



KNIGHTDALE

start something

Town of Knightdale North Carolina

**Proposed Annual Balanced Budget
Per The Local Government Budget & Fiscal Control Act
NCGS 159-8**

**For the Fiscal Year Ending
June 30, 2021**



FY21 Budget Unique Conditions

- Fire Department Consolidation with Eastern Wake Fire-Rescue Department on July 1, 2020
- Knightdale Fire Department Expansion
- Tax Revaluation Year
- Unknown economic conditions related to COVID-19 pandemic



FY21 Annual Operating Budget

(All Funds)

	Revenues & Other Sources	Expenditures & Other Uses
General Fund	\$20,180,902	\$20,180,902
Storm Water Fund	1,029,878	1,029,878
Capital Reserve Fund	917,500	917,500
Water & Sewer Fund	153,239	153,239
Total All Funds	\$22,281,519	\$22,281,519



FY21 Annual Operating Budget

(General Fund and Storm Water Fund)

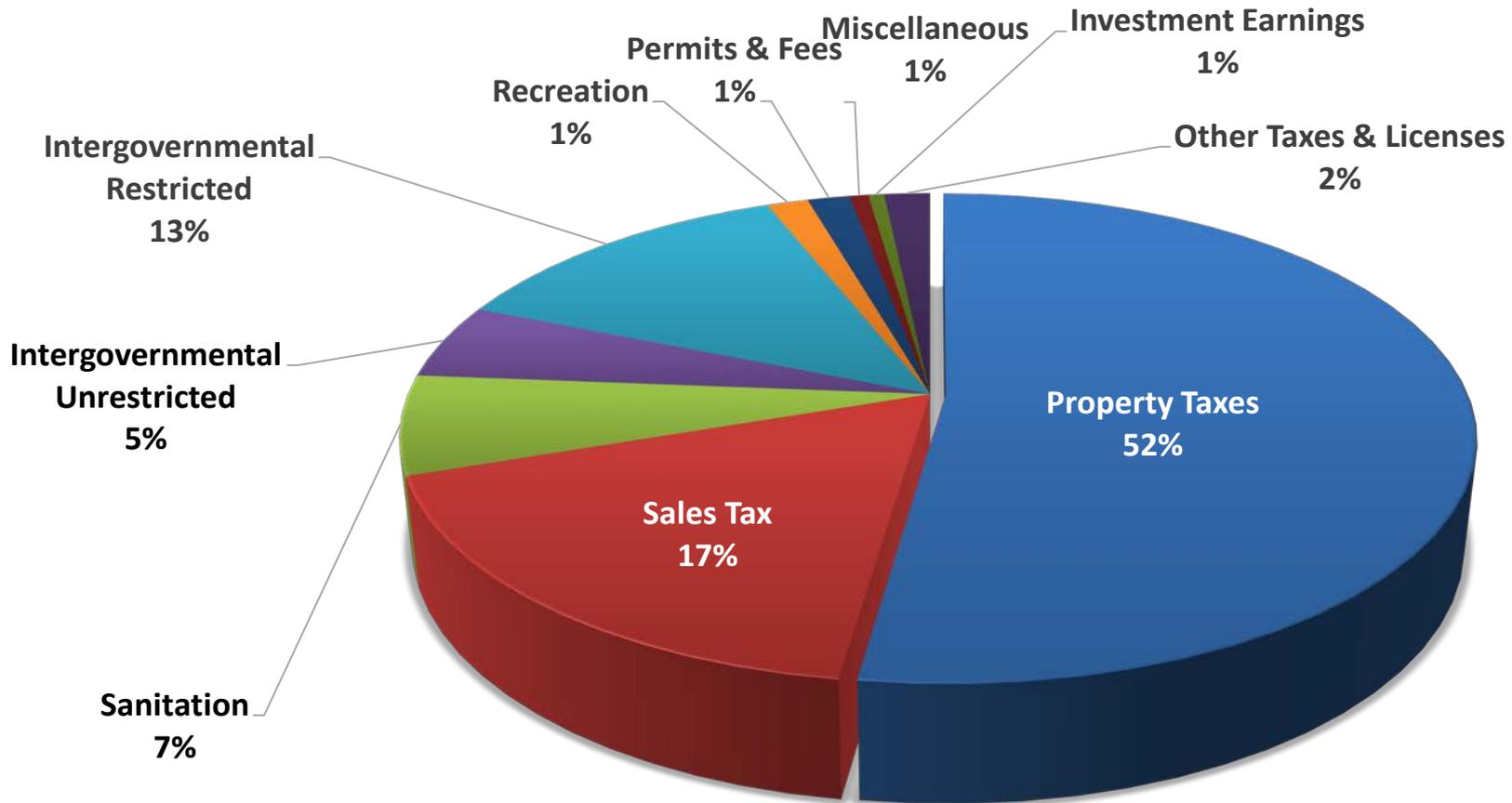
GENERAL FUND	Current FY2020 Adopted	FY2021 Proposed	\$ Change	% Change
Salaries & Benefits	\$ 7,841,173	\$ 10,512,947	\$ 2,671,774	34.1%
Operating	5,268,133	5,866,919	598,786	11.4%
Capital	1,292,558	1,471,145	178,587	13.8%
Debt Service	1,518,578	1,729,891	211,313	13.9%
Interfund Transfers	458,987	600,000	141,013	30.7%
TOTAL GENERAL FUND	\$ 16,379,429	\$ 20,180,902	\$ 3,801,473	23.2%

