

MEMORANDUM

July 15, 2008

TO: Mayor Bellamy and City Council Members

FROM: Gary W. Jackson, City Manager

SUBJECT: 2008-09 Annual Budget

I am pleased to present you with a copy of the 2008-09 Adopted Annual Budget. This document, which was prepared by the City's Budget & Research Division, reflects the City's overall budget plan and policies as approved by City Council for the upcoming fiscal year.

The Fiscal Year 2008-09 Annual Operating Budget was formally presented to City Council on May 13, 2008. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on May 30 and June 6, 2008. City Council conducted a public hearing on the proposed budget on June 10, 2008. The Fiscal Year 2008-09 budget is balanced with a tax rate of \$0.42 per \$100 of assessed valuation, which represents no change from the previous fiscal year. All essential City programs and services are maintained.

The net proposed operating budget presented to City Council on May 13 totaled \$135,406,757, which included a General Fund appropriation of \$88,865,552. At the June 17 budget worksession, Council requested that staff make the following additions to the proposed General Fund budget:

- \$10,000 to fund the Each One Reach One program, a summer basketball program for two hundred-fifty youth up to age 21 years, with a year-round mentoring and tutoring component;
- \$50,000 for regional economic development initiatives;
- \$13,092 to fully fund the City Council training allocation proposed by staff.

In order to fund these changes, staff appropriated revenue from the Huntington Chase annexation area, which became available as a result of the legal challenge to this annexation being recently resolved in the City's favor. The Huntington Chase area will become part of the City in July 2008. Total revenue from this annexation is estimated at \$80,000. Staff budgeted this \$80,000 in additional revenue to cover the \$73,092 in costs added to the budget on July 17 and placed the remaining \$6,908 into a contingency account.

The net result of these changes increased the adopted operating budget to \$135,486,757, and the adopted General Fund appropriation to \$88,945,552. The FY 2008-09 budget numbers and all narrative in this document reflect the budget as adopted by City Council on June 24, 2008. By policy, however, the City Manager's Budget Message is included as it was presented with the Proposed Budget on May 13, 2008.