

North Carolina Public Service Workers Union

Willie Brown
President



William Young
Vice President

Bo Ferguson
City Manager
City of Durham
101 City Hall Plaza
Durham, NC 27701

May 27, 2026

Greetings City Manager Ferguson,

We appreciate the careful balancing act reflected in your recent FY2027 budget proposal. We recognize that the City entered this budget cycle facing a nearly \$20 million shortfall, requiring many difficult decisions and tradeoffs.

We also recognize the critical increase of the minimum wage to \$25.09 per hour, a request our union has been making the last few years.

However, after reviewing the proposal, our members are deeply concerned that amid the rising costs of housing, food, healthcare, and transportation, the proposed 2% raise amounts to a real pay cut. Many employees commute long distances each day to serve the City, with fuel costs alone placing a significant strain on household budgets. Unlike some sectors of the workforce, our members do not have the option to work remotely and must bear these increasing expenses simply to report to work and provide essential services.

Our union has worked collaboratively with your office over the past several years to restore the 5% Step Pay Plan after it remained dormant for three years during the COVID pandemic. That plan proved successful in supporting and retaining General Step employees, and we respectfully ask that it be funded again this year. In the absence of a new Compensation and Classification Study, we believe it is premature and unjustified to alter the existing pay plan structure.

Last night at our membership meeting our members voted to urge you to consider the following sources of money to fully fund the 5% step plan for General Step employees this year:

1. **\$798 Million in Capital Improvement Plan.** Instead of prioritizing contract work, we believe portions of this work could be delayed a year, or in-sourced back to city workers.
2. **Fund Balance** - This budget appropriates \$2.2M from fund balance, which is a decrease of \$4.1M from FY 2025-26. The City is projected to have a 18.99% general fund reserve at the end of FY 2025-26. This reserve is crucial to safeguard against economic uncertainty or emergency conditions. State law requires Unassigned Fund Balance ("UFB") in an amount no less than the greater of 16.7% . The 2% difference is \$18.8 Million. The City could decrease fund balance by 0.5% to fund General Step pay increases.
3. **Implement Bus fare** - A minimum fare of \$.50 or \$1 per ride could generate money. We could capture this revenue, while also creating a voucher system for neighbors who need free rides, like those going to appointments for governmental services. For instance, there are counties in NC that have provided bus passes automatically to residents on food stamps.

Lastly, the increase to \$25.09 for the city's lowest wage earners will also create incredible wage compression. This wage compression will create tensions in the workplace that can be partially avoided by maintaining the 5% step increases for everyone this year.

We would like to request a meeting with you at your earliest convenience before the June 1 budget hearing to discuss these proposals and hear your feedback.

Yours for quality jobs and quality services,



Willie Brown, President
UE Local 150, North Carolina Public Service Workers Union

CC. Mayor Williams and City Council members