

May 20, 2026

Mayor Jessica Day
Mayor Pro Tempore Steve Evans
Councilor Grady Bussey
Councilor Ben McDonald
Councilor Stephen Morgan
Councilor Latatious Morris

FISCAL YEAR (FY) 2026-2027 BUDGET MESSAGE

Mayor Day and Town Council:

G. S. 159-11(b) requires the submission of a budget along with a budget message to the Town Council for consideration no later than June 1. The message is a concise explanation of the Town's goals to be accomplished by the budget for the upcoming fiscal year. It further explains important features of anticipated activities by setting forth goals, programs, and appropriation levels. Finally, the message outlines any major changes in fiscal policy.

The recommended FY27 Budget has been prepared in accordance with the [North Carolina Local Government Budget and Fiscal Control Act](#) (G.S. 159-8(a)). The budget is balanced and identifies all revenue and expenditure estimates for Fiscal Year (FY) 2026-2027 per G.S. 159-8(b). Per G.S. 159-11(b), the budget message is as follows.

OVERVIEW

According to the U.S. Census Bureau, North Carolina's population surge continues with a population of approximately 11.1 million residents. The state added nearly 146,000 residents in the last year, ranking 3rd fastest in growth rate nationally¹. Likewise, the Town of Knightdale continues to experience substantial growth as well. The Town has a 2026 population of approximately 23,016. Knightdale is currently growing at a rate of 2.65% annually and its population has increased by 18.6% since the most recent census, which recorded a population of 19,520 in 2020². While this growth continues to improve the quality of life for our citizenry, it presents significant challenges in meeting the service demand needs for a jurisdiction undergoing such significant growth.

¹ North Carolina Ranked Top State for Domestic Migration, Remains Third-Fastest-Growing State in the Nation, According to Latest U.S. Census Bureau Findings (governor.nc.gov)

² worldpopulationreview.com



Knightsdale continues to maintain its historical commitments to exemplary public service and fiscal responsibility. For the FY25 Annual Comprehensive Financial Report (ACFR), the Town received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the 33rd consecutive year. Our commitment to financial stewardship is the foundation of the Town's numerous successes in capital projects and provision of quality services. The General Fund is the chief operating fund of the Town of Knightsdale. The FY25 audit reported an unassigned general fund balance of \$10,873,735 or 30.75% of total general fund expenditures for the fiscal year. General Fund health continues to be strong for Knightsdale. Property taxes are traditionally the most important source of funding for local government operations. The Town's property tax revenue was 31% of government-activity revenue in FY25. The Town's tax rate is \$0.44 per \$100 assessed valuation with an assessed value of \$4,300,036,807. Knightsdale's tax base grew 56.9% since the previous fiscal year.



2026 State of the Town Event

The Town operates a Capital Reserve Fund designed to proactively meet the capital needs necessitated by the growth of the area. Capital Reserves are funded by a dedication of \$0.025 of the tax levy as well as any General Fund revenues in excess of 40%. For FY25, the Capital Reserve Fund had an end-of-year balance of \$5,268,296, an increase of 25.1% from the previous fiscal year's balance of \$3,943,589.

Knightsdale operates two primary programs funded through restricted revenue sources, the North Carolina State Street-Aid (Powell Bill) Program and the Storm Water Utility Fund. Both programs are essential in meeting the increasing needs of the Town's urbanizing environment. Powell Bill funds are generated from the State's Gasoline Tax through which a percentage of revenues are returned to municipalities. These funds are limited to maintaining, repairing, construction, reconstruction, or widening of local streets. The Storm Water Utility Fund is currently funded by a \$6.75 monthly unit residential fee and per 2,200 square foot commercial fee. This proactive program is designed to manage the increasing storm water facilities in Knightsdale because of the Town's increasing impervious areas.

The Town's total outstanding debt as of June 30, 20253, was \$28,776,893, an increase of \$11,729,196 (68.8%) from the previous year. The increased debt service is a part of the Town's long-term commitment to building new public safety facilities to meet growth pressures.

