

Dear Mayor & City Council Members,

I am pleased to submit the Manager's Proposed Budget for the 2026 Fiscal Year and the Proposed Five-Year Capital Improvement Program (CIP) for FY2026-FY2030. These documents, balanced at \$1.78 billion, reflect a culmination of evaluation, analysis and prioritization of community, City Council, and organizational goals. Pursuant to the Raleigh City Charter and the North Carolina Fiscal Control Act, this budget represents the operational costs for the City of Raleigh for the period of July 1, 2025, to June 30, 2026.

The annual budget is a financial forecast that outlines policy priorities, financial goals, and resource allocations. It represents our pledge to fiscal accountability and financial responsibility and reinforces our commitment to service and organizational excellence. The tool reinforces prudent stewardship of our residents' trust and resources.

The theme of this year's proposed budget - **"Our Greatest Asset: Our Workforce"** - reiterates our commitment to the selfless public servants who deliver high quality services to our residents every day. Their energy, effort, creativity, and commitment to excellence helps to create the Capital City where everyone is supported, valued and respected. To acknowledge these efforts, the Proposed FY 2026 Budget includes the results of the Comprehensive Compensation and Classification Study that delivers a new structure for our 7,000+ employees in more than 450 job classifications. This will allow the City to align our workforce to the market and ensure that we can maintain and build upon our market competitiveness. These investments will position us to continue delivering high quality services that place Raleigh among the best run and highest performing cities in the country.

In fact, in February the Milken Institute named the City of Raleigh the Best Performing Large City in the nation. This prestigious report highlights our thriving high-tech sector, strong labor market, community resilience and robust access to economic opportunities. Up from a ranking of number 2 in the 2024 edition of the report, Raleigh performed in the top quarter of large metros in 11 of 13 metrics in the Best Performing Cities Index. Our close proximity to three major universities and the Research Triangle Park positioned the Raleigh metro area to have a substantially higher GDP share than the national average in high tech. This ranking recognizes the cumulative effect of past and present community investments, prudent planning, strong community leadership and strategic partnerships between the public and private sectors. This ranking places the city in a favorable position for future economic growth and development opportunities.

The current level of economic uncertainty is uniquely challenging. However, Raleigh prides itself on maintaining strong financial policies and practices that allow us to prepare, react, and adjust to the changing financial climate. Despite declining revenue and inflationary cost pressures, the Proposed FY 2026 Budget utilizes several expenditure adjustment strategies to make room for the investments that are most critical to the organization and the community, without a tax increase.

### **Introduction and Context**

This \$1.78 billion budget is designed to make priority investments across all of Raleigh's services and key focus areas. It balances immediate investments in our workforce with long-term investments in capital and technology that will successfully prepare us for the future. It also includes adjustments

that will allow for additional predictability as we begin to plan some of our major bond investments in areas such as Housing and Transportation.

Budget and Management Services (BMS) begins the budget process every year with community input sessions. These sessions allow our residents to actively participate in the budget development process by prioritizing services and programs. This year, BMS conducted two virtual listening sessions and six in-person sessions for community members. These widely advertised meetings afforded more than 100 residents the opportunity to actively participate in the budget development process. BMS also placed a strong emphasis on reaching the community through social media and other digital platforms. These efforts yielded nearly 2,000 website views and nearly 100,000 social media impressions. The feedback gathered through this outreach was valued and taken into consideration in the shaping of the Proposed FY 2026 Budget.

In conjunction with the community-facing budget development work, BMS worked with City departments on their annual budget requests to maintain or enhance services for the upcoming year. A series of meetings were held to review, evaluate, and analyze each request based on organizational priorities and alignment with the City's Strategic Plan.

The City's two largest revenue sources for general operations are property and sales taxes. Growth in both is lower than previous years due to a number of factors. These include national influences such as economic uncertainty and actions taken at the federal level, as well as local issues, such as higher than anticipated property tax appeals. On the expenditure side, although expenditure inflation is lower than previous years, it is still outpacing revenue growth and impacts from potential tariffs result in a volatile economic climate.

