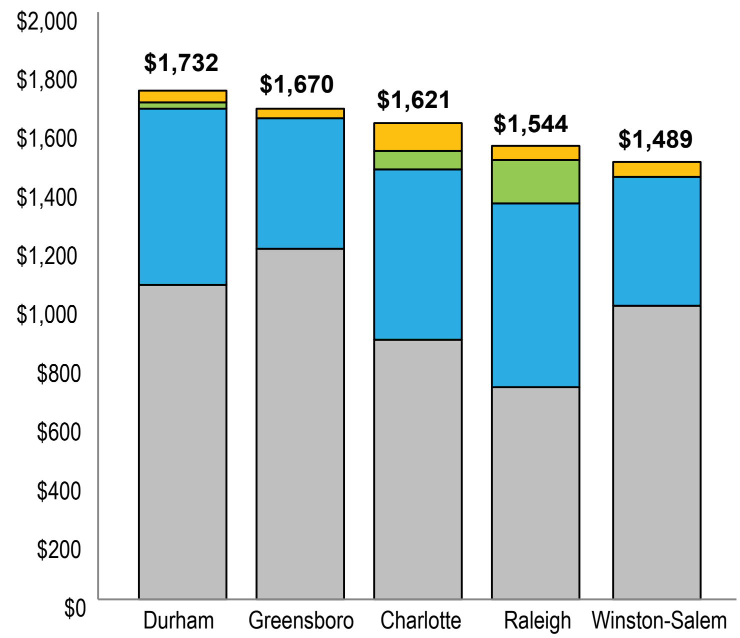
2013-2014 Adopted Budget Highlights

HIGHLIGHTS OF THE ADOPTED BUDGET:

- ❑ No new user fees; increased fees for water and sewer service, cemetery plots & grave openings, weeded-lot violations, and building inspections to better reflect the cost of services; increased fees for parking violations.
- ❑ Investments in labor-saving automated garbage and leaf-collection trucks, fuel-saving hybrid buses and automated vehicle locators to improve service routes and save fuel.
- ❑ Fifty-two city jobs cut, including 28 jobs related to the sale of LJVM Coliseum and Bowman Gray Stadium.
- ❑ New Sunday service for Trans-Aid and select bus service routes from 7:00 a.m. - 7:00 p.m.
- ❑ Grants to community agencies cut by 2%.
- ❑ City employees eligible for 1.5% - 3% merit-based pay increase.
- ❑ Fire Department will no longer respond to certain non-life threatening EMS calls.
- ❑ $32.5 million for water, sewer, and stormwater management projects.

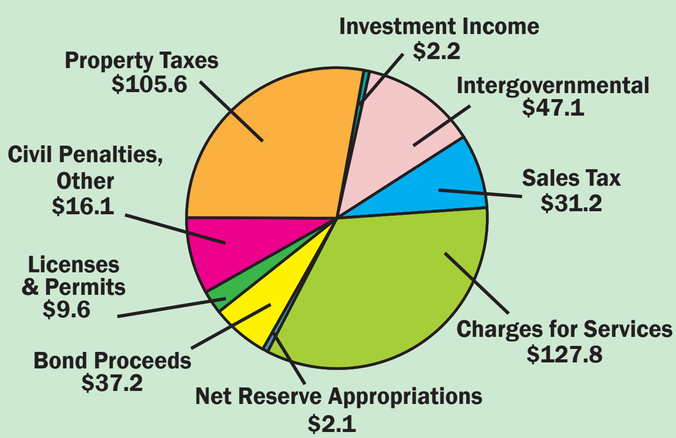
Adopted Customer Costs for Municipal Services FY 2013-14