STORM WATER FUND	Current FY2020 Adopted	FY2021 Proposed	\$ Change	% Change
Salaries & Benefits	\$ 171,658	\$ 265,325	\$ 93,667	54.6%
Operating	218,492	278,053	59,561	27.3%
Capital	379,748	486,500	106,752	28.1%
TOTAL STORM WATER FUND	\$ 769,898	\$ 1,029,878	\$ 259,980	33.8%

General Fund Revenues

	FY2019-20	FY2020-21
Property Taxes (Ad Valorem)	\$8,041,782	\$10,099,181
Sales Tax	3,360,000	3,360,000
Intergovernmental Restricted	743,616	2,477,275
Sanitation	1,018,812	1,265,925
Intergovernmental Unrestricted	939,000	959,000
Other Taxes & Licenses	118,000	320,475
Permits & Fees	309,500	296,000
Recreation	515,800	287,500
Miscellaneous	130,919	131,000
Investment Earnings	142,000	110,000
Total	\$15,319,429	\$19,306,356

FY21 General Fund Revenues



General Fund Other Financing Sources

Other Financing Sources	FY2019-20	FY2020-21
Transfer from Capital Reserve Fund	\$240,000	\$490,000
Debt Proceeds	120,000	0
Appropriated Fund Balance	700,000	384,546
Total Other Financing Sources	\$1,060,000	\$874,546



General Fund Expenditures

(As Listed in Budget Ordinance)