The City has made many investments in employee pay over the past several years. These investments have included nearly \$46 million in salary adjustments for public safety employees alone since FY 2020 in addition to significant increases for certain front-line personnel in recent budgets. However, despite these investments, the City has continued to have difficulty attracting and retaining employees in several key areas. Over the past year, the City has partnered with a highly-regarded human resources and benefits consulting firm to review every job classification in the City and compare our pay ranges to peer cities both locally and nationally. Final recommendations from this review are incorporated in the Proposed FY 2026 Budget.

Out of the total proposed budget of \$1.78 billion, \$657.1 million is dedicated to the City's General Fund and the remainder is reserved for debt service, capital expenditures, and non-General Fund operating funds. Enterprise fund fee adjustments represent a total increase to the average homeowner of \$4.33 per month. But a budget is more than a tax or service bill. It is a tool that tells the story of how the City delivers what Raleigh residents need every day – roads where they drive, the parks where they play, and the water they drink from their taps. It ensures residents' safety – from rapid response to a 911 call to protecting our infrastructure from cyber threats. In short, the budget delivers on our vision to ensure a world-class quality of life and inspiring future for all of our residents.

### **Economic and Financial Context**

It is expected that several external influences will present a challenge for local government revenues in the coming year. Although inflation created significant challenges on the expenditure side, it also

produced sales tax revenue growth for the city over the past several years. Federal uncertainty on government services, trade, and tariffs have now reduced consumer confidence, and sales tax collections declined in the first quarter of calendar year 2025. Finally, property tax collections, which make up 54 percent of the City's budget, are set to grow by less than two percent this year. Taken together, these factors combine to produce a slightly negative revenue projection and a correspondingly flat budget.

The City's major sources of revenue come primarily from property tax and sales tax collections. The FY 2025 budget grew as a result of increased revenue from a countywide property revaluation, plus a modest tax increase. This year's budget envisions slower growth (less than two percent or \$8.1 million) in the property tax base, and it keeps property taxes the same at 35.5 ¢ per \$100 valuation. Permitting fees in planning and development lagged in this fiscal year, perhaps because the financing environment meant less building indicating a potential slowdown in new construction. Sales taxes are expected to grow less than 0.5 percent or under \$1.0 million in comparison to last year's adopted budget. Combined, property and sales tax revenues are projected to grow by only \$7.4 million, or 1.3 percent in FY 2026.

Due to a change in how the City will account for incoming revenue, the General Fund will appear smaller in FY 2026. This change is a result of the introduction of a new financial strategy to create a "Steady State" capital model. In FY 2026, property and sales tax will be deposited directly into the City's Capital Investment Plan, rather than going through the General Fund first. This action allows for additional growth rates to be utilized in the Capital Investment Plan, and more transparently represents how the City utilizes tax revenue.

This model will give the City additional flexibility to plan and implement projects according to changing priorities and conditions. In FY 2026, the City will utilize an Advanced Planning Program for capital investments such as facilities and transportation projects. Rather than committing to project costs immediately, select capital projects will receive design funds that will afford the City the opportunity to better understand the actual scope and cost of a project prior to requesting the City Council to commit construction funding to it. If the project does move forward, the Advanced Planning Program is reimbursed, allowing funding in the Program to automatically revolve. This Program is intended to help reduce unexpected cost increases and allow for more certainty around the true cost of a project before major financial investments are made.

### **General Fund Enhancement Recommendations**

The FY 2026 General Fund budget totals \$657.1 million, down 10.3 percent from \$732.7 million in FY 2025. This decrease in General Fund revenue is attributable to the implementation of the aforementioned "Steady State" capital funding model which diverts a portion of incoming revenues directly to the City's Capital Investment Plan. Overall, the City's General Fund spending by category is as follows:

- 40 percent for public safety
- 16 percent for infrastructure and public service
- 12 percent for leisure services
- 12 percent for general government

- 1 percent for agency appropriations or grants

The remaining 20 percent is set aside for special appropriations, which include employee benefits, risk management, economic development, transfers to other funds, and payments to other agencies. Key General Fund investments in the Proposed FY 2026 Budget are described in the sections below.

