

FY2026 Proposed Budget in Brief

Our Greatest Asset:

Our Workforce



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The Numbers

Proposed Tax Rate and Resident Costs

The FY2026 proposed budget is balanced with no increase to the property tax rate. This was made possible through strategic expense management, prioritization of core services, and proactive planning —particularly the insight to include a portion of funding for the classification and compensation study in the FY25 tax rate.

Property Tax
0% increase

The property tax rate remains unchanged from FY25, and overall fee adjustments are minimal, rising just 0.29%, or \$4.33, per year for the median household.

FY26 Proposed Property Tax and Resident Costs

Raleigh Fees/Taxes	FY2025 Adopted	FY2026 Proposed	\$ Change	% Change
Property Tax¹	\$1,390.00	\$1,390.00	0	0
Solid Waste Fee	\$24.10	\$25.95	\$1.85	7.13%
Water and Sewer Fee	\$53.45	\$55.36	\$1.91	3.45%
Stormwater Fee	\$7.65	\$8.22	\$0.57	6.93%
Total Annual Fees/Taxes	\$1,475.20	\$1,479.53	\$4.33	0.29%

Proposed Total Funds (net of interfund transfers)

The FY26 proposed budget reflects a 25 percent increase over FY25. This increase is primarily due to a change in how total funds are reported. In previous years, bond proceeds, such as General Obligation Bonds, Limited Obligation Bonds, and Enterprise Capital Bonds, were excluded because of their variability.

Beginning with FY26, bond proceeds are included to provide a more transparent and comprehensive view of the City of Raleigh's total budget. Should the previous methodology be applied and bonds excluded, the year-over-year increase would be two percent.

FY25 Adopted Total Funds	FY26 Proposed Total Funds
\$1,426,575,782	\$1,780,782,498

¹ Based on the appraised median value of single-family home in Raleigh (\$391,495).

The General Fund

The General Fund is the main operating fund accounting for governmental activity supported by property tax, sales tax, franchise fees, and service fees.

General Fund Revenues by Type

Revenues	Adopted 2024-25	Proposed 2025-26	% Change FY25-FY26
Property Tax	\$419,187,409	\$355,922,579	(15.1%)
Sales Tax	157,760,000	127,700,000	(19.1%)
Franchise Tax	30,700,000	34,900,000	13.7%
Fee Revenue	34,255,841	34,491,987	0.7%
Intergovernmental	22,471,473	23,450,296	4.4%
Investment Income	9,800,000	16,560,314	69.0%
Licenses	14,954,000	14,756,700	(1.3%)
Miscellaneous Revenue	3,459,533	3,197,835	(7.6%)
Transfers from Other Funds	25,355,942	27,403,303	8.1%
Fund Balance & Special Reserve	14,710,700	18,725,686	27.3%
Total	\$732,654,898	\$657,108,700	(10.3%)

General Fund Expenses by Programs

Expenditures by Programs	Adopted 2024-25	Proposed 2025-26	% Change FY25-FY26
Public Safety	\$241,348,988	\$261,461,333	8.3%
Infrastructure & Public Services	100,811,858	107,155,741	6.3%
Leisure Services	71,822,565	79,352,927	10.5%
General Government	67,520,353	76,428,081	13.2%
Agency Appropriations	4,270,683	4,374,542	2.4%
Special Appropriations	246,880,451	128,336,076	(48.0%)
Total	\$732,654,898	\$657,108,700	(10.3%)

The General Fund shows a 10.3 percent decrease in the FY26 proposed budget, which is out of the ordinary. Starting in FY26, instead of transferring property and sales tax revenue from the general fund to the General Capital Debt Fund, the General Capital Debt Fund is budgeting those revenues directly.

Compensation Study Implementation

The FY26 proposed budget includes the City Manager's recommendations for implementing the Classification and Compensation Study conducted by Segal. This study added new job classifications, updated existing job descriptions, and created a new Citywide pay structure. It gives the City a strong foundation to remain competitive into the future. This investment supports a more competitive compensation structure citywide.

Key elements of the plan include:

- **Implementation in September 2025** at a total cost of **\$35 million in FY26**, spanning both General Fund and Enterprise Funds.
- **General Wage Increases:**
 - **9%** increase for Exempt employees
 - **11%** increase for Non-Exempt staff and Public Safety personnel (Police, Fire, and Emergency Communications pay plans)
- All employees will be brought to **at least the new minimum** of their updated job classification, regardless of the percentage increase.

Exempt Employees
9% increase

Non-Exempt/
Public Safety
11% increase

Public Safety Starting Pay

The proposed compensation package brings public safety starting pay to new benchmarked minimums.

Fire Fighter

11%

increase
in starting pay

\$51,194 to \$56,825

Police Officer

11%

increase
in starting pay

\$55,331 to \$61,417

**Emergency
Communication
Call Taker**

17%

increase
in starting pay

\$42,027 to \$49,100

Proposed General Fund Highlights

Public Safety

- \$1.3 million of operational and personnel increases for the Fire Department to conduct a second Fire Academy.
- \$250,000 to the Raleigh Police Department for critical software needs.
- \$10,359 for trailer to transport portable vehicle barriers for event safety.

