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Budget Work Session Monday, February 16

Reminder that Council will meet in a scheduled budget work session on **Monday at 4:00 P.M.** The agenda for the session was published Thursday.

Regular Council Meeting Tuesday, February 17; Joint Work Session at 6:00 P.M.

Council will meet in regular Council meeting at **1:00 P.M.** in the **Council Chamber**. Please note the regular meeting agenda and may be accessed via the eScribe electronic agenda system:

<https://pub-raleighnc.escribemeetings.com/>

Please note there will be a **Closed Session** immediately following the afternoon session of the Council meeting.

Council will also meet in a joint work session with Wake County at **6:00 P.M.** at the Wake County Justice Center.

Reminder: If there is an item you would like to pull from the consent agenda for discussion, please e-mail mayorstaff@raleighnc.gov by 11 A.M. the day of the meeting.

INFORMATION:

FY26 Mid-Year Financial Update

Staff Resource: Allison Bradsher, Finance, 996-4970, allison.bradsher@raleighnc.gov

Staff from the Finance department prepared a FY26 Mid-Year Financial Update to showcase the performance of the revenues and expenses citywide as of the end of the second quarter of the current fiscal year (FY26). The FY26 Mid-Year Financial Update provides an overview of General Fund revenue including taxes, user fees and mid-year spending on personnel services and operating expenses. Also, an update on the performance of the City's Enterprise Funds is included. Finally, a summary of the City's debt program is provided.

(Attachment)

GoRaleigh Transit – Service Changes Next Month

Staff Resource: David Walker, Transportation, 996-3942, david.walker@raleighnc.gov

GoRaleigh will increase transit services starting March 22. Funding through the Wake Transit half-cent sales tax allows GoRaleigh to continue growth in one of the Four Big Moves from the Wake Transit Plan, increasing our frequent, reliable urban network.

- **Launch of New Route 14 Atlantic**

A brand-new Route 14 will launch to expand service coverage and improve access along the Atlantic Ave. corridor, with 30-minute frequency. This new route will provide additional travel options, strengthen connections to the broader network and support growing ridership needs in the area.

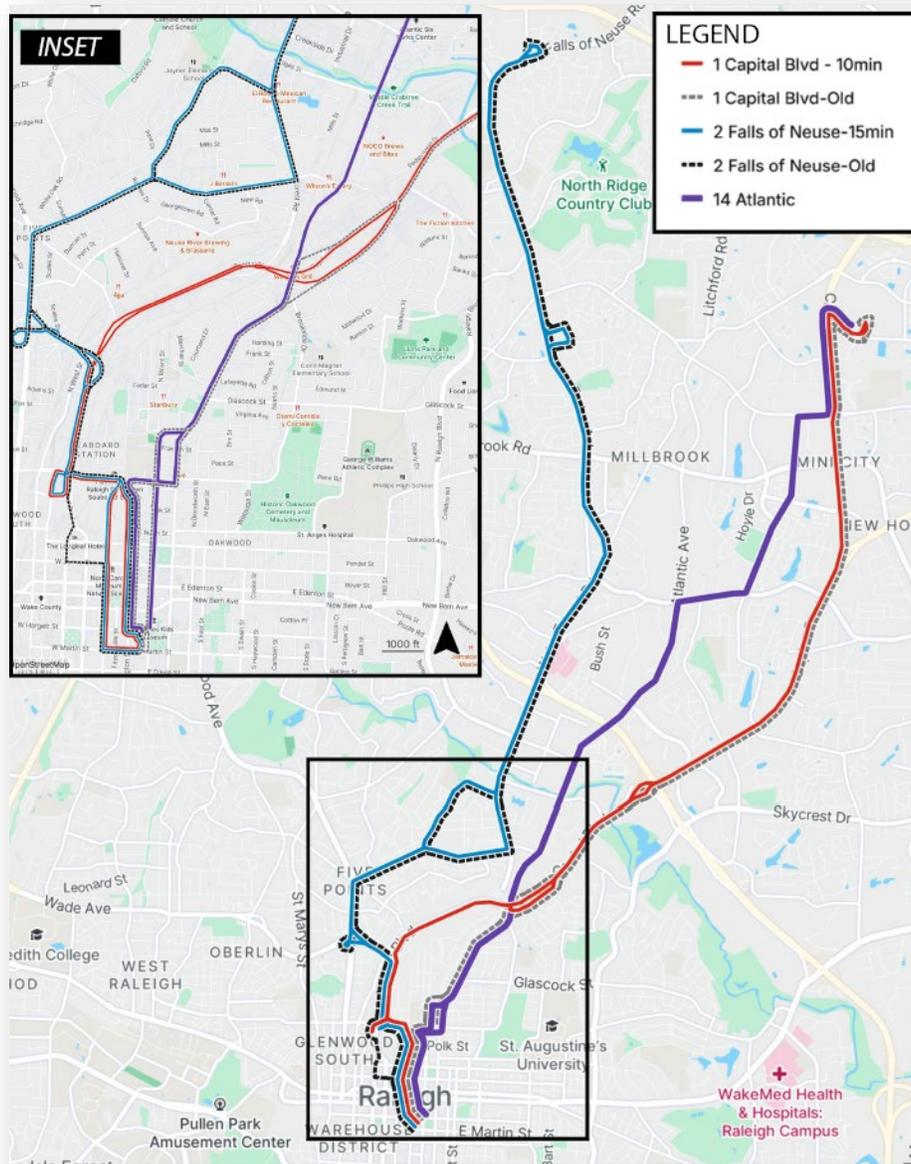
- **Increased Frequency on Routes 2 Falls of Neuse and 17 Rock Quarry**

Routes 2 and 17 will see more frequent service in response to continued high ridership and customer demand.

- Route 2 will now operate every 15 minutes, providing faster, more convenient trips and shorter wait times throughout the day. This will be GoRaleigh's 11th high frequency route. GoRaleigh's high frequency network spans 137 miles.
- Route 17 will operate every 30 minutes, improving consistency and making it easier for riders to plan their trips.

- **Route Alignment Changes**

Routes 1 Capital and 2 Falls of Neuse will receive alignment adjustments to improve overall system efficiency, reliability and connectivity (see map below). These changes will provide better service for riders along routes 1, 2 and 14. These updates are designed to better match where people are traveling, improve on-time performance and strengthen connections to key destinations and transfer points.



(No attachment)

Mayor and City Council Dix Park Commission Appointments

Staff Resource: Stephen Bentley, Raleigh Parks, 996-4784, stephen.bentley@raleighnc.gov

At the January 20, 2026, Council authorized the City Manager to execute the third Memorandum of Agreement (MOA) with the Dix Park Conservancy. Within the terms of the MOA is the recommendation to improve and rename the Dix Park Leadership Committee to a newly constituted “Dix Park Commission”. Staff is now seeking the three appointments, (1) Mayoral and (2) City Council, collectively as a part of a March 17, 2026 Council Meeting.

