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FY 24-25 Budget Work Session



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Budget & Performance Manager

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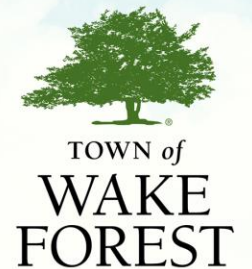
(919) 435.9482





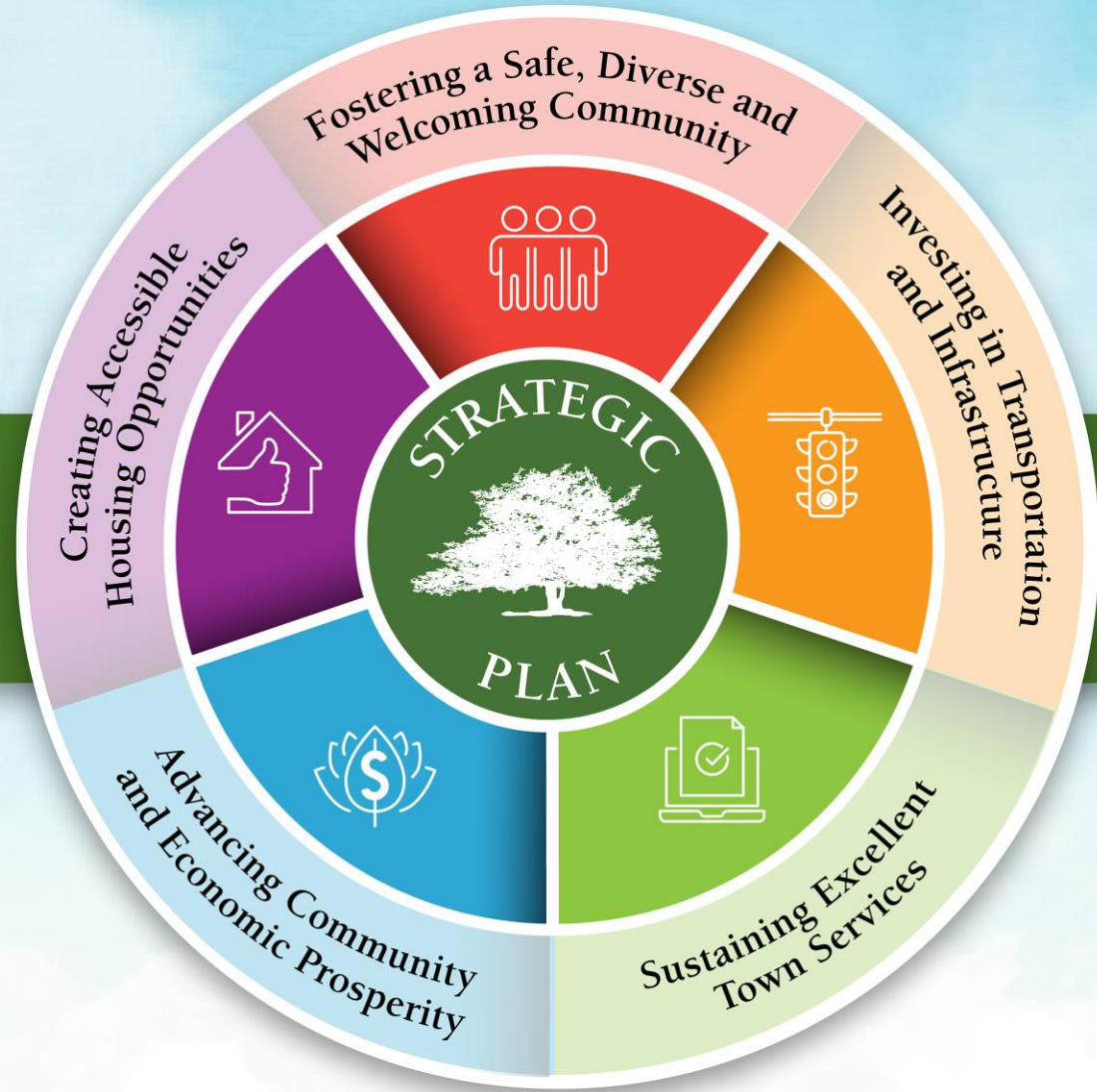
Our MISSION

The Town of Wake Forest is committed to
delivering superior services and
celebrating the diversity of our organization.

