



Budget and Performance
Management Department

City of Winston-Salem
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336-727-8000
CityofWS.org

Memorandum

TO: W. Patrick Pate, City Manager
FROM: J. Scott Tesh, Budget Director
DATE: 5/7/2025
SUBJECT: Powell Bill Funding
CC: Camille French, City Attorney
Aaron King, Assistant City Manager
Jeff Fansler, Transportation Director
Keith Huff, Field Operations Director

Powell Bill, or State Street Aid, funding supports City operating and capital costs associated with street maintenance and other eligible expenses. Funding is used both in the general fund and the capital projects fund to support the following activities:

- Paving and Resurfacing
- Streets Maintenance
- Snow and Ice Removal
- Curb and Gutter Installation/Repair
- Bridge Maintenance
- Traffic Control
- Sidewalk Installation/Maintenance

In the fiscal year 2023-24, the City reported \$9,571,852 in Powell Bill eligible expenses, which included annual funding and a use of accumulated fund balance. The vast majority of that funding (\$5.7 million) was used for street resurfacing and bridge repair (Lakeview Drive) to increase the usability of City streets and keep those street segments from becoming impassable. The table below summarizes FY 2023-24 reported expenses.

<u>Expense Categories</u>	<u>Amounts</u>
Paving, Resurfacing, and Bridge Repair	\$5,676,334.54
Street, Sidewalk, and Curb & Gutter Maintenance	1,727,334.64
Vegetation Management Along City Streets	1,637,275.34
Traffic Control and Snow/Ice Removal	530,907.57
Total	\$9,571,852.09

Funding is used for both in-house and contracted work for operations and capital expenditures. A reduction in funding would significantly harm both the City's street resurfacing program and general operations for streets maintenance functions. Under the City's current plan for Powell Bill funding, 58% of the total allocation would be used for contracted street resurfacing, which when applied to the FY 2026 estimated funding amounts is \$5,073,144. At an estimated average cost of \$156,000 per mile, this amount would fund 33 miles of contracted street resurfacing annually. The remainder of the funding is used for other operational maintenance and in-house resurfacing activities.

YOUR LINK TO CITY SERVICES



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City Council: Mayor Allen Joines; Denise D. Adams, Mayor Pro Tempore, North Ward; Barbara Hanes Burke, Northeast Ward; Robert C. Clark, West Ward; Vivian V. Joiner, South Ward; Regina Ford Hall, Northwest Ward; Scott Andree-Bowen, Southwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: W. Patrick Pate

The loss of \$8.7 million dollars annually in Powell Bill funding, which is used to support maintenance and rebuilding of City streets, would drastically affect the City's ability maintain and repair City streets that are not a part of the State highway and road system. In addition to the loss of more than 30 miles of contracted resurfacing, the reduction in funds would remove support for numerous City work crews in our Transportation, Field Operations, and Vegetation Management Departments. The City Council would be faced with the choice of reducing these City services or further burdening taxpayers with an additional 2.2 cents increase to the local property tax rate.

Powell Bill funds have supported city streets maintenance and repair efforts since the inception of the program in 1951. Any reduction in State funding, or change in State law that affects funding, requires the City to either cut services or raise additional local resources. In this case, the loss of these funds for two years would result in either an additional tax burden of nearly \$18 million or cutting \$18 million worth of City services from the FY 2026 and FY 2027 budgets.