	\$ 840,000	\$ 1,026,562	\$ 1,021,500	(0.5%)

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. State statutes require full funding for debt service obligations in the budget. In the front section of this document, there is an explanation of the City's long-term debt policies.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 20,908,576	\$ 24,214,488	\$ 30,480,998	\$ 29,798,411	(2.2%)
DEBT SERVICE BY PURPOSE					
G.O. Public Improvement	\$ 11,978,656	\$ 13,527,343	\$ 16,906,902	\$ 16,935,258	0.2%
G.O. Refunding	6,917,462	7,675,126	8,779,238	8,348,996	(4.9%)
Certificates of Participation	400,000	1,611,719	2,699,694	4,009,474	48.5%
Other Installment Finance Agreements	1,197,458	985,300	1,680,164	69,683	(95.9%)
Other Expenses	415,000	415,000	415,000	435,000	4.8%
TOTAL	\$ 20,908,576	\$ 24,214,488	\$ 30,480,998	\$ 29,798,411	(2.2%)

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is an internal service fund used to fund visitor-related facilities, programs and activities, and off-street parking facilities. Wake County levies a 6% occupancy tax on the rental of hotel and motel rooms in Wake County. Wake County and the City of Raleigh established a procedure for collecting and remitting the 6% tax in accordance with their authorizing legislation and interlocal agreement.

Previously, the City was responsible for collecting the tax and remitting the proceeds to the county for distribution to all eligible parties. Because of this, the city was able to retain 3% of the gross tax proceeds as reimbursement for tax collection and administration, an annual estimated return of \$270,000. Beginning in July 2005, the county retained the responsibility of collecting the tax, and this reflects the difference between FY 2004-05 and today.

The county remits tax proceeds to the city in the amount of \$680,000 annually. This represents the Raleigh “hold back” amount. The legislation indicates that these funds can be used to support visitor related facilities, programs and activities, and off-street parking facilities. Funding levels in FY 2007-08 budget will continue to support both the General Debt Service Fund and the General Fund.

The remaining portions of the tax proceeds not distributed by the county, in accordance with legislation and interlocal agreement, will be retained by the county and deposited into a Projects Reserve Fund. Over the next several years, these funds may be used for a variety of projects outlined in the interlocal agreement.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 950,000	\$ 680,000	\$ 680,000	\$ 680,000	0.0%

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

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 4,189,179	\$ 5,317,003	\$ 5,737,706	\$ 6,629,736	15.5%
DEBT SERVICE BY PURPOSE					
G.O. Public Improvement	\$ 700,250	\$ 681,450	\$ 662,650	\$ 643,850	(2.8%)
G.O. Refunding	466,000	442,250	423,750	315,250	(25.6%)
Certificates of Participation	2,713,138	3,883,512	4,341,515	5,360,845	23.5%
Other Installment Finance Agreements	109,791	109,791	109,791	109,791	
Other Expenses	200,000	200,000	200,000	200,000	
TOTAL	\$ 4,189,179	\$ 5,317,003	\$ 5,737,706	\$ 6,629,736	15.5%

Risk Management

The Risk Management program provides risk management services to protect the city's interest with respect to the city's property and professional liability, as well as its workers compensation program.

The Risk Management Office will deploy its Return to Work Program in FY2007-08, which will ensure employees are returned to meaningful employment as soon as practicable, thereby containing costs. Although funded within the Risk Management Fund, organizationally, the personnel in this office fall within the larger Finance Department.

Additional information regarding the Risk Management program may be obtained by contacting Perry E. James III, Chief Financial Officer, at (919) 890-3215 or via email at perry.james@ci.raleigh.nc.us.

Budget Detail

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
EMPLOYEES	0	0	4	4	4
DIRECT EXPENDITURES					
Risk Mgt - General Fund	\$ 4,109,500	\$ 5,282,000	\$ 5,497,437	\$ 6,490,188	18.1%
Risk Mgt - Public Utilities	500,000	1,500,000	2,000,000	2,260,000	13.0%
TOTAL	\$ 4,609,500	\$ 6,782,000	\$ 7,497,437	\$ 8,750,188	16.7%

Utilities Debt Service Fund

The Utility 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

	ADOPTED BUDGET <u>2004-05</u>	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHANGE 2006-07 TO <u>2007-08</u>
DIRECT EXPENDITURES	\$ 18,623,944	\$ 19,839,999	\$ 30,132,052	\$ 34,489,769	22.0%
DEBT SERVICE BY PURPOSE					
G.O. Water & Sewer Improvement	\$ 1,501,115	\$ 1,575,291	\$ -	\$ -	
G.O. Refunding	2,943,963	3,224,056	3,938,250	3,326,248	(19.0%)
Revenue Bond Water & Sewer Improvement	11,046,703	9,020,420	19,674,371	19,337,126	(3.7%)
Revenue Bond Refunding	-	2,010,165	1,668,277	5,870,060	209.0%
Other Installment Finance Agreements	3,022,163	3,900,067	4,741,154	5,846,335	28.3%
Other Expenses	110,000	110,000	110,000	110,000	
TOTAL	\$ 18,623,944	\$ 19,839,999	\$ 30,132,052	\$ 34,489,769	22.0%

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 Power Bill and Facility Fee, are established as special revenue funds and serve to receive and disburse revenues to other capital or operating funds. Bond funds are also reported; however, only 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 2007-08 through 2016-17 Capital Improvement Program document. Descriptions for each major capital fund follow in the budget detail.

Budget Detail

	ADOPTED BUDGET <u>2005-06</u>	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>
DIRECT EXPENDITURES			
Water Capital Projects Fund	\$ 2,425,000	\$ 2,900,000	\$ 3,900,000
Sewer Capital Projects Fund	3,650,000	3,175,000	4,750,000
Parking Facilities Fund-Projects	270,000	675,000	2,007,000
Stormwater Utility Capital	6,247,000	6,852,000	6,317,300
Technology Capital Fund - Projects	2,250,000	2,100,000	2,000,000
Capital Projects Fund - Miscellaneous	6,016,700	9,493,000	4,935,391
Sidewalk Fund	735,000	859,800	1,033,800
Street Improvement Fund	9,217,681	8,064,510	12,210,991
Street Facility Fees Fund	2,806,000	3,060,000	4,146,680
Park Acquisition -- Facility Fees Fund	1,820,000	2,002,000	2,614,648
Park Improvement Fund	3,048,000	3,501,667	4,490,505
Convention & Performing Arts Center Fund	300,000	200,000	300,000
Walnut Creek Amphitheater Capital Fund	320,000	334,000	368,000
Stormwater Projects Fund		1,400,000	
Powell Bill Fund	10,446,000	9,382,520	9,799,660
Convention Center Financing Fund	8,637,766	9,502,752	10,400,632
Housing Bond Fund 6/96	400,000	1,875,000	1,600,000
Disaster Recovery Fund	974,000		
Sub-Total Non-Bond Funds	\$ 58,589,147	\$ 65,377,249	\$ 70,874,607
BOND FUND SUMMARY			
Water Revenue Bond	\$ 35,245,000	\$ 62,975,000	\$ 22,920,000
Sewer Revenue Bond	33,015,000	63,599,000	69,231,725
Stormwater Utility Bond			24,220,000
Miscellaneous Capital Projects Bond Fund	10,000,000	18,635,000	
Street Bond Fund	655,000	11,574,000	28,971,000
Parks Bond	16,238,000	5,251,000	17,469,034
Housing Bond	3,200,000	2,825,000	3,350,000
Sub-Total Bond Funds	\$ 98,353,000	\$ 164,859,000	\$ 166,161,759
TOTAL CAPITAL BUDGET	\$ 156,942,147	\$ 230,236,249	\$ 237,036,366

Water Capital Projects Fund

Revenues for this capital fund come primarily from the Public Utilities operating 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 Garner service delivery area.

Sewer Capital Projects Fund

The major revenue source for this is also primarily from the Public Utilities operating 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.

Stormwater Utility Bond

Revenues for this capital fund come primarily from the issuance of revenue bonds. Projects included in this fund are related to the maintenance, restoration/preservation, renovation and construction of culverts, spillways, streams, and lakes.

Technology Capital Projects

This fund will provide for both remedial and new projects to upgrade and modernize the city 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.

Miscellaneous Projects Fund

This is the major fund for the placement of general facility maintenance projects. The major funding source for this fund in FY 2007-08 is the local option sales tax. Fire station construction and improvements, streetscape projects in downtown and southeast Raleigh, 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 source will be a proposed general obligation bond.

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.

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.

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.

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 Parks Bond referendum.

Convention Center and Memorial Auditorium Fund

Interlocal 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 as 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 operating fund and capital maintenance funds.

Housing Bond

The revenues for this capital fund come primarily from the issuance of bond proceeds (interest and reserves) authorized by the 2005 Affordable Housing Bond referendum.

Disaster Recovery Fund

When the city is reimbursed for various disaster-related, emergency expenditures, the activity is accounted for in the Disaster Recovery Fund. From time to time, the financial capacity of this fund allows for appropriations to be made primarily for capital expenditures. For FY 2007-08, this fund is not projected to contribute to the general capital improvement needs of the city.