Staff has reached out to the other Dix Park Commission partners encouraging appointments. Staff is planning for the first Commission meeting to be in April. Included with the *Update* materials is a staff memorandum providing further information on this process.

(Attachments)

Weekly Digest of Special Events

Staff Resource: Sarah Heinsohn, Office of Special Events, 996-2200, sarah.heinsohn@raleighnc.gov

Included with the *Update* materials is the special events digest for the upcoming week.

(Attachment)

Council Member Follow Up Items

Follow up from the January 20 Council Work Session

Big Ideas Report – Requests for Information

Staff Resource: Heather McDougall, Strategy & Innovation, 996-3396, heather.mcdougall@raleighnc.gov

During the work session, Council requested additional information on a multitude of topics covered in the Big Ideas presentation. Included with the *Update* materials is a staff memorandum compiling responses from staff to these questions and requests.

(Attachment)



**CITY OF RALEIGH
FINANCE DEPARTMENT
FY26 FINANCIAL UPDATE
AS OF 12/31/25**

Published February 13, 2026

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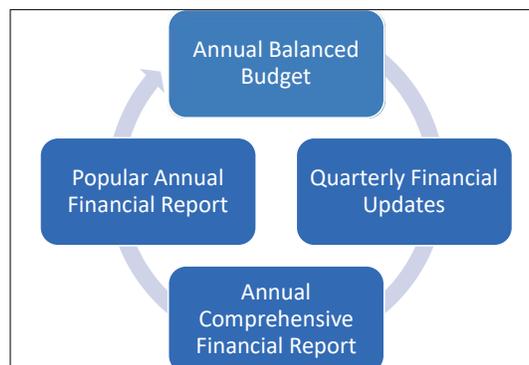
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Introduction

The City strives for financial data transparency, and the annual financial reporting process is highlighted below. The City operates on a fiscal year from July 1 to June 30. Information in this report is unaudited and intended for informational purposes only. Please refer to the Annual Comprehensive Financial Report (ACFR) for audited financial results.

The report provides summary analysis for the City and includes budget and actual results, trends and other financial information. The goal of the report is to inform and assist in decision-making and to identify any significant issues that may impact year-end financial performance. The report provides clear and timely financial information to City Leadership, City Council, and other interested stakeholders.

The first several pages of the report share year-end results for the General Fund. The General Fund is the City's main operating fund, accounting for core governmental functions. The final section of the report includes details of the City's enterprise operating funds and its Debt Management program. Enterprise funds account for activities supported with user fees/charges and are operated like a private-sector business. This report includes enterprise fund summaries for Raleigh Water, Solid Waste Services, Stormwater, Parking, Raleigh Convention Center Complex, and Public Transit Operations. The final page includes a summary of the City's debt management by type and provides a snapshot of outstanding fixed debt and bond anticipation note programs.



Executive Summary

The 2025-26 fiscal year budget was adopted by Council on June 9, 2025, and affirmed the City's strategic focus, **Our Greatest Asset: Our Workforce**, and reiterates the City's commitment to the selfless public servants who deliver high quality services to residents every day. The \$1.78 billion budget is designed to make priority investments across all services and key focus areas.

Many economists indicate that calendar year 2025 ended on a positive note – despite tariffs, continued high inflation, elevated interest rates and ongoing worldwide political instability. These factors remain ongoing concerns heading into calendar year 2026. Wake County and Raleigh have continued to remain resilient and have continued to see record growth and economic development. According to the Raleigh Chamber and Wake County Economic Development, "Economy & Business 2026," publication the following are three critical areas in 2026 – growth and infrastructure, advancing innovation ecosystem and sustaining momentum through fundamentals. Continuing the focus on these areas will ensure the region remains strong and resilient to larger economic factors.

For the first half of Fiscal Year 2026, all operational units are on track as highlighted below.

Operations	Status Update
General Fund	On Track
Raleigh Water	On Track
Solid Waste Services	On Track
Transit	On Track
Stormwater	On Track
Convention Center Complex	On Track
Parking	On Track

On Track - Performing as expected
 Watch - Staff closely monitoring
 Warning - Identified concerns that require attention

General Fund

Revenues by Type

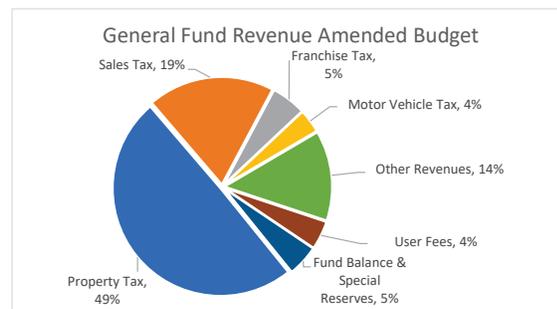
The table below identifies General Fund revenues grouped by major categories. These categories of financial activity for the current fiscal year are compared to the prior fiscal year.

Revenue Type	FY2026			FY2025			Change in % Collected
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	
Property Tax	332,047,579	267,876,607	81%	397,841,531	307,860,908	77%	3%
Sales Tax	127,700,000	33,410,246	26%	157,760,000	38,643,911	24%	2%
Other Fees & Misc	35,536,694	17,944,607	50%	33,317,935	16,447,491	49%	1%
Franchise Tax	34,900,000	10,397,043	30%	30,700,000	10,243,435	33%	-4%
Motor Vehicle Tax	23,875,000	9,591,996	40%	21,345,878	9,949,107	47%	-6%
Development Fees	21,596,763	11,579,868	54%	21,798,996	10,673,452	49%	5%
Other Taxes	16,153,700	6,145,415	38%	16,350,000	5,880,212	36%	2%
Intergovernmental	15,525,781	6,557,651	42%	14,410,242	6,060,833	42%	0%
Powell Bill	7,156,000	7,160,857	100%	7,156,000	7,160,857	100%	0%
Interest Income	16,560,314	5,557,503	34%	9,800,000	2,314,615	24%	10%
PRCR User Fees	7,215,914	3,788,389	53%	7,436,116	3,659,308	49%	3%
Fund Balance & Special Reserves	31,742,813	-	0%	30,139,390	-	0%	0%
Total	\$670,010,558	\$380,010,182	57%	\$748,056,088	\$418,894,130	56%	1%

Analysis

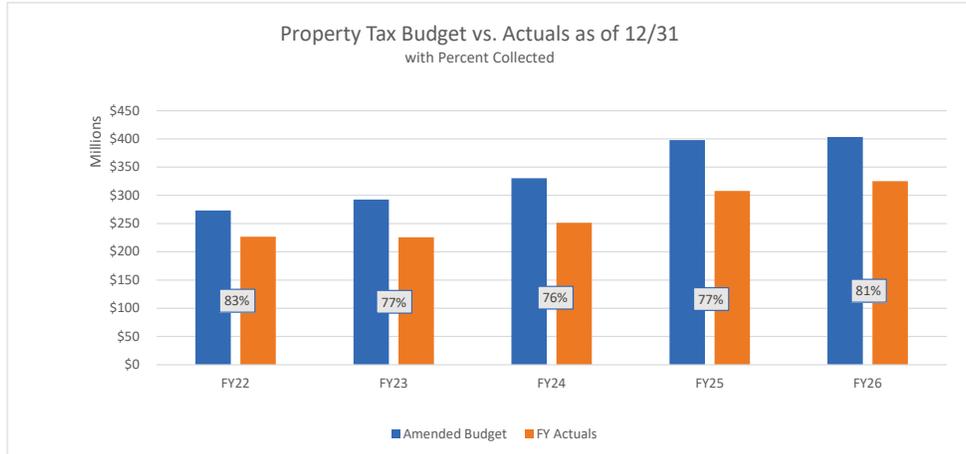
Revenue collections for the first half of the year are \$380.0M, which are in line with collections from this time last year.