The Town's total net position increased by \$25,428,074 or 19.32% in FY2025.



FY2026-2027 BUDGET

As in previous years, the major emphasis of the FY27 Budget is to maintain quality service-delivery levels and to meet expanding capital needs. Staff maintain our annual commitment to a budget development process that focuses on working within the limits of our existing revenue sources. Our responsibility is to be conservative in our revenue projections and subsequent budgetary recommendations to ensure prudent use of Town funds. Knightdale is committed to developing and maintaining a strong financial position.

ORGANIZATIONAL GOALS

More than 1.2 million people call Wake County home. The county is growing by approximately 66 people per day, netting more than 103,000 people since 2020³. Wake County has a projected population of 1,363,836 residents by 2030. This projection represents a 20% growth during the decade since 2020. Wake County will remain the most populous county in North Carolina. Growth pressures at this level have had significant impacts on the county's municipal landscape.

The Knightdale Town Council recognizes that our community continues to undergo a period of historic community change. To better navigate the opportunities and challenges, the Town Manager coordinates an Annual Strategic Retreat of the Town Council. Strategic development is a joint responsibility of the elected body and Town's Administration. Both stakeholder groups work together to develop the organization's direction. The annual engagement includes a review of progress, discussion of changes in the strategic landscape and a reaffirmation of the Town's core strategies.

KNIGHTDALE HAS A PLAN FOR OUR FUTURE

Knightdale is a community led by the values of its citizens. The purpose of the Knightdale Strategic Plan is to clearly communicate the message of "who we are and what we want our Town to be in the future." It is built around five essential priority areas (Focus Areas) that are vital to ensuring Knightdale's future. The priorities are representative of the most important values that our community shares with one another. They were identified and defined after ample public input. Safe, Active & Healthy, Connected & Inclusive, Sustainable, and Organizational Excellence serve as the foundations for service delivery decisions, capital investments, and other initiatives for the Town.



SAFE

Knightdale is a safe community, where residents feel secure throughout the Town, the crime rate is low, and public safety personnel have a positive relationship with the community.



CONNECTED & INCLUSIVE

Knightdale actively pursues balanced growth with exceptional design to maintain its small town feel and appearance. Through the creation of unique community spaces and a welcoming environment for entrepreneurs and small businesses, we are creating a connected and inclusive town

³ Growth and Populations Trends (wake.gov)





SUSTAINABLE

Knightdale promotes the stewardship of its environment, the resiliency of its resources, and the maintenance of a financially sustainable government.



ACTIVE & HEALTHY

Knightdale brings people together and boasts happy residents by promoting and sustaining a high quality of life and providing recreation and leisure activities to meet diverse interests.



ORGANIZATIONAL EXCELLENCE

Knightdale’s government is operated efficiently and transparently by outstanding employees who focus on excellent customer service and open communication.

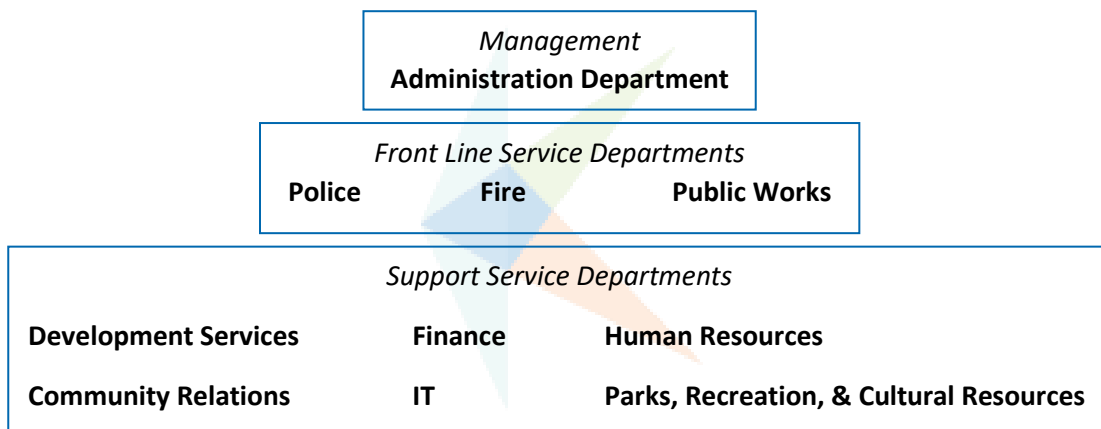
Our strategic plan establishes the decision-making framework that continues to guide the Town Council. It is forward-looking and guides our work throughout the year but is nimble and responsive to changing needs. The plan develops strategic focus areas around issues the Town Council can influence. While most of the plan is focused on longer-term strategies, developing action plans for accomplishing those priorities help put the plan into action.