Fund Summary

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	% CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	% CHG FY08 to <u>FY09</u>
OPERATING FUNDS					
100 General Fund	\$ 315,787,516	\$ 343,672,081	8.8%	\$ 361,908,188	5.3%
110 Economic Development Fund	1,026,562	1,021,500	(0.5%)	896,500	(12.2%)
310 Public Utilities Fund	100,726,561	128,373,042	27.4%	132,441,151	3.2%
460 Stormwater Utility Fund	12,537,796	15,501,984	23.6%	16,251,535	4.8%
642 RCCC/PAC Operations	23,359,951	18,980,504	(18.7%)	23,487,694	23.7%
SUBTOTAL	\$ 453,438,386	\$ 507,549,111		\$ 534,985,068	
CATEGORICAL PROGRAM FUNDS					
130 Revolving Fund	\$ 6,465,289	\$ 7,723,909	19.5%	\$ 7,834,549	1.4%
140 Hotel/Motel Tax Fund	680,000	680,000	0.0%	680,000	0.0%
410 Public Transit Fund	17,011,255	18,085,921	6.3%	19,478,842	7.7%
442 Parking Facilities Fund - Operating	7,520,643	9,550,745	27.0%	9,965,848	4.3%
711 Wireless 9-1-1 Fund		239,666		272,982	13.9%
Housing Development Funds	1,446,892	1,527,386	5.6%	1,712,735	12.1%
Community Development Funds	5,439,239	5,676,348	4.4%	4,735,651	(16.6%)
SUBTOTAL	\$ 38,563,318	\$ 43,483,975		\$ 44,680,607	
CAPITAL DEBT SERVICE FUNDS					
190 General Debt Service Fund	\$ 30,480,998	\$ 29,798,411	(2.2%)	\$ 32,868,399	10.3%
315 Utility Debt Service Fund	30,132,052	34,489,769	14.5%	40,257,561	16.7%
444 Parking Debt Service Fund	5,737,706	6,629,736	15.5%	6,445,640	(2.8%)
644 New Convention Center Debt Srvc Fd	10,334,084	10,322,854	(0.1%)	10,345,405	0.2%
SUBTOTAL	\$ 76,684,840	\$ 81,240,770		\$ 89,917,005	
CAPITAL PROJECT FUNDS					
320 Water Capital Projects Fund	\$ 2,900,000	\$ 3,900,000	34.5%	\$ 4,400,000	12.8%
325 Sewer Capital Projects Fund	3,175,000	4,750,000	49.6%	7,000,000	47.4%
446 Parking Facilities Fund - Projects	675,000	2,007,000	197.3%	322,277	(83.9%)
470 Stormwater Utility Cap Proj Fund	6,852,000	6,317,300	(7.8%)	4,675,000	(26.0%)
501 Technology Fund	2,100,000	2,000,000	(4.8%)	2,000,000	0.0%
505 Capital Projects - Misc	9,493,000	4,935,391	(48.0%)	6,377,046	29.2%
515 Sidewalk Fund	859,800	1,033,800	20.2%	1,000,000	(3.3%)
525 Street Improvement Fund	8,064,510	12,210,991	51.4%	10,296,051	(15.7%)
545 Street Facility Fees Fund	3,060,000	4,146,680	35.5%	4,270,920	3.0%
610 Park Acq -- Facility Fees Fund	2,002,000	2,614,648	30.6%	2,684,677	2.7%
625 Park Improvement Fund	3,501,667	4,490,505	28.2%	4,213,168	(6.2%)
646 Conv Ctr & Mem Aud Fund	200,000	300,000	50.0%	300,000	0.0%
650 Walnut Creek Amph Fund	334,000	368,000	10.2%	380,000	3.3%
655 Stormwater Projects	1,400,000	-	(100.0%)	-	
700 Powell Bill Fund	9,382,520	9,799,660	4.4%	10,044,651	2.5%
715 Convention Center Financing Fund	9,502,752	10,400,632	9.4%	11,316,207	8.8%
720 Housing Bond Fund 6/96	1,875,000	1,600,000	(14.7%)	1,500,000	(6.3%)
SUBTOTAL	\$ 65,377,249	\$ 70,874,607		\$ 70,779,997	
TOTAL ALL FUNDS	\$ 634,063,793	\$ 703,148,463	10.9%	\$ 740,362,677	5.3%
LESS: Interfund Transfers	(120,425,060)	(146,081,874)		(154,940,972)	
NET OPERATING & CAPITAL BUDGET	\$ 513,638,733	\$ 557,066,589	8.5%	\$ 585,421,705	5.1%

General Fund

The revenues of the General Fund include the property tax, the local sales tax, intergovernmental revenues, interest on investments, inspection revenues, solid waste revenues, parks and recreation revenues, and other fees and user charges.

The costs associated with the General Fund represent the basic business of city operations, and include the activities of general government, police, fire, solid waste services, transportation, parks, human services and others. The General Fund is the primary source of funding for the city's non-utility debt service obligations and the source of the financial subsidy to the public transit system.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Property Taxes	\$ 144,455,320	\$ 151,549,595	4.9%	\$ 160,145,285	5.7%
Local Sales Taxes	63,216,755	67,279,550	6.4%	70,570,275	4.9%
Intergovernmental	20,923,412	23,991,792	14.7%	25,139,507	4.8%
Interest on Investments	6,301,163	5,019,360	(20.3%)	5,144,850	2.5%
Highway Maint Refunds	1,065,000	1,065,000	0.0%	1,065,000	0.0%
Public Works Fees	1,498,000	760,600	(49.2%)	781,600	2.8%
Licenses	14,156,000	15,735,000	11.2%	16,189,700	2.9%
Inspection Revenues	10,600,000	10,990,415	3.7%	11,447,040	4.2%
Solid Waste Revenues	11,882,340	17,280,218	45.4%	18,878,740	9.3%
Parks & Recreation Revenues	2,800,000	4,372,549	56.2%	4,508,901	3.1%
Misc Fees & Charges	6,369,839	7,425,687	16.6%	8,128,634	9.5%
Fund Transfers In	19,932,187	25,202,315	26.4%	26,908,656	6.8%
Fund Balance	12,587,500	13,000,000	3.3%	13,000,000	0.0%
TOTAL	\$ 315,787,516	\$ 343,672,081	8.8%	\$ 361,908,188	5.3%
EXPENDITURES					
City Council	\$ 175,212	\$ 168,932	(3.6%)	\$ 171,157	1.3%
City Clerk	436,392	494,403	13.3%	531,171	7.4%
City Attorney	1,785,273	1,891,768	6.0%	1,963,893	3.8%
Special Appropriations	57,427,828	59,677,445	3.9%	65,545,210	9.8%
Agency Appropriations	6,238,561	7,465,163	19.7%	7,225,038	(3.2%)
City Manager	1,275,113	1,502,531	17.8%	1,554,830	3.5%
Enterprise Project Mgmt Office	297,770	-	(100.0%)	-	
Development Services	-	1,010,792		1,020,072	0.9%
Public Affairs	894,452	934,390	4.5%	979,711	4.9%
Public Affairs - RTN	510,967	654,873	28.2%	620,977	(5.2%)
Arts Office	155,184	227,431	46.6%	243,311	7.0%
Personnel	2,829,532	3,259,442	15.2%	3,356,931	3.0%
Administrative Services	1,426,380	1,549,166	8.6%	1,620,740	4.6%
Finance	9,512,107	10,870,692	14.3%	12,274,815	12.9%
Information Technology	10,959,414	13,251,475	20.9%	13,944,253	5.2%
Public Works	25,154,145	26,739,209	6.3%	28,058,234	4.9%
Planning	3,690,876	4,424,117	19.9%	4,016,860	(9.2%)
Inspections	11,831,907	11,840,304	0.1%	12,221,866	3.2%
Community Services	1,932,588	1,975,590	2.2%	2,028,163	2.7%
Police	76,736,000	81,824,537	6.6%	85,058,479	4.0%
Fire	42,733,448	45,988,899	7.6%	47,677,301	3.7%
Emergency Communications	5,961,019	6,796,729	14.0%	7,358,716	8.3%
Solid Waste Services	19,309,585	22,801,850	18.1%	23,896,020	4.8%
Parks & Recreation	34,513,763	38,322,343	11.0%	40,540,440	5.8%
TOTAL	\$ 315,787,516	\$ 343,672,081	8.8%	\$ 361,908,188	5.3%

Economic Development Fund

This fund supports economic development through special projects and programmatic activities that enhance local and surrounding economies. Funding is provided in FY 2007-08 and FY 2008-09 to support, among others, the Southeast Raleigh Assembly, the Southeast Raleigh Virtual Business Incubator, and the Raleigh Development Authority.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Transfer from General Fund	\$ 946,562	\$ 941,500	(0.5%)	\$ 816,500	(13.3%)
Prior Year Appropriation	-	-	0.0%	-	0.0%
Interest on Investments	5,000	5,000	0.0%	5,000	0.0%
Trnsfr frm Public Utility Fund	75,000	75,000	0.0%	75,000	0.0%
TOTAL	\$ 1,026,562	\$ 1,021,500	(0.5%)	\$ 896,500	(12.2%)
EXPENDITURES					
SE Raleigh Assembly	\$ 227,562	\$ 230,000	1.1%	\$ 230,000	0.0%
SE Raleigh Virtual Bus Inc	75,000	100,000	33.3%	75,000	(25.0%)
Raleigh Area Dev Authority	122,500	100,000	(18.4%)	-	(100.0%)
Chamber of Commerce Proj.	197,500	197,500	0.0%	197,500	0.0%
Façade Program	15,000	15,000	0.0%	15,000	0.0%
Downtown Development	155,000	155,000	0.0%	155,000	0.0%
Misc Allocations	-	-	-	-	-
Events	100,000	100,000	0.0%	100,000	0.0%
Fayetteville Street Internet	4,500	4,500	0.0%	4,500	0.0%
World Trade Center	20,000	10,000	(50.0%)	10,000	0.0%
Triangle J COG	82,500	82,500	0.0%	82,500	0.0%
City Band Expo	1,500	1,500	0.0%	1,500	0.0%
Wakefield Band Expo	1,500	1,500	0.0%	1,500	0.0%
Reserve Econ Dev Projects	24,000	24,000	0.0%	24,000	0.0%
TOTAL	\$ 1,026,562	\$ 1,021,500	(0.5%)	\$ 896,500	(12.2%)