Additional analysis follows on key revenues.



Revenue Highlights

Property Tax



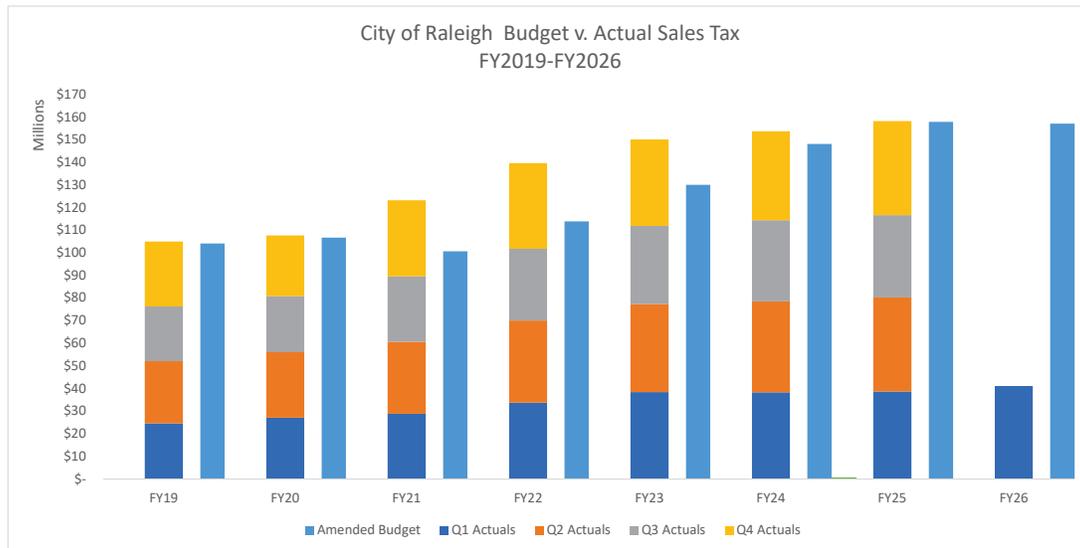
Analysis

The FY26 adopted tax rate is \$0.355, or 35.5 cents per \$100 of property value. This chart includes property tax recorded in the general fund and in the debt service fund, which reflects a change in the allocation of property tax. Beginning in FY26, taxes collected are directly allocated to the general fund and the general debt service fund, instead of a transfer as was done in prior years.

For the first half of the fiscal year, collections are at 81%, which is in line with prior years. Staff will continue to monitor collections as rebates, exemptions and brownfields have increased year over year and second half collections are expected to be impacted.

FY26 Property Tax Rate
35.5 cents per \$100 assessed value

Sales Tax



Analysis

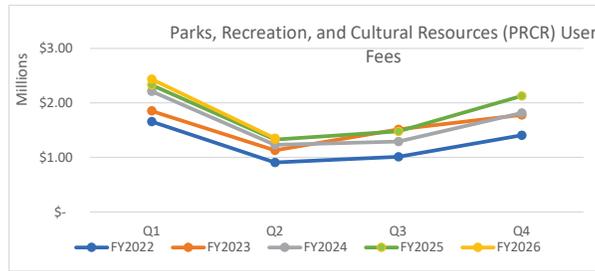
Sales tax remains a volatile revenue source and is highly dependent on consumer confidence and spending.

The chart above provides a by quarter historical trend of actual sales tax collections compared to budgets from FY19 to FY26. Fiscal years FY20–FY22 reported significant year-to-year actuals growth from pandemic stimulus funding, while FY23 through FY26 budgeted increases have slowed to more moderate growth levels.

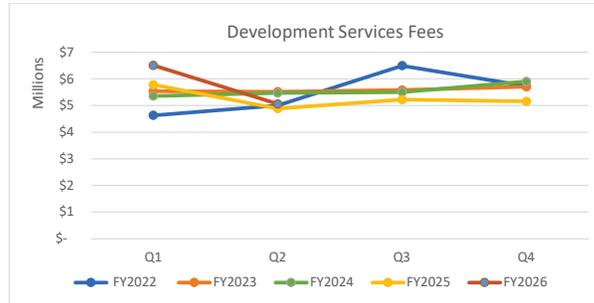
The first quarter collections for FY26 are in line with expectations and prior year results.

User Fee Revenues

The first half PRCR revenues are \$0.1M or 3.5% higher than prior year actuals.



Development fees are strong in the first half of FY26 are \$0.9M and 8.5% higher than prior year actuals.



Expenditures by Type

In the table below you will find General Fund expenditures grouped by several major categories. These major categories for the current fiscal year are then compared to the prior fiscal year.

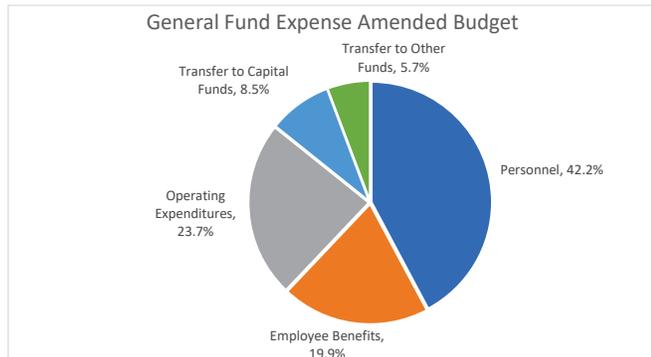
Expense Type	FY2026			FY2025			Change in % Spent
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	
Personnel	282,761,425	136,194,699	48%	255,950,871	125,204,827	49%	-0.8%
Employee Benefits	133,128,316	65,886,573	49%	124,909,069	60,404,320	48%	1.1%
Operating Expenditures	158,621,549	69,263,987	44%	143,988,237	59,732,892	41%	2.2%
Transfer to Debt Service	-	-	0%	100,124,193	50,062,097	50%	-50.0%
Transfer to Capital Funds	57,103,280	29,130,952	51%	74,154,850	35,611,688	48%	3.0%
Transfer to Other Funds	38,395,988	21,343,969	56%	48,928,869	27,063,348	55%	0.3%
Total	\$670,010,558	\$321,820,180	48%	\$748,056,088	\$358,079,171	48%	0.2%

Analysis

Overall, General Fund expenditures are performing as expected with spending at 48% of the amended budget.

