



Fiscal Year 2027 Proposed Budget Transmittal Letter

Dear Mayor and City Council,

I am pleased to submit the City Manager's Proposed Budget for the 2027 Fiscal Year and the Proposed Five-Year Capital Improvement Program (CIP) for FY2027-FY2031. The budget totals \$1,765,166,204 (net transfers), and represents the planned cost of operating the City of Raleigh for the period of July 1, 2026 to June 30, 2027.

With Raleigh's population growing to more than 500,000 residents according to the most recent census, our community now stands firmly among the nation's largest cities. In order to continue garnering national accolades and maintain a high quality of life for both new residents and those who have lived here for generations, we must continue our tradition of strong fiscal stewardship, while investing in the people, services, and infrastructure required to support our community now and into the future. The Proposed FY 2027 Budget includes the resources necessary to maintain our core services while also committing to long-term investments in key priority areas such as public safety, transportation, and affordable housing.

Introduction and Context

In the FY 2026 budget, the City made a generational investment in our workforce. We were able to realign our pay structures and provide significant compensation increases to employees without having to adjust the property tax rate. However, the budget also included the message that as the city grows, the cost of providing services continues to outpace growth in our revenue sources and that additional investment would be needed to support our core services.

In the past year, the City commissioned, and received the results of, a Fire Master Plan and a Targeted Staffing Study – two documents that will serve as a guide for staffing our public safety services over the next ten years. We have assumed full responsibility for the buildings and grounds at Dix Park, cementing our commitment to this unique community asset. Finally, we are nearing completion of our community's new City Hall in 2027 which will allow for more centralized, modern, and responsive city services.

The theme of this year's budget is *Resiliency in the Face of Uncertainty*. This budget was developed as we faced unique challenges to the City's primary and historically most stable revenue source – property taxes. By April of this year, the City faced a \$13.1 million funding gap in the FY 2027 budget to provide the same level of services offered in the FY 2026 budget. This gap did not account for any new or critically needed investments. To close this gap, we looked first for opportunities within the organization to reduce expenses. These efforts included realigning budgets to reduce costs and a recommendation for targeted reductions to vacant positions across the organization while maintaining core services. The Proposed FY 2027 Budget protects our existing employees and services while adjusting to the realities of the fiscal pressures we currently face.

Overall, the Proposed FY 2027 Budget recommends a property tax rate of 37.2 cents - a 1.7 cent increase from FY 2026. This increase, which would cost \$67 annually for the median Raleigh household, allows for needed investments to maintain and improve service levels in key areas with a primary focus on public safety.

The FY 2027 General Fund budget totals \$652.8 million, which is a modest decrease from \$657.1 million in FY 2026. Overall, the City's General Fund spending by category is as follows:

- 43% for public safety
- 17% for infrastructure and public service
- 13% for leisure services
- 13% for general government
- 1% for agency appropriations or grants

The final approximately 13% is set aside for special appropriations, which include employee benefits, risk management, economic development activities, and payments to other agencies.

Economic and Financial Context

Property tax is the City's largest revenue source, totaling \$352.9 million in the General Fund, and \$427.35 million overall. It serves as the primary revenue source for key services, such as Police, Fire, transportation, and affordable housing. In recent years, the City has realized annual growth in property revenue of between 2% and 3%. This growth has generated between \$9 and \$12 million in new revenues annually which has helped to offset inflationary cost increases associated with providing these services.

For the first time since at least the Great Recession 15 years ago, the city is unlikely to experience any property tax growth in FY 2027. In March, the Wake County Tax Administrator informed City Council of the unprecedented challenges that Wake County communities will face in the upcoming fiscal year. Appeals of property valuations were one of the challenges, with the County experiencing a 40% increase in formal appeals and a 115% increase in property tax commission cases as compared to the previous revaluation in 2020.