To compliment the Knightdale Strategic Plan, the Town adopts Strategic Goals and Priorities to outline capital investments and other initiatives that the Town Council aims to accomplish in the current fiscal year. These investments are identified, prioritized, and mutually agreed upon as part of Council’s annual retreat and are a component of the Town’s Capital Improvement Program (CIP).

Rounding out the overall framework for the direction of the Town of Knightdale, the Town also uses an Annual Performance Management Report. The report demonstrates what the Town is doing to achieve the Focus Areas’ objectives as viewed through a service delivery lens. The report provides high-level insight into service delivery efficiency and effectiveness.

SERVICE DELIVERY COMMITMENTS

The Town of Knightdale is a municipal (local) government that operates ten primary service delivery areas. ***Local governments provide the most essential public services, such as health and safety, transportation, sanitation, environmental, and utilities.*** Each area is designed to meet the needs of our citizens. The current service provisions are as follows:



RECOMMENDED FY27 APPROPRIATION LEVELS

The recommended General Fund appropriation levels for FY27 are as follows:

General Fund

Department	FY26	FY27 (recommended)	Percent Change
Administration	\$ 2,167,112	\$ 1,805,425	(16.7)
Legislative	620,999	493,081	(20.6)
Community Relations	851,566	922,493	8.3
Human Resources	1,305,029	1,450,406	11.1
Finance	1,239,314	1,231,939	(0.06)
Information Technology	827,598	1,052,200	27.1
Police	9,308,771	9,489,110	1.9
Fire	8,813,963	10,329,164	17.1
Public Works			
Grounds	1,001,706	1,295,110	29.3
Streets	931,550	1,015,995	9.0
Sanitation	1,541,060	1,962,129	27.3
Operations	2,028,176	2,882,851	42.1
Development Services	1,842,909	2,094,391	13.6
Parks and Recreation	2,964,238	3,068,180	3.5
Interfund Transfers	1,142,959	305,000	(73.3)
TOTAL	\$ 36,595,950	\$ 39,397,474	7.66



Debt Service Fund

Fund Type	FY26	FY27 (recommended)	Percent Change
Total Debt	\$ 3,894,542	\$ 5,086,431	30.6