The City is allocating a portion of property tax and sales tax directly to its debt service fund beginning in FY26, therefore the transfer to debt service is zero.

This change in accounting methodology also explains the year-to-year budget decline in the general fund, given the direct allocation of these revenues to the debt service fund.



Department Expenditures

The table below displays current year General Fund department spending. In total, expenses are in line with prior year results for the first half of the fiscal year.

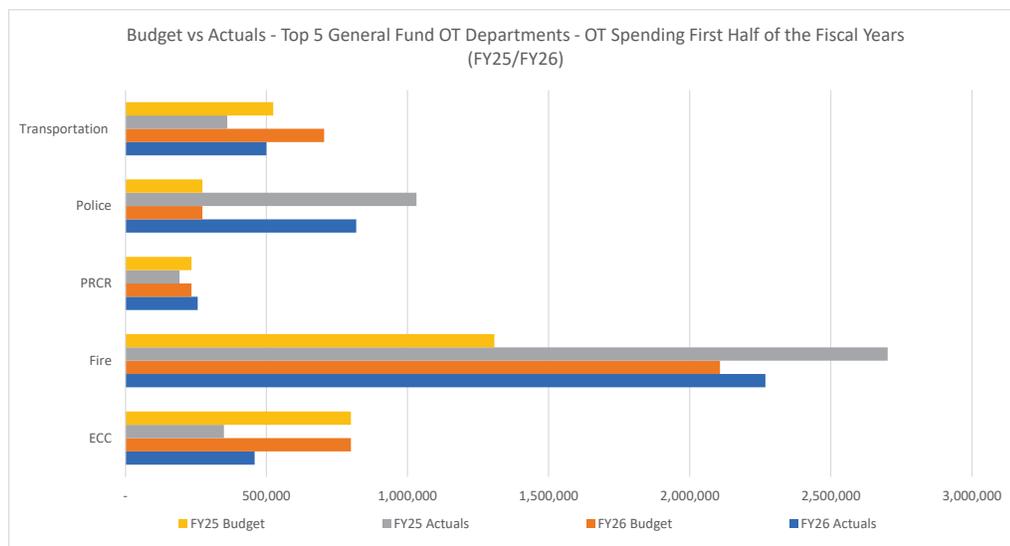
Expense Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Police	149,388,490	73,014,232	49%	139,473,187	68,180,824	49%	0.0%
Fire	97,240,299	46,975,976	48%	86,828,963	44,467,760	51%	-2.9%
Parks & Recreation	81,408,257	38,199,284	47%	73,397,289	33,287,580	45%	1.6%
Transportation Services	43,906,866	20,568,003	47%	40,857,644	18,987,357	46%	0.4%
Engineering Services	34,675,494	13,505,760	39%	30,965,378	11,959,849	39%	0.3%
Information Technology	32,008,519	16,258,714	51%	29,409,175	13,107,764	45%	6.2%
Planning & Development	26,856,528	12,445,045	46%	24,285,435	11,776,320	48%	-2.2%
Emergency Comms	17,662,847	8,403,608	48%	16,589,600	6,832,499	41%	6.4%
Finance	8,658,646	4,025,579	46%	8,201,211	3,762,150	46%	0.6%
City Manager & Offices	8,634,861	3,734,411	43%	8,244,508	3,404,804	41%	2.0%
Housing	4,932,643	2,182,031	44%	7,503,027	3,376,324	45%	-0.8%
Human Resources	7,412,615	3,077,608	42%	7,135,256	3,082,669	43%	-1.7%
City Attorney	7,269,644	3,523,980	48%	6,627,119	3,260,760	49%	-0.7%
Agency Appropriations	5,943,037	2,168,915	36%	5,571,200	1,940,555	35%	1.7%
Communications	4,932,338	2,461,457	50%	4,628,629	2,163,305	47%	3.2%
Econ & Social Advancement	2,640,034	1,233,530	47%	2,419,163	748,346	31%	15.8%
Budget & Mgmt Services	2,198,937	890,373	40%	1,986,104	796,674	40%	0.4%
City Clerk	865,986	327,714	38%	919,794	394,001	43%	-5.0%
City Council	726,240	293,873	40%	561,430	269,981	48%	-7.6%
Community Engagement	3,705,905	1,785,615	48%	-	-	0%	48.2%
Special Appropriations	128,942,373	66,744,472	52%	252,451,976	126,279,648	50%	1.7%
Total	\$670,010,558	\$321,820,180	48%	\$748,056,088	\$358,079,171	48%	0.2%

General Fund Overtime

Analysis

The chart below includes a comparison of first half overtime spending in FY25 and FY26 for the top five overtime spending departments in the general fund. The Fire Department's overtime budget was increased in FY26, and actual spending through the first half of the year is lower than prior year. The second largest department with overtime spending is Police, which is also experiencing a decline in actuals year to year while Transportation, PRCR and ECC are experiencing increases.

In total, actual overtime spending for these five General Fund departments is down \$335K or 7.2% year over year.



Raleigh Water (Fund 310)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
Utility Sales	287,261,453	145,072,975	51%	258,028,357	140,345,605	54%	-3.9%
Other Fees & Miscellaneous	7,135,586	9,399,144	132%	6,474,703	2,947,780	46%	86.2%
Interest Income	10,539,512	1,561,409	15%	10,415,000	2,228,158	21%	-6.6%
Inspection Fees	1,221,991	690,661	57%	1,177,991	952,151	81%	-24.3%
Development Fees	945,000	533,283	56%	945,000	544,711	58%	-1.2%
Fund Balance & Special Reserves	23,307,223	-	0%	26,281,086	-	0%	0.0%
Total	\$330,410,765	\$157,257,472	48%	\$303,322,137	\$147,018,405	48%	-0.9%

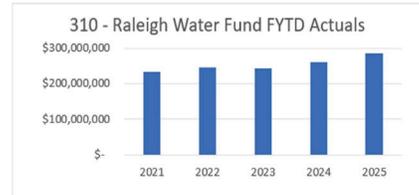
Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	50,212,660	24,783,093	49%	45,906,455	22,233,430	48%	0.9%
Employee Benefits	23,656,275	11,575,174	49%	22,403,149	10,730,618	48%	1.0%
Operating Expenditures	98,888,492	33,710,004	34%	87,669,360	30,591,625	35%	-0.8%
Interfund Expenditures	13,557,774	6,510,515	48%	13,186,159	6,326,041	48%	0.0%
Operating Capital	1,295,565	559,306	43%	1,442,014	238,748	17%	26.6%
Transfer to Capital Funds	95,000,000	47,500,000	50%	85,000,000	42,500,000	50%	0.0%
Transfer to Debt Service	47,800,000	23,900,000	50%	47,715,000	23,857,500	50%	0.0%
Total	\$330,410,765	\$148,538,091	45%	\$303,322,137	\$136,477,962	45%	0.0%

Analysis

Raleigh Water, a regional utility, actual results are in line with prior year results at 48% of revenue collected (excluding budgeted fund balance appropriation) and 45% of expenditure utilization compared to budget.