Another unique contributing factor to the year-to-year decline in property tax revenue is the significant increase in the number of affordable housing developments receiving property tax exemptions. More property owners have taken advantage of a loophole that allows for the exemption of taxes if a non-profit entity owns as little as a 0.1% ownership stake in the property. Two years ago, this exemption accounted for \$388 million in exempted value in Wake County. In 2025, it accounted for \$2.2 billion, a 468% increase in only two years.

Although we remain hopeful that the loophole will be closed in the future, the City is projected to lose nearly \$6 million in revenue from these exemptions alone in FY 2027. Although some revenue sources, such as sales tax and franchise tax, have performed well and may help mitigate the impact, the reduction in the City's primary revenue source has created a very challenging financial outlook for the City.

General Fund Reductions and Enhancements

City-wide Efforts to Reduce Costs

The cost of providing services continues to grow faster than the City's revenue sources. The cost of existing contracts, employee benefits, and materials and supplies continues to increase with inflation. As part of the budget process, we looked for opportunities to reduce the cost of services by seeking out efficiencies and evaluating every vacant position in the City.

The Proposed FY 2027 Budget saves \$3.5 million citywide by eliminating 45 positions from non-public safety departments, and by identifying 26 positions that can be held vacant for the beginning of FY 2027 resulting in approximately \$1 million in General Fund savings. Additionally, Budget and Management Services worked closely with City departments to cover increased operational costs from within their existing budgets, avoiding the need for additional funding.

Finally, we are recommending changing retiree healthcare benefits for future employees hired after July 1, 2026. Many organizations, including the State of North Carolina, Wake County, Charlotte, and Winson-Salem have eliminated retiree healthcare for new hires. If implemented,

Raleigh's plan would remain open, but eligibility would shift to 25 years of service, and the City would cover 50% of premium costs. This action, which has no impact on existing employees, would save approximately \$1.5 million in FY 2027 and a total of \$62.2 million over the next 15 years.

Investments in Our People

In FY 2026, the City fully implemented recommendations from the Classification and Compensation Study. Unlike many peer organizations, the City did not phase in the recommended changes over multiple years. Instead, the City realigned its compensation structures, and provided minimum salary increases of 9% for salaried employees, and 11% for hourly and public safety employees. This \$35.8 million investment in employee compensation occurred in September of 2025 and was implemented without a property tax increase.

In addition to providing the additional funds needed to support a full year's implementation of last year's historic increase, the Proposed FY 2027 Budget includes a 3% salary increase for employees in public safety pay plans, a 2% increase for all other full-time employees, and a 1.5% increase for permanent part-time employees, effective in September. If approved, full-time employees will have received a combined average salary increase of between 11 and 14% over the last two fiscal years.

The City has had success in recent years managing the growth in the cost of employee benefits because expenditures in the City's self-insured Health/Dental Trust Fund have increased slower than the industry average. Employee health and dental insurance premiums will once again not increase in FY 2027 for employees. The City will absorb next year's premium increases. Additionally, the City will provide modest enhancements to the existing plan design. These enhancements include adding maternity coverage for dependents, covering a cancer screening for enrolled employees aged 22 and above; weight management programming, and removing cleaning costs from the maximum dental insurance benefit.

Although these plan enhancements will improve the City's benefit package in targeted areas, the City will continue to monitor and review overall plan strategy. Pharmaceutical costs, in particular, continue to increase disproportionately. In the coming year, plan design changes may need to be considered and 2027 is likely to represent the final plan year the City is able to avoid passing on increased costs to employees.

Targeted Staffing Study

Over the past year, the City partnered with Matrix Consulting Group to conduct a staffing study for targeted departments and divisions. The study evaluated current workload demands and utilized geographic growth models to project service and staffing needs ten years into the future. The Proposed FY 2027 Budget includes investments in staffing study implementation in the following areas:

Raleigh Police Department (RPD)

Calls for service are projected to increase 13% by 2030, and 19.3% by 2035. To meet the demand for growth in service, RPD will need to close existing vacancies, and add 69 sworn police positions over the next three fiscal years. The Proposed FY 2027 Budget includes \$3.83 million for 23 positions to satisfy the Study's recommendations for the first year of the plan's implementation. Although primarily in field operations, these positions will allow RPD to strategically focus efforts around downtown safety and small business support. As recommended in the Study, this will allow the department to address targeted staffing needs in various divisions.

