



Fiscal Year (FY)2025-26

Proposed Operating and Capital Improvement Plan Budget

Budget Work Session

May 13, 2025

Agenda

- Budget Process
- Major Revenue Sources:
 - ✓ Ad Valorem Tax – proposed rate
 - ✓ Sales Tax
- Personnel Investments
- Stormwater
- Major Capital Investments
- Debt
- Fund Balance
- Next Steps



Collaborative Budget Process



Ad Valorem Tax rate - PROPOSED

- Our goal is to adopt a budget that meets organizational goals and ensures service continuity, while reducing costs to our citizens wherever feasible.
- Significant considerations are:
 - Competition for limited personnel resources
 - Continued high costs of goods and services
 - Supply-chain delays
 - Continued population influx to Knightdale
- FY26 General Fund Proposed Budget = \$40,490,492
- FY26 Tax Levy = \$20,383,824
- **Recommended FY26 Ad Valorem Tax Rate = \$0.44**

FY26 Budget

| | | \$0.44 |
|---------------------------|----|------------|
| Revenues | \$ | 40,490,492 |
| Expenditures | | 40,490,492 |
| Fund Balance Appropriated | | - |



Fund Balance History

| | Budgeted | Used |
|------|--------------|--------------|
| 2020 | \$ 1,281,211 | \$ (185,182) |
| 2021 | 769,662 | - |
| 2022 | 1,646,198 | - |
| 2023 | 2,452,433 | - |
| 2024 | 1,400,697 | - |

How Will The Tax Dollar Be Spent?