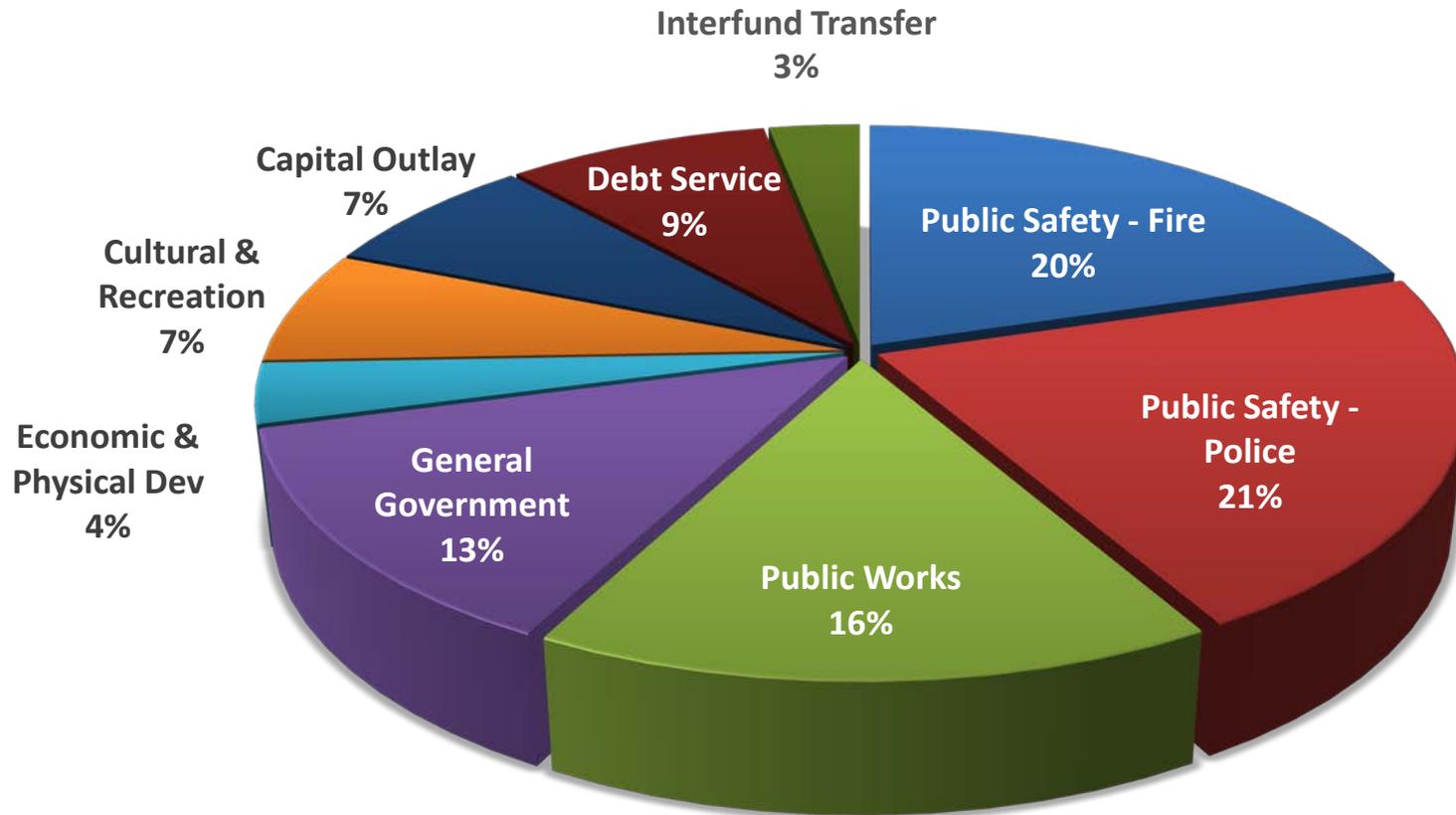
	FY2019-2020	FY2020-2021
Administration	\$833,104	\$1,126,945
Legislative	161,969	212,254
Human Resources	541,563	413,643
Finance	802,322	820,008
Information Technology	431,926	515,204
Police	4,261,480	4,406,544
Fire	1,743,660	4,349,010
Public Works	3,332,831	3,618,694
Development Services	843,313	770,697
Parks, Recreations, and Cultural Programs	1,449,696	1,618,012
Debt Service	1,518,578	1,729,891
Interfund Transfer Out	458,987	600,000
Total	\$16,379,429	\$20,180,902

General Fund Expenditures

(Capital Outlay Segregated)

	FY2019-2020	FY2020-2021
Fire	\$1,657,112	\$4,349,010
Police	4,025,480	4,079,644
Public Works	2,865,331	3,197,939
Debt Service	1,518,578	1,729,891
Parks & Recreations	1,399,696	1,368,012
Administration	833,104	841,945
Finance	700,303	745,008
Development Services	709,813	725,197
Interfund Transfers	458,987	600,000
Information Technology	398,516	447,214
Human Resources	357,982	413,643
Legislative	161,969	212,254
Capital Outlay	1,292,558	1,471,145
Total	\$16,379,429	\$20,180,902

FY21 General Fund Expenditures



FY21 Fire Consolidation

- Town Fire Department and Eastern Wake Fire-Rescue Department merge effective July 1, 2020
- Consolidation represents nearly half of budget increase for FY21.
- Budget of \$1,850,453 fully funded by County and covers cost of services to unincorporated areas.
- Town becomes part of County Fire cost-share program moving forward.