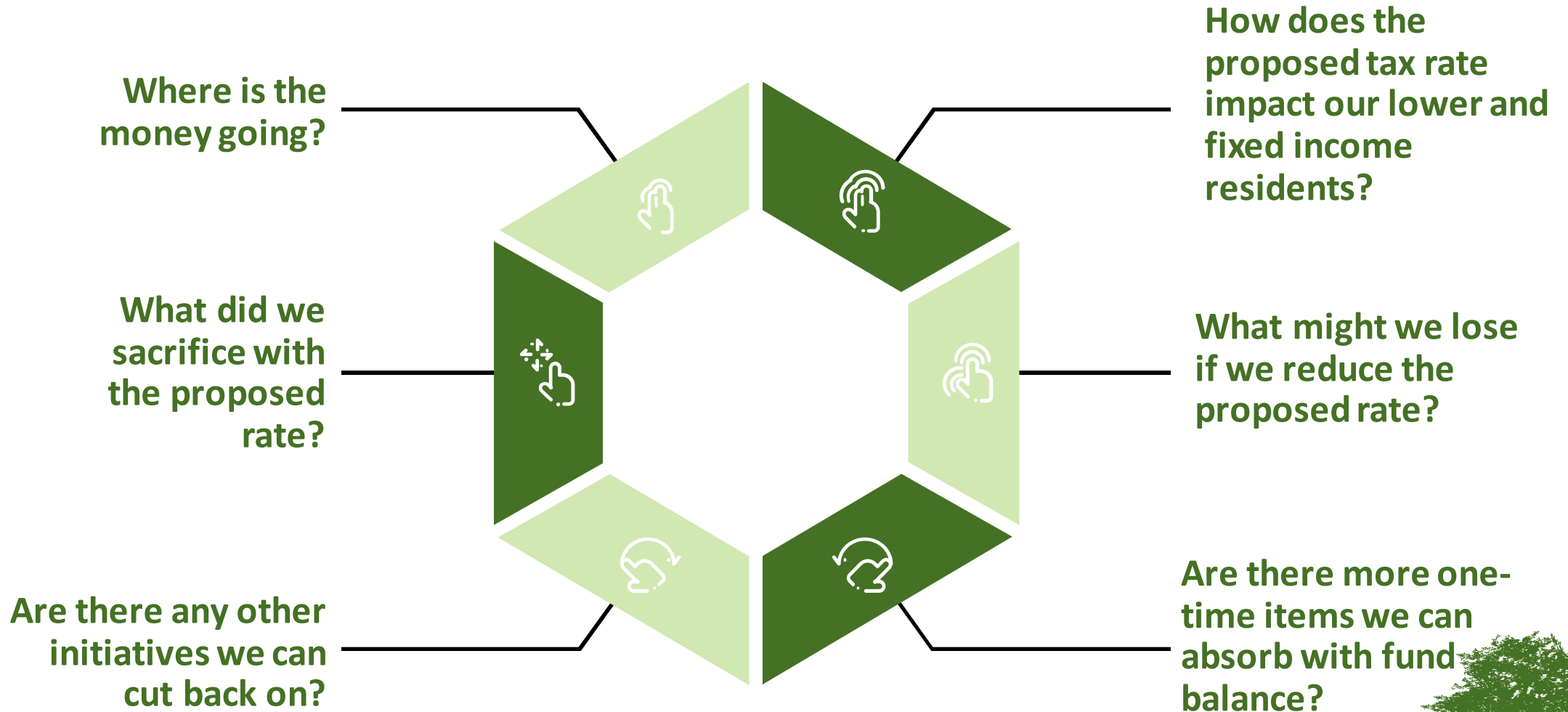


STRATEGIC PLAN

Our GOALS



Discussion Items





Work Session Agenda

1

Revenues

Property Taxes

Sales Taxes

Rates and Fees

2

Expenditures

Positions

Personnel

Operating & Capital

3

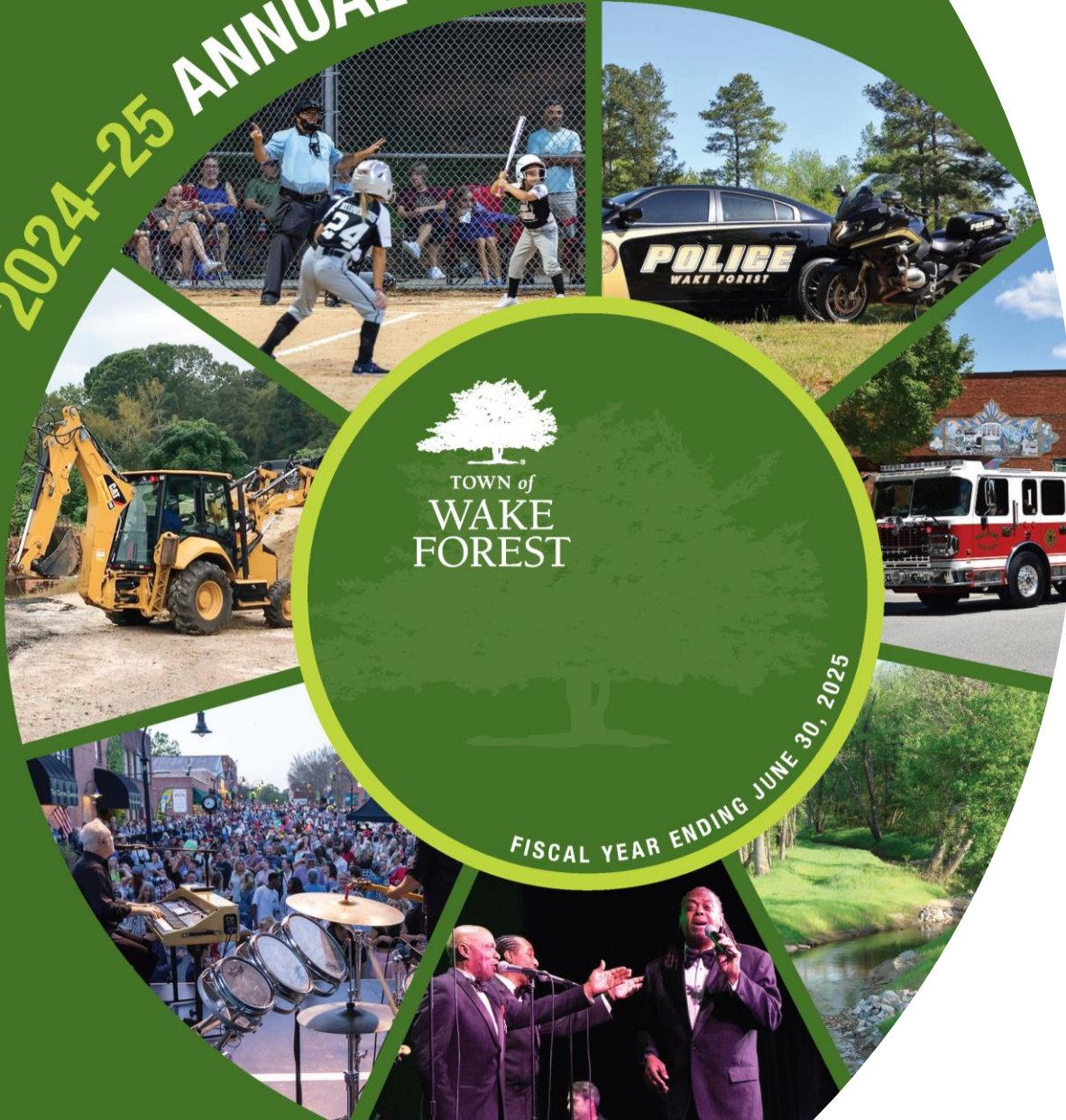
Major Impacts