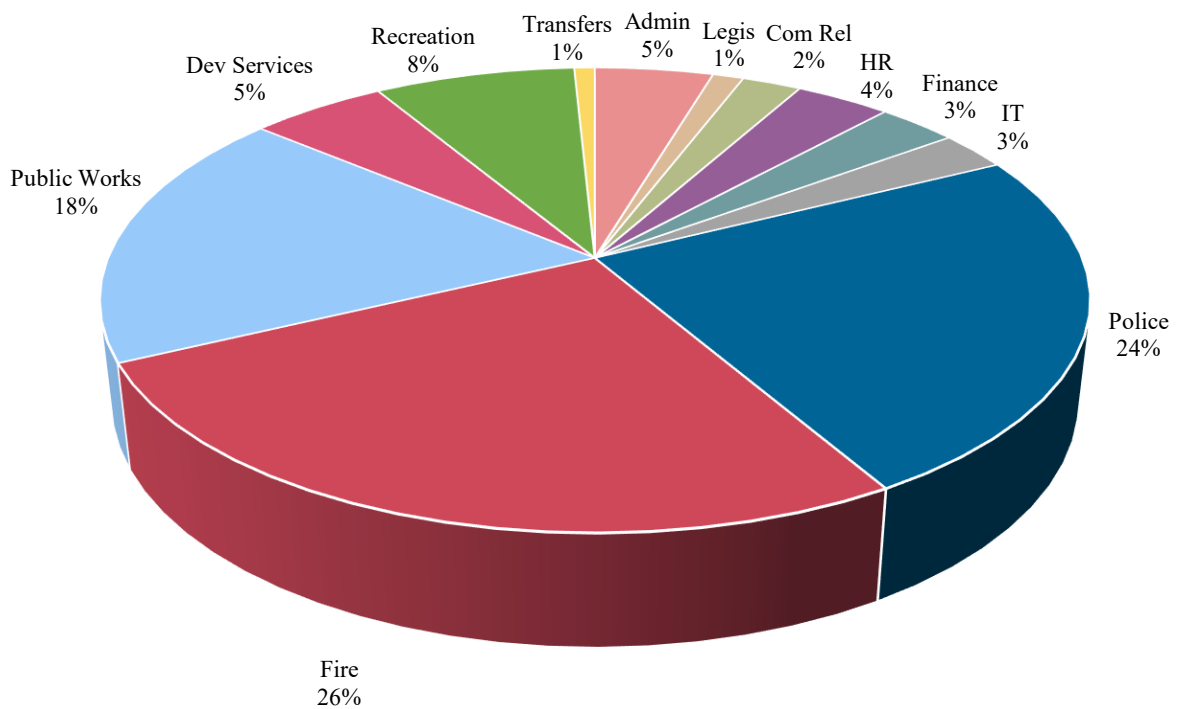
General Capital Reserve Fund

Fund Type	FY26	FY27 (recommended)	Percent Change
Capital Projects (Restricted)	2,354,090	2,711,561	15.19

Stormwater Fund

Fund Type	FY26	FY27 (recommended)	Percent Change
Stormwater (Enterprise)	3,130,707	3,234,388	3.31

FY27 Allocations Per Department



FY27 Property Tax Breakdown



All Other Services
21 Cents

Fire
23 Cents

Police
22 Cents

Public Works
16 Cents

Debt
11 Cents

Recreation
7 Cents

FY27 MAJOR FISCAL POLICY

2026 Parks & Recreation Bond Referendum

The Town of Knightdale will seek voter approval for a \$55 million General Obligation (G.O.) Bond referendum on November 3, 2026. The proposed bond would provide funding for significant investments in the Town’s parks and recreation system, including the construction of a new community center.

A General Obligation Bond is a long-term financing mechanism that allows local governments to fund major capital projects. G.O. Bonds are secured by the full faith, credit, and taxing authority of the municipality; therefore, voter approval is required prior to issuance. Upon approval by voters, the sale and administration of the bonds will be managed through the North Carolina Local Government Commission (LGC).



Aerial view of future community center site

The Knightdale Community Center project represents a major strategic priority for the Town Council and is a key recommendation identified in the Town’s Comprehensive Parks and Recreation Master Plan (2022). The approximately 65,000-square-foot facility is planned for a 33-acre site located at the intersection of Knightdale-Eagle Rock Road and Marks Creek Road. The property was generously donated to the Town in 2024 by the Estate of Elizabeth Croom.



Designed as a modern, multi-generational facility, the community center will enhance quality of life for residents by providing a wide range of health, wellness, fitness, cultural, recreational, and leisure opportunities that serve the needs of Knightdale’s growing and diverse population. The facility is envisioned as the centerpiece of a future major recreation park. In March 2026, the Town Council awarded a contract to McAdams to design the amenities and overall layout for the future park site.