Print Services

This internal service fund provides the city's print services, which are charged back to the using departments on a cost recovery basis. Such charges serve to fund the cost of this program including wages, operating and capital equipment costs.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Print/Copy Revenue	\$ 800,456	\$ 750,000	(6.3%)	\$ 800,000	6.7%
From General Fund	220,903	298,886	35.3%	263,752	(11.8%)
TOTAL	\$ 1,021,359	\$ 1,048,886	2.7%	\$ 1,063,752	1.4%
EXPENDITURES					
Personal Services	\$ 89,953	\$ 92,360	2.7%	\$ 95,321	3.2%
Employee Benefits	21,756	22,892	5.2%	23,729	3.7%
Operating Expenditures	834,150	858,134	2.9%	869,202	1.3%
Capital Equipment - New	500	500	0.0%	500	0.0%
Interfund Transfers	75,000	75,000	0.0%	75,000	0.0%
TOTAL	\$ 1,021,359	\$ 1,048,886	2.7%	\$ 1,063,752	1.4%

Public Utilities

The Public Utility Fund operation provides the water and sewer service functions to the citizens of Raleigh and a number of surrounding cities and towns. It is fully self supported through user charges for services rendered. It also pays from its revenues all costs associated with indirect and direct support costs originating from the General Fund.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Water & Sewer Service Sales	\$ 93,524,868	\$ 105,041,448	12.3%	\$ 113,440,780	8.0%
Interest on Investments	2,962,777	3,410,276	15.1%	3,495,533	2.5%
Miscellaneous Fees & Charges	380,000	380,000	0.0%	380,000	0.0%
Transfers from Other Funds	333,916	386,318	15.7%	481,023	24.5%
Penalties	25,000	20,000	(20.0%)	20,000	0.0%
Fund Balance	3,500,000	19,135,000	446.7%	14,623,815	(23.6%)
TOTAL	\$ 100,726,561	\$ 128,373,042	27.4%	\$ 132,441,151	3.2%
EXPENDITURES					
Administration	\$ 3,760,047	\$ 4,412,044	17.3%	\$ 4,677,747	6.0%
Water Plant	15,420,875	16,606,442	7.7%	17,030,893	2.6%
Waste Treatment Plant	12,815,263	15,518,363	21.1%	15,650,746	0.9%
Reuse Operations	4,058,323	4,433,632	9.2%	3,991,572	(10.0%)
Utility Construction	6,088,921	6,522,738	7.1%	7,032,128	7.8%
Sewer Collection	5,811,403	6,115,068	5.2%	6,282,509	2.7%
Water Distribution	5,521,500	6,611,043	19.7%	7,095,207	7.3%
Meters	5,002,629	6,096,083	21.9%	6,412,343	5.2%
Warehouse	1,469,513	2,421,421	64.8%	2,196,211	(9.3%)
Special Appropriations	40,778,087	59,636,208	46.2%	62,071,795	4.1%
TOTAL	\$ 100,726,561	\$ 128,373,042	27.4%	\$ 132,441,151	3.2%

Stormwater Utility

The Stormwater Utility Fund provides funding 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. Capital projects funding is included in the transfer to the Stormwater Capital Fund 470.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Stormwater Utility Fees	\$ 12,000,000	\$ 13,552,575	12.9%	\$ 14,052,575	3.7%
Interest on Investments	315,141	411,977	30.7%	422,276	2.5%
Public Works Fees	-	1,223,832		1,440,747	17.7%
Interfund Revenue	222,655	313,600	40.8%	335,937	7.1%
TOTAL	\$ 12,537,796	\$ 15,501,984	23.6%	\$ 16,251,535	4.8%
EXPENDITURES					
Personal Services	\$ 2,132,711	\$ 2,439,671	14.4%	\$ 2,650,863	8.7%
Benefits	537,752	689,234	28.2%	744,552	8.0%
Direct Expenditures	991,356	2,042,234	106.0%	3,969,321	94.4%
Capital Equipment - Replace	18,000	1,000	(94.4%)	9,500	850.0%
Interfund Expenditure	2,005,977	4,012,545	100.0%	4,202,299	4.7%
Transfer-Stormwater Capital	6,852,000	6,317,300	(7.8%)	4,675,000	(26.0%)
TOTAL	\$ 12,537,796	\$ 15,501,984	23.6%	\$ 16,251,535	4.8%

Revolving Fund

The Revolving Fund programs are self-sustaining activities primarily in the recreation area. Revenues from fees are expected to equal or exceed each program cost with excesses allowed to “revolve” into the following year activity. Should shortages occur, the following year activity would be reduced. It is expected that revenues will exist before expenditures are allowed in these activity areas.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
EXPENDITURES					
Arts Commision	\$ 6,000	\$ 6,000	0.0%	\$ 6,000	0.0%
Artspace Building	257,000	257,000	0.0%	257,000	0.0%
RTN Promotions	28,992	25,000	(13.8%)	25,000	0.0%
RTN Equipment	221,760	201,400	(9.2%)	201,400	0.0%
Historic District Loan Fund	191,000	191,000	0.0%	191,000	0.0%
Appearance Commission	3,000	3,000	0.0%	3,000	0.0%
Transportation - Pole Banners	4,000	4,000	0.0%	4,000	0.0%
Inspections	25,000	25,000	0.0%	25,000	0.0%
Community Services	12,000	12,000	0.0%	12,000	0.0%
Public Safety Services	7,500	7,500	0.0%	7,500	0.0%
Fire Response Team	67,000	67,000	0.0%	67,000	0.0%
Recreational Services	5,492,037	6,825,009	24.3%	6,935,649	1.6%
Transfer to Fund 625	75,000	100,000	33.3%	100,000	0.0%
TOTAL	\$ 6,390,289	\$ 7,723,909	20.9%	\$ 7,834,549	1.4%

Hotel/Motel Tax Fund

Wake County levies a 6% occupancy tax on the rental of hotel and motel rooms in Wake County. Wake County and the City of Raleigh established a procedure for collecting and remitting the 6% tax in accordance with their authorizing legislation and interlocal agreement.

Previously, the city was responsible for collecting the tax and remitting the proceeds to the county for distribution to all eligible parties. Because of this, the city was able to retain 3% of the gross tax proceeds as reimbursement for tax collection and administration, an annual estimated return of \$270,000.

The county remits tax proceeds to the city in the amount of \$680,000 annually. This represents the Raleigh "hold back" amount. The legislation indicates that these funds can be used to fund visitor related facilities, programs and activities, and off-street parking facilities.

The remaining portion of the tax proceeds not distributed by the county, in accordance with the legislation and interlocal agreement, will be retained by the county and deposited into a Projects Reserve Fund. Over the next several years, these funds may be used for a variety of projects outlined in the interlocal agreement.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Tax Revenue	\$ 680,000	\$ 680,000	0.0%	\$ 680,000	0.0%
EXPENDITURES					
To General Fund - Admin Fee	\$ 280,000	\$ 280,000	0.0%	\$ 280,000	0.0%
To General Debt Service Fd	400,000	400,000	0.0%	400,000	0.0%
TOTAL	\$ 680,000	\$ 680,000	0.0%	\$ 680,000	0.0%

Vehicle Fleet Services

Vehicle Fleet Services 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 apparatus assigned to the Fire Department. Equipment service costs such as fuel, tires, repair parts, and preventive maintenance services are charged throughout the year to the respective Vehicle Maintenance and Operation (M&O) accounts of the various operating divisions, according to actual use.

The division has experienced a growth of more than 22% in the past four years in the number of vehicles and equipment it maintain. In addition, innovations in equipment requires new equipment and tools for their maintenance.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Vehicle Maint & Op Revenue	\$ 12,398,042	\$ 13,341,364	7.6%	\$ 13,723,388	2.9%
EXPENDITURES					
Personal Services	\$ 2,339,402	\$ 2,429,582	3.9%	\$ 2,555,273	5.2%
Employee Benefits	691,304	785,501	13.6%	818,126	4.2%
Operating Expenditures	8,987,922	9,715,544	8.1%	9,971,952	2.6%
Capital Equip - New	25,400	59,700	135.0%	30,000	(49.7%)
Capital Equip - Replacement	60,000	38,000	(36.7%)	35,000	(7.9%)
Interfund Expenditure	294,014	313,037	6.5%	313,037	0.0%
TOTAL	\$ 12,398,042	\$ 13,341,364	7.6%	\$ 13,723,388	2.9%

Public Transit

This fund supports the operation of the public transit system as well as the Accessible Raleigh Transportation (ART) program for the disabled. The major activity in this program is the administration of the Capital Area Transit (CAT) System, operated by a private contractor, which is designed to provide public transportation to citizens of Raleigh.

	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHG FY07 to FY08	PROJECTED BUDGET 2008-09	CHG FY08 to FY09
REVENUES					
State Grants	\$ 2,000,000	\$ 2,000,000	0.0%	\$ 2,000,000	0.0%
Farebox Revenue	2,130,086	2,358,228	10.7%	2,358,228	0.0%
Passenger Revenues	506,440	543,906	7.4%	560,223	3.0%
Advertising Revenue	45,000	75,000	66.7%	75,000	0.0%
Misc. Revenue	65,300	10,000	(84.7%)	10,000	0.0%
Appropriations from Prior Year	300,000	300,000	0.0%	300,000	0.0%
FR 100 General Fund - CAT	8,524,811	8,567,724	0.5%	9,512,953	11.0%
FR 100 for Accessible Ral. Transit (ART)	3,439,618	4,231,063	23.0%	4,662,438	10.2%
TOTAL	\$ 17,011,255	\$ 18,085,921	6.3%	\$ 19,478,842	7.7%
EXPENDITURES					
Personal Services	\$ 265,748	\$ 346,005	30.2%	\$ 363,897	5.2%
Employee Benefits	68,182	87,168	27.8%	91,478	4.9%
Operating Expenditures	16,503,779	17,524,413	6.2%	18,890,001	7.8%
Special Programs and Projects	50,000	-	(100.0%)	-	
Interfund Transfers	123,546	128,335	3.9%	133,466	4.0%
TOTAL	\$ 17,011,255	\$ 18,085,921	6.3%	\$ 19,478,842	7.7%