Emergency Communications Center (ECC)

Similar to RPD, the workload for ECC is expected to grow dramatically in the coming years. 911 calls in the ECC service area are expected to grow 10.3% by 2030 and 17.5% by 2035. Although technological improvements are anticipated to improve the efficiency of the operation, the Study recommended adding 25 positions to the organization over three years. The budget focuses specifically on operations positions, recommending the addition of \$0.5 million for six Call Takers in FY 2027.

Fire Marshal

As a result of the Fire Master Plan, Fire operations were not included in the Staffing Study. However, the Fire Marshal's Office was reviewed, and the proposed budget includes \$0.4 million for three Fire Marshal positions to meet projected growth demands and fire inspection activities. The cost of these new positions will be partially offset by increased fee revenue.

Building Safety

Building Safety staff in Planning and Development continue to respond to high volumes of requests for inspections each day while navigating complex projects and evolving State

regulations. The Staffing Study recommends adding 22 positions over three years to meet current and future demand. The Proposed FY 2027 Budget adds six positions. To help fund the addition of these positions, Planning and Development will no longer cover the cost of credit card fees for customers.

Overall, the Targeted Staffing Study helps ensure that the City is aligning current resources to existing demand and provides a guide to help departments meet projected growth in the future. These recommendations represent the first year of implementation, and additional investments will be needed in future budgets.

Fire Master Plan

The City worked with a consultant in 2025 on the development of a Fire Master Plan. The final plan provided recommendations on investments in fire infrastructure and staffing over the next twenty years. The Proposed FY 2027 Budget includes the addition of \$2.0 million for 12 Firefighter positions and new equipment to begin implementing the recommendations of the Plan. As it relates to infrastructure, the two highest priority items – Phase 1 of the Fire Training Center and the combined Fire Station 23 and Northwest Public Safety Campus – are included in the Advanced Planning Program and will require CIP investment in future years.

Other Public Safety Investments

The Raleigh Police Department continues to leverage technology to enhance officer safety, operational efficiency, and accountability. The budget includes investments in public safety technology, including CJIS compliant systems, upgraded bodyworn cameras, enhanced handheld radios, interoperable communication platforms, and strengthened firewall and cloud-based security solutions. These tools will enable officers to respond more effectively, support investigations, and protect 911 and computer assisted dispatch data across both the City and Wake County.

Additionally, to maintain continuity of public safety operations, the Raleigh Police Department will move its Downtown District Station and part of its Special Operations Division to new locations. The Downtown District will lease space on Hargett Street. Special Operations will move to Atlantic Avenue, where its leased space will include the radio shop and evidence facility until the new evidence building is completed. The Proposed FY 2027 Budget includes funding to accommodate increased rental obligations for those facilities.

Technology Infrastructure and Security

Technology remains foundational to the City's ability to deliver efficient, secure, and modern services. To strengthen Raleigh's cybersecurity posture and ensure the protection of critical digital assets, the Proposed FY 2027 Budget includes \$709,000 in dedicated cybersecurity investments. These enhancements will support the City's ability to adapt to evolving threats and safeguard vital systems.

In addition, the budget includes \$500,000 in ongoing operating leases for the City's core network infrastructure, ensuring that equipment remains current, fully supported, and compliant with modern security standards. The budget also incorporates technology operating costs associated with the new City Hall, which are essential for providing secure access to enterprise systems and supporting public facing digital services.

Parks Investments

Raleigh's expansive parks system continues to provide exceptional recreational amenities, greenways, and open spaces. To support rising demand and maintain the cleanliness and quality of these amenities, the Proposed FY 2027 Budget includes the addition of a position to the parks refuse grounds team and dedicated equipment. This investment will allow the Parks, Recreation, and Cultural Resources Department to service all parks at least weekly and establish a dedicated downtown route.