All Other
Services
\$0.25

Police
\$0.22

Fire
\$0.22

Public
Works
\$0.14

Rec
\$0.07

Debt
\$0.10

Wake County Municipalities – Ad Valorem FY 2026 - Tax Rate Proposals

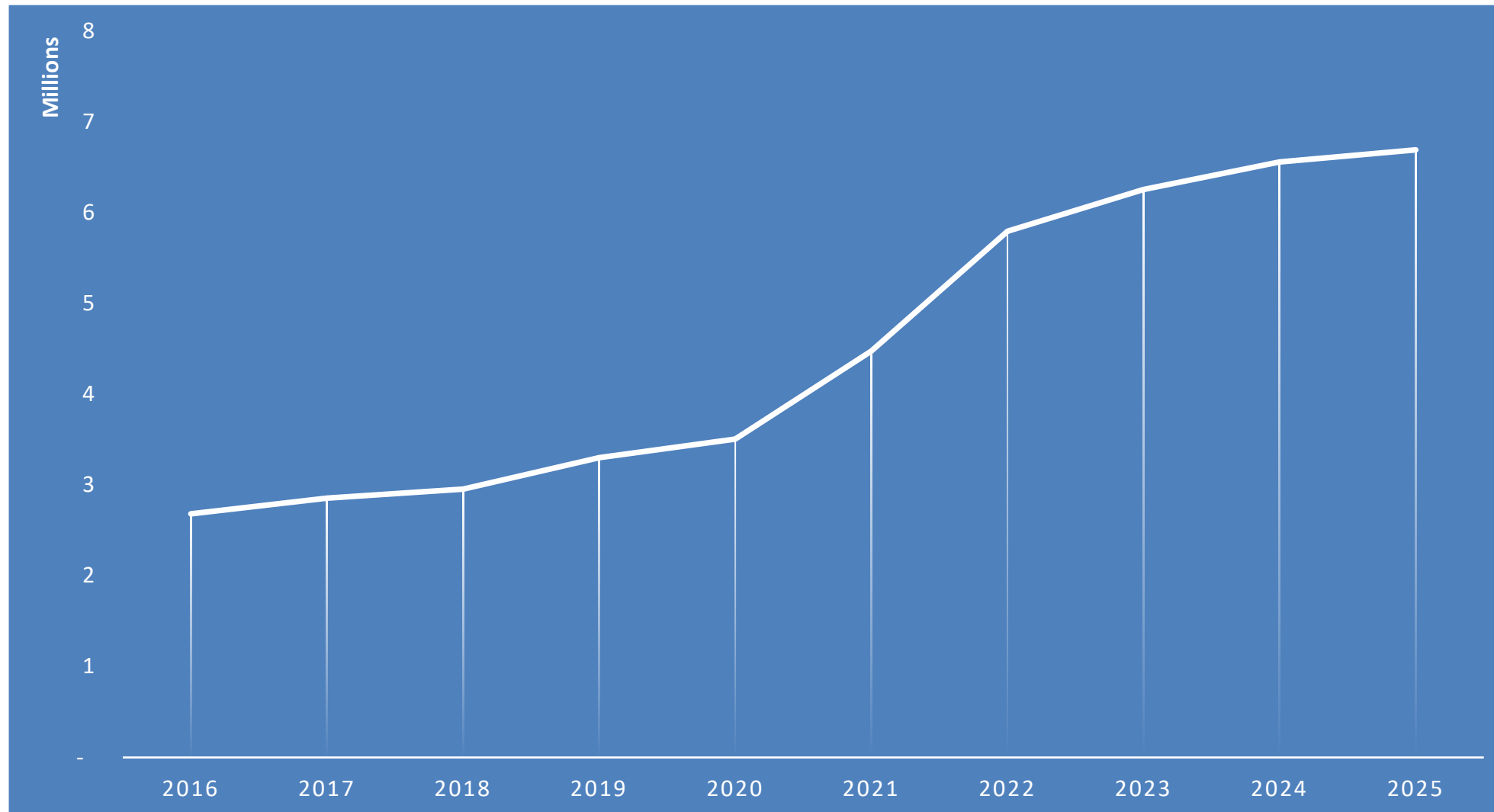
| Municipality | Proposed Tax Rate | Current Tax Rate | Change |
|---------------|----------------------|---------------------|----------|
| Apex | \$ 0.365 | \$ 0.340 | \$ 0.025 |
| Cary | 0.340 | 0.325 | 0.015 |
| Fuquay-Varina | 0.358 | 0.358 | - |
| Garner | 0.520 | 0.520 | - |
| Holly Springs | N/A | 0.3435 | N/A |
| Knightdale | 0.440 | 0.440 | - |
| Morrisville | N/A | 0.350 | N/A |
| Raleigh | N/A | 0.355 | N/A |
| Rolesville | 0.400 | 0.400 | - |
| Wake Forest | 0.420 | 0.420 | - |
| Wendell | 0.420 | 0.420 | - |
| Zebulon | N/A | 0.577 | N/A |

Wake County Proposed
Tax Rate – **\$0.516**
(\$0.025 increase)

Wake County Municipalities – Ad Valorem 5-Year History

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Angier | 0.4900 | 0.4900 | 0.4900 | 0.5300 | 0.5300 |
| Apex | 0.3400 | 0.4400 | 0.4100 | 0.3900 | 0.3800 |
| Cary | 0.3250 | 0.3450 | 0.3450 | 0.3450 | 0.3500 |
| Clayton | 0.6500 | 0.6000 | 0.6000 | 0.5800 | 0.5800 |
| Fuquay Varina | 0.3580 | 0.4550 | 0.4250 | 0.3950 | 0.3950 |
| Garner | 0.5200 | 0.6270 | 0.5521 | 0.5121 | 0.4971 |
| Holly Springs | 0.3435 | 0.4216 | 0.4216 | 0.4216 | 0.4216 |
| Knightdale | 0.4400 | 0.4500 | 0.4500 | 0.4200 | 0.4200 |
| Morrisville | 0.3500 | 0.3900 | 0.3900 | 0.3600 | 0.3600 |
| Raleigh | 0.3550 | 0.4330 | 0.3930 | 0.3730 | 0.3552 |
| Rolesville | 0.4000 | 0.4600 | 0.4600 | 0.4600 | 0.4600 |
| Wake Forest | 0.4200 | 0.5050 | 0.4950 | 0.4950 | 0.4950 |
| Wendell | 0.4200 | 0.4700 | 0.4700 | 0.4700 | 0.4700 |
| Zebulon | 0.5770 | 0.5750 | 0.5750 | 0.5500 | 0.5500 |