Debt Service Fund

Capital Funding Plan

Appropriated Fund Balance

2024-25 ANNUAL BUDGET



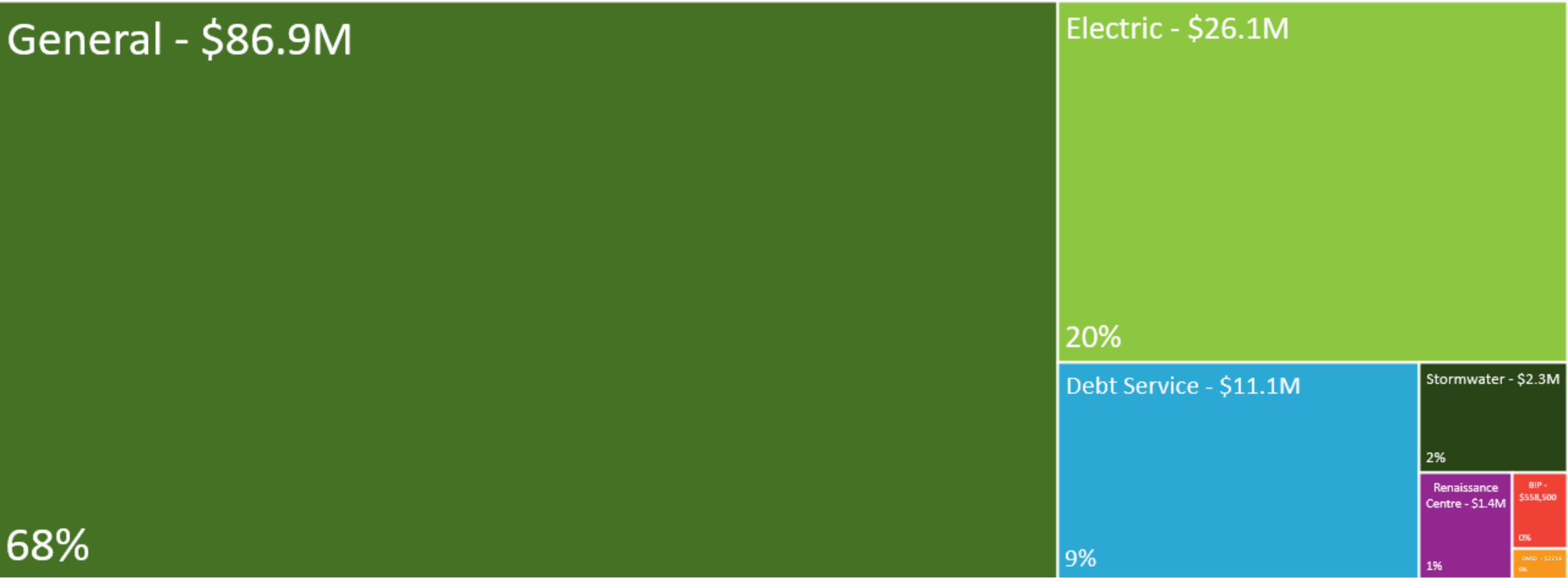
Budget Highlights

- **Revenues**
 - Property Tax Rate - \$.42
 - Residential Solid Waste Fee - \$23.00
 - Electric Rates - 2.5% increase (residential energy charge)
 - Stormwater Utility Fees - Tier 1/\$44, Tier 2/\$121, Tier 3/\$231
- **Expenditures**
 - 13 New Positions
 - Performance & Classification Pay
 - LGERS Mandated Increase
- **Major Impacts**
 - Debt Service Fund - \$11.1M
 - Capital Funding Plan \$11.4M
 - Appropriated Fund Balance - \$2,120,665