The City also assumed full responsibility for the buildings and grounds at Dix Park, cementing our commitment to this unique community asset, which has become a major tourist destination. In preparation for the transition, the City allocated approximately \$12 million over the past two years for building stabilization, demolition, project design, and ongoing maintenance. We are currently engaged in the design phase of a Utility Corridor that will pass through the park, ensuring modern and sufficient infrastructure to support upcoming projects and events.

Transportation Safety

As the City's transportation network grows, so does the need for consistent pavement markings to ensure safe and accessible travel for all users. The Federal Highway Administration's new minimum maintenance standards, which go into effect in September 2026, further underscore this need. To meet these requirements, the Transportation Department's FY27 budget includes three sign maintenance technician positions and the materials necessary to support pavement

marking work tied to transportation capital projects. These investments will help maintain safe and reliable roadways, bike facilities, transit corridors, and pedestrian infrastructure across Raleigh.

Other Investments

The new City Hall is slated to open in the upcoming fiscal year. The 17-story tower will encompass over 360,000 square feet and will house departmental office space, conference facilities, and dedicated public-facing facilities and services. In anticipation of the maintenance and operational needs of the new building, the Engineering Services' budget includes two maintenance staff positions to support advanced building systems and technologies.

The Proposed FY 2027 Budget also includes \$37,000 for Electrify the Triangle, a regional initiative led by the Central Pines Regional Council of Govts. to advance residential energy efficiency, electrification, and renewable energy adoption across central North Carolina. Funded collaboratively by jurisdictions throughout the Triangle, the program connects residents with vetted vendors to implement improvements that lower energy costs and reduce environmental impact. This investment directly aligns with Raleigh's Community Climate Action Plan and ensures that residents—particularly those most affected by rising electricity rates—can benefit from the long-term savings and environmental advantages provided by modern, energy efficient technologies.

Parking

Over the past two years, the Parking Division has received subsidies from the General Fund to support operations. While off-street revenue, its primary revenue source, has trended in a positive direction over the past four years, FY 2025 actuals still lag more than 10% below its pre-Covid peak in FY 2019. At the same time, operating costs have continued to increase with inflation, creating a gap of approximately \$8 million between projected revenue and the spending needed to properly maintain parking infrastructure.

The Proposed FY 2027 Budget proposes modest increases to reduce the projected gap. On-street rates, currently variable between \$1.25 and \$1.50/hour, will be standardized at \$1.50/hour. The hourly rate in all garages will increase by \$1/hour, and the Cabarrus garage will become an event garage. Combined, these recommendations will help reduce the needed General Fund investment in Parking to \$2 million, while continuing to maintain the 2-hour free parking program, the small business parking program and free evenings/weekends for another year. The

changes will also allow continued capital investment in the City's parking garages, with \$7 million planned to address needed structural repairs and improvements. A comprehensive parking study is also planned in 2027 to help direct future decisions within the parking enterprise.

Summary of Enterprise Fund Recommendations and Considerations

Continued support for the City's four Enterprise Funds - Raleigh Water, Stormwater, Solid Waste Services, and the Raleigh Convention and Performing Arts Complex - is included in the proposed budget. These Funds are supported by fees for service, as opposed to General Fund departments which are primarily supported by property taxes. Based on each of their unique challenges and opportunities, the Proposed FY 2027 Budget supports their long-term goals and continued growth.

We all take pride in the nationally recognized **Raleigh Water**. Our two water treatment plants have each received the Partnership for Safe Water President's Award for more than ten consecutive years. The department has maintained perfect national pollutant discharge elimination system compliance at our Smith Creek and Neuse River wastewater treatment plants for over 20 years. Raleigh Water operations remain resilient, including meeting federal PFAS standards more than five years ahead of the federal deadline.

Maintaining our award-winning water system requires consistent planning and investment. The Proposed 5-year CIP of \$1.3 billion includes nearly \$600 million of pipe replacement, and nearly \$600 million of investment in water and wastewater treatment plants. This includes planned expansion at the EM Johnson Water Treatment Plant, and \$79 million to replace and upgrade 11,400 linear feet of pipe along the western side of the Neuse River.

