

City Council – Action Request Form

Date: June 16, 2025

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Scott Tesh, Budget and Performance Management Director

Council Action Requested:

Consideration of Fiscal Year 2025-2026 Budget-Related Items

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain the City's Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

On May 19, 2025, the City Manager presented his budget proposal for fiscal year 2025-2026 to the Mayor and City Council. The proposed budget totaled \$727.9 million, which included \$528.9 million for operations, \$95.6 million for debt service, and \$103.5 million for capital. The proposed FY 2025-26 tax rate was 57.5 cents per \$100 of assessed value, which is a decrease from FY 2024-25. The Committee of the Whole held three budget workshops and a public hearing before recommending the budget, with changes, to the full City Council for consideration.

Based on feedback from the Committee of the Whole budget workshops, staff recommended \$3.2 million in reductions to the proposed budget, which decreases the proposed tax rate by 0.8 cents to 56.7 cents per \$100 dollars of assessed value. These changes included:

- Reducing proposed compensation adjustments (\$1.8 million in the general fund) to include a 2% cost-of-living adjustment in July and a 2% merit in January, while allocating funding for compensation changes resulting from a compensation update for 1/3 of city positions.
- Reducing fixed route transit services for a savings of \$1.3 million
- Reducing the projected Benton Convention Center operating loss by \$100,000 and likewise reducing general fund support for said operations

Committee

Action

For

Against

Remarks:

Budget highlights include the following:

- Maintaining core service delivery levels established by the Mayor and City Council. The recommended budget maintains all current service delivery levels, other than the recommended reductions to fixed route transit.
- Staying competitive for talent recruitment and retention by providing compensation increases and benefits packages commensurate with market levels.
- Strengthening the City's financial position by eliminating debt payments for equipment acquisition and maintenance projects, which will save taxpayers millions of dollars in interest payments over time.
- Planning for building replacement needs through facility condition assessment studies that will allow staff to make data-driven decisions about which facilities should be renovated and how the City can best deliver the services and amenities that residents want.
- Increasing assistance for persons experiencing homelessness through the creation of an additional outreach position to assist people directly with finding services and housing.
- Continuing to focus on making progress and completing large infrastructure projects including, but not limited to, the multi-use path, downtown street conversions, stormwater projects, street resurfacing for the roads in greatest need, and various improvements at parks and recreation centers.

On June 16, 2025, the Mayor and City Council will consider the following budget-related items:

- **Item G-1:** Annual appropriation/tax levy ordinance for fiscal year 2025-2026, authorizing the City's annual operating appropriations and adopting the property tax rate of 56.7¢ per \$100 of assessed valuation, and a property tax rate of 9.0¢ per \$100 of assessed valuation on property in the Downtown Winston-Salem Business Improvement District
- **Item G-1:** Project budget ordinance for fiscal year 2025-2026, authorizing appropriations for certain special revenue funds, capital projects, enterprise capital projects, internal service capital projects, and capital equipment funds
- **Item G-2:** Motion to Excuse Council Members Andree-Bowen, Hall, and Scippio from Item G-3
- **Item G-3:** Annual appropriation/tax levy ordinance for fiscal year 2025-2026, authorizing the City's annual operating appropriations for anticipated revenues and expenditures related to services provided by REACH Center at Winston Lake YMCA, Kaleideum, Family Services (General Fund), Mixxer Makerspace, the Downtown Winston-Salem Partnership, and Piedmont Triad Regional Council.

- **Item G-4:** Motion to Excuse Mayor Pro Tempore Adams, Council Member Scippio, and Council Member Clark from Item G-5
- **Item G-5:** Annual appropriation/tax levy ordinance for fiscal year 2025-2026, authorizing the City's annual operating appropriations for anticipated revenues and expenditures for the National League of Cities and the North Carolina League of Municipalities
- **Item G-6:** Motion to Excuse Council Member Scippio from Item G-7
- **Item G-7:** Project budget ordinance for fiscal year 2025-2026, authorizing appropriations for expenditures and revenues for federal housing funds to include Community Development Block Grant Fund, HOME Investment Partnership Trust Fund, Supportive Housing Grants Fund, and HOPWA Fund
- **Item G-8:** Resolution approving the capital plan for fiscal years 2025-2026 through 2030-2031 as a financial planning guide
- **Item G-9:** Resolution adopting orders to collect property taxes for the tax year 2025 and previous years, which allows Forsyth County to collect property taxes for the City as outlined in the interlocal agreement
- **Item G-10:** Resolution directing the expenditure of opioid funds to support the Behavior Evaluation and Response (BEAR) team as a criminal justice diversion program
- **Item G-11:** Resolution adopting the User Fee Schedule for the City of Winston-Salem for the fiscal year 2025-2026
- **Item G-12:** Ordinance amending Chapter 74 of the City Code related to streets and sidewalks for user fee changes to special event permits.
- **Item G-13:** Ordinance amending Chapter 75 of the City Code related to stormwater system management for changes to stormwater fees