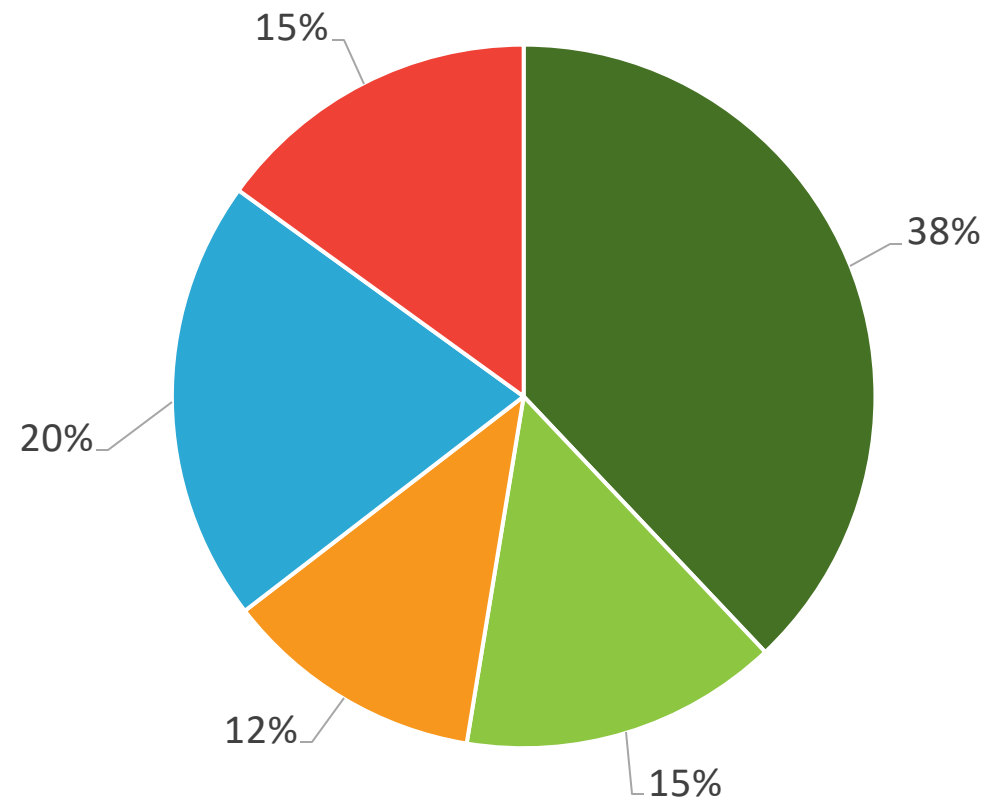




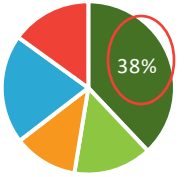
Budget by Fund- \$128,668,100



Total Revenues - \$128,668,100



■ Ad Valorem Taxes ■ Intergovernmental ■ Other Financing Sources ■ Charges for Service ■ Other Revenues



Revenues - Property Taxes

2024 Revaluation Year

- Impacts FY 2025 Annual Budget
- Overall Tax Base Growth - 49.27%
- Revenue Neutral Tax Rate - \$0.346
- Proposed Tax Rate - \$.42 per \$100 of assessed valuation
- Downtown Municipal Service District (DMSD) - Proposed Tax Rate - \$. 14 per \$100 of assessed valuation