Parking Facility Fund

This fund operates and maintains the Municipal, Moore Square, Progress Energy, Cabarrus Street, Wilmington Street and South Street parking decks. It also includes cleaning and maintenance costs for the Moore Square Transit Station (reimbursed from the Transit Fund) and several downtown surface lots. This fund also manages the on-street parking spaces, issuance of parking permits and assessments of parking violations. This budget provides debt service funding for parking decks and land-use payments. The main source of revenue for this program is user fees.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES					
Interest on Investments	\$ 80,000	\$ 80,000	0.0%	\$ 80,000	0.0%
Approp from Prior Year	1,488,845	1,503,864	1.0%	-	(100.0%)
FR 446 Parking Capital Fund	-	1,342,000		122,277	(90.9%)
Parking Violations	1,533,600	1,456,600	(5.0%)	2,073,600	42.4%
Parking Deck Fees	4,272,052	5,017,346	17.4%	7,534,055	50.2%
Handicap Parking Violations-WCPS	26,400	26,400	0.0%	26,400	0.0%
FR410 for Moore Square Maintenance	119,746	124,535	4.0%	129,516	4.0%
TOTAL	\$ 7,520,643	\$ 9,550,745	27.0%	\$ 9,965,848	4.3%
EXPENDITURES					
Personal Services	\$ 501,601	\$ 581,989	16.0%	\$ 668,686	14.9%
Employee Benefits	130,924	160,488	22.6%	187,523	16.8%
Operating Expenditures	2,513,375	2,835,355	12.8%	3,185,453	12.3%
Interfund Transfers	4,374,743	5,972,913	36.5%	5,924,186	(0.8%)
TOTAL	\$ 7,520,643	\$ 9,550,745	27.0%	\$ 9,965,848	4.3%

Housing Development Funds

This fund provides assistance to low and moderate income households in obtaining affordable housing. It also provides homeless and transitional housing funding, loan default insurance, and home ownership counseling services. The program also provides the Home match funding and debt service contributions toward the New Horizons debt.

	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHG FY07 to FY08	PROJECTED BUDGET 2008-09	CHG FY08 to FY09
REVENUES					
From General Fund	\$ 836,518	\$ 756,384	(9.6%)	\$ 1,280,576	69.3%
Interest on Investments	111,400	85,000	(23.7%)	72,250	(15.0%)
Rental Income	210,920	263,840	25.1%	313,408	18.8%
Miscellaneous Revenues	234,000	-	(100.0%)	-	-
Proceeds from Bonds	54,054	47,162	(12.8%)	46,501	(1.4%)
Approp. from Prior Year	-	375,000	-	-	(100.0%)
TOTAL	\$ 1,446,892	\$ 1,527,386	5.6%	\$ 1,712,735	12.1%
EXPENDITURES					
Net Operating Costs	\$ 652,628	\$ 691,195	5.9%	\$ 886,198	28.2%
Ending Homelessness	50,000	50,000	0.0%	50,000	0.0%
Housing Services Operations	159,600	159,600	0.0%	159,600	0.0%
Homeownership Assistance	15,000	15,000	0.0%	15,000	0.0%
Home - Rehabilitation Match	105,070	130,758	24.4%	122,698	(6.2%)
Home - Rental Match	150,000	200,000	33.3%	200,000	0.0%
Home - CHDO	59,128	66,117	11.8%	64,523	(2.4%)
Citywide Rental Housing	152,000	152,000	0.0%	152,000	0.0%
New Horizons	62,716	62,716	0.0%	62,716	0.0%
Continuum of Care	40,750	-	(100.0%)	-	-
TOTAL	\$ 1,446,892	\$ 1,527,386	5.6%	\$ 1,712,735	12.1%

Community Development Funds

This fund provides for the improvement of inner-city neighborhoods through several redevelopment plans approved by Council. The primary sources of funding are the Community Development Block Grant and HOME Grant from HUD. An additional source of funding is the state grant funding for job training. Several redevelopment projects, the rehabilitation loan program, CHDO, and the economic development activities continue to be funded.

	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE FY07 to FY08	PROJECTED BUDGET 2008-09	CHANGE FY08 to FY09
REVENUES					
CDBG Grant	\$ 3,699,549	\$ 3,744,525	1.2%	\$ 2,859,380	(23.6%)
Rental Income	64,400	96,195	49.4%	83,121	(13.6%)
City Market Vendors	6,650	6,500	(2.3%)	6,500	0.0%
HOME Grant	1,592,640	1,753,128	10.1%	1,710,650	(2.4%)
Job Training Grant	76,000	76,000	0.0%	76,000	0.0%
TOTAL	\$ 5,439,239	\$ 5,676,348	4.4%	\$ 4,735,651	(16.6%)
EXPENDITURES					
CDBG PROGRAM					
Administration	\$ 295,415	\$ 325,078	10.0%	\$ 192,913	(40.7%)
Field Operations	453,210	468,534	3.4%	524,305	11.9%
Planning	170,846	200,610	17.4%	154,507	(23.0%)
Rehabilitation Loans	510,688	671,962	31.6%	454,764	(32.3%)
Indirect Cost	260,000	208,000	(20.0%)	208,000	0.0%
Neighborhood Dev Program	175,000	200,000	14.3%	175,000	(12.5%)
Other Miscellaneous	386,300	240,300	(37.8%)	368,800	53.5%
OTHER PROJECTS					
College Park	537,610	368,500	(31.5%)	332,000	(9.9%)
New Bern/Edenton	362,000	-	(100.0%)	46,200	
Southpark	-	181,000		313,500	73.2%
Economic Development	125,000	200,000	60.0%	125,000	(37.5%)
Thompson Hunter	129,007	376,500	191.8%	-	(100.0%)
Saunders North	281,176	333,500	18.6%	-	(100.0%)
Garner Road Red	56,197	-	(100.0%)	-	
City Market Vendors	6,650	25,850	288.7%	6,650	(74.3%)
Home Program	1,614,140	1,800,514	11.5%	1,758,012	(2.4%)
Job Training	76,000	76,000	0.0%	76,000	0.0%
TOTAL	\$ 5,439,239	\$ 5,676,348	4.4%	\$ 4,735,651	(16.6%)

General Debt Service Fund

The General Debt Service Fund continues the program of servicing the city's non-utility long term debt. This program is funded primarily by the General Fund. The funding and cost plans for debt service are projected over a 10-year period to assure that adequate resources are scheduled in this credit sensitive program. This has helped the city maintain a AAA credit rating.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES	\$ 30,480,998	\$ 29,798,411	(2.2%)	\$ 32,868,399	10.3%
EXPENDITURES	\$ 30,480,998	\$ 29,798,411	(2.2%)	\$ 32,868,399	10.3%

New Convention Center Debt Service Fund

The New Convention Center Debt Service Fund continues the program of servicing the city's long term debt related to the construction of the new Convention Center. This program is funded by Inter-local Agreement proceeds. These funding and cost plans are projected over a 10-year period to assure that adequate resources are dedicated to this credit sensitive program. This has helped the city maintain a AAA credit rating.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES	\$ 10,334,084	\$ 10,322,854	(0.1%)	\$ 10,345,405	0.2%
EXPENDITURES	\$ 10,334,084	\$ 10,322,854	(0.1%)	\$ 10,345,405	0.2%

Public Utility Debt Service Fund

The Public Utility Debt Service Fund continues the program of servicing the city's utility long term debt. This program is funded by the Utility Operating Fund. These funding and cost plans are projected over a 10-year period to assure that adequate resources are dedicated to this credit sensitive program. This has helped the city maintain a AAA credit rating.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES	\$ 30,132,052	\$ 34,489,769	14.5%	\$ 40,257,561	16.7%
EXPENDITURES	\$ 30,132,052	\$ 34,489,769	14.5%	\$ 40,257,561	16.7%

Parking Debt Service Fund

The Parking Debt Service Fund continues the program of servicing the city's parking facility long term debt. This program is funded by the Parking Facilities Fund and General Fund. The funding and cost plans for debt service are projected over a 10-year period to assure that adequate resources are dedicated to this credit sensitive program. This has helped the city maintain a AAA credit rating.

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	CHG FY07 to <u>FY08</u>	PROJECTED BUDGET <u>2008-09</u>	CHG FY08 to <u>FY09</u>
REVENUES	\$ 5,737,706	\$ 6,629,736	15.5%	\$ 6,445,640	(2.8%)
EXPENDITURES	\$ 5,737,706	\$ 6,629,736	15.5%	\$ 6,445,640	(2.8%)

Capital Budget Summary

The project appropriations and funding for the projected Capital Budget for FY 2007-08 is taken from the five year Capital Improvement Program. It includes the project schedule and funding plan set forth therein with the exception of projects that are to be funded with

	ADOPTED BUDGET <u>2006-07</u>	ADOPTED BUDGET <u>2007-08</u>	PROJECTED BUDGET <u>2008-09</u>
EXPENDITURES			
Fund 320 Water Capital Projects Fund	\$ 2,900,000	\$ 3,900,000	\$ 4,400,000
Fund 325 Sewer Capital Projects Fund	3,175,000	4,750,000	7,000,000
Fund 446 Parking Facilities Fund - Projects	675,000	2,007,000	322,277
Fund 470 Stormwater Utility Cap Proj Fund	6,852,000	6,317,300	4,675,000
Fund 501 Technology Fund	2,100,000	2,000,000	2,000,000
Fund 505 Miscellaneous Projects Fund	9,493,000	4,935,391	6,377,046
Fund 515 Sidewalk Fund	859,800	1,033,800	1,000,000
Fund 525 Street Improvement Fund	8,064,510	12,210,991	10,296,051
Fund 545 Street Facility Fees Fund	3,060,000	4,146,680	4,270,920
Fund 610 Park Acquisition -- Facility Fees Fund	2,002,000	2,614,648	2,684,677
Fund 625 Park Improvement Fund	3,457,167	4,490,505	4,213,168
Fund 646 Conv Ctr & Mem Aud Fund	200,000	300,000	300,000
Fund 650 Walnut Creek Amph. Capital Fund	334,000	368,000	380,000
Fund 700 Powell Bill Fund	9,382,520	9,799,660	10,044,651
Fund 715 Convention Center Financing Fund	9,502,752	10,400,632	11,316,207
Fund 720 Housing Bond Fund 6/96	1,875,000	1,600,000	1,500,000
TOTAL	\$ 63,932,749	\$ 70,874,607	\$ 70,779,997