FY21 Full-Time Positions

General and Storm Water Funds

- 118 total positions
- Salaries & benefits budgeted at \$10,778,272
- Incorporates recent salary study
- Adds 19 positions resulting from Fire merger
- Includes 10 new Fire positions
- Addition of 5 positions pending financial condition assessment in January 2021



FY21 Expected Capital Spending General Fund*

Mission Critical

P&R Maintenance Program Improvements	\$	250,000
Street Repaving Projects		247,500
3 Police Vehicles & Equipment - Current Personnel		155,600
Payroll, HR, and Time & Attendance Software		75,000
Flowers Street Infrastructure (20% Town Match)		68,255
Office 365 Email, One Drive Data Migration, with Licensing		46,000
3 Radio Base Stations for Police Headquarters		15,700
IDT Online Payment Module & GIS Integration		12,000
		870,055

Operation Enhancement

Town Hall Renovations		285,000
3 Police Vehicles & Equipment - New Personnel		155,600
Landscape Specific Truck		63,000
Paving - Public Works Facility		42,000
Duke Energy Underground Charges Buyout		33,500
SharePoint Partnership Plan		21,990
		601,090

Total \$ 1,471,145

*Incorporated into FY21 General Fund budget

FY21 Expected Capital Spending Stormwater Fund*

Project Description	Estimated Cost
Environmental Park Rehabilitation	\$333,000
Harper Park Storm Water Upgrades	125,000
VenTrac Mower	28,500
Total	\$486,500



*Incorporated into FY21 Storm Water Fund budget

FY21 Expected Capital Spending Capital Project Funds*

Project Description	Budgeted
Wake Stone Athletic Park ¹	\$4,500,000
Mingo Creek Greenway Extension ²	2,572,000
Fire Capital Projects Fund ³	1,250,000
Total	\$8,322,000

¹ *Partially funded by \$1,000,0000 Wake County grant.*

² *Grant funded by \$2,058,000 from Locally Administered Project Programs (LAPP) funds as part of the Capital Area Metropolitan Planning Organization (CAMPO)*

³ *Previously approved ladder truck and equipment. Does not include new land and design costs estimated at \$1,000,000.*



*As approved by prior project ordinances

General Fund Debt

Outstanding Principal at 6/30/20	\$11,891,520
Debt Service for FY21 (Principal and Interest)	\$1,729,891
Percentage of FY21 General Fund Expenditures	8.57%
Debt Policy Limit 11% of General Fund Expenditures	\$2,219,899
Remaining Debt Capacity at 7/1/2020	\$490,008



Property Tax Rate

- Set at 42¢ per \$100 of Assessed Value
- Total Assessed Value = \$2,422,963,277
- Value of 1¢ = \$242,296¹ in additional revenue
- Total Tax Revenue at 42¢ = \$10,099,181²

¹ *Impact on average sales value of home in Knightdale is \$26.50*

² *Adjusted for 99% collections rate, prior-year collections, and penalty & interest charges*



FY21 Revenue-Neutral Rate

Required property tax disclosure in a tax revaluation year

Town of Knightdale Base	Overall Change
New Total Tax Base	\$2,438,500,000
Average Annual Growth Rate	6.55%
FY 21 Estimated Neutral Tax Rate	35.36¢ per \$100
FY 21 Estimated Property Tax	\$8,622,628



What does “Revenue Neutral” Mean?

- Calculation per *General Statute 159-11(e)*.
- It is a budget term where revenue brought in by property taxes in a revaluation year would be about the same as if the revaluation had not taken place.
- Often misunderstood, it does not mean that any particular tax bill will be the same as the previous year.
- Allows for average annual valuation increases since last revaluation.
- Revaluations are done every four years to re-equalize real and personal property values.