FY27 Property Tax Rate

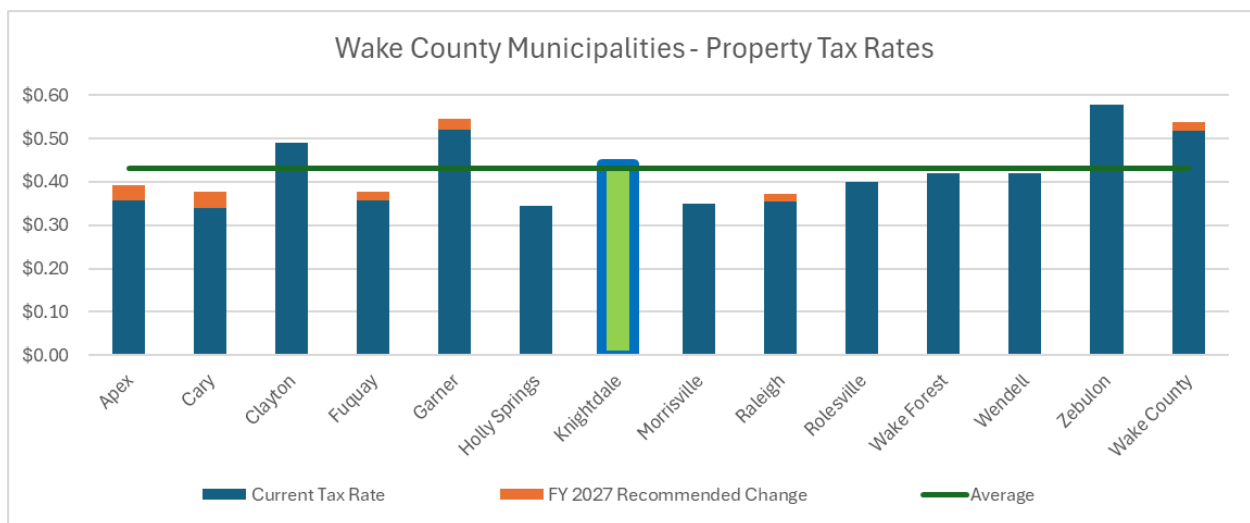
The Town Manager is not recommending a change to the property tax rate for the upcoming fiscal year.

The current rate will remain \$0.44 per \$100 of assessed value. This rate will generate estimated revenues of \$22,116,908 based on a total, assessed property valuation of \$5,077,360,000 after estimated appeals and a collection rate of more than 99%.

AREA PROPERTY TAX RATE COMPARISONS

Municipality	FY26	FY27 (Proposed)	Change
Apex	0.356	0.39	0.034
Cary	0.34	0.3775	0.0375
Fuquay-Varina	0.358	0.378	0.002
Garner	0.52	0.545	0.025
Holly Springs	0.343	0.343	-
Knightdale	0.44	0.44	-
Morrisville	0.35	0.35	-
Raleigh	0.355	0.372	0.017
Rolesville	0.40	0.40	-
Wake Forest	0.42	0.42	-
Wendell**	0.42	0.42	-
Zebulon***	0.577		

* Property owners subject to Wake County Fire Tax of \$0.085
 **Property owners subject to Wake County Fire Tax of \$0.122
 ***Municipal Budget has not been released as of May 20, 2026



Sanitation and Recycling Rate

GFL Environmental, Inc. will continue to provide sanitation and recycling services in FY27. The Town Manager is not recommending an increase in the monthly solid waste and recycling collection fees for the upcoming fiscal year. The current rate will remain \$13.13 for solid waste and \$5.25 for recycling.

Personnel

The Town of Knightdale currently has 185 full-time employees (FTEs). The FY27 Budget recommends the allocation of an additional 10 new FTE positions, which represents a 5.5% workforce growth. Additionally, this budget recommendation includes the reclassification of 4 existing FTEs. The Town continues to make serious investments in its workforce to meet the increasing demands of service delivery as necessitated by population growth.