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

Be it ordained by City Council of the City of Raleigh, North Carolina:

Section 1. That the following amounts are hereby appropriated for the operation of the City Government and its activities for the fiscal year beginning July 1, 2007, and ending June 30, 2008, according to the following schedules:

GENERAL FUND

Revenues:

Property Taxes	\$ 151,549,595
Intergovernmental Revenues	23,991,792
Licenses, Fees and Other Revenues	57,629,469
From 1-Cent Sales Tax Revenues	67,279,550
From Fund Balance	13,000,000
From Interfund Revenue Reimbursement	17,710,389
From Other Funds	7,491,926
Interest Income	5,019,360

General Fund Revenue Total \$ **343,672,081**

Expenditures:

General Government Administration	\$ 6,885,120
Special Appropriations and Interfund Transfers	59,677,445
Agency Appropriations	7,465,163
Personnel	3,259,442
Administrative Services	1,549,166
Finance	10,870,692
Information Technology	13,251,475
Public Works	26,739,209
Planning	4,424,117
Inspections	11,840,304
Community Services	1,975,590
Police	81,824,537
Fire	45,988,899
Emergency Communications	6,796,729
Solid Waste Services	22,801,850
Parks & Recreation	38,322,343

General Fund Expenditure Total \$ **343,672,081**

ECONOMIC DEVELOPMENT FUND

Revenues:

From General Fund	\$ 941,500
From Interest Income	5,000
From Public Utilities Fund	75,000

Economic Development Fund Revenue Total \$ **1,021,500**

Economic Development Fund Expenditure Total \$ **1,021,500**

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

REVOLVING FUND

Revenues:

From Fees, Contributions and Reserves	\$	7,623,909	
From Fund Balance		100,000	
Revolving Fund Revenue Total	\$		7,723,909
Revolving Fund Expenditure Total	\$		7,723,909

HOTEL/MOTEL TAX FUND

Revenues:

Hotel/Motel Tax Revenue	\$	680,000	
Hotel/Motel Tax Revenue Total	\$		680,000

Expenditures:

To General Debt Service Fund	\$	400,000	
To General Fund		280,000	
Hotel/Motel Tax Fund Expenditure Total	\$		680,000

GENERAL DEBT SERVICE FUND

Revenues:

Amphitheater Rent	\$	1,000,000	
From General Fund		27,100,000	
From Hotel/Motel Tax Fund		400,000	
From Housing Development Fund		62,716	
From Revolving Fund		201,400	
From Housing Bond Fund		400,000	
Interest Income		634,295	
General Debt Service Fund Revenue Total	\$		29,798,411
General Debt Service Fund Expenditure Total	\$		29,798,411

PUBLIC UTILITY FUND

Revenues:

User Fees	\$	105,041,448	
Other Revenues		400,000	
Interest Income		3,410,276	
From Fund Balance		19,135,000	
From Other Funds		386,318	
Public Utility Fund Revenue Total	\$		128,373,042

Expenditures:

Administration	\$	4,412,044	
Water Plant		16,606,442	
Waste Treatment Plant		15,518,363	
Reuse, Constr., Sewer Coll. and Water Distr.		23,682,481	
Meter, Warehouse and Special Appropriations		68,153,712	
Public Utility Fund Expenditure Total	\$		128,373,042

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

UTILITY DEBT SERVICE FUND

Revenues:

From Public Utility Fund	\$	20,000,000
Special Assessments		650,000
Miscellaneous Fees and User Charges		531,474
From Fund Balance		12,152,229
Interest Income		1,156,066

Utility Debt Service Fund Revenue Total \$ **34,489,769**

Utility Debt Service Fund Expenditure Total \$ **34,489,769**

PUBLIC TRANSIT FUND

Revenues:

State of North Carolina	\$	2,000,000
From General Fund		8,567,724
Accessible Raleigh Transportation Revenue		4,231,063
Farebox Fees and Passenger Revenues		2,902,134
From Fund Balance		300,000
Other Income		85,000

Public Transit Fund Revenue Total \$ **18,085,921**

Expenditures:

Transit Operations	\$	13,310,952
Accessible Raleigh Transportation		4,774,969

Public Transit Fund Expenditure Total \$ **18,085,921**

PARKING FACILITIES FUND - OPERATING

Revenues:

Parking Fees and Other Charges	\$	6,500,346
From Fund Balance		1,503,864
From Transit Operations		124,535
From Parking Facilities Fund		1,342,000
Interest Income		80,000

Parking Facilities Fund Revenue Total \$ **9,550,745**

Parking Facilities Fund Expenditure Total \$ **9,550,745**

PARKING DEBT SERVICE FUND

Revenues:

Interest Income	\$	138,423
From Fund Balance		1,471,313
From Parking Operations		5,020,000

Parking Debt Service Fund Revenue Total \$ **6,629,736**

Parking Debt Service Fund Expenditure Total \$ **6,629,736**

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

STORMWATER UTILITY FUND

Revenues:

From Interest Income	\$	411,977	
Stormwater Utility Fees		15,090,007	

Stormwater Utility Fund Revenue Total			\$ 15,501,984
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Stormwater Utility Fund Expenditure Total			\$ 15,501,984
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RCCC/PAC Operations Fund

Revenues:

Intergovernmental	\$	1,000,000	
Interest Income		60,000	
From General Fund		314,246	
From Conv Ctr Financing Fund		2,313,531	
Program Income & Fees		14,495,563	
Other Income		797,164	

RCCC & PAC Operations Revenue Total			\$ 18,980,504
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RCCC & PAC Operations Fund Exp.Total			\$ 18,980,504
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NEW CONVENTION CENTER DEBT SERVICE FUND

Revenues:

From Fund Balance	\$	8,283,742	
From Conv Ctr Financing Fund		2,039,112	

Convention Center Debt Service Fund Revenue Total			\$ 10,322,854
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Convention Center Debt Service Fund Expenditure Total			\$ 10,322,854
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WIRELESS 911 TAX FUND

Revenues:

Raleigh/Wake Wireless 911	\$	239,666	
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Wireless 911 Tax Fund Revenue Total			\$ 239,666
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Wireless 911 Tax Fund Expenditure Total			\$ 239,666
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HOUSING DEVELOPMENT - OPERATING FUND

Revenues:

From General Fund	\$	441,394	
From Fund Balance		299,801	

Housing Development-Operating Fd. Revenue Total			\$ 741,195
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Housing Development-Operating Fd. Expend. Total			\$ 741,195
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Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

HOUSING DEVELOPMENT-PROJECTS FUND

Revenues:

Interest on Investments	\$	85,000
From Fund Balance		75,199
From General Fund		314,990
Rental Income		263,840
Proceeds from Bonds		47,162

Housing Development-Projects Fd. Revenue Total \$ **786,191**

Housing Development-Projects Fd. Expenditure Total \$ **786,191**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Revenues:

From Federal Grants	\$	2,449,077
Proceeds from Bonds		627,448
Program Income & Fees		668,000
Rental Income		55,309

Community Development Block Grant Fund Revenue Total \$ **3,799,834**

Community Development Block Grant Fund Expend. Total \$ **3,799,834**

HOME GRANT FUND

Revenues:

From Federal Grants	\$	1,335,903
Proceeds from Bonds		417,225
Rental Income		47,386

Home Grant Fund Revenue Total \$ **1,800,514**

Home Grant Fund Expenditure Total \$ **1,800,514**

NCHFA/JOB TRAINING GRANT FUND

Revenues:

From State Grants	\$	76,000
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NCHFA/JOB Training Grant Fund Revenue Total \$ **76,000**

NCHFA/JOB Training Grant Fund Expenditure Total \$ **76,000**

Section 2. That all appropriations included in the following Capital Project and other multi-year project funds be approved for the financing life of each project, which may extend beyond one fiscal year.

WATER CAPITAL PROJECTS FUND

Revenues:

From Public Utilities Fund	\$	3,850,000
Interest Income		50,000

Water Capital Projects Fund Revenue Total \$ **3,900,000**

Water Capital Projects Fund Expenditure Total \$ **3,900,000**

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

SEWER CAPITAL PROJECTS FUND

Revenues:

From Public Utilities Fund	\$	4,700,000	
Interest Income		50,000	

Sewer Capital Projects Fund Revenue Total \$ **4,750,000**

Sewer Capital Projects Fund Expenditure Total \$ **4,750,000**

PARKING FACILITIES FUND - PROJECTS

Revenues:

From Parking Operations	\$	665,000	
From Fund Balance		1,342,000	

Parking Facilities Fund Projects Revenue Total \$ **2,007,000**

Parking Facilities Fund Projects Expenditure Total \$ **2,007,000**

STORMWATER UTILITY CAPITAL PROJECTS FUND

Revenues:

From Stormwater Utility Fund	\$	6,317,300	
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Stormwater Utility Capital Projects Fund Revenue Total \$ **6,317,300**

Stormwater Utility Capital Projects Fund Expenditure Total \$ **6,317,300**

TECHNOLOGY CAPITAL PROJECTS FUND

Revenues:

From General Fund	\$	2,000,000	
From Fund Balance		-	

Technology Capital Projects Fund Revenue Total \$ **2,000,000**

Technology Capital Projects Fund Expenditure Total \$ **2,000,000**

CAPITAL PROJECTS - MISC.