Raleigh Water sets user fees utilizing a long-term financial rate model. Raleigh Water's financial model, includes operating and capital infrastructure financed from pay-go (cash) and debt financing, is meeting credit rating criteria.

A five-year full-year expenditure trend is shown in the chart to the right.



Solid Waste Services (Fund 360)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
Residential Solid Waste Fees	46,166,957	22,792,402	49%	42,387,874	21,188,594	50%	-0.6%
Other Fees & Miscellaneous	2,085,783	299,303	14%	2,032,330	291,059	14%	0.0%
Yardwaste Revenue	2,715,217	765,724	28%	1,257,937	605,704	48%	-19.9%
Transfers From Other Funds	611,168	361,168	59%	5,898,673	2,949,337	50%	9.1%
Fund Balance & Special Reserves	6,156,061	-	0%	5,117,286	-	0%	0.0%
Total	\$57,735,186	\$24,218,597	42%	\$56,694,100	\$25,034,693	44%	-2.2%

Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	14,427,030	6,796,724	47%	13,785,229	5,985,868	43%	3.7%
Employee Benefits	6,570,790	3,323,255	51%	6,524,553	2,940,632	45%	5.5%
Operating Expenditures	26,813,755	10,606,104	40%	26,061,576	9,758,332	37%	2.1%
Interfund Expenditures	6,402,237	3,177,540	50%	6,505,054	3,044,649	47%	2.8%
Operating Capital	917,336	288,903	31%	883,342	196,842	22%	9.2%
Transfer to Capital Funds	819,523	409,762	50%	1,800,000	900,000	50%	0.0%
Transfer to Debt Service	1,118,762	559,381	50%	1,134,346	567,173	50%	0.0%
Transfer to Other Funds	665,752	535,819	80%	-	-	0%	0.0%
Total	\$57,735,186	\$25,697,488	45%	\$56,694,100	\$23,393,496	41%	3.2%

Analysis

Solid Waste Services user fee collections are higher than prior year due to approved rate increases. Yardwaste revenues are also higher than the prior year, and staff are monitoring the decrease in percentage collected as compared to the FY26 budget. For FY26, SWS is a non-subsidized enterprise fund.

Operating expenditures are in line with expectations and represent higher budget utilization than prior year. Solid Waste Services continues to support their capital fund initiatives on an annual basis.

A five-year full-year expenditure trend is shown in the chart to the right.



Transit Operations (Fund 410)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
Intergovernmental	39,587,086	2,241,396	6%	29,307,769	83,484	0%	5.4%
Other Fees & Miscellaneous	9,510,601	6,070,480	64%	7,921,380	5,493,762	69%	-5.5%
Transit Revenues	1,642,124	797,688	49%	3,800,000	952,885	25%	23.5%
Transfers From Other Funds	21,308,346	10,654,173	50%	21,477,470	10,738,735	50%	0.0%
Fund Balance & Special Reserves	1,542,294	-	0%	1,212,653	-	0%	0.0%
Total	\$73,590,451	\$19,763,737	27%	\$63,719,272	\$17,268,866	27%	-0.2%

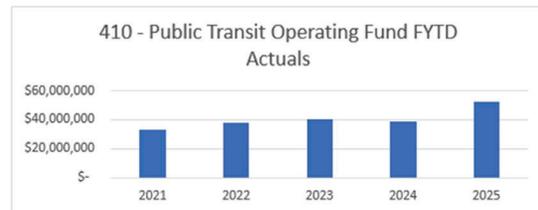
Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	1,953,165	879,939	45%	1,706,720	769,500	45%	0.0%
Employee Benefits	876,055	407,676	47%	783,695	368,768	47%	-0.5%
Operating Expenditures	69,626,400	19,926,560	29%	60,233,429	17,139,075	28%	0.2%
Interfund Expenditures	1,134,831	559,494	49%	995,428	488,713	49%	0.2%
Total	\$73,590,451	\$21,773,670	30%	\$63,719,272	\$18,766,056	29%	0.1%

Analysis

FY26 collections exceeded prior year collections primarily due to increases in intergovernmental revenues from external sources such as grants and the Wake Transit Plan. Transit continues to be highly subsidized by the General Fund.

Operating expenditure is up year-over-year primarily due to expanded bus route service associated with the transit management contract.

A five-year full-year expenditure trend is shown in the chart to the right.



Stormwater Operations (Fund 460)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
Stormwater Fees	41,141,155	20,674,757	50%	37,711,884	18,905,776	50%	0.1%
Other Fees & Miscellaneous	915,501	87,737	10%	845,004	69,500	8%	1.4%
Interest Income	1,284,370	402,747	31%	704,215	152,980	22%	9.6%
Fund Balance & Special Reserves	1,303,916	-	0%	1,617,497	-	0%	0.0%
Total	\$44,644,942	\$21,165,240	47%	\$40,878,600	\$19,128,255	47%	0.6%

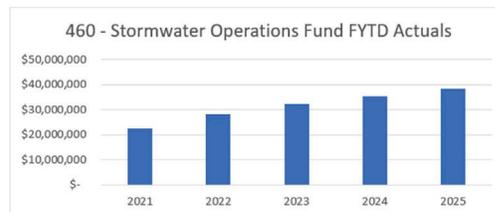
Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	11,739,556	5,732,444	49%	10,703,337	4,849,707	45%	3.5%
Employee Benefits	5,226,575	2,647,303	51%	4,994,897	2,285,928	46%	4.9%
Operating Expenditures	15,082,061	2,779,149	18%	6,509,283	2,123,194	33%	-14.2%
Interfund Expenditures	5,139,169	2,564,906	50%	4,488,975	2,101,413	47%	3.1%
Transfer to Capital Funds	7,000,000	3,500,000	50%	13,875,000	6,937,500	50%	0.0%
Transfer to Other Funds	457,581	120,168	26%	307,108	153,554	50%	-23.7%
Total	\$44,644,942	\$17,343,969	39%	\$40,878,600	\$18,451,295	45%	-6.3%

Analysis

Stormwater collection fees are in line with prior year when compared to the budget and represent an increase when compared to prior year due to the approved rate increase.

Stormwater sets user fees utilizing a long-term financial rate model and is in the beginning stages of becoming an independent credit entity. The Stormwater enterprise personnel and operating expenditures increases are in line with management's expectations.

A five-year full-year expenditure trend is shown in the chart to the right.