### *Our People*

This year's budget was themed as it was because it recognizes major investments in ***Our Greatest Asset: Our Workforce***. Our employees are the reason that the City of Raleigh remains on top of some of the most acclaimed rankings of the country's best cities in which to live, work, play and learn. Our employees deliver world-class services with a high level of integrity and empathy for our residents. However, over the past several years, like many cities, Raleigh has experienced challenges attracting and retaining employees. Although the City has taken aggressive steps in recent years, and have succeeded in reducing vacancy rates, the overall compensation structure has limited Raleigh's competitiveness with the overall job market.

Last year, the City commissioned a classification and compensation study to ensure the City's pay practices are competitive and aligned to the market. The study began in January 2024 and more than 95% of City employees requested to participate filled out job description questionnaires, cataloging the daily activities of their jobs, the impact of their roles on the broader community, and the skills needed to succeed in the position. Based on information gathered from these questionnaires and other factors, our classification structure has been amended by adding approximately 200 additional job classifications and six new job families. The goal was to recognize differences within current positions and to better align with industry standards.

With this new structure in place, the consultant compared current salaries for key benchmark positions' salaries with similar organizations. These benchmark jobs were compared to positions with similar roles and responsibilities in Apex, Cary, Charlotte, Durham, Greensboro, Wake Forest, Mecklenburg, and Wake counties in North Carolina, as well as peer cities outside of North Carolina – Austin, TX, Colorado Springs, CO, Mesa, AZ, and Virginia Beach, VA. The survey data revealed that, on average, the midpoint salary of City of Raleigh jobs is only 91 percent of the midpoint of the overall market average. Additionally, because of wide pay ranges for positions in the organization, the average minimum of the City's jobs is 86 percent of the market average. As a result of this analysis, the following adjustments to compensation in the FY 2026 budget are proposed:

- All non-exempt and public safety employees will receive an 11 percent salary increase.
- All exempt employees will receive a nine percent salary increase.
- All employees will earn at least the minimum of all new pay ranges.
- Permanent part-time employees will receive a five percent salary increase.
- Starting salaries for public safety workers will increase as follows:
  - Firefighters from \$51,194 to \$56,825
  - Police officers from \$55,331 to \$61,417
  - Emergency Communications call takers from \$42,027 to \$49,100

These adjustments are proposed to take effect in September 2025.

The total funding required for this study implementation, beginning in September, is \$35.8 million across all funds. This includes \$6.8 million to ensure all employees earn at least the minimum of their new pay range. Despite low revenue growth, the compensation recommendations are able to be implemented due to a number of factors. These include setting aside \$11.4 million in ongoing funds in the FY 2025 budget, targeted budget reductions in non-core services areas, and an increased allocation of interest earnings. Although a September implementation represents the earliest possible time these adjustments can be made effective due to administrative constraints, additional funding will be required in FY 2027 when the increases will need to be fully annualized.

Compensation actions in recent budgets have helped reduce vacancy rates in the City. These actions have included compensation increases such as a ten percent adjustment for most public safety employees in FY 2025, the addition of education incentives for public safety employees, and the addition of new wellness benefits and a continuous service incentive for all employees. The overall vacancy rate in the City has been reduced from 15.1% in March 2023, to 10.7 percent in March 2025. Currently, vacancy rates in all three public safety departments have reached pre-pandemic levels and we are receiving high a high volume of applicants for academies in both the Police and Fire Departments. These investments, and the proposed actions in the FY 2026 budget, are intended to continue to stabilize our services in FY 2026 and help plan for growth in FY 2027 and beyond.