Sales Tax Distribution



- ❖ Retail sales slowing, except for grocery sales reflecting inflation
- ❖ Affects of Federal level decisions
- ❖ Other inflationary affect on consumer goods

Note: 2025 projected based on collections through April 2025

Personnel Investments

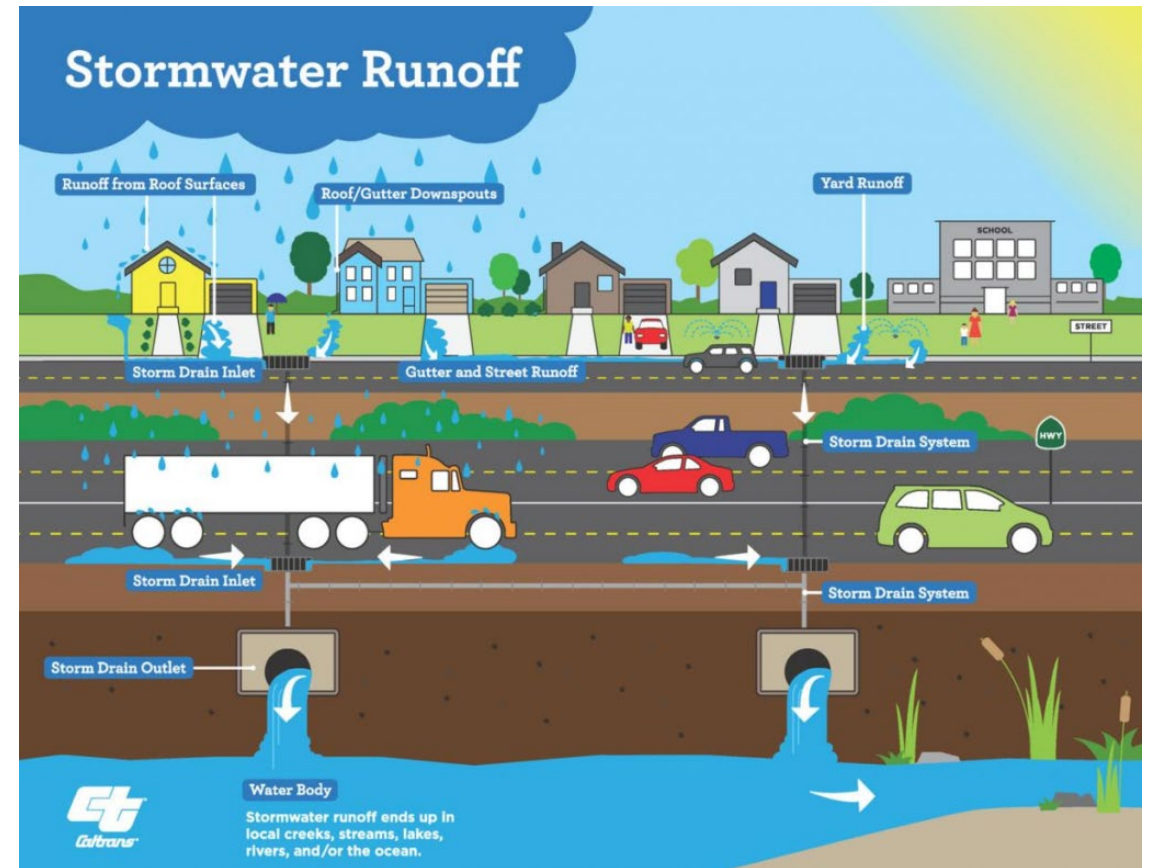
- 20 new positions created
- 7% workforce growth (targeting 23% growth over next 3 fiscal years)
- 3% COLA (Cost of Living Adjustment) created (includes elected officials and limited-service staff)
- Merit funding up to a maximum of 4% (for full-time staff)
- Benefit Increases:
 - Retirement:
 - *General Employees from 13.60% to 14.35%*
 - *LEOSSA from 15.10% to 16.10%*
 - Health Insurance costs increase - 4.4%
 - Monthly insurance credit increasing from \$700 to \$750 to fully cover employee-only benefits, reinforcing our investment in employee wellbeing.