FY27 New Positions Recommendation

- Administrative Assistant (Human Resources)
- Information Technology Manager
- Accounting Specialist
- Fire Lieutenants (3)
- Firefighters (3)
- Maintenance Worker

Health insurance premiums will increase by 7.4% in the upcoming fiscal year. As a result, the Town will increase the monthly health insurance credit from \$750 to \$780 per employee to fully cover employee-only benefits, reinforcing our investment in employee wellbeing. The FY27 Budget also creates a 3% Cost of Living Adjustment (COLA) for staff to offset the increasing cost of living. The Town will fund up to 4% merit in the upcoming fiscal year to continue its commitment to performance-based compensation. This budget recommendation further funds recruitment and retention incentives for law enforcement, including bonuses for hiring with previous experience, career ladder, and physical readiness.

The Town of Knightdale strives to ensure all employees are compensated at the [Wake County living wage](#). The living wage is the estimated income level that allows individuals or families to afford adequate shelter, food, and other necessities in a geographic region.

Major Capital / Capital Project Ordinances (CPO)

Knightdale will invest approximately \$3.6 million in major capital projects for FY27. ***Public safety and transportation are the major investments targeted.***

Major capital projects represent multi-year fiscal investments that are encapsulated in separate capital project ordinances. The Town will see significant completion of several major capital projects in the upcoming fiscal year as well as the initiation of several others.



Law Enforcement Center (Opening June 2026)



Project	Status
Law Enforcement Center	Under Construction
Knightdale Boulevard & Old Knight Road Pedestrian Improvements*	Under Construction
Fire Station 2 (Replacement)*	New Project
Fire Station 3 Exterior Improvements	New Project
Fire Station 5 Property Acquisition*	New Project
Widewaters Extension Railroad Bridge (Design)*	New Project
Smithfield and First Avenue Sidewalks (Design and ROW Acquisition)*	New Project
Mingo Creek Park Restrooms (Design)	New Project

**Town of Knightdale Strategic Priority*

Capital Improvement Projects (CIP)

Capital improvements are defined as purchases or projects of more than \$10,000 to be purchased or completed during the fiscal year cycle. For FY27, \$2.1 million is recommended for approval. Major highlights include the following:

Projects	
✓ Public Art*	✓ Centennial Clock Tower
✓ Knightdale Blvd Study*	✓ Comprehensive Equipment Replacement
✓ Affordable Housing Trust Fund*	✓ Harper Park Parking Lot Expansion
✓ Vehicle Additions (Public Works)	✓ Harper Park Tennis Court Resurfacing
✓ Dump Truck (with plow & spreader)	✓ Vehicle Additions (Police)
✓ Articulating Loader	✓ McKnight Bus Stop Improvements (Vision Zero Project)

**Town of Knightdale Strategic Priority*



SUMMARY

The Town of Knightdale was productive and made significant accomplishments toward several projects while maintaining fiscal responsibility during FY26. Several of those projects will be completed in the upcoming year, most notably the Knightdale Law Enforcement Center. It is important to note that the FY27 Budget recommendation provides the necessary allocations to ensure operational excellence while meeting 100% of the Town Council's strategic priorities.

As in previous years, the Town's current needs are like those of other municipalities in Wake County. Knightdale is fortunate to enjoy proximity to Raleigh with direct access to I-87 and I-540. The accessibility afforded by these transportation corridors in conjunction with the abundance of amenities in the capital area continue to make Knightdale attractive for current and future residents. The continued, rapid development of Eastern Wake County will greatly impact our Town for the foreseeable future. The Knightdale Town Council is committed to being a community led by the values of its citizens. As such, all necessary resources will be committed to protect and augment our quality of life.



The FY27 Town of Knightdale Budget provides financial resources necessary to continue to affect positive changes in greater Knightdale. It improves existing service levels while providing the funding necessary to strengthen our regulatory environment, invest in capital needs, and improve town-owned properties. This budget attempts to limit expenditures wherever possible but at the same time recognizes the needs of our community.

Respectfully submitted,



Bill Summers, ICMA-CM
Town Manager