Raleigh Convention Center Complex Operations (Fund 642)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
RCC/PAC Revenue	17,872,233	8,727,679	49%	17,233,937	10,174,508	59%	-10.2%
Transfers from Other Funds	6,655,771	3,327,886	50%	6,428,438	3,214,219	50%	0.0%
Other Fees & Miscellaneous	2,219,189	702,502	32%	3,129,426	800,290	26%	6.1%
Interest Income	547,860	278,430	51%	41,588	10,100	0%	50.8%
Fund Balance & Special Reserves	1,445,915	-	0%	1,271,510	-	0%	0.0%
Total	\$28,740,968	\$13,036,497	45%	\$28,104,899	\$14,199,117	51%	-5.2%

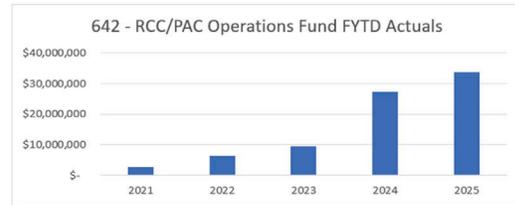
Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	10,392,025	4,565,146	44%	9,216,604	4,350,145	47%	-3.3%
Employee Benefits	4,280,214	2,014,672	47%	3,922,279	1,908,371	49%	-1.6%
Operating Expenditures	11,933,233	4,935,752	41%	13,005,976	4,977,161	38%	3.1%
Interfund Expenditures	2,135,496	1,092,521	51%	1,960,040	966,095	49%	1.9%
Transfer to Other Funds	-	-	0%	-	-	0%	0.0%
Total	\$28,740,968	\$12,608,091	44%	\$28,104,899	\$12,201,772	43%	0.5%

Analysis

The Raleigh Convention Center (RCC) experienced a fire in early December and events for the month were altered. The revenues collected reflect the change to operations in December. RCC is hosting events as of January 2026 and currently there is not an anticipated exposure to the revenue budget.

The enterprise personnel and operating expenditure increases are in line with management's expectations at this point in the year.

A five-year full-year expenditure trend is shown in the chart to the right.



Parking Operations (Fund 442)

Revenue Type	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Collected	Amended Budget	FYTD	% Collected	% Collected
Parking Fees	16,058,120	8,168,231	51%	15,137,453	7,958,716	53%	-1.7%
Other Fees & Miscellaneous	40,000	35,991	90%	40,300	9,210	23%	67.1%
Transfer from General Fund	230,000	115,000	50%	2,738,788	1,369,394	0%	50.0%
Interest Income	503,446	231,588	46%	52,678	(6,992)	0%	46.0%
Fund Balance & Special Reserves	3,109,826	-	0%	26,988	-	0%	0.0%
Total	\$19,941,392	\$8,550,810	43%	\$17,996,207	\$9,330,328	52%	-9.0%

Expenditures	FY2026			FY2025			Change in
	Amended Budget	FYTD	% Spent	Amended Budget	FYTD	% Spent	% Spent
Personnel	2,406,657	1,107,227	46%	2,181,524	944,794	43%	2.7%
Employee Benefits	1,186,203	573,652	48%	1,145,416	501,812	44%	4.5%
Operating Expenditures	6,844,263	1,922,079	28%	6,391,276	1,937,623	30%	-2.2%
Interfund Expenditures	783,604	391,994	50%	826,491	413,318	50%	0.0%
Operating Capital	1,500	-	0%	1,500	-	0%	0.0%
Transfer to Capital Funds	3,010,000	1,505,000	50%	510,000	255,000	50%	0.0%
Transfer to Debt Service	5,709,165	2,854,583	50%	6,940,000	3,470,000	50%	0.0%
Total	\$19,941,392	\$8,354,535	42%	\$17,996,207	\$7,522,547	42%	0.1%

Analysis

Parking fee revenues have slightly increased in on-street, off-street and special events due to increases in utilization and events held in the Downtown area. Parking operations continue to be subsidized by the General Fund, although the FY26 budget had a significant reduction of 91% from the FY25 subsidy. Management continues to monitor parking operations and the impact of the 2-hour fare free pilot program which started in November 2024.

Parking expenditure is slightly higher than prior year due to anticipated increases in personnel and operating expenditures. Results are in line with management expectations.

A five-year full-year expenditure trend is shown in the chart to the right.



The City's debt portfolio includes both general governmental debt and business-type debt which support the City's enterprise functions. A summary of the types of bonds, anticipated amounts and expected timing of future issuances is included below. Bond amounts are tracked and managed in debt affordability models. Debt issuances require approval from Council and the Local Government Commission (LGC).

Future Bonds

General Government

General Obligation Bonds (GO)

- \$264.5M
- Summer 2027
- Voted Parks, Transportation, Housing

Limited Obligation Bonds (LOB)

- \$100.0M / \$120.0M
- February 2026 / Spring 2027
- City Hall, Public Safety Facilities

Business Type

Revenue Bonds

- \$220.0M
- Summer 2028
- Raleigh Water Capital Projects

Limited Obligation Bonds (LOB)

- Sizing Underway
- Spring 2026
- Convention Center Exp / Red Hat Relo

Stormwater - New Credit Entity – FY27

Glossary

- **General Fund:** The main operating fund accounting for governmental functions supported by general taxes and revenues, and financial resources that legal requirements do not require to be accounted for in another fund. Revenues to support the General Fund are derived largely from sources such as property tax, sales tax, fees and intergovernmental revenues.
- **Enterprise Fund:** A fund that accounts for enterprise activities supported wholly or partially with user fees or charges and is operated using business principles. The following enterprise funds are featured in this report:
 - **Raleigh Water (Fund 310):** supports the regional utility that provides drinking water, sanitary sewer, and reuse water services to Raleigh and six neighboring towns.
 - **Solid Waste Services (Fund 360):** supports safe and efficient residential curbside garbage, recycling, yard waste, special/bulky, and e-waste collection, as well as disposal services.
 - **Transit Operations (Fund 410):** supports the operation of GoRaleigh, as well as GoRaleigh Access.
 - **Stormwater Operations (Fund 460):** supports the City's Stormwater Utility, including drainage and water quality assistance programs, major capital improvement projects, public drainage system operation and maintenance.
 - **Raleigh Convention Center Complex (Fund 642):** represents the Raleigh Convention Center, Martin Marietta Center for the Performing Arts, and Red Hat Amphitheater.
 - **Parking Operations (Fund 442):** operates on-street and off-street parking downtown and throughout the city.
- **Fiscal Year:** A 12-month financial reporting period. The fiscal year for the City is July 1 – June 30.
- **FYTD:** Fiscal year-to-date; July 1 to an accounting month end.
- **Key Expenditure Categories:**
 - **Personnel:** Salary accounts such as part-time, full-time, etc.
 - **Employee Benefits:** Accounts for health care costs and employer-related payroll taxes for employees
 - **Operating Expenditures:** – Accounts such as office supplies, operational and maintenance supplies, fuel, computer leases, professional and contracted services, organizational and development training, etc.
- **Fund Balance Appropriation:** An amount budgeted from the accumulation of operating surpluses and deficits in a fund over time.
 - For the General Fund, the adopted policy requires a minimum of 17% unassigned fund balance reserve as compared to next year's budget.