New Positions:

- ✓ Community Relations (1)
- ✓ Development Services (2)
- ✓ Fire (9)
- ✓ Human Resources (1)
- ✓ Parks and Recreation (1)
- ✓ Public Works (2)
- ✓ Police (4)

Stormwater Fund

- No change stormwater rate
 - \$6.75 flat fee
- Major projects:
 - Poplar Street Stormwater Improvements
 - Breckenridge Stormwater Improvements
 - KSP Stormwater Control Measure (SCM) Rehabilitation
 - Forest Drive Stormwater Improvements
- FY 2024 Ending Fund Balance - \$3.1M



Major Capital Projects

\$15.7 million investment



| Project | Status |
|---|---------------------------------|
| Law Enforcement Center* | Construction initiated in FY25 |
| Knightdale Blvd. & Old Knight Road Pedestrian Improvements* | Construction initiated in FY 25 |
| Fire Engine and Ladder Truck* | New Project |
| Widewaters Extension Railroad Bridge - Design | New Project |

**Town of Knightdale Strategic Priority*

CIP Program

General Fund Unrestricted – \$2,601,500

- ✓ Public Art*
- ✓ Zero Turn Mower – Replacement
- ✓ KSP Sign Replacement/Clock Tower*
- ✓ Vehicle Replacements
- ✓ Community Pool Restrooms
- ✓ Knightdale Elementary School Field Lights
- ✓ Office Space at KSP Field

- ✓ New Vehicle:
 - Community Relations
 - Police
 - Fire
 - Parks and Recreation
- ✓ Street Paving and Sidewalk Projects
- ✓ Spreader and Snow Plow (Streets)

**Town of Knightdale Strategic Priority*

CIP Program

Powell Bill - \$400,000

- ✓ Powell Bill Repaving Program

Stormwater Fund - \$1,730,000

- ✓ KSP SCM Rehabilitation
- ✓ Poplar St. Improvements
- ✓ Breckenridge Dr. Improvements
- ✓ Forest Dr. Improvements
- ✓ 2 regional stormwater studies

Unfunded Equipment, Projects, Programs and Initiatives

Unfunded Requests – \$1.61 million

| | |
|-------------------------------------|--------|
| ✓ Old Knight Road Lighting Project | \$ 30k |
| ✓ KSP Field III Lights | \$275k |
| ✓ Night Vision Equipment | \$ 48k |
| ✓ Bucket Lift Slide Attachment | \$160k |
| ✓ Fire Station IV Awning | \$ 18k |
| ✓ PW Private Office Construction | \$150k |
| ✓ Refurbishment of Mack Pumper | \$ 35k |
| ✓ PW Light Duty Vehicle Replacement | \$ 67k |

| | |
|------------------------------------|--------|
| ✓ Knightdale Blvd Lighting | \$ 50k |
| ✓ KES Field III Lights | \$295k |
| ✓ P&R Inventory & Maintenance Plan | \$ 55k |
| ✓ Station III Exterior Upfit | \$165k |
| ✓ Skate Park Design | \$ 25k |
| ✓ Electric Motorcycle (Police) | \$ 38k |
| ✓ SW Team Deployment Tent | \$ 20k |
| ✓ Dog Park Lights and other | \$180k |

Planned Debt Issuance

- ✓ New Vehicle – Public Works (1)
- ✓ New Vehicle – Police (4)
- ✓ Replacement Vehicles – Police (5)

- ❖ Amortized over 5 years
- ❖ Estimated interest rate – 5.25%
- ❖ Estimated annual debt service - \$170k