Property Tax Rate

Location	Current Tax Rate	Revenue Neutral Rate	Value of one cent
Wake County	0.721	0.600	18,755,667
Raleigh	0.438	0.355	7,691,194
Cary	0.350	0.295	3,241,856
Apex	0.415	0.348	1,020,990
Wake Forest	0.520	0.460	664,865
Morrisville	0.390	0.324	620,018
Holly Springs	0.483	0.422	610,775
Fuquay Varina	0.433	0.360	469,350
Garner	0.560	0.462	466,303
Knightdale	0.430	0.354	242,296
Zebulon	0.592	0.543	140,377
Rolesville	0.480	0.440	126,725
Wendell	0.490	0.403	104,750

- Tax rate of 42¢ necessary to balance budget
- Realigns funding needs with growth needs
- Rate consistent with peer group



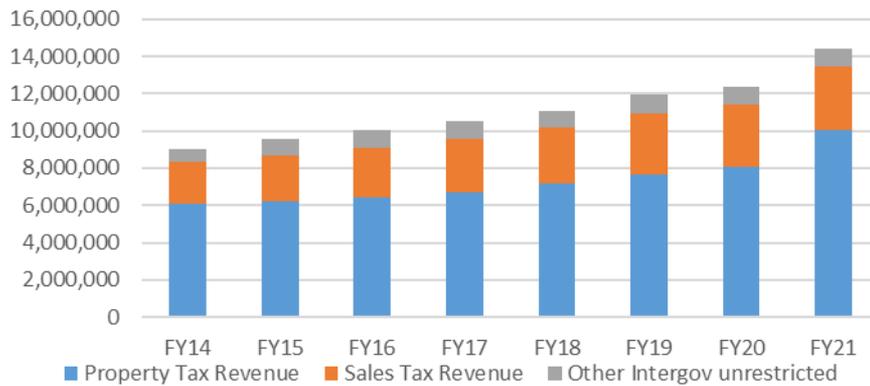
Revenue & Population Trends

Fiscal Year	Property Tax Revenue	Sales Tax Revenue	Other Intergov unrestricted	Total All Tax Revenue	Population	Per Capita Property Tax Revenue	Per Capita Total Tax Revenue
FY14	6,093,511	2,238,366	687,636	9,019,513	12,340	494	731
FY15	6,223,115	2,450,502	909,846	9,583,463	13,102	475	731
FY16	6,406,825	2,682,219	933,978	10,023,022	13,560	472	739
FY17	6,717,305	2,854,008	916,750	10,488,063	13,786	487	761
FY18	7,194,767	2,954,774	945,099	11,094,640	15,849	454	700
FY19	7,661,793	3,301,091	987,949	11,950,833	16,753	457	713
FY20*	8,041,782	3,360,000	939,000	12,340,782	17,423	462	708
FY21*	10,099,181	3,360,000	959,000	14,418,181	19,671	513	733