Thanks to Budget and Management Services and City Departments for assistance and contributions to this financial report.

To	Mayor and City Council
Thru	Marchell Adams David, City Manager & Niki Jones, Assistant City Manager
From	Stephen C. Bentley, Director
Department	Parks, Recreation and Cultural Resources
Date	February 10, 2026
Subject	Dix Park Commission: Mayor and City Council Appointments

Background

The City and Dix Park Conservancy (DPC) first entered into a Memorandum of Agreement (MOA) in 2016, this also included a funding agreement. These served as a guide and outline for our relationship during the master plan process. After the adoption of the master plan in 2019, MOA #2 was executed in 2020 to advance the design of the Gipson Play Plaza. This also included a funding agreement between both parties. In addition to the two MOA(s), the City leases multiple structures on the park for both park concessions and staff offices.

Over the last 10 years, the City of Raleigh and Dix Park Conservancy have aligned passion and resources to work with our community and other partners to advance the vision of making Dix Park an incredible destination for everyone to enjoy. The partnership has brought creative programming and events, world class public art, renovation to various buildings for public benefit and the planning, design and construction of the Gipson Play Plaza which opened in June of 2025.

Partnership and Success

2025 was a big year for Dix Park and our partnership. We opened the first major phase of Dix Park, Gipson Play Plaza, which has been an amazing success for all visitors. DHHS has transitioned nearly all their operations off campus to their new headquarters on Blue Ridge Road. This past fall, through the generosity of the Conservancy, 5 trolls created by Thomas Dambo and built by our community were installed in the park and have significantly increase park visitation. Of course, we also hosted another successful Dreamville festival. The Park has incredible energy and momentum with attendance approaching 2 million people annually.

We are approaching a nearly a decade of collaborative success together. With the evolving changes and demands in the Parks comes with needed updates to the partnership. This

includes but is not limited to more clear roles and responsibilities, increased opportunities for fundraising, streamlining processes and an improved governance structure.

Dix Park Commission Framework

On January 20, 2026, the City Council authorized the City Manager to execute the third Memorandum of Agreement (MOA) with the Dix Park Conservancy. Within the terms of the MOA is the recommendation to improve and rename the Dix Park Leadership Committee to a newly constituted “Dix Park Commission”. The composition of the Commission includes:

(1) Mayor’s appointment

(2) Council appointees

(3) Dix Park Conservancy appointees

(1) Wake County Board of Commissioners appointee

(1) NCSU Chancellor OR appointee

(1) Dept. of Agriculture Commissioner OR appointee

(1) Parks, Recreation, Greenways Advisory Board appointee

(1) New consolidated Legacy and Community Committee appointee

The new composition has a total of **3 appointees** from the Mayor and City Council. It is anticipated the Commission will meet at least once a month, have two-year terms with the ability for two renewals (total six-year appointment), it is a public body following the North Carolina opening meeting requirements, a city appointee and Conservancy appointee will serve as Co-Chairs and there will be no elected officials.

The Commission’s future work plan over the next 12 to 18 months may include but not be limited to:

- Review and recommendation of an updated naming rights resolution for Dix Park
- Review and recommendations related to existing and future buildings and infrastructure analysis
- Review and recommendations to the park’s rezoning
- Review and recommendations of the schematic design of Rocky Branch Creek and Greenway
- Review and recommendations related to a future Municipal Service District (MSD)
- Review and comment on projects improving the connection between downtown and Dix Park

These work plan item can help inform your considerations when appointing members to the Commission. **At your March 17, 2026 City Council meeting staff will submit an agenda item under the Report of the City Manager seeking the 3 appointees.** Staff will host the first Dix Park Commission meeting on April 28, 2026 at 9:00 AM at the Chapel at the park.

Weekly Events Digest

Friday, February 13 – Thursday, February 19

City of Raleigh Office of Special Events
specialevents@raleighnc.gov | 919-996-2200 | raleighnc.gov/special-events-office

Permitted Special Events

[Run for the Roses 5K](#)

Walnut Creek Athletic Complex & Walnut Creek Trail

Sunday, February 15

Event Time: 2:00pm - 3:00pm

Associated Impacts: A one-mile portion of Walnut Creek Trail extending south from Walnut Creek Athletic Complex will be used from 2:00pm until 3:00pm. Parts of the complex will also be used for the event.

[ARTivation: The Iceberg Trail](#)

Market Plaza

Through Monday, February 16

Event Time: 8:00am - 11:00pm daily

Associated Impacts: Market Plaza will be used until 11:45pm on 2-17-26.

[QuiltCon 2026](#)

Raleigh Convention Center & Cabarrus Street

Thursday, February 19 - Sunday, February 22

Event Time: 9:00am - 5:30pm on 2-19-26, 2-20-26, & 2-21-26; 9:00am - 3:00pm on 2-22-26

Associated Road Closures (for load-in & -out only): Cabarrus Street between S. McDowell Street and S. Salisbury Street will be closed from 8:00am until 10:00pm on 2-17-26, 8:00am until 9:00pm on 2-18-26, and 3:00pm until 10:00pm on 2-22-26.

Other Upcoming Events

[Kat Williams](#)

Friday, February 13

Lenovo Center

[Solas – PineCone](#)

Friday, February 13

Fletcher Opera Theater

[Bravo Broadway – NC Symphony](#)

Friday, February 13 & Saturday, February 14

Meymandi Concert Hall

[Miami vs. NC State](#)

Saturday, February 14

Lenovo Center

[Family Fun Day Valentines!](#)

Saturday, February 14

City of Raleigh Museum

[Love Notes the R&B Rewind](#)

Saturday, February 14

Raleigh Memorial Auditorium

[North Carolina vs. NC State](#)

Tuesday, February 17
Lenovo Center

[A Roadmap to Freedom](#)

Wednesday, February 18
City of Raleigh Museum

[Artist Reception: Relevant Material](#)

Thursday, February 19
Block Gallery

[Moonlight & Magnolias](#)

Through Sunday, February 22
Raleigh Little Theatre

[Carmen Suite – Carolina Ballet](#)

Through Sunday, February 22
Fletcher Opera Theater

Public Resources

[Event Feedback Form](#): Tell us what you think about Raleigh events! We welcome feedback and encourage you to provide comments or concerns about any events regulated by the Office of Special Events. We will use this helpful information in future planning.

[Road Closure & Road Race Map](#): A resource providing current information on street closures in Raleigh.

[Online Events Calendar](#): View all currently scheduled events that impact city streets, public plazas, and Dix Park.

New Amplified Noise Ordinance Takes Effect January 2026

The City Council approved a **[new amplified noise ordinance](#)**, which went into effect Jan. 1, 2026. Stadiums, arenas, and outdoor sports or entertainment venues, including amphitheatres, are exempt. Parades, outdoor events, races, festivals, and concerts that receive a permit from the Office of Special Events are also not subject to the ordinance.