Engagement and Outreach

- \$70,000 to support the City's new meeting agenda software system.
- \$600,000 to support the Information Technology Department's Cybersecurity program.
- \$63,322 to support an Executive Management Coordinator in the Department of Community Engagement.
- \$60,339 to support Community Relations Analyst in the Community Engagement Department to support City departments in delivering quality community engagement activities.

Engineering Services

- \$2 million to Engineering Services for five full-time positions to maintain buildings at Dix Park.
- \$330,087 supports three full-time positions to build competency for the new City Hall building systems.

Parks, Recreation and Cultural Resources

- \$2,565,017 supports the addition of five staff to maintain the additional grounds at Dix Park and to program Gipson Plaza and Play. In addition, the budget supports operating budget for increased activities and needs at Dix Park.

Planning and Development Services

- \$99,165 in one-time operational increases for technology, supply, and subscription needs to support the Building Safety division.

General Government

- \$50,000 in one-time funding for service agreements for climate initiatives.
 - \$133,776 to add two Human Resources Business Partners, Sr. to provide better support to employees and ensure alignment with the organization and applicable employment policies.
 - \$180,000 to support Human Resources onboarding, training and recruitment.
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Proposed Capital Highlights

Housing

- \$11.8 million for the final year of the Affordable Housing Bond to support public-private partnerships, gap financing, rehabilitations and down payment assistance.
- \$11.6 million through the penny designated to affordable housing.

Transportation

- The FY26 Capital Improvement Program reflects Raleigh's ongoing investment in transportation infrastructure, with a focus on preservation, safety, accessibility, and active mobility.
 - \$11.6 million for street resurfacing and pavement preservation.
 - \$600,000 for paving unpaved streets to meet the City's Unified Development Ordinance.
 - \$1.8 million for Americans with Disabilities Act (ADA) accessible pedestrian signals, sidewalk trip hazard replacements, and thoroughfare streetlight installations.
 - \$2.2 million in programmed bridge repairs, maintenance, and federally mandated inspections.
 - \$3.1 million for Vision Zero Spot Safety, including ADA compliance for sidewalks and signals.
- As planning for FY27 advances, the following one-time and recurring needs are planned:
 - \$1.7 million for the Neighborhood Traffic Management Program, which supports community-driven solutions to reduce traffic speed and improve safety in residential areas.

Parks, Recreation, and Cultural Resources

- The CIP includes the fifth year of one cent equivalent of property tax for parks maintenance, which is \$11.6 million for FY26. Proposed uses for dedicated General Fund transfer are provided below:
 - \$10.1 million for Dix Park building demolition, site stabilization, and general repairs.
 - \$200,000 to update audio/visual technology at various community facilities.
 - \$750,000 for advance planning efforts at Nash Square.
 - \$1.58 million in multiple greenway improvement projects, including structure replacement, safety crossing installation, and implementation of the new Wayfinding Plan.
 - \$3.3 million in park site improvement projects, including upgrades for lighting, comfort stations and playgrounds plus athletic field design and geotechnical and master planning.
 - 3.24 million in park facility improvement projects throughout the system, including facility abatement, site security, building system improvements, and aquatic facility upgrades.
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General Public Improvements

- \$3.2 million for projects including fire hydrant repairs and replacements at City facilities, public safety generators and security upgrades, safety barrier equipment for special events, and a preservation plan and historic district design standards.
- \$830,000 for ongoing facility maintenance funding for building system improvements.
- \$250,000 for existing electric vehicle infrastructure maintenance.
- \$500,000 for the Building Upfit Grant and \$150,000 for the Impact Partner Grant.
- \$250,000 for the Civic Places Program, which improves gathering spaces in public projects.
- \$146.1 million for previously authorized Raleigh Fire projects: Fire Station 1 relocation with backup communications (\$77.6 million), Fire Station 15 relocation (\$27.5 million), and a heavy equipment shop (\$41.0 million).
- Advanced planning dollars for two fire stations and the Southeast Remote Operations Center, taking advantage of the new steady state funding and supporting the fire master plan.

Technology

- \$100,000 to replace the document management platform currently used to archive City Council content.
- \$300,000 to assess the City's Enterprise Resource Planning and Human Capital Management software as it nears the end of its lifecycle.

Raleigh Water

- \$266.1 million for more than 65 projects. Highlights include: EM Johnson Treatment plant, Smith Creek Wastewater Treatment Plant Upgrade, FY24-26 Main Replacement, and the Swift Creek Resource Recovery Facility.

Stormwater

- \$31.3 million in total capital improvements with more than \$22.9 million for major infrastructure projects such as Camp Pond Drive, Alamance Ave, Rose Lane, East Lane Street, and Upper Durant Lake.

Solid Waste Services

- \$1.4 million to build a cart storage and management facility.
 - \$325,000 to support Wilder's Grove Facility minor maintenance and repairs due to aging building systems.
 - \$244,523 for yard waste center compliance with NC Department of Environmental Quality
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Raleigh Convention and Performing Arts Complex

- \$2.2 million is proposed for additional funding for the expansion of the Convention Center and relocation of Red Hat Amphtheater.
 - \$1.5 million is provided for capital matinenance at the Martin Merritta Performing Arts Center, which incldes funding for Lictin Plaza improvements and other safety/maintenance upgrades.
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