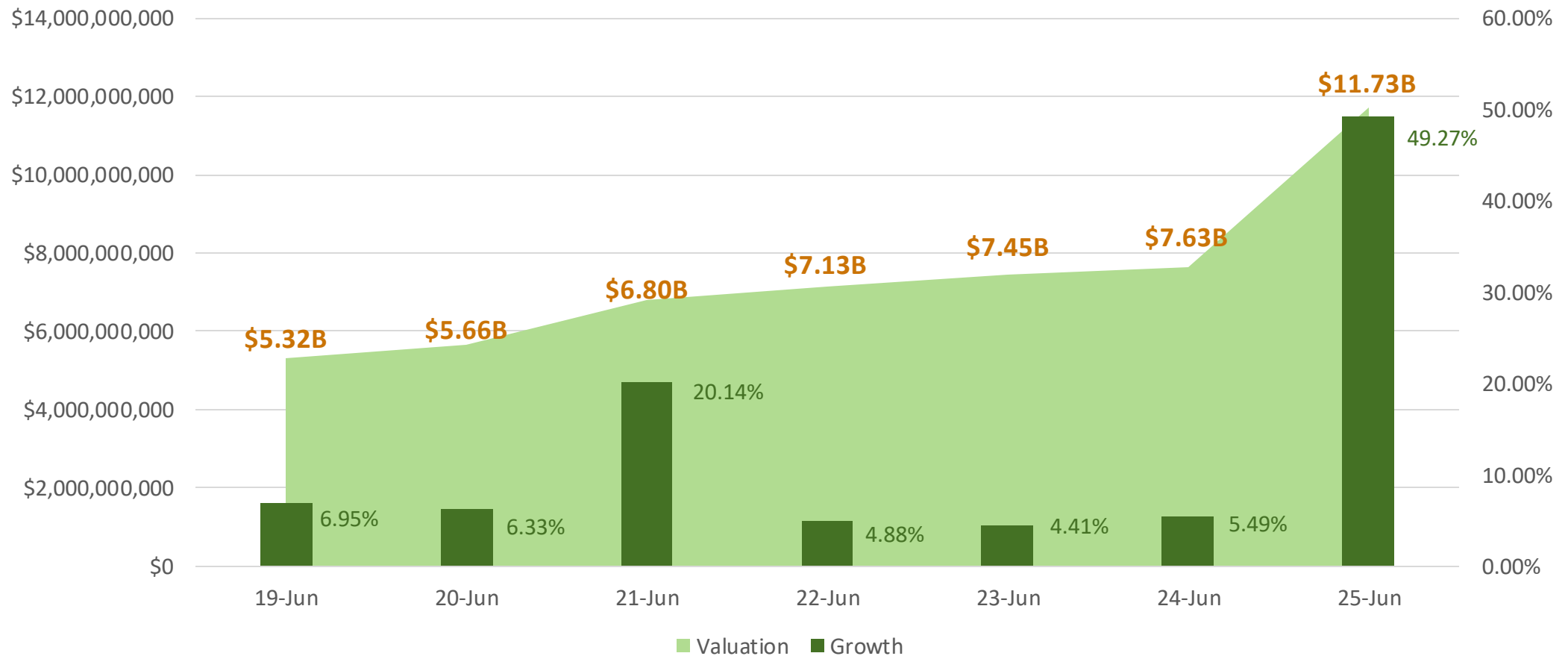
Largest Revenue Source

- Total Spending Plan - \$48.8M / 40%
 - General Fund - \$48.6M / 55.8%
 - DMSD - \$204K / 90.5%





Tax Base Growth History





Tax Rate History



Revenues - Property Taxes

	FY24 Adopted	FY25 Proposed	Variance
Estimated Tax Base	\$7,631,691,445	\$11,725,317,100	\$4,093,625,655
Tax Base Growth	5.49%	49.27%	43.78%
Tax Rate	\$0.505	\$0.42	\$(0.085)
DMSD Tax Rate	\$.14	\$.14	No change
Collection Rate (Budgeted)	98.5%	98.5%	No change
Value of a Penny	\$773,723	\$1,154,944	\$381,221



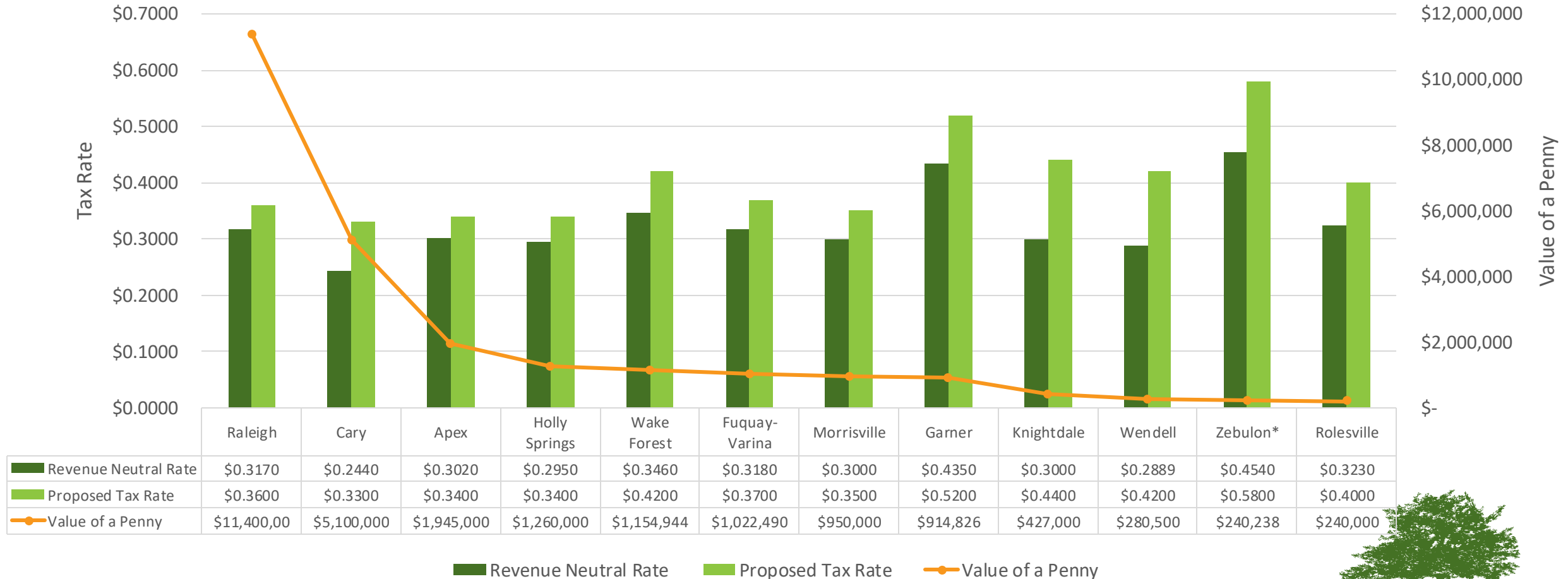
Property Tax Rate Impact

(Median Home Value)

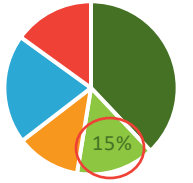
	Current - FY24	Proposed - FY25	Variance
Property Value	\$320,000	\$471,000	\$151,000/47.2%
Tax Rate	\$.505	\$.42	\$(0.085)
DMSD	\$.14	\$.14	No change
Impact	\$1,616	\$1,978	\$30 (monthly)
If in DMSD	\$ 448	\$ 659	\$18 (monthly)



Wake County Municipality Comparison



* Saff calculated shown "Value of a Penny" estimate with supporting data that was publicly available; it was later self-reported as \$245,000.



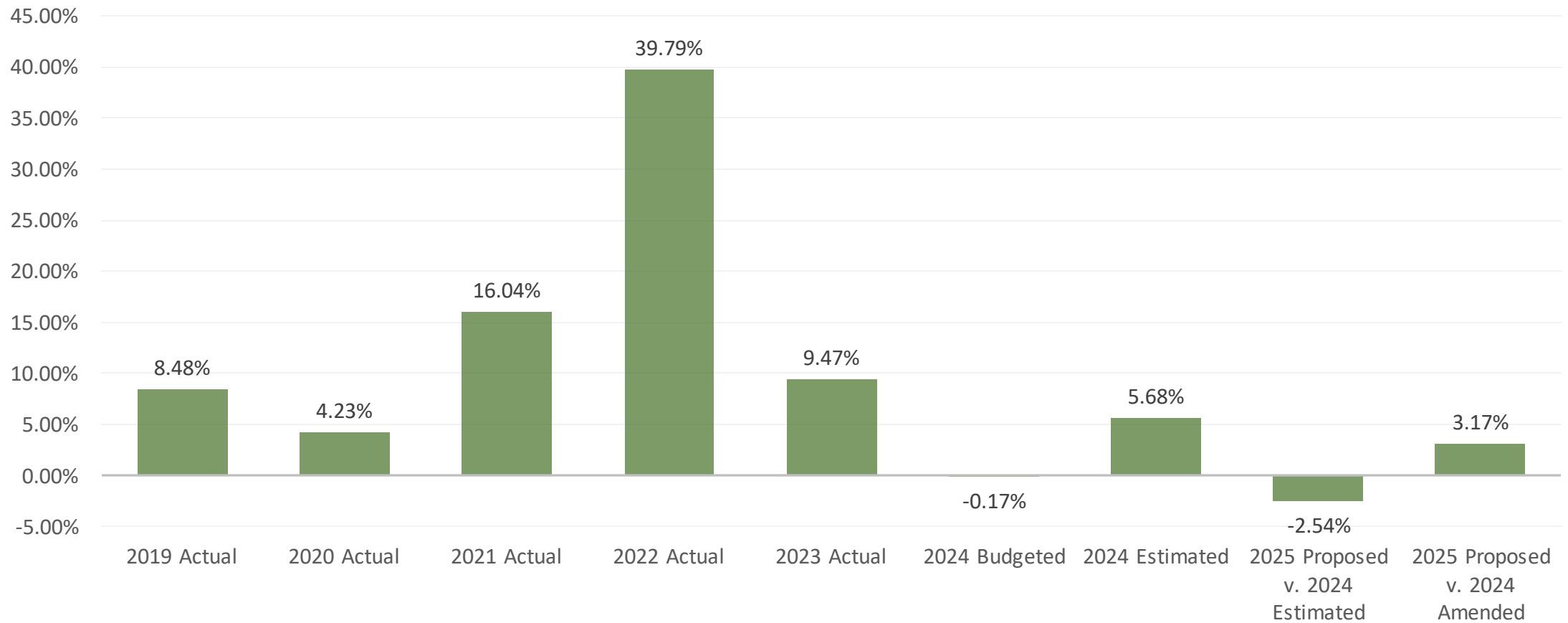
Revenues - Sales Taxes

- **12.2% of total spending plan**
 - General Fund - \$15.7M / 18.1%
- Starting to slow statewide
- Wake County trends higher than state average, also showing slower growth
- Impact of population growth and economic stability





Sales Tax Growth History

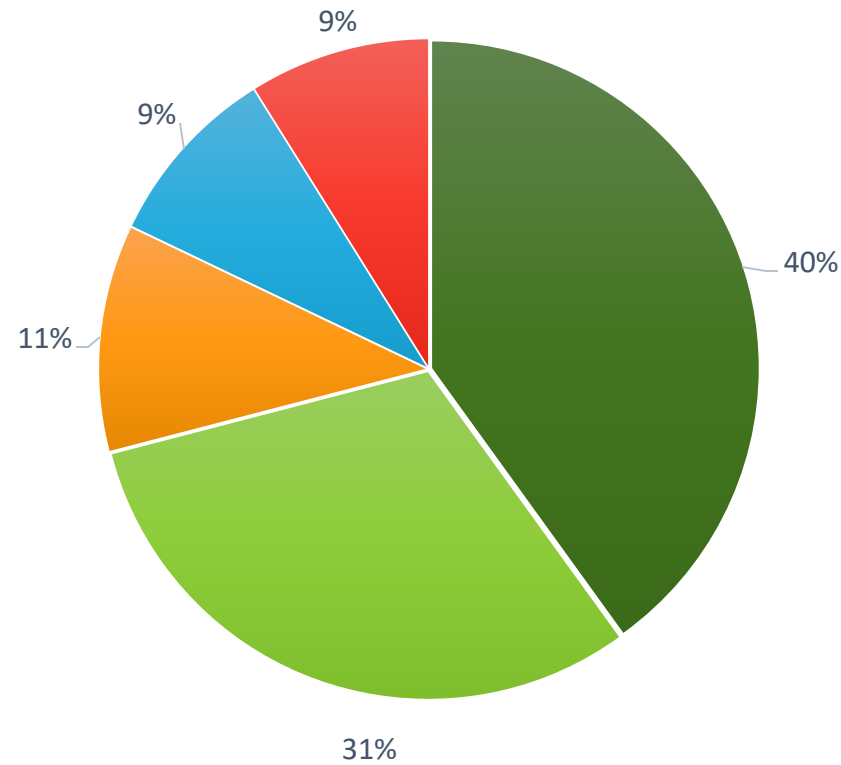


Other Rates & Fees + Impact

Rate or Fee	FY25 Proposed	Impact
Residential Solid Waste Fee	\$23.00 per month	\$1.00 increase per month
Vehicle Fee	\$30 <ul style="list-style-type: none"> \$15 General Fund \$15 for Debt Service Fund 	No impact to property owners; 50/50 split, applies equal portions to GF and DSF
Electric Rates	2.5% increase in residential energy charge - September 1, 2024	\$2.72 increase per month 8,000 customers
Stormwater Utility Fee (annual)	Tier 1 - \$44 (1 ERU) Tier 2 - \$121 (2.75 ERUs) Tier 3 - \$231 (5.25 ERUs)	Tier 1 - 10% of properties Tier 2 - 70% of properties Tier 3 - 20% of properties



Total Expenditures - \$128,668,100



■ Personnel Costs ■ Operating Costs ■ Purchase for Power ■ Debt Service ■ Capital Outlay/Transfers



Expenditures - Positions

- Thirteen (13) new positions - \$825K
 - 12 General Fund
 - 1 Stormwater Utility Fund
- Annualized cost of FY24 positions - \$1.1M



Expenditures - FY25 Position Details

Position	Department
Patrol Officer (4)	Police
Detective	Police
Community Police Sergeant	Police
Desk Officer	Police
Parks Planner	Planning
Project & Programs Manager	Planning
Special Event Coordinator (PT to FT)	Parks & Recreation
Applications Analyst	Information Technology
Tree Trimming Supervisor	Public Works
Stormwater Utility Manager	Stormwater Management



Expenditures - Personnel

- Performance pay (merit) and pay and classification study
- Health Insurance Premiums – *no increase*
 - Sixth consecutive year since transition to NCHIP
- Retirement - mandated increase - \$ 635,000
 - 12.93% to 13.67% - General and Fire
 - 14.29% to 15.04% - LEO





Expenditures - Operating & Capital

Performance Management System

NCHIP Partnership/No Medical Increases

Empowering Leaders (Leadership Academy)

Home renovations and rehabilitations

DHIC - Housing Counseling Program

Directional Signage - Wayfinding

Community Events

Building Safety Month

Pavement Program

Streetscape Projects

Replacement Vehicles & Equipment