To plan for this growth, during FY 2026 the City will receive the results of an operational staffing evaluation and begin planning for its future implementation. Departments included in the staffing study include Police, Emergency Communications, Solid Waste Services, and select divisions of several other departments. The evaluation will use industry standards, benchmark analysis, and a ten-year time horizon to align future service needs to anticipated growth in the city. Recommendations from this evaluation will be a cornerstone of the FY 2027 budget.

The City's healthcare costs have increased slower than the industry trend in recent years. As a result, the Proposed FY 2026 Budget does not include any employee increases in healthcare, dental, or vision premiums. Additionally, in 2026 slight improvements will be made to Healthcare Plan A. These improvements include reductions in deductible cost and the out-of-pocket max. These actions maintain and improve on the overall value of the City's healthcare offerings, which were already well above the industry benchmark.

### *Priority Policy Investments*

When we began the budget development process, the goal was to create an avenue to make the necessary workforce investments and to maintain our service levels without a property tax increase. Declining growth in the City's key revenue sources has made this a challenging task to achieve. To help ease the burden, City staff worked over several months to identify and implement reductions to General Fund expenses that would not impact core service quality. Our General Fund departments collectively identified \$3.2 million in spending that was reallocated for required contractual increases and other investments. The priority investments contained in the Proposed FY 2026 budget are as follows:

## *Dix Park*

In 2015, the City of Raleigh closed on 308 acres of property that was formerly home to Dorothea Dix Hospital, North Carolina's first mental health institution. The City had a vision for the rolling grounds dotted by buildings – a park for everyone, by everyone.

Ten years after the City's purchase, the parks' first major phase of development is complete. The 18.5-acre Gipson Play Plaza is scheduled for a grand opening on June 6. The State's Department of Health and Human Services (DHHS) is scheduled to move to its new facilities by the end of the year. It is important to note that DHHS is turning over operations at the park to the City a year ahead of schedule. The cost to fully maintain the existing buildings and grounds, in addition to the opening of the Gipson Play Plaza, represent the second most significant addition to the City's budget for FY 2026. As a result, additional staffing and operating support have been added to the budgets of Parks, Recreation and Cultural Resources (PRCR) as well as the Engineering Services Department.

The Proposed FY 2026 Budget includes \$11.6M in funding for 10 FTEs and operating dollars for PRCR and Engineering Services to manage the additional 100-plus acres associated with the transfer from DHHS. This figure includes funding necessary to support the maintenance of grounds (mowing, refuse collection, etc.) and buildings (security, climate control, etc.). Along with these core maintenance positions, the budget includes a Recreation Program Analyst at Gipson Play Plaza. Supported through the 2022 Parks Bond, the analyst will support a full calendar of programming at this exciting new amenity in the park.

In addition to these operating investments, the FY 2026 capital budget recommends approximately \$7.0 million in funding to support the next phases of park development. Through a combination of prior year capital reserves and Parks Bond operating funds, the budget recommends investments to secure vacant structures on the Dix Park campus, perform emergency repairs, and begin to demolish various structures on the campus as DHHS relocates to its new facilities.

In the coming months staff will present the park's 10-year implementation plan to the City Council. The presentation will speak to a series of key topics including how to advance the vision of the park, the timeline for project implementation, and defining roles and responsibilities at the park.

## *Operational Excellence*

Aside from significant investments in employee compensation, the budget also recommends targeted additions to staffing and operations in several key areas. To maintain the City's commitment to employee wellbeing and address complex employee relations issues, the budget recommends the addition of two Employee Relations Consultants in the Human Resources Department. This is in addition to \$195,000 in operating funds to support recruitment strategies, employee relations, workplace safety, and process improvements in the department.

Technology infrastructure continues to grow in complexity and necessity for the City. The budget recommends adding \$600,000 to enhance our cybersecurity posture and ensure the continued protection of our critical digital assets. Ongoing operating leases for the City's new agenda management software – eScribe – are also included in the FY 2026 budget for the IT department. The software is scheduled to debut early in the new fiscal year.