Council Member Follow Up

To	City Council
Thru	Ryan Bergman, Assistant City Manager
From	Heather McDougall, Strategy & Innovation Officer
Department	Office of Strategy & Innovation
Date	February 13, 2026
Subject	Council Follow-up Item: January 20, 2026 Work Session Big Ideas Report – Requests for Information

This memo compiles responses from City staff to questions and requests for additional information raised by City Council following the Big Ideas presentation. Each section summarizes the input provided by relevant departments

Transportation

- **Clarify how the GoTriangle Plan aligns with or supports Big Ideas proposals.**

The GoTriangle Commuter Rail study focused on the Greater Triangle Region from Clayton to West Durham. They completed a feasibility study in 2023. The study found the cost of the project to have increased to \$3.2B. At the end of the study, the Durham and Wake County Transit Plans decided to pause any additional work towards that project. The most recent Wake County Transit Plan update has set funding aside towards regional rail projects and has supported advancement of NCDOT’s regional rail projects.

Links:

<https://gotriangle.org/commuter-rail>

<https://gotriangle.org/news/commuter-rail-feasibility-report-released>

- **Provide context on the temporary/closed transit stop referenced by CM Lambert-Melton.**

We would need to reach out to NCDOT Rail Division to better understand their plans and utilization of the station at fairgrounds. CM Lambert-Melton is accurate, the NCDOT Rail Division has improved conditions in recent years for service from western part of NC to the State Fairgrounds but there is not a way

for the train to make a stop in the other direction from Raleigh to State Fairgrounds. The current regional rail S-line focus for NCDOT Rail Division is connection from Raleigh north to Wake Forest and then to Richmond. Transit staff will reach out via email to Rail Division and get their thoughts.

Links:

<https://www.facebook.com/NCDOT/videos/nc-by-train-at-the-state-fair/841997604843496/>

- **Explore Kansas City’s streetcar funding model.**

The Kansas City Streetcar funding model included federal and local funding. Majority of local funding for both capital and operating costs came through the creation of a Transportation Development District (TDD). The TDD included sales tax and special assessments. The federal funding targeted was the Federal Transit Administration (FTA) Capital Investment Grant (CIG) program. This is the same program as our BRT federal funding requests. I did not see anything in the research regarding support from private utilities.

Links:

<https://kcstreetcar.org/faq/kc-streetcar-funded/>

<https://kcstreetcar.org/wp-content/uploads/2023/11/Cost and Financial Strategy Report 2023 05 19.pdf>

<https://kcstreetcar.org/wp-content/uploads/2021/05/Final-TDD-Page-2021.pdf>

- **Summarize passenger capacity in autonomous transit pilots (Arlington, Jacksonville, and similar programs)**

The Jacksonville Autonomous Vehicle fits 9 passengers. The Arlington pilot was through a vendor which equipped passenger vehicles (SUV/Vans) and had a capacity of 4-5 passengers. This has always been a challenge with Autonomous Vehicle projects; majority of Autonomous Vehicle applications fall in the personal people mover capacity and have not been applied to larger mass transit vehicles.

Links:

<https://www.jtafla.com/media-center/press-release/jta-launches-nation-s-first-public-transportation-autonomous-vehicle-revenue-service/>

<https://www.arlingtontx.gov/News-Articles/2023/January/Arlington-RAPID-Expands-Fleet-with-Spacious-Self-Driving-Shuttles>

- **More information on safety considerations versus overall impact of autonomous vehicles (noting personal safety concerns with women)**

this would be a legitimate concern for this type of service. Autonomous Vehicles could be well equipped with cameras and operations to call center services (blue light style). Additionally, most existing pilot projects in the Autonomous Vehicle industry have still included operators or ambassadors riding on the vehicles to enhance the customer and user experience and provide safety and security.

- **Benchmark Brightline’s high-speed rail model in Florida**

The Brightline in Florida is a private high-speed railroad service from Miami to Orlando. They are studying additional extension to Tampa. The first/mile and last/mile model that CM Branch referenced is a private partnership with a vendor to provide door to door booking services for customers riding on the service.

- **Identify opportunities for autonomous vehicle deployment outside downtown areas.**

The example provided was in downtown because of slower speed transportation corridors providing less conflict and more opportunities for Autonomous Vehicle to be successful. Additionally, City of Raleigh would have more control in some of these streets. For applications outside of downtown, it would really come down to the corridor speeds, ownership (NCDOT vs. City of Raleigh), additional conflicts with non-autonomous vehicles. Applications have been more successful in closed control environments.

Engineering (Spong Cities)

- **Share examples of major green stormwater infrastructure (GSI) investments in cities with sewer systems similar to Raleigh.**

A few cities in the US who have made significant GSI investments and who are similar to Raleigh in that they have separate stormwater and wastewater sewer systems include:

- New Orleans, LA: [Stormwater & Green Infrastructure - Home - City of New Orleans](#)
- Tampa, FL: [Sponge City Tampa: Transforming Urban Resilience through Green Infrastructure - The Environmental Blog](#)
- Virginia Beach, VA: [Stormwater Green Infrastructure | City of Virginia Beach](#)

- **Evaluate potential partnership opportunities between RDU Airport and sponge city concepts.**

Stormwater would be glad to coordinate with RDU Airport around Sponge City concept implementation, but we have not done so to date. Other regional partners with whom we have closely coordinated on related projects include:

- Wake County: [Green Stormwater Infrastructure in Wake County](#)
- NC State University: [Biltmore Hills Park Green Stormwater Infrastructure | Raleighnc.gov](#) (joint NCSU/Raleigh Stormwater project)
- NC Museum of Art: [NC Museum of Art Park Stream Restoration | Raleighnc.gov](#) (joint NCMA/Raleigh Stormwater project)

- **Provide baseline stormwater statistics and outline potential benefits of sponge city programs, as referenced by the mayor.**

The Green Stormwater Infrastructure strategic initiative team is working on metrics to best measure the progress for this initiative. The initial focus has been on pollutant reduction metrics such as percent of nutrient capture. Raleigh Stormwater is in the process of developing a citywide pollutant loading model that will measure the progress of this metric, and this tool will be available for use in 2027.

- **Identify “no cost to the city” options for implementing sponge city strategies.**

Options to implement sponge city concepts at no cost to the city include incentivizing private development measures and/or implementing development code requirements. From a floodplain management perspective, the primary “no cost to the City” pathway for sponge city-like investments is through FEMA’s Hazard Mitigation Grant Program (HMGP). HMGP funding is contingent on a federally declared disaster and subsequent FEMA and State approvals, so availability, timing, and scale depend on larger disaster events occurring in North Carolina rather than on local discretionary funding. Other state and federal grant programs may be available for floodplain management and other green stormwater infrastructure measures.