Revenues:

From General Fund	\$	4,335,391	
Proceeds from Sale		200,000	
Interest Income		400,000	
From Fund Balance		-	

Capital Projects - Misc. Fund Revenue Total \$ **4,935,391**

Capital Projects - Misc. Fund Expenditure Total \$ **4,935,391**

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

SIDEWALK FUND

Revenues:

Assessments	\$	190,000	
From Fund Balance		200,000	
Interest on Investments		100,000	
From Street Facility Fee Fund		543,800	

Sidewalk Fund Revenue Total \$ 1,033,800

Sidewalk Fund Expenditure Total \$ 1,033,800

STREET IMPROVEMENT FUND

Revenues:

Assessments	\$	800,000	
From Street Facilities Fee Fund		3,602,880	
From Fund Balance		2,155,971	
From Powell Bill Fund		4,877,140	
Interest on Investments		775,000	

Street Improvement Fund Revenue Total \$ 12,210,991

Street Improvement Fund Expenditure Total \$ 12,210,991

STREET FACILITY FEES FUND

Revenues:

From Street Facility Fees	\$	4,074,680	
Interest Income		72,000	

Street Facility Fees Fund Revenue Total \$ 4,146,680

Street Facility Fees Fund Expenditure Total \$ 4,146,680

PARK ACQUISITION - FACILITY FEES FUND

Revenues:

From Park Acquisition Facility Fees	\$	2,542,648	
Interest Income		72,000	

Facility Fee Fund Revenue Total \$ 2,614,648

Facility Fee Fund Expenditure Total \$ 2,614,648

PARK IMPROVEMENT FUND

Revenues:

From Revolving Fund	\$	100,000	
From Park Acquisition Facility Fee Fund		2,614,648	
From General Fund		1,065,857	
From Fund Balance		400,000	
Interest Income		310,000	

Park Improvement Fund Revenue Total \$ 4,490,505

Park Improvement Fund Expenditure Total \$ 4,490,505

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

RCCC & PAC PROJECTS FUND

Revenues:

From Conv Ctr Financing Fund	\$	300,000	
RCCC & PAC Projects Fund Revenue Total			\$ 300,000
RCCC & PAC Projects Fund Exp.Total			\$ 300,000

WALNUT CREEK CAPITAL IMPROVEMENT FUND

Revenues:

Amphitheater Rent	\$	368,000	
Walnut Creek Capital Improvement Fund Revenue Total			\$ 368,000
Walnut Creek Capital Improvement Fund Expenditure Total			\$ 368,000

POWELL BILL FUND

Revenues:

Powell Bill Allocation	\$	9,799,660	
Powell Bill Fund Revenue Total			\$ 9,799,660
Powell Bill Fund Expenditure Total			\$ 9,799,660

CONVENTION CENTER FINANCING FUND

Revenues:

Occupancy/Food Tax	\$	9,466,685	
Interest Income		933,947	
Convention Center Financing Fund Revenue Total			\$ 10,400,632
Convention Center Financing Fund Expenditure Total			\$ 10,400,632

HOUSING BOND FUND 6/96

Revenues:

From Fund Balance	\$	1,600,000	
Housing Bond Fund Revenue Total			\$ 1,600,000
Housing Bond Fund Expenditure Total			\$ 1,600,000

Section 3. That there is hereby levied the following rates of tax on each one-hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of January 1, 2007, for the purpose of raising the revenue from current year's property tax to finance the foregoing appropriations:

GENERAL FUND

Total rate per \$100 of valuation of taxable property: **\$ 0.435**

Such rates of tax are based on an estimated total assessed valuation of property for purposes of taxation of \$34,916,833,332 , and an estimated rate of collection of ninety-eight percent (98%).

Budget Ordinance for Fiscal Year 2007-08

Ordinance No. (2007-246)

Section 4. That there is hereby levied the following special district rate of tax on each one hundred dollars (\$100.00) valuation of taxable property as listed within the tax district as of January 1, 2007, for the purpose of raising the current year's property tax to finance the foregoing appropriation:

Municipal Service District as Established in Resolution No. (2007-276).

Total rate per \$100 of valuation of taxable property: **\$ 0.0786**

Section 5. That appropriations equal to the amounts of outstanding purchase orders in annually budgeted accounts at June 30th be reappropriated in order to properly account for the payments against the fiscal year in which they were paid.

Section 6. That effective July 1, 2007, the Pay & Classification Plan is amended to incorporate all personnel actions such as reclassifications and pay modifications recommended by the Personnel department and approved by the City Manager, including pay and salary, compensation for vehicles, clothing and other related items. Funding for the Plan and compensation items is included in the various departments as appropriate.

Section 7. That water and sewer rates are hereby authorized as set forth in Ordinance No. 2007-248 establishing a schedule of rates, charges and rents for water and sewer services.

Section 8. That copies of this ordinance shall be furnished to the City Clerk and to the Finance Director to be kept on file by them for their direction in the disbursement of City funds.

Section 9. Pursuant to Ordinance NO (2007) 165 TC 299, development fees are adjusted (see Exhibit A). The fee changes on Exhibit A will be effective July 4, 2007.

Section 10. This ordinance shall become effective on July 1, 2007.

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution:

City Council

City Manager

City Attorney

Assistant City Managers

Budget Staff

Finance

Budget Ordinance for Bond Projects FY 2007-08

Ordinance No. (2007-247)

Be it ordained by City Council of the City of Raleigh, North Carolina:

Section 1. That the following amounts are hereby appropriated for bond projects from previously unobligated bond funding for the fiscal year beginning July 1, 2007 and ending June 30, 2008 in accordance with the City Capital Improvement Program.

Section 2. Authorized project expenditures represent appropriations necessary for the completion of projects and therefore do not require reappropriation in any subsequent fiscal year.

WATER REVENUE BOND FUND 2004

Revenues:

Bond Proceeds	\$	16,495,000	
Interest Income		200,000	
From Fund Balance		500,000	
From Fund 310		5,725,000	
Water Revenue Bond Fund 2004 Revenue Total	\$		22,920,000

Expenditures:

Water Booster Pump Station Rehabilitation	\$	400,000	
Water Tank Rehabilitation		800,000	
EM Johnson Spill Containment		1,500,000	
EM Johnson Facility Rehabilitation		750,000	
Property Acquisitions		200,000	
EM Johnson Clearwell Rehabilitation		250,000	
EM Johnson New Lab Facility		420,000	
D.E. Benton Water Transmission Main		8,500,000	
EM Johnson Lagoon Sludge Removal		400,000	
Remote Operations Center		200,000	
Automatic Meter Reader Replacement		3,500,000	
Wake Forest Plant Decommissioning		45,000	
Upper Neuse Initiative and Water Quality		500,000	
EM Johnson Dist WQ Program, Study, Evaluation		500,000	
Falls Lake RWPS Improvements		250,000	
Little Reservoir Impact		350,000	
Telemetry Upgrades		150,000	
EM Johnson Warehouse Expansion		300,000	
EM Johnson Permanganate Facility		150,000	
EM Johnson 120 MGD Expansion		900,000	
EM Johnson Stream Restoration		450,000	
Little River Reservoir Reimbursement		500,000	
Lake Johnson Dam Upgrade		400,000	
Wendell Water Main Rehabilitation		500,000	
Wendell Tank Rehabilitation		100,000	
Wendell Water Booster Station Upgrade		495,000	
Wendell Water Distribution		100,000	
Zebulon WTP Basin Demolition		110,000	
Poole Road Booster Pump Station		200,000	
Water Revenue Bond Fund 2004 Expenditure Total	\$		22,920,000

Budget Ordinance for Bond Projects FY 2007-08

Ordinance No. (2007-247)

SEWER REVENUE BOND 2004

Revenues:

Bond Proceeds	\$	62,806,725
Income Interest		200,000
From Fund Balance		500,000
From Fund 310		5,725,000

Sewer Revenue Bond 2004 Revenue Total **\$ 69,231,725**

Expenditures:

System Capacity Analysis	\$	100,000
Neuse River WWTP (NRWWTP) Land Purchase		200,000
NRWWTP Reuse System Expansion		1,000,000
Sanitary Sewer Pump Removal		500,000
Access to Siphons		200,000
Walnut Crk Lift Station Pumps		2,500,000
Garner Pump Station Removal		325,000
NRWWTP Electrical Rehabilitation		250,000
Lower Crabtree Interceptor Parallel		550,000
NRWWTP Solids Handling Improvements		725,000
Lower Crabtree Sewer Main		200,000
Removal Garner 201 Facility		1,700,000
NRWWTP Filter & Blower Improvements		15,000,000
NRWWTP Odor Control Improvements		1,250,000
NRWWTP Repair/Resurface Roads		100,000
Cemetery Branch Sewer Main		1,000,000
Air Release Valve Replacement		50,000
Satellite Reuse Facility		500,000
Beaverdam Lake Sewer Extension		1,200,000
Walnut Crk Intercept Rehabilitation		500,000
NRWWTP 15 MGD Expansion		1,000,000
Glenwood Ave Force Main Replacement		2,000,000
Knightdale Lift Station Improvements		100,000
Crabtree Creek Sewer Transmission Study		350,000
Smith Crk Water Quality Sewer		12,500,000
Knightdale Waste Water Collection Improvements		800,000
House Creek Sewer Rehabilitation		2,600,000
NRWWTP Lab Improvements		75,000
Little Crk WWTP Expansion		7,145,725
Crabtree /Raleigh Blvd/Glenwood sewer		7,500,000
Randleigh Environmental Education Center		100,000
Randleigh Ctr Sewer Extension		125,000
Wendell Infiltration and Inflow Study		880,000
Wendell Service Area Sewer Improvements		1,650,000
Zebulon Infiltration and Inflow Study		880,000
Azelea Dr Pump Station Removal		88,000
Little Crk WWTP Security Improvements		88,000
Little Crk WWTP Expansion (Phase II)		2,000,000
Zebulon Reuse System Expansion		750,000
NRWWTP Instrumentation Improvements		100,000

Budget Ordinance for Bond Projects FY 2007-08

Ordinance No. (2007-247)

Sewer Revenue Bond (continued)

Greenbrier/Maxwell Pump Station	650,000	
Sewer Revenue Bond 2004 Expenditure Total		\$ 69,231,725