As in years past, community engagement remains a top priority for the City. To that end, a new position in the Community Engagement Department is added to provide internal support to City departments to help guide the development of engagement strategies, enhance outreach efforts, and ensure the effectiveness of the City's engagement initiatives. During the current fiscal year, City Council approved a position to help launch the Crisis Alternative Response for Empathy and Support (CARES) program, invested in technology to support the City's efforts to enhance the customer experience and improve residents' access to City services, and added an intergovernmental affairs position to oversee the City's state and federal legislative advocacy efforts. This budget officially adds three new positions in the City Manager's Office to support these activities.

In Engineering Services, three positions – a Maintenance and Operations Superintendent and two Senior Trades Maintenance Specialists – as well as supporting operational increases are recommended for preventative and routine maintenance of current facilities and sites. These positions will also support the development of the new City Hall and ensure a smooth transition into the new building once it opens.

### *Public Safety*

The City of Raleigh is committed to equipping staff in our public safety departments with the resources necessary to perform their jobs efficiently and effectively and to keep the community safe. The FY 2026 budget includes \$1.3 million for the Raleigh Fire Department to fund a second Fire Academy and bolster the department's overtime budget to meet daily staffing requirements. These new investments will complement the recommendations of the Fire Master Plan, which will help guide future resource planning and position the City to respond to continued growth inside the corporate city limits and within Raleigh's extraterritorial jurisdiction (ETJ).

To support the Raleigh Police Department's efforts to protect and serve the community with trust, transparency, integrity, and empathy, an additional \$500,000 is designated to meet its staffing needs. While strides have been made to maximize the existing staffing model, results of the pending staffing study will inform how the department should increase in size in the future to meet the increased demands of our growing community. As such, we will work intentionally with department leadership to develop an implementation plan that appropriately addresses scheduling and staffing.

Additionally, \$250,000 is included to cover contractual increases for software that demonstrably increases the department's ability to investigate and solve crime. These investments in technology will serve as a force multiplier in our efforts to maintain a Raleigh that is safe for all to live, work, play and learn.

### *Economic Advancement*

To enhance economic development and innovation, the Proposed FY 2026 Budget moves the Community and Economic Development division in the Housing and Neighborhoods Department to the Department of Economic and Social Advancement. City staff whose work focuses on developing and creating access for historically underserved businesses are currently housed in the Department of Economic and Social Advancement. The Department's addition of the Community and Economic Development division, a unit whose mission is to provide technical, financial and other resources to small businesses, will better align City programs and initiatives that promote the advancement of small businesses in our community.

## **Summary of Special and Enterprise Fund Recommendations and Consideration**

The City has three Enterprise Funds. Raleigh Water, Stormwater and Solid Waste Services operate like businesses, with the cost of services paid directly by customers. Due to the increasing cost of staffing and infrastructure to support these services, the Proposed FY 2026 Budget includes recommended fee increases consistent with the multi-year plans that have been shared during previous budget cycles. The combined monthly increase for all three is \$4.33 per month for a median residential household.

Clean and safe drinking water is a public good that is critical to creating a safe, vibrant, and healthy community. In order to maintain a system that reliably treats and safely delivers water resources to Raleigh and the six other municipalities served by our system, the Proposed FY 2026 Budget includes \$320.9 million in capital investment for Raleigh Water. This funding will support capital projects in several key areas including water and wastewater treatment plant expansions and maintenance, water main expansions, pump stations installations, tank upgrades, and various watershed initiatives.

To ensure that critical system infrastructure and safety-related needs are met, this budget adds six Maintenance Technician positions to Raleigh Water. In support of Raleigh Water operations, the proposed budget includes a 3.5 percent, or \$1.91 increase, in the average residential customer's monthly utility bill, bringing the monthly rate from \$53.45 to \$55.36 per month in FY 2026. This modest rate increase reflects the additional investment required for the utility to sufficiently maintain the system, offset operating impacts associated with increased costs and staffing needs, and meet the demands of a growing service area.

