

**TOWN OF KNIGHTDALE  
ANNUAL OPERATING BUDGET ORDINANCE**

BE IT ORDAINED by the Town Council of the Town of Knightdale, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and charges schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2009 and ending June 30, 2010:

SUMMARY	
General Fund	\$9,045,100
Special Revenue Fund	\$172,931
General Capital Reserve Fund	676,993
Utility Fund	1,052,610
Total	\$10,947,634

Section 1. General Fund	
Anticipated Revenues By Category-	
Ad Valorem Taxes	\$4,636,936
Other Taxes	165,342
Unrestricted Intergovernmental Revenues	2,213,497
Restricted Intergovernmental Revenues	273,258
Permits and Fees	166,669
Sales and Service	968,482
Investment Earnings	63,486
Miscellaneous Revenues	192,737
Fund Balance Appropriated	152,243
Debt Issuance	212,450
Total	\$9,045,100

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Authorized Expenditures By Department-	
Administration	\$340,033
Legislative	336,233
Finance	516,026
Planning	430,015
Police	2,084,248
Fire	952,581
Public Works	1,722,652
Engineering	189,096
Parks & Recreation	907,635
Transfer to CP&I	257,761
Contribution to CIP	225,108
Transfer to Spec. Revenue Fd	10,000
Debt Service	810,920
Capital Outlay (items over \$10,000)	212,450
Non Departmental	50,342
Total	<u>\$9,045,100</u>

Section 2. Special Revenue Fund

Anticipated Revenues By Category-	
State Grant	\$7,500
State PEG Channel Support	80,000
Federal Grant	66,931
Private Contributions	7,500
General Fund Contribution	10,000
Miscellaneous	1,000
Total	<u>\$172,931</u>

Authorized Expenditures

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East Wake TV Special Revenue Fund	\$81,000
Short-Term Suspension Program Fund	91,931
Total	\$172,931

Section 3. General Capital Reserve Fund

Anticipated Revenues By Category-

Restricted Motor Vehicle Revenues	\$70,000
Transportation Fees	55,000
In Lieu of Streets	5,000
In Lieu of Recreation	10,000
Interest	20,000
Contribution from General Fund	225,108
Appropriated Fund Balance	291,885
Total	\$676,993

Authorized Expenditures

Contribution to Fund Balance	\$330,108
Transfer to CP&I, Knightdale Activities	291,885
Transfer to CP&I, Infrastructure Reimbursements	55,000
Total	\$676,993

Section 4. Utility Fund

Anticipated Revenues By Category-

Permits and Fees	\$489,300
Contribution from City of Raleigh	563,310
Total	<u>\$1,052,610</u>

Authorized Expenditures

Transfer to City of Raleigh	\$332,800
Infrastructure Reimbursements	156,500
Debt Service	563,310
Total	<u>\$1,052,610</u>

Section 5. Levy of Taxes

There is hereby levied, for Fiscal Year 2010, an Ad Valorem Tax Rate of 40¢ per one hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of January 1, 2009, for the purpose of raising the revenue from Ad Valorem Taxes as set forth in the foregoing estimates of revenues, and in order to finance the foregoing applicable appropriations. This rate of tax is based on an estimated assessed valuation of \$1,162,100,000.

Section 6. Fees and Charges

There is hereby established, for Fiscal Year 2010, various fees and charges as contained in Attachment A located in the appendix section of this document. Utility fees that may be collected on behalf of the City of Raleigh are also located in Attachment A.

Section 7. Restrictions On Budget Officer

Interfund and interdepartmental transfer of moneys, except as noted in Section 8 and 10, shall be accomplished only with specific advanced approval of the Knightdale Town Council.

The Budget Officer shall not be authorized to charge expenditure against a contingency without advanced approval of the Knightdale Town Council.

Section 8. Special Authorizations Of the Budget Officer

- A. The Budget Officer shall be authorized to reallocate any appropriations within departments.
- B. The Budget Officer shall be authorized to execute interfund and interdepartmental transfers in emergency situations. Notification of all such transfers shall be made to the Town Council at its next meeting following the transfer.
- C. The Budget Officer shall be authorized to effect interdepartmental transfers in the *same fund*, not to exceed 10 percent of the appropriated monies for the department whose allocation is needed.