Stormwater Utility Revenue Bond Fund

Revenues:

Bond Proceeds	\$ 24,220,000	
Stormwater Utility Revenue Bond Revenue Total		\$ 24,220,000

Expenditures:

North Hills Drive Culvert	\$ 1,300,000	
Swift Drive Culvert	1,000,000	
Fairview Road Culvert	1,037,000	
Churchill Road Culvert	750,000	
Ravenwood Drive Culvert	800,000	
Cheyenne Road Drainage	350,000	
Lenoir Street Drainage	390,000	
White Oak Lake Reconstruction	2,200,000	
Fred Fletcher Park Retention	380,000	
Pigeon House Stream Restoration	1,800,000	
Pineview Drive Culvert	779,000	
Big Branch Channel	410,000	
Cambridge Road Culvert	1,200,000	
Breckenridge Avenue Drainage	360,000	
Harrington Street Drainage	419,000	
Van Haven Drive Drainage	245,000	
Bayberry Lane Culvert	410,000	
White Oak Road Creek Restoration	455,000	
Dortch Street Culvert Replacement	1,660,000	
Lail Court Culvert	800,000	
Kaplan Drive Culvert	665,000	
Lassiter Mill Dam	500,000	
Laurel Hills Dam Reconstruction	2,500,000	
Carolina Pine Dam Repairs	1,150,000	
Lower Longview Lake	2,000,000	
Oak Park Culvert	660,000	
Stormwater Utility Revenue Bond Expenditure Total		\$ 24,220,000

STREET BOND FUND

Revenues:

Bond Proceeds	\$ 25,014,549	
From Fund Balance	1,000,000	
Interest Income	700,000	
From Fund 525	2,256,451	
Street Bond Fund Revenue Total		\$ 28,971,000

Budget Ordinance for Bond Projects FY 2007-08

Ordinance No. (2007-247)

Expenditures:

Jones Sausage Widening/Realignment	\$	3,000,000
Traffic Signal System Upgrade		2,000,000
Neighborhood Traffic Calming		600,000
Tryon Rd Widening, Part D		6,271,000
Hillsborough / Morgan Roundabout		2,600,000
Perry Creek Rd Widening, Part A		8,000,000
Falls of Neuse Realign and Widening		3,500,000
Rock Quarry Rd Widening, Part B		2,000,000
Leesville Road Widening		1,000,000

Street Bond Fund Expenditure Total **\$ 28,971,000**

PARK BOND FUND

Revenues:

Bond Proceeds	\$	15,769,034
Interest Income		700,000
From Fund Balance		1,000,000

Park Bond Fund Revenue Total **\$ 17,469,034**

Expenditures:

Park Site Acquisition	\$	640,000
Optimist Pool		3,695,313
Greenway Acquisitions		60,000
Pullen Park Improvements		5,504,538
HoneyCutt Greenway		1,410,723
Gardner Street Park Improvements		368,940
Marsh Creek Community Center		5,789,520

Park Bond Fund Expenditure Total **\$ 17,469,034**

HOUSING BOND FUND 2005

Revenues:

Bond Proceeds	\$	3,350,000
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Housing Bond Fund 2005 Revenue Total **\$ 3,350,000**

Expenditures:

Homeowner Repair Program	\$	575,000
Joint Venture Rental		1,500,000
Neighborhood Revitalization		500,000
Homelessness Plan -Support		400,000
Housing Units Purchase		375,000

Housing Bond Fund 2005 Expenditure Total **\$ 3,350,000**

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution:

City Council

City Manager

City Attorney

Assistant City Managers

Budget Staff

Finance

Ordinance Adopting the Rates, Charges and Rents for Water and Sewer Utility Service

Resolution No. (2007-248), City Of Raleigh, Fiscal Years 2007-08

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RALEIGH

Section 1. That the following is the official schedule of rates, charges, and rents for water and sewer utility service, effective July 1, 2007. (Reference Section 2-3001, Raleigh City Code.)

I. Retail Service

A. Water

1. Bi-Monthly Service Charges

Meter Size (Inches)	Bi-Monthly Charges Inside City Limits	Bi-Monthly Charges Outside City Limits
5/8	\$ 6.76	\$ 11.14
3/4	7.60	12.81
1	9.27	16.15
1-1/2	13.45	24.53
2	18.52	34.67
3	31.96	61.54
4	47.10	91.82
6	85.34	168.31
8	139.49	276.59
10	198.29	394.21

2. Consumption Charges

Consumption (CCF/Month)	Unit Rate Per CCF	
	Inside City Limits	Outside City Limits
All Consumption	\$1.70	\$3.40

B. Sewer

	Bi-Monthly Charges Inside City Limits	Bi-Monthly Charges Outside City Limits
1. Billing Charge	\$5.43/Bill	\$8.48/Bill
2. Consumption Charges		
Water Consumption (CCF/Month)	Unit Rate Per CCF of Water Inside City Limits	Outside City Limits
All Usage	\$1.58	\$3.16
3. Rates (including billing charges) for residential units without metered water (per dwelling unit)		
Inside City Limits	\$15.48/Mo. for services inclusive of Admin. costs.	
Outside City Limits	\$30.96/Mo. for services inclusive of Admin. costs.	

II. Contract Service

A. Water

1. Operations and Maintenance Charges	
a. Applicable to all water used	\$1.3395/CCF
b. Surcharge applicable to water used from high level pumping system	\$0.0291/CCF
2. Capital Charges – General Facilities	
a. Applicable to all water used	\$0.6536/CCF
b. Surcharge applicable to water used from high level pumping system	\$0.0186/CCF
3. Capital Charges – Production Facilities applicable capacity reserved by contractual agreement, as of July 1, 1980	\$5,708/MGD/Month
4. Capital Charges – Production Facilities applicable capacity reserved by contractual agreement, as of July 1, 1984	\$19,760/MGD/Month

B. Sewer

1. Operations and Maintenance Charges

a. Treatment

- | | | |
|-----|---|------------------------|
| (1) | Applicable to all flow, with no allowance for BOD or SS | \$0.1124/CCF of sewage |
| (2) | Applicable to all BOD5 | \$0.5374/Lb of BOD |
| (3) | Applicable to all SS | \$0.1370/Lb of SS |
| (4) | Applicable to all TN | \$0.7213/Lb of TN |

b. Transportation

- | | | |
|-----|------------------------|------------------------|
| (1) | Applicable to all flow | \$0.0536/CCF of sewage |
|-----|------------------------|------------------------|

2. Capital Charges

a. Treatment

(1) Applicable to capacity reserved by contractual agreement within plant facility capacity as of 1980.

Peak reserve flow	\$50.00/MGD/Month
Average reserve flow	\$793.60/MGD/Month

b. Transportation

Applicable to capacity reserved by contractual agreement within Neuse River Outfall facility capacity as of 1980.

\$78.95/MGD/Mile/Month

Applicable to capacity reserved by contractual agreement within Walnut Creek Outfall, from Sunnybrook Road to Neuse River Outfall facility capacity as of 1980.

\$50.00/MGD/Mile/Month

Applicable to capacity reserved by contractual agreement within Crabtree Creek Outfall, from Old Crabtree Creek Pump Station, to Neuse River Outfall facility capacity as of 1980.

\$65.00/MGD/Mile/Month

III. Advanced deposits are no longer required for utility system on initial connection.

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution: City Council
 City Manager
 City Attorney
 All Departments
 Finance
 Internal Audits
 Budget Staff

Internal Service Fund Ordinance for FY 2007-08

Ordinance No. (2007-249)

Be it ordained by City Council of the City of Raleigh, North Carolina:

Section 1. These financial plans are hereby established in accordance with G.S. 159-13.1 for the purpose of accounting for the City of Raleigh Internal Service Funds.

Section 2. The City Manager, or his designee, are hereby authorized to carry out this financial plan as approved.

Section 3. The following revenue and expenditure accounts are hereby established:

Internal Service Fund - Print Shop

Revenues:

Print/Copy Revenue	\$	750,000	
From General Fund		298,886	

Print Shop Revenue Total			\$ 1,048,886
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Expenditures:

Print Services Administration	\$	1,048,886	
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Print Shop Expenditure Total			\$ 1,048,886
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Internal Service Fund - Risk Management

Revenues:

User Charges-Risk Mgmt./WC	\$	5,410,000	
User Charges-Risk Mgmt./Other Insur.		3,339,693	
Miscellaneous Revenues		495	

Risk Management Revenue Total			\$ 8,750,188
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Expenditures:

Personal Services and Employee Benefits	\$	295,408	
Office Supplies and Administrative Operations Costs		18,230	
Computer Operations & Access		10,000	
Professional Consulting Services		688,000	
SIR Prop./Liability Claims		816,000	
Excess Prop./Liability Premium		1,200,000	
Excess Worker's Compensation-Prem.		184,800	
Builders Risk Premium		5,000	
Public Officials Bond Premium		4,000	
Fire & Police Add. Comp.		20,000	
Misc. Fine Art Premium		13,000	
Misc. Deductible Reserve		80,000	
Money & Security Theft Premium		5,500	
Optimist Cover Premium		250	
SIR Workers Compensation-Claims		5,410,000	

Risk Management Expenditure Total			\$ 8,750,188
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Internal Service Fund Ordinance for FY 2007-08

Ordinance No. (2007-249)

Internal Service Fund - Health/Dental Trust

Revenues:

City Contribution-All Funds: Health Trust	\$	24,000,000
Employees Contribution-Health Trust		4,500,000
Retiree Contributions-Health Trust		750,000
Interest-Dental Trust		31,000
Interest-Health Trust		75,000
City Contribution-All Funds: Dental Trust		1,500,000
Employees Contribution-Dental Trust		415,000
From Fund Balance		469,997
From Fund 241 - Post Employment Trust		7,200,000

Health/Dental Trust Revenue Total **\$ 38,940,997**

Expenditures:

BCBS Claims-Health Trust	\$	19,535,423
Administrative Charges-Health Trust		1,135,011
Stop Loss Fees-Health Trust		669,626
Fiduciary Fees-Health Trust		24,780
BCBS Claims-Dental Trust		1,540,575
Administrative Charges-Dental Trust		163,788
Fiduciary Fees-Dental Trust		2,639
BCBS Claims - Retirees		7,200,000
To Fund 241 - Post Employment Trust		8,669,155

Health/Dental Trust Expenditure Total **\$ 38,940,997**

Internal Service Fund - Other Post Employment Benefits Trust

Revenues:

Retiree Contributions	\$	1,000,000
From Fund 240 - Health/Dental Trust		8,669,155

Other Post Employment Trust Revenue Total **\$ 9,669,155**

Expenditures:

Reserve For Prior Liability	\$	2,469,155
To 240 (Health/Dental Trust) for Retiree Claim		7,200,000

Other Post Employment Trust Expenditure Total **\$ 9,669,155**

Internal Service Fund - Equipment Fund

Revenues:

Bond Proceeds	\$	15,080,536
Interest on Investments		140,000
Equipment Use Charges		12,984,420
From Fund Balance		1,000,000

Equipment Fund Revenue Total **\$ 29,204,956**

Internal Service Fund Ordinance for FY 2007-08

Ordinance No. (2007-249)

Expenditures:

Taxes and Fees	\$	160,000
Equipment Reserve		4,899,195
Debt Service Payments		6,049,725
Transfer to General Fund		2,000,000
Equipment Purchases		16,096,036

Equipment Fund Expenditure Total **\$ 29,204,956**

Internal Service Fund - Vehicle Fleet Services

Revenues:

Maintenance and Operation	\$	13,341,364
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Housing Bond Fund 2005 Revenue Total **\$ 13,341,364**

Expenditures:

Personnel	\$	3,215,083
Operating Expenditures		9,657,882
Depreciation		76,212
Capital Equipment		97,700
General Fund Indirect Costs		294,487

Housing Bond Fund 2005 Expenditure Total **\$ 13,341,364**

Section 4. Copies of these financial plans shall be furnished to the City Clerk and to the Chief Finance Officer to be kept on file by them for their direction in the disbursement of City funds.

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution:

City Council

City Manager

City Attorney

Assistant City Managers

Budget Staff

Finance

Resolution Directing Certain Changes to Employee Post-Retirement Benefits

Resolution No. (2007-275), City Of Raleigh, Fiscal Year 2007-08

WHEREAS, the City desires to provide benefits to employees that promote the hiring and retention of capable, diligent, and honest career employees; and

WHEREAS, G.S. §160A-163 describes the means by which the City may elect to provide retirement benefits to employees; and

WHEREAS, from time to time the Council may desire to change the manner and method by which employee benefits are provided; and

WHEREAS, Regulations promulgated by the Governmental Accounting Standards Board (GASB) recommend that government units set aside sufficient resources to pay for benefits as they come due, creating a liability for the City for the cost of various employee post-retirement benefits;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RALEIGH:

Section 1. That the GASB 45 Standard known as “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions” requires the City to set aside on an actuarial basis sufficient resources to pay for post-retirement benefits of employees.

Section 2. That employees hired subsequent to July 1, 2007 shall be required to fund any medical coverage elected for their spouse or dependents at 100 percent of the cost to the City for providing such dependent medical coverage upon the city employee’s retirement.

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution: City Manager
City Council
City Attorney
Department Heads
Budget Staff

Operating Budget for Municipal Service District

Resolution No. (2007-276), City Of Raleigh, Fiscal Year 2007-08

WHEREAS, Article 23 of Chapter 160A of the North Carolina General Statutes, entitled “The Municipal Service District Act of 1973”, authorizes the City Council of any city within North Carolina to define one or more service districts for the purposes enumerated in that Act and pursuant to the procedure therein prescribed; and

WHEREAS, the City Council of the City of Raleigh, North Carolina has established the Municipal Service District as defined in Resolution 2007-276 for the purpose of pursuing a downtown revitalization project,

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Raleigh that the following budget for the Municipal Service District for Fiscal Year 2007-08 is hereby approved:

<u>REVENUE</u>	<u>AMOUNT</u>
Municipal Service District	\$599,165
<u>EXPENDITURES</u>	<u>AMOUNT</u>
Municipal Service District	\$599,165

- Adopted: June 11, 2007
- Effective: July 1, 2007
- Distribution: City Council
- City Manager
- City Attorney
- Chief Finance Officer
- Accounting
- Audits
- Budget Staff
- Downtown Raleigh Alliance

Resolution Adopting the Capital Improvement Program

Resolution No. (2007-277), City Of Raleigh, Fiscal Years 2007-08 Through 2016-2017

WHEREAS, a Proposed Capital Improvement Program for Fiscal Years 2007-08 through 2016-17 was presented to the City Council on May 15, 2007; and

WHEREAS, the Proposed Capital Improvement Program described major capital projects, funding schedules, and a capital financing plan recommended by the City Administration; and

WHEREAS, the Capital Improvement Program provides a comprehensive framework for accomplishing needed public improvements;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RALEIGH:

Section 1. That the document titled "*Proposed Capital Improvement Program, 2007-08 through 2016-17*" is hereby amended as follows:

Upper Neuse Initiative/Water Quality Improvements – \$1,000,000. This project has been renamed, previously Falls Lake Initiative, and increased by \$500,000 in FY08 of the Public Utilities Program, Page 20, Item 21.

Market Plazas – \$1,000,000. This project has been decreased by \$500,000 in FY08 of the General Public Improvement Program, Page 81, Item 11.

West Morgan Street Streetscapes – \$0. This project has been decreased by \$723,500 in FY08 of the General Public Improvement Program, Page 81, Item 13.

Urban Ministries of Wake County Capital– \$210,000. This project and funding has been added to Phase I of the General Public Improvement Program.

Interact Capital– \$300,000. This project and funding has been added to Phase I of the General Public Improvement Program.

Hospice Capital– \$450,000. This project and funding has been added to Phase I of the General Public Improvement Program.

Section 2. That the document titled "*Proposed Capital Improvement Program, 2007-08 through 2016-17*" is adopted as a policy to guide capital budgeting, financial planning, project schedules, and other activities related to the accomplishment of capital projects.

Section 3. That the adopted Capital Improvement Program supersedes all previously adopted Capital Improvement Programs.

Section 4. Authorized project expenditures for 2007-08 represent appropriations necessary for the completion of projects and therefore do not require re-appropriation in any subsequent fiscal year.

Section 5. That the adopted Capital Improvement Program may be amended by the City Council with budgetary actions or other actions related to the authorization of specific projects and by the adoption of future Capital Improvement Programs.

Adopted: June 11, 2007

Effective: July 1, 2007

Distribution: City Manager
 City Council
 City Attorney
 Department Heads
 Budget Staff

Resolution to Adopt Two-Year Budget Plan

Resolution No. (2007-278), City Of Raleigh, Fiscal Years 2007-08 and 2008-09

WHEREAS, the City of Raleigh recognizes the importance of long-range planning; and

WHEREAS, the City of Raleigh develops and analyzes the policies, issues and financial requirements which impact the annual budgets of the City; and

WHEREAS, the City has developed a Two-Year Budget Plan, which includes the following major financial policy areas:

A property tax rate of 43.5 cents per \$100 of assessed value in FY 2007-08.

A property tax rate of 7.86 cents per \$100 of assessed value in the Municipal Service District as defined in Resolution No. (2007-276).

The FY 2008-09 gross operating budget is proposed in the amount of \$534,985,068, 5.4% above the FY 2007-08 adopted amount of \$507,549,111.

There will be 3,719 authorized positions in FY 2007-08 and 3,777 in FY 2008-09 for a net increase of 58 authorized positions from FY 2007-08 to FY 2008-09.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Raleigh, in its regular session duly assembled, that it does hereby adopt the Two-Year Budget Plan for FY 2007-08 and FY 2008-09.

Adopted: June 11, 2007
 Effective: July 1, 2007
 Distribution: City Council
 City Manager
 City Attorney
 Department Heads
 Budget Staff

Operating Budget for the Greater Raleigh Convention and Visitors Bureau

Resolution No. (2007-279), City Of Raleigh, Fiscal Year 2007-08

WHEREAS, the General Assembly of North Carolina adopted House Bill 703, entitled “An Act to Authorize Wake County to Levy a Room Occupancy Tax and a Prepared Food and Beverage Tax”, during the 1991 Session; and,

WHEREAS, said Act requires certain distribution of a portion of the proceeds from these taxes to the Greater Raleigh Convention and Visitors Bureau; and,

WHEREAS, said Act further requires the Greater Raleigh Convention and Visitors Bureau to submit an annual budget to the Raleigh City Manager and Wake County Manager for processing and approval through the regular budget procedures of the city and the county; and,

WHEREAS, the Greater Raleigh Convention and Visitors Bureau has submitted a proposed budget for Fiscal Year 2007-08 to the Raleigh City Manager and Wake County Manager,

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Raleigh that the following budget for the Greater Raleigh Convention and Visitors Bureau for Fiscal Year 2007-08 is hereby approved:

<u>REVENUE</u>	<u>AMOUNT</u>
Room Occupancy	\$3,026,000
Prepared Food and Beverage Tax	675,000
Reserves	125,000
Convention Center Marketing	150,000
Dividends and Interest	<u>31,500</u>
TOTAL REVENUES	\$4,007,500

<u>EXPENDITURES</u>	<u>AMOUNT</u>
Greater Raleigh Convention and Visitors Bureau	\$4,007,500*

* The fourth of five annual \$25,000 County loan payments is included in the expenditure budget for repayment of \$125,000 no-interest loan.

Adopted: June 11, 2007
 Effective: July 1, 2007
 Distribution: City Council
 City Manager
 City Attorney
 Chief Finance Officer
 Accounting
 Audits
 Budget Staff
 Greater Raleigh Convention and Visitors Bureau
 Wake County Manager