The Proposed FY 2027 Budget also includes investments to improve the efficiency of the system. For the first time, the City will add two positions to create a Sewer Line Rapid Assessment Tool (SL-RAT) team. This team will utilize SL-RAT devices to quickly screen gravity-fed sewer lines for blockages, allowing for improved preventative sewer cleaning on a permanent basis.

In support of these planned investments, the Proposed FY 2027 Budget recommends a 3.1% rate increase for the median residential customer. This increase, which is lower than what was originally planned in the model, is equal to \$1.74/month for the median residential customer.

The City's **Stormwater Division** implements programs, projects, and services that protect water resources and manage the impacts of flooding. Aside from direct environmental benefits, these

investments also can have a positive financial impact. This past year, the City received a score of 5 on the FEMA Community Rating System, leading to an estimated 25% discount on flood insurance for Raleigh residents.

Over the past two years, the City's Stormwater Division has transitioned its CIP to a larger, more robust debt-financed strategy, similar to Raleigh Water. In the Proposed FY 2027 Budget, the Stormwater Division will transition from the Department of Engineering Services to a division within Raleigh Water. Although Stormwater and Raleigh Water will remain two distinct Enterprise Funds for the purpose of budgeting, the shift allows Stormwater to maximize operational efficiencies and capitalize on the expertise of Raleigh Water on the planning, procuring, and management of a large Enterprise organization.

To support planned investments in FY 2027, the Proposed Budget recommends a 3% rate increase. This is equal to 25 cents per month for a median Raleigh household and is aligned with previous rate forecasts from Stormwater's financial model. The change has been endorsed 9-0 by the Stormwater Management Advisory Commission.

The City's **Solid Waste Services Department** continues to provide safe, reliable, and efficient curbside collection of garbage, recycling, yard waste, and other disposal services. In FY 2025, Solid Waste began a multi-year strategy to phase out property tax support and become a fully self-sustaining Enterprise Fund. The Proposed FY 2027 Budget includes a \$2.55/month rate increase to continue to support this transition.

A change to enhance service levels in Solid Waste is also included in the budget. Last summer, the City Council approved the transition from twice-annual leaf collection by the Transportation Department, to weekly yard waste collection from Solid Waste. FY 2027 will represent the first year of this change. Beginning in September, residents will be able to place up to 15 paper bags of leaves or yard waste curbside alongside their yard waste bin to be picked up each week. To accommodate this increased level of service, 21 additional Solid Waste positions are included in the budget.

The **Raleigh Convention and Performing Arts Complex** continues to operate four of the City's most visible and successful cultural arts venues. This past year marked significant progress on the construction of the new Red Hat Amphitheater, scheduled to open in 2027. The former amphitheater site will serve as the location of the Raleigh Convention Center expansion, with construction slated to begin this fall. Both projects are supported by the hospitality tax generated from hotel stays and food and beverage sales. To ensure that these facilities remain well-

maintained and responsive to increasing demand, the Proposed FY 2027 Budget includes funding for a Facilities Maintenance Specialist, Sr. position to support the operational and maintenance needs of the Complex.

Summary of Capital Budget Recommendations

The City's FY 2027-2031 Capital Improvement Program (CIP) includes planned investments in the City's infrastructure from pay-as-you-go appropriations, from limited obligation bonds, and previously approved voter bond referendums. In addition to these planned investments, City Council recently initiated the process of including \$203 million in combined Housing and Transportation bonds on the November 2026 ballot. These funds can be supported by the City's existing property tax level and would not require a property tax increase if approved.

Affordable Housing

The Housing and Community Development Department advances Raleigh's core housing goals by leveraging a mix of funding sources to increase the supply of affordable units, expand overall housing affordability, and prevent and end homelessness. So far in 2026, five new affordable housing developments either broke ground or opened their doors, collectively providing 531 new homes for seniors and families.