Section 9. Classification and Pay Plan

No cost-of-living raises are budgeted for all Town officials and employees for Fiscal Year 2010

There is hereby established, for the Fiscal Year 2010, certain positions, job titles and salary ranges for all authorized Town employees, as contained in Attachment B. The Town Manager is hereby authorized to fill such positions, when such are vacant, at the grade stated for each position and within the first twenty steps. The Town Council shall approve any deviation in advance.

There is hereby established, for the Fiscal Year 2010, certain temporary positions, job titles and salary ranges, as contained in Attachment C. The Town Manager is hereby authorized to fill such positions, when such are vacant, at the grade stated for each position.

Section 10. Re-appropriation of Funds Encumbered in Fiscal Year 2010.

Operating funds encumbered on the financial records as of June 30, 2009 are hereby re-appropriated to Fiscal Year 2010.

Section 11 Expected Spending in Capital Projects and Improvement Fund

The Town's Capital Improvement Plan continues to become a more realistic guide and plan for municipal capital projects. During Fiscal Year 2009, certain capital improvement activities over \$50,000 were reclassified from the General Fund to this fund. The goal is to show more operational expenses more clearly in the General Fund and to show those infrequent but significant projects/activities together. During Fiscal Year 2010, the following projects and initiatives are expected to be active. Note that the amounts cited below are the best estimates of spending for the respective projects.

The Fire Department is expected to make a purchase of a used ladder truck, funded mostly from a federal grant, \$453,000. The Engineering Department is reviving the dormant First Avenue sidewalk, curb and gutter improvements first envisioned nine-years ago. No one estimate on this is better than the others. Knightdale is expected to move forward with the tree planting and landscaping to create a “Gateway” to Knightdale at the I-540 and Knightdale Boulevard interchange, \$205,000. The Towns of Knightdale, Wendell, Zebulon and Rolesville are expected to approve the construction of a studio building behind the Knightdale Town Hall, \$123,500. In late summer 2009, work is expected to begin in earnest for the Hodge Road Siphon. \$2,300,000. This will increase sewer capacity in the area and reduce the energy needed to send the sewage across the Neuse River to the Raleigh pipeline.

#### Section 12. Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Knightdale municipal government during the 2008-2009 fiscal year. The Budget Officer shall administer the Annual Operating Budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget.

#### Section 13. Funding of General Capital Reserve Fund.

- (1) Following the delivery of the audited financial statements to the Town Council, the finance director will calculate the fund balance available for appropriation in the General Fund (FBA). FBA is defined as the sum of cash and investments less the liabilities of the General Fund, less the Reserve for Encumbrances at year end, and less any Deferred Revenues arising from cash receipts, e.g. prepaid taxes or grants received before earned. The finance director will divide that amount by the sum of General Fund expenditures and General Fund transfers to other funds, less the proceeds of installment debt. If the resulting percentage is over 40%, the finance director will determine the difference between the FBA% and what the FBA would have been at 40%. That difference will be transferred to the General Capital Reserve Fund for future capital needs.
- (2) Additionally, the amount calculated by the finance director to equal two cents of the tax rate shall be transferred the General Capital Reserve Fund for future capital needs. This amount is determined as (i) the estimated tax base for the coming year, (ii) less an allowance for uncollected taxes, (iii) divided by \$100, (iv) multiplied by \$0.02. This amount will be identified as “General Fund Contribution to CIP.”
- (3) It shall be the policy of the town to place the proceeds of the sale of assets and “windfall” income, unbudgeted or unexpected revenue, from any source into the General Capital Reserve Fund for future capital needs when such amounts exceed \$100,000.
- (4) Transfers to the General Capital Reserve Fund shall be made on or before January 1 each year by the finance director.

The Finance Director shall establish and maintain all records, which are in consonance with this ordinance, and the appropriate state statutes of the State of North Carolina.

Adopted this the 17<sup>th</sup> day of June 2009.

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Ren E. Wiles, Finance Director

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Russell B. Killen, Mayor