The City's Stormwater Division implements programs, projects, and services to maintain stormwater infrastructure, protect water resources and aquatic life, prevent streambank erosion, mitigate development impact, and manage flooding. In the aftermath of Hurricane Helene in 2024, residents are more cognizant of the need to protect creeks and streams from runoff. The proposed budget reflects that priority. To enhance and improve our stormwater system, the proposed budget incorporates a \$0.57 monthly increase per Single-Family Equivalent Unit (SFEU), raising the monthly rate from \$7.65 to \$8.22 in FY 2026. The proposed rate increase will help accelerate outstanding capital projects and meet staffing challenges.

The City's Solid Waste Services Department (SWS) provides consistent and efficient residential curbside garbage, recycling, and yard waste collections along with a host of other collection and disposal services to keep our city clean and create a sustainable future for the community. Consistent with the multi-year financial plan presented in the FY 2025 budget, SWS is proposing a \$1.85 increase in fees, which will increase monthly service rates from \$24.10 to \$25.95. SWS does not yet operate as a full enterprise operation as it currently receives a subsidy from the City's General Fund. The Proposed FY 2026 Budget continues the step down in the annual General Fund subsidy that SWS receives as the department transitions to a full enterprise operation. As a result of the department's strong financial performance, the proposed budget accelerates SWS's transition to a full enterprise by dramatically reducing the General Fund transfer to the department in the coming fiscal year, freeing those resources to be dedicated to other operational and community priorities. This reduction in General Fund subsidy does not impact the SWS capital improvement plan. The approach ensures that the department's maintenance needs continue to be met, and services



continue to expand as the city grows. The increased fees for SWS will also support operational costs associated with new equipment needed to move materials at the Yard Waste Center facility, fuel, vehicle repairs, maintenance, and landfill fees.

Finally, this budget maintains support for the Wake Transit Plan through the addition of two positions – Customer Service Technician for reduce call/wait times and a Supervisor to manage day-to-day activities at the call center for Go Raleigh Access customers. This is to improve service for the higher volume of calls.

### **Summary of Capital Budget Recommendations**

The City's Capital Improvement Plan (CIP) helps prioritize projects and enables the City to appropriately plan for and finance projects requiring significant capital investment. The CIP also ensures that the City's capital projects are well-managed, financially sustainable, and align with the organization's strategic goals and the community's priorities. The FY 2026 capital budget aims to balance City goals and objectives with the allocation of scarce capital resources to support both new and existing projects in the City's CIP.

#### *Affordable Housing*

Raleigh voters approved an \$80 million housing bond in 2020. To date, 75 percent of these funds have been committed or spent, with funds being utilized for public-private partnerships, low-income housing tax credit housing projects, and site acquisition. To date, the bond has supported the development of over 1,100 affordable housing units. In FY 2026, we will continue to support this priority area by utilizing remaining bond funds and beginning to plan for the City's next affordable housing bond.

In addition to bond investments, the City also dedicates one property tax penny annually, which equates to rough \$11.6 million in FY 2026, to support investments in affordable housing. These funds help support programs such as home repair, rental development, homebuyer assistance, and efforts to end homelessness. In the Proposed FY 2026 Budget, remaining funds from the 2020 housing bond, when combined with the annual penny dedicated to affordable housing, yields more than \$25 million in funding to invest in the development and preservation of affordable housing units in the city.

#### *Public Safety Infrastructure*

In addition to adding the two highest priority fire stations from the Fire Master Plan to the new Advanced Planning Program, the FY 2026 capital budget includes enhancements to public safety facilities to include the replacement of police station generators, renovations to police headquarters, and improvements at the Real Time Crime Center (\$1.395 million). The five-year CIP also recommends funding for the renewal of network security devices, software, and hardware in the Emergency Communications Center. Recurring maintenance needs along with funds for the resurfacing of impervious surfaces are covered in the Raleigh Fire Department. Finally, to further enhance safety during the over 500 events occurring annually in Downtown Raleigh, the capital budget includes \$181,000 for mobile vehicle barriers.