In April, City Council began the process of authorizing a \$101.5 million affordable housing bond referendum to be placed on the November 2026 ballot. If approved, this bond would provide \$25.375 million of affordable housing bond resources for each of the fiscal years from FY 2027-2030. If approved, this bond funding will represent a 58% increase in annual bond resources when compared to the previous affordable housing bond. That bond, approved in 2020, provided \$16.0 million in annual resources over a five-year spending plan.

The \$101.5 million in affordable housing bond resources support Housing Development and Preservation efforts (\$57.6 million), and Homebuyer Assistance and Preservation goals (\$10.4 million). Additionally, \$21.5 million will be set aside for major project development, and \$12 million will be utilized for homelessness response. Funds for homelessness initiatives will be utilized to help develop an unsheltered homelessness response strategy. This may include diversion, case management, rent assistance and coordinating community-wide homelessness response.

The Proposed FY 2027 Budget also includes \$11.6 million in “penny for housing” additional programming. These annual funds, which equate to one cent of the City’s property tax, were increased by \$3.5 million in FY 2025 after the 2024 Countywide revaluation and are utilized by Housing and Community Development. The funds are sometimes paired with bond funds for housing development and are also utilized for ongoing programs such as home repair, rental development, and homebuyer assistance.

Transportation and Infrastructure

As the City looks forward to future transportation projects, City Council authorized a \$101.5 million transportation bond referendum to be added to the ballot in November. The bond is smaller than the previous and most recent transportation bond in 2017 because it is primarily focused on funding transportation programs and projects that have already been planned and designed and are therefore closer to construction. Projects in these categories account for roughly \$51.5 million of the planned bond spending and include three projects deferred from the previous bond: Marsh Creek Road, Trawick Road-West, and Ebenezer Church Road. It also includes funding for Bus Rapid Transit general purpose lanes.

If approved, the transportation bond would also provide \$50 million to support adopted transportation plans and programs. This includes the “Big Jump”, the centerpiece initiative in the recently adopted Raleigh Active Mobility Plan, with a long-term goal of providing five miles of sidewalks and 50 miles of high-comfort bikeways throughout the city in five years. It also funds the neighborhood traffic management program, and investments that support the adopted Comprehensive Safety Action Plan.

Outside of the transportation bond, the Proposed FY 2027 Budget includes CIP funds to support Raleigh’s existing transportation infrastructure. This includes \$18.2 million to supplement Powell Bill funds, advance street and road improvement projects, implement traffic signal improvements, maintain bridges, create pedestrian and bicycle infrastructure, and invest in critical parking and transit initiatives.

Finally, to further the City’s commitment to reduce fatalities and severe injuries on Raleigh’s roadways, the budget allocates more than \$2.4 million to the Vision Zero Safety Program. This funding also advances ADA transition plan work, supports installation of ADA compliant traffic signals, and enhances safety along key corridors.

Public Safety Infrastructure

A total of **\$5.8 million** in funding will support essential maintenance and system improvements across the City's public safety facilities. These investments ensure that buildings remain safe for employees and the public, reinforce operational reliability, and extend the useful life of critical infrastructure through the repair and replacement of mechanical, electrical, plumbing, and life safety systems.

The City's Central Operations Facility—an aging but heavily utilized component of the organization's operational footprint—will receive dedicated maintenance funding totaling **\$425,000**. Technology upgrades that ensure continued security compliance and system compatibility are funded at **\$525,000**, while an indoor/outdoor lighting initiative, including the installation of new solar lighting at the Brentwood Remote Operations Facility, is supported with **\$100,000**. These targeted investments advance facility resilience, elevate safety, and sustain the operational readiness necessary for high quality service delivery citywide.

Other Capital Investments

The Proposed FY 2027 Capital Budget continues the City's investment in creating welcoming, people centered public spaces through \$250,000 in ongoing funding for the Civic Places Program. This initiative supports small-scale, City-led public realm projects that strengthen community identity and enhance the vibrancy of Raleigh's neighborhoods. The budget also provides one-time funding to advance several organizational priorities, including \$85,535 to support Strategic Plan initiative teams and \$200,000 to develop a comprehensive Disaster Recovery Plan that will ensure continuity of operations following an unplanned event.