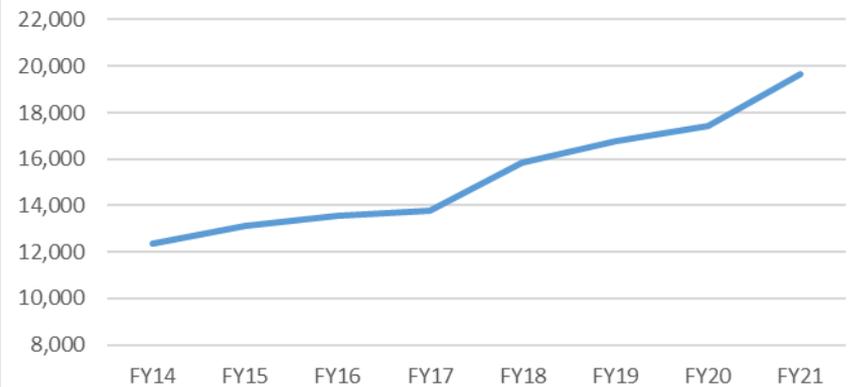
*Budgeted

Revenue & Population Trends

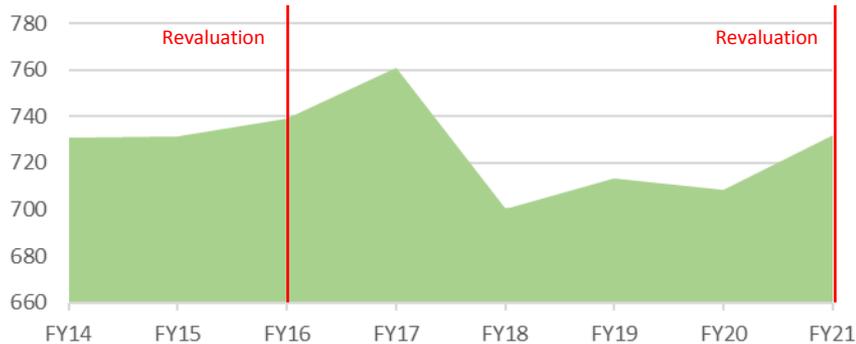
Tax Revenues



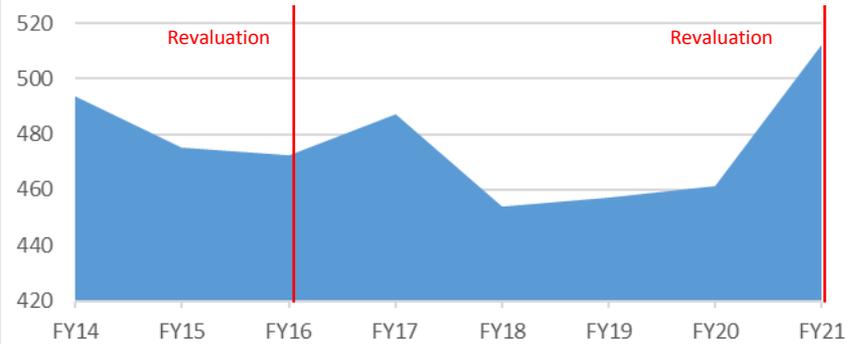
Population Growth



Per Capita Total Tax Revenue

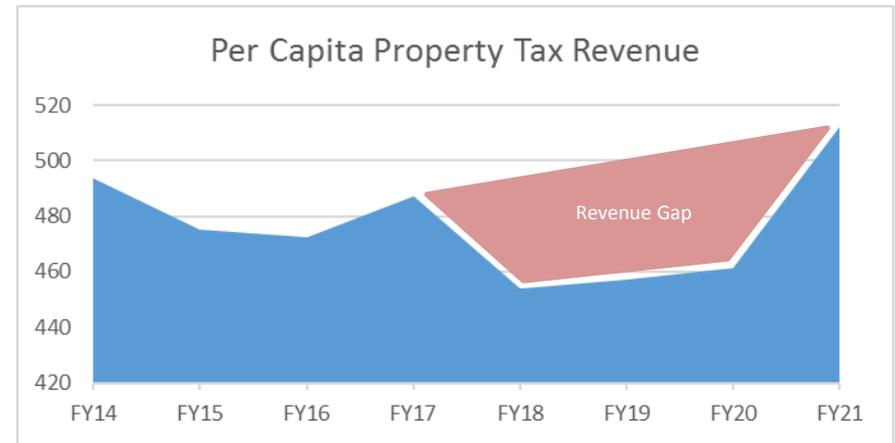
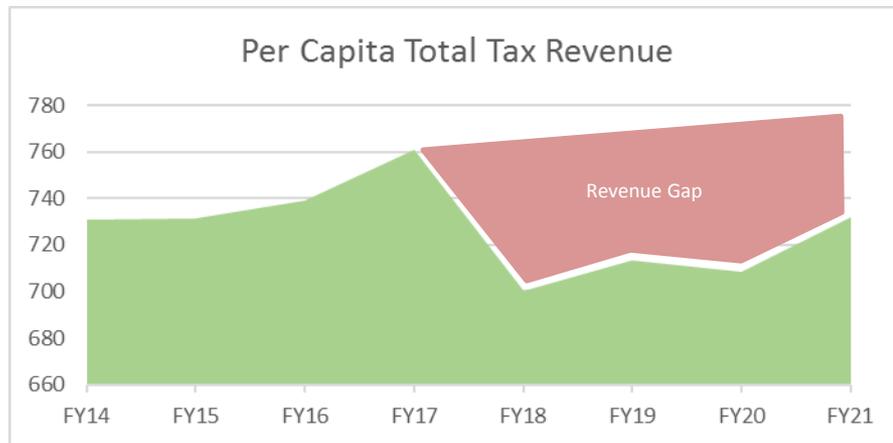
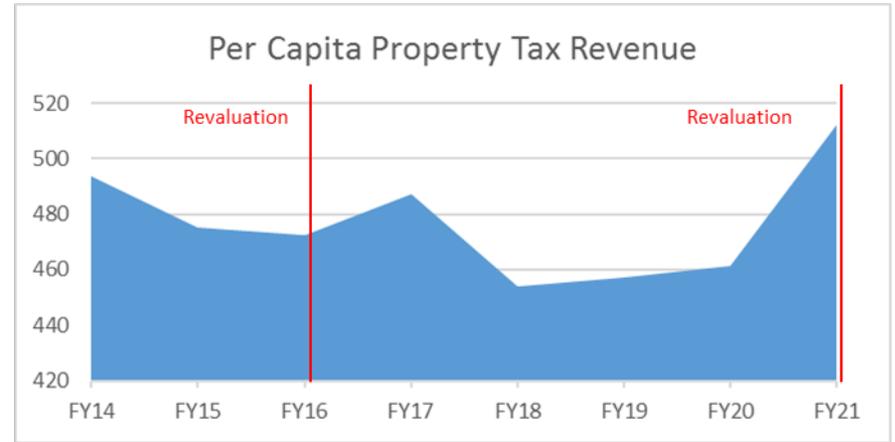
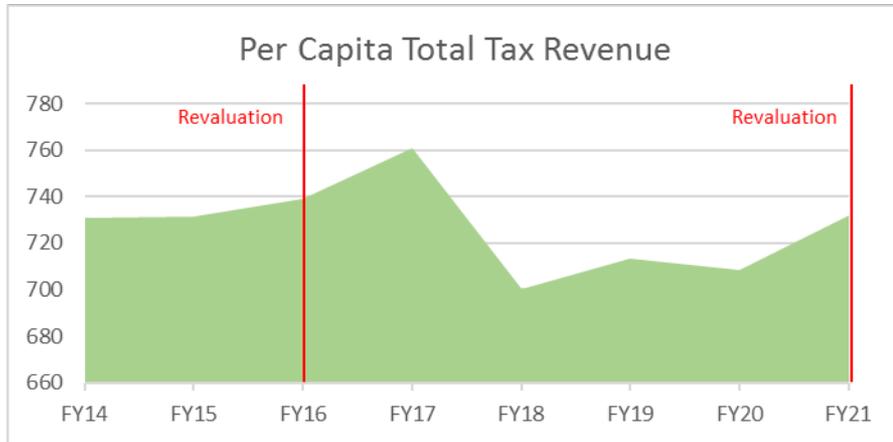


Per Capita Property Tax Revenue



Revenues and population are both growing; however, growth is outpacing revenues.

Revenue & Population Trends



Average FY21 Residential Property Tax

Cost to Taxpayer	
Average Sales Price of Home in Knightdale	\$265,000
Tax rate Per \$100	\$0.42
Average Property Tax	\$1,113
Wake County Tax Rate 2021 Levy Proposed	\$0.60
Wake County Property Taxes	\$1,590
Total Average City and County Taxes	\$2,703



FY21 Fee Schedule Changes

	FY2019-2020	FY2020-2021
Vehicle Fee*	\$15	\$30
Solid Waste Fee	\$11.08	\$11.75
Recycle Fee	\$4.73	\$4.80
Storm Water Fee	\$4.00	\$4.25

NOTE: Increased vehicle fee to be designated for future transportation needs



COVID-19 and Budget Contingencies

- Ad valorem collection rate reduced to 99%
- Sales tax revenues budgeted flat
- Some staffing and associated costs budgeted contingent on mid-year economic conditions
- Capital requests over \$40K and considered operation enhancements on hold until mid-year economic conditions evaluation.

**\$1.4 million of built-in
budget contingencies**



FY21 Annual Operating Budget

Questions?