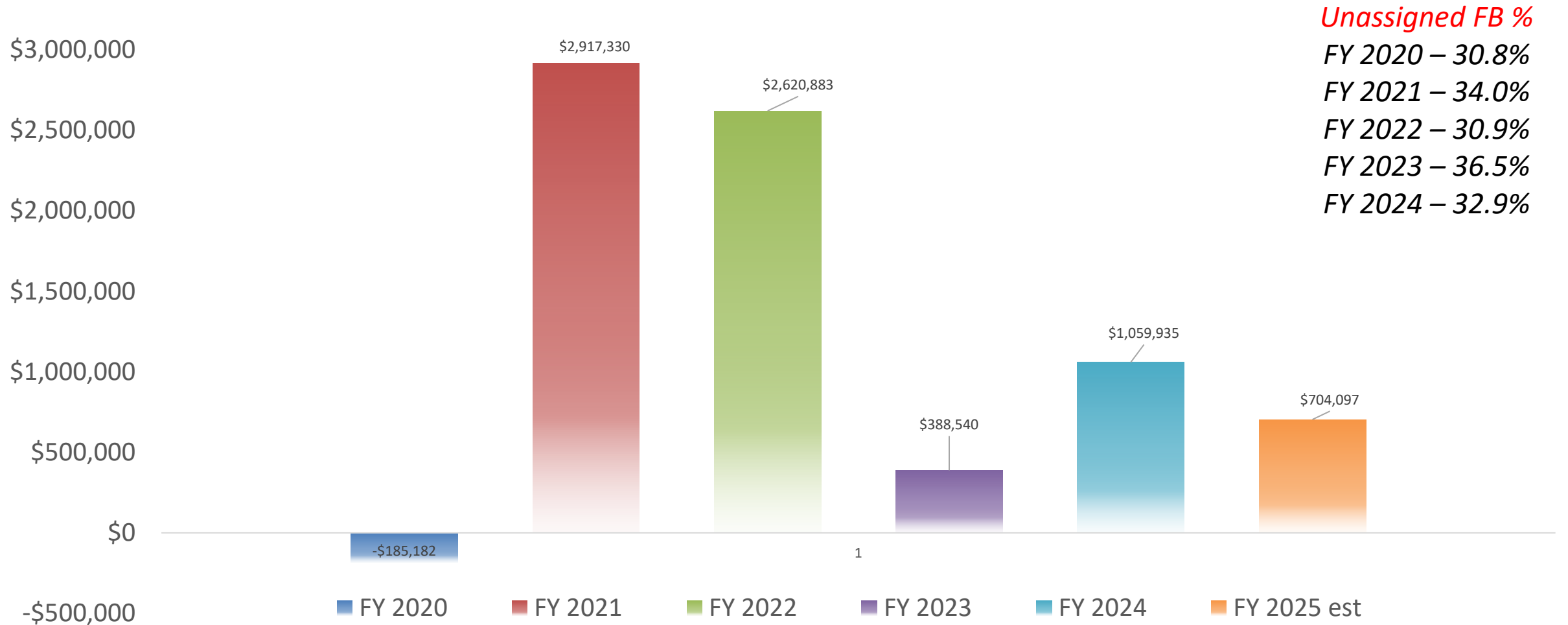
****Note: Planned debt issuance for Fire Engine and Ladder Truck; already on order – delivery not expected until next summer - \$3.3M***

Debt Position

Net Debt to Total Assessed Valuation



Change in General Fund - Fund Balance



FY26 Budget Tradeoffs

| Positive | | Negative |
|--|---|---|
| No property tax increase | New vehicle / replacement program | Increased solid waste and recycling fees |
| No fund balance allocation | Public art partnership with the United Arts Council | Sustainability plan needs further consideration |
| 100% of strategic goals supported | Annual street paving program | |
| All critical operational needs meet | Centennial clock tower | |
| Meets current employment forecast / 20 new positions | Community pool renovations | |
| \$2.6 million in CIP | KES field lights | |
| New ATM position / CFO | New office at KSP | |
| New Law Enforcement Center | Fully funded stormwater program | |
| New facility for HR and Finance Staffs | Major pedestrian improvements | |
| 2 new fire apparatus (tiller and engine) | Supports Vision Zero commitment | |
| Professional dev. / succession programs | | |

Next Steps

- May 13, 2025 Recommended Budget presentation to Town Council
- May 21, 2025 Recommend Budget Town Council follow-up/discussion (if needed)
- June 02, 2025 Public Hearing held on FY 2026 Recommended Budget
- June 18, 2025 Town Council Adoption of FY 2026 Budget
- July 1, 2025 New Fiscal Year



Questions & Discussion

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