



City of Winston-Salem City Council  
**Council Agenda Item Summary**

<b>Title</b>	<b>Consideration of Fiscal Year 2026-2027 Annual Appropriation and Tax Levy Ordinance and Project Budget Ordinance</b>
City Council Committee	Committee of the Whole
Staff Lead (Presenter)	Scott Tesh, Budget Director
Department Head	Scott Tesh, Budget Director
City Manager/ACM	W. Patrick Pate, City Manager

**Agenda Item Summary**

Recommended Council Action	Ordinance Approval
Suggested Motion Options	Move to approve the annual appropriation and tax levy ordinance for the City of Winston-Salem, North Carolina for the fiscal year 2026-2027, which sets the tax rate at 58.9 cents per \$100 of assessed value and approval of the project budget ordinance for fiscal year 2026-2027 authorizing multi-year appropriations for various funds.
Strategic Focus Area	Good Government
Strategic Plan Objective	Choose an item.
Anticipated Fiscal Impact	No Material Fiscal Impact

**Summary of Information**

On May 4, 2026, the City Manager presented his budget proposal for fiscal year 2026-2027 to the Mayor and City Council. The proposed budget totaled \$702.5 million, which included \$548.0 million for operations, \$49.7 million for debt service, and \$104.8 million for capital. The proposed FY 2026-2027 tax rate was 59.3 cents per \$100 of assessed value. 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.

The Committee of the Whole voted to reduce the proposed property tax rate increase by 0.4 cents (from 59.3 cents to 58.9 cents), and the following revenue and expenditure changes were made to the budget (all within the general fund):

- The recommended property tax rate of 58.9 cents per \$100 of assessed value generates a reduction of \$1,583,670 in property tax revenues.

- Proposed merit adjustments for all employees were delayed until December 2026, providing an estimated net savings of \$609,570.
- Stormwater fund position corrections were completed totaling \$347,270 in savings to the general fund.
- Public safety phone line charges were cut by \$250,000 (following a review by WSPD eliminating the need for the increase).
- The secondary revenue collection location at the Black Phillips Smith Building was eliminated resulting in expenditure reductions of \$132,000.
- An additional Human Relations analyst-level position was eliminated resulting in expenditure reductions of \$94,830
- Operating revenues at Winston Lake Golf Course were increased by \$150,000 (greens fees and cart fees) based on updated revenue projections.

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.
- Staying competitive for talent recruitment and retention by providing compensation increases and benefits packages commensurate with market levels.
- Increased funding for public safety technology including a \$2.0 million net increase in the Axon contract for police body cameras, real time crime center software, and other law enforcement hardware and applications.
- Significant increases for health care to catch up with increasing health care costs from large claims and GLP-1 medications.
- Continuing to focus on making progress and completing large infrastructure projects including, but not limited to, greenway and sidewalk projects, stormwater projects, street resurfacing for the roads in greatest need, and various improvements at parks and recreation amenities.

Committee Action	
For:	Against:
Remarks:	