* Based on $188,755 home value
** Based on 4,500 gallons or 6 CCF per month

Compiled by the City of Raleigh Office of Management and Budget

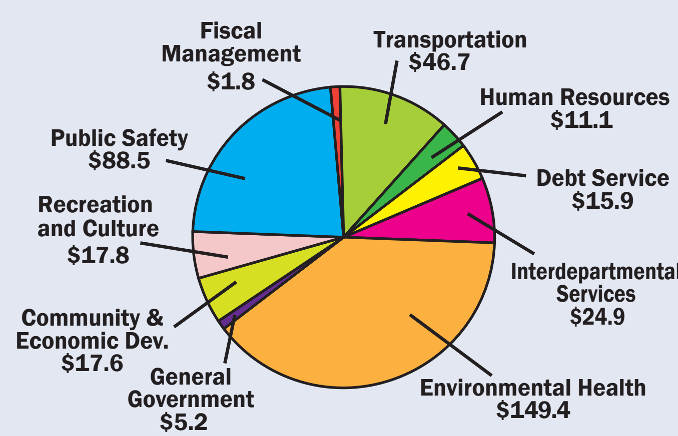
WHERE THE MONEY COMES FROM



Total: $378.9 Million

* figures shown in millions

WHERE THE MONEY GOES



Total: $378.9 Million

For more information visit www.CityofWS.org

The Great Recession and the Tax Rate

Understanding the tax base, a "revenue-neutral" tax rate, and your city property tax

Understanding the tax base

The amount of money the city brings in through property taxes depends on the size of the tax base, which is the total value of all property in the city. This value is adjusted every four years by the Forsyth County Tax Office to account for changes in the value of property.

The tax base for the 2012-13 budget year was $21.7 billion. This value reflected the value of property in Winston-Salem when it was calculated in 2009. This year the tax office conducted its periodic revaluation. Because the recession has depressed housing prices, the tax base shrank to $19.7 billion.

The Mayor and City Council adopted a budget for 2013-14 of $378.9 million. Of this, $105.6 million (a little over a fourth) would come from property taxes, including $3.2 million in prior-year collections and a one-time change in motor vehicle tax collections

What is a revenue-neutral tax rate?

A revenue-neutral tax rate is one that brings in the same total amount of property taxes when there is a change in the tax base.

When property values increase and raise the tax base, the tax rate drops so that the amount of money brought in through property taxes stays the same. This is what happened after the 2009 property revaluation. The city tax rate dropped to 46.75 cents from 49 cents for every $100 in value.

With the latest revaluation, many properties lost value and the tax base is lower. To bring in the same amount of property taxes (a revenue neutral rate) the city should set the tax rate at 54.25 cents.

The adopted tax rate of 53 cents will actually bring in $2.4 million less in property taxes.

YEAR	CITY TAX RATE		CITY TAX BASE		CITY TAX REVENUE
2012-13	49.1	X	$21.7 billion	=	$104.2 million
"Revenue Neutral" 2013-14	54.25	X	$19.7 billion	=	$104.7 million*
Adopted 2013-14	53.0	X	$19.7 billion	=	$102.3 million

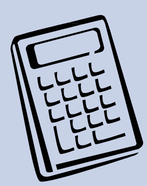
* The "revenue-neutral" figure includes a factor required by state law for growth in the tax base.

How does this affect your city property tax?

The amount of your city property tax for FY 13-14 will depend on how revaluation affected your property value. Anyone whose property value declined by 8 percent or more would pay less in city property taxes. More than 60 percent of city property owners fall into this category.

How the change in property values would affect a house previously valued at $100,000

2012-13 VALUE	2013-14 VALUE	CHANGE	2012-13 CITY TAX	ADOPTED 2013-14 CITY TAX
$100,000	$100,000	0 %	$491	$530
$100,000	$95,000	-5%	$491	$504
$100,000	$92,000	-8%	$491	$488
$100,000	$90,000	-10%	$491	$477
$100,000	$70,000	-30%	$491	$371



How to calculate the change in your property value

1. Determine your new tax value (found in your revaluation notice from the tax office) and your previous tax value (found on this year's tax bill, or look up online).
2. Using a calculator, subtract your previous tax value from your new tax value. Don't worry if the previous value is higher.
3. Divide the difference by your previous tax value.
4. Multiply this number by 100. This is the percentage change in your value. If it is a negative number, your tax value has gone down by this percentage. If it is a positive number, it has gone up.