The City reaffirms its commitment to supporting Raleigh's small business community by continuing its investment in the Impact Partner Grant Program (\$150,000). In addition, the Proposed FY 2027 Budget allocates \$50,000 for the Façade Improvement Grant Program, which helps local businesses enhance the appearance and accessibility of commercial corridors across the city. These targeted investments strengthen economic resilience and promote continued growth in Raleigh's small business ecosystem.

Within Engineering Services, the Proposed FY 2027 Capital Budget dedicates \$11.1 million to the City Hall Move Management project—a multiyear effort to consolidate staff from five separate downtown facilities into the new City Hall. This funding supports planning, move execution, asset disposition, security configuration, and project closeout activities, including \$1.4 million for relocation logistics. To complete additional floors of office space within the new facility, the Proposed FY 2027 Budget also includes \$9.8 million in PayGo funding, ensuring that the building is prepared to deliver high-quality service to residents from day one.

In addition, beginning in FY 2027, a change in the City’s accounting structure will redirect four cents in property tax revenue to the city’s CIP to support the pay-as-you-go projects referenced above. Previously, these funds were appropriated in the General Fund and transferred to the CIP. Although it slightly reduces the overall size of the General Fund, this is an accounting change and does not impact service levels.

Organizational Changes

In addition to the transition of the Stormwater Division from Engineering Services to Raleigh Water, the Proposed FY 2027 Budget also organizes various functions in the Division of Special Services within the City Manager’s Office including Customer Experience Management, Raleigh CARES, Special Events, and key positions in the Urban Projects Group from Planning and Development. Other areas of what was formerly the Urban Projects Group will transition to Transportation, Engineering Services and Parks, Recreation and Cultural Resources. Finally, the budget recommends that the City Clerk transition to reporting to the City Manager for day-to-day activities. These changes are being recommended, after extensive analysis, to better align existing resources and support the goals and the organizational values of the City. The Clerk will still be appointed and selected by the City Council.

Conclusion

As Raleigh continues to grow, evolve, and navigate an increasingly complex economic landscape, I am profoundly grateful for the dedication and resilience of the City’s workforce, whose professionalism and compassion remain the foundation of our success. Their service—alongside the voices of our residents and the leadership of the Mayor and City Council—drives the work reflected throughout this budget.

The Proposed FY 2027 Budget honors our commitment to the City's core values by reinforcing our investment in people, strengthening public safety, modernizing our technology, and preparing for the future with thoughtful, strategic planning. It reflects difficult decisions, grounded in fiscal stewardship, that position Raleigh to sustain the high standards of service excellence our community deserves. Even in the face of economic uncertainty and constrained revenues, this budget advances the priorities that matter most to our residents: a safe city, a reliable infrastructure system, vibrant public spaces, and responsive services delivered with purpose and integrity.

To Mayor Cowell and the Raleigh City Council, thank you for your partnership and for the time and thought you have invested in this year's budget development process. As you review the proposed investments, I trust you will see your policy direction reflected clearly in the initiatives, priorities, and choices embedded throughout this budget.

While the months ahead will undoubtedly bring new challenges, I am confident that Raleigh will continue to thrive—anchored by a strong financial foundation, a resilient and talented workforce, and a community united by a shared vision for its future. The Proposed FY 2027 Budget sets the stage for that future, ensuring that Raleigh remains a place where residents, businesses, and visitors alike can live, work, play and learn.

I am honored to serve this incredible city, and I look forward to our continued work together to position Raleigh for success.

Next Steps

The Raleigh City Council will hold a public hearing on the proposed budget at 7 p.m. on Tuesday, June 2, 2026 in the Raleigh Municipal Building. Additionally, work sessions will take place each Monday in June, beginning at 4 p.m. These weekly work sessions will continue until the City Council adopts an annual operating budget and five-year capital program.

Respectfully Submitted,



Marchell Adams-David