#### *Transportation and Infrastructure*

As the City continues to spend previously approved Transportation Bond funding, the Proposed FY 2026 Budget supplements these investments with additional funds in other transportation areas.

The City will again supplement state Powell Bill funds by dedicating \$13.2 million to street resurfacing, the addition of new traffic signals, and the paving of unpaved streets. Additionally, the budget includes \$3.1 million for sidewalk repairs and improvements.

To support the City's continual efforts to reduce and eliminate fatalities and severe injuries within our transportation network, the budget identifies over \$3.26 million for the City's Vision Zero Spot Safety program. This funding will continue investments in sidewalk ADA transition plans and new ADA compliant traffic signals. Other transportation infrastructure needs related to bridge inspections and repairs, sidewalk repairs, streetlight installation, and street paving are also funded in the FY 2026 capital budget for a total \$4.8 million. Importantly, the proposed budget also includes \$55 million for continued work on bus rapid transit lines.

### *Other Investments*

A new Civic Places Program will focus on City-led, small-scale public realm improvement projects that will create welcoming public places. This new initiative is funded by \$250,000 in recurring funds. The City reaffirms its commitment to supporting local small businesses with funding proposed in the FY 2026 budget for both the Impact Partner Grant (\$150,000) and Smart Raleigh Grant (\$50,000) programs. In addition to these small business support programs, \$550,000 in combined funding is also proposed for the Building Upfit and Façade Improvement Grant programs in FY 2026.

The FY 2026 capital budget continues the support of the City's current Enterprise Resource Planning (ERP) and Human Capital Management (HCM) platform to help inform the City's replacement of PeopleSoft. The proposed budget funds the replacement of Alchemy - the outdated document management platform currently used to store and retrieve archived City content. These projects total \$440,000.

In Engineering Services, \$250,000 is dedicated to the installation of new charging stations for electric vehicles. Another \$1.0 million has been recommended to maintain, inspect, and replace where needed the full complement of the City's fire hydrants. \$1.05 million has been committed to building improvements which includes the maintenance, repair, or replacement of equipment and furnishings as required. Funding is also provided for the replacement of security cameras and for interior facility upgrades. Finally, the Proposed FY 2026 Budget sets aside \$500,000 has been to fully fund fluid dispensing for Fleet Management Operations.

### **Conclusion**

Public service is a calling that draws individuals who place the collective good of the community over individual goals and priorities. I am blessed to work every day with public servants that love this work, but, more importantly, who we do this work for. Next year's proposed budget acknowledges that dedication and commitment from our amazing staff, but it also does so much more. The FY 2026 budget is a reflection of community, Council and organizational values and priorities. It is a framework by which prudent financial decisions about our community's future will be made. It is an expression of the compassion and passion that we share for our Capital City. It sustains our promise of peace and order through strategic investments in public safety. It is a tool that will direct and govern internal practices and policies. It is an articulation of our shared vision for the City of Raleigh. Most importantly, it represents our investment in YOU – our Community and our Staff!

While economic uncertainty looms in the immediate future, I am certain that Raleigh will continue to thrive as one of the premier cities in the country because we have a sound financial posture, a dedicated and professional staff that is second to none, and an unparalleled resolve. The Proposed FY 2026 Budget captures the best of our present and aligns investments for our prosperous future without a tax increase.

The budget development process is a complex exercise that encourages and solicits input and feedback from all stakeholders. I would be remiss if I did not applaud the efforts of Budget Director, Sadia Sattar and the Budget and Management Services Department. A special thanks to each department director for unselfishly valuing **Team Raleigh** rather than a respective department throughout the process. I applaud the residents of Raleigh who showed up in various forms to communicate your goals and ideas for FY 2026.

To Mayor Cowell and the Raleigh City Council, I am forever thankful for your support and direction. I am honored to serve with each of you. As you review the proposed investments, I trust you will see that your policy direction has guided much of the work that is captured throughout this budget document.

### **Next Steps**

The Raleigh City Council will hold a public hearing on the proposed budget Tuesday, June 3, 2025 at 7:00 p.m. at 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