



City of Winston-Salem • PO Box 2511 • Winston-Salem, NC 27102 • CityofWS.org

## NEWS RELEASE

Budget and Evaluation Office

May 26, 2017

Contact: Patrice Toney, 336-747-7090, [patricet@cityofws.org](mailto:patricet@cityofws.org)

### **\$482.2 Million Budget Proposed for 2017-2018**

City Manager Lee Garrity has recommended to Mayor Allen Joines and the City Council a \$482.2 million budget for 2017-18 that would expand city bus service, increase capital spending for updating the aging water and sewer system and raise the pay for police officers and the city's field employees.

The proposed budget allocates \$347 million for operations, \$37 million for debt service and \$98 million for capital improvements. The property tax rate would be 59.74 cents for every \$100 of value, an increase of 1.24 cents.

Overall, the budget supports the strategic focus areas adopted by the mayor and City Council. The investments in water and sewer projects support the goal of a healthy environment, pay raises for police officers and field employees support the goals of service excellence and a safe community, and the bus service enhancements support the goal of providing quality transportation.

The City Council's Finance Committee will begin reviewing the budget June 1 and will hold a public hearing June 8. The City Council is scheduled to hold a public hearing and vote on the budget on June 19. By state law, the council must adopt a budget for 2017-2018 by June 30. The budget would take effect July 1.

The proposed budget is \$40 million more than the current budget. Capital improvements supported by user fees, such as water, sewer and stormwater projects, account for much of this increase. Spending in the general fund, which accounts for most tax-supported services, would only increase by \$5.7 million.

In his budget message, Garrity noted that the reserve fund for the Winston-Salem Transit Authority has been depleted due to a greater number of Trans-Aid trips and expanded bus service hours to meet riders' needs. As a result, the transit authority's operating deficit is projected to double to \$1.76 million by 2020.

At the same time, the Poverty Thought Force cited the need to improve public transportation -- and the access to jobs, education and health care that it enables -- as a key step to reduce poverty in

Winston-Salem. To address these factors, Garrity proposes dedicating 4.98 cents of the property tax rate to the transit fund. This would shore up the reserve fund and allow the transit authority to expand service on nine routes.

To address continuing challenges in retaining police officers in the face of higher salaries elsewhere, Garrity proposes raising officer salaries by 2 percent. This is in addition to the 2 percent increase in officer salaries that will take effect Jan. 1, 2018, as part of a multi-year adjustment the City Council authorized in 2016. In addition, police officers and all other city employees would be eligible for raises ranging from 1.5 to 3 percent, based on performance.

Pay for equipment operators, laborers, inspectors and other field employees would be raised 2 percent in addition to merit raises, to bring their pay closer to the market rate. The city's minimum pay would increase to \$11.25 per hour, up from \$11 an hour this year.

Nine new employees would be added to the city payroll, seven to staff recreation facilities built with the recreation bonds voters approved in 2014, a financial clerk in the utilities division, and an additional fire inspector.

The proposed budget for capital improvements includes \$79.2 million for water and sewer projects and \$3 million for stormwater projects. The capital budget does not include the bond projects that voters approved in November 2014, which were handled in a separate appropriation.

Most user fees would remain the same except for Utilities Division fees: Sewer rates would increase 6 percent, water rates would increase 4 percent and the bimonthly service charge for residential water and sewer service would increase \$1.64. A variety of landfill fees would see minor increases. There would also be a 10 percent increase in bulk container fees.

The proposed budget includes \$656,350 for downtown improvements, financed by the 9-cent levy recommended by the Downtown Winston-Salem Business Improvement District Advisory Committee. The money would be spent in five areas: improving cleanliness, increasing safety, improving marketing, accelerating development and enhancing downtown appearance.

### **How to participate in the budget process**

- Copies of the proposed budget will be available for review at public libraries, city recreation centers and City Hall, 101 N. Main St. Suite 30. The proposed budget will also be posted online at [www.CityofWS.org](http://www.CityofWS.org).
- The City Council's Finance Committee will hold workshops on the budget at 4:30 p.m. June 1, 6 and 12 in the Council Committee Room (Room 239) on the second floor of City Hall. A workshop will be held at 2 p.m. June 13, if needed. These workshops are open to the public but are for the

purpose of allowing council members to study the proposed budget. Citizens may watch these workshops live on WSTV on Spectrum cable channel 13 and AT&T U-verse channel 99 in Forsyth County. WSTV can also be viewed live online at [CityofWS.org](http://CityofWS.org).

- The Finance Committee will hold a public hearing on the budget at 7 p.m. June 8 in the Council Chamber (Room 230) on the second floor of City Hall. This hearing will be televised live by WSTV.
- The Public Safety Committee will review the budgets for the Police, Fire and Emergency Management departments at 6 p.m. June 12 in the Council Committee Room. This meeting will be televised live by WSTV.
- The Public Works Committee will review the budget for the Winston-Salem Transit Authority at 6 p.m. on June 13 in the Council Committee Room. This meeting will be televised live by WSTV.
- The mayor and City Council will hold a public hearing on the budget at 7 p.m. June 19 in the Council Chamber before voting on the budget. This hearing will be televised live by WSTV.

Citizens can also phone in comments about the budget on the city's Citizen Feedback line, 734-1400, or submit comments through a form on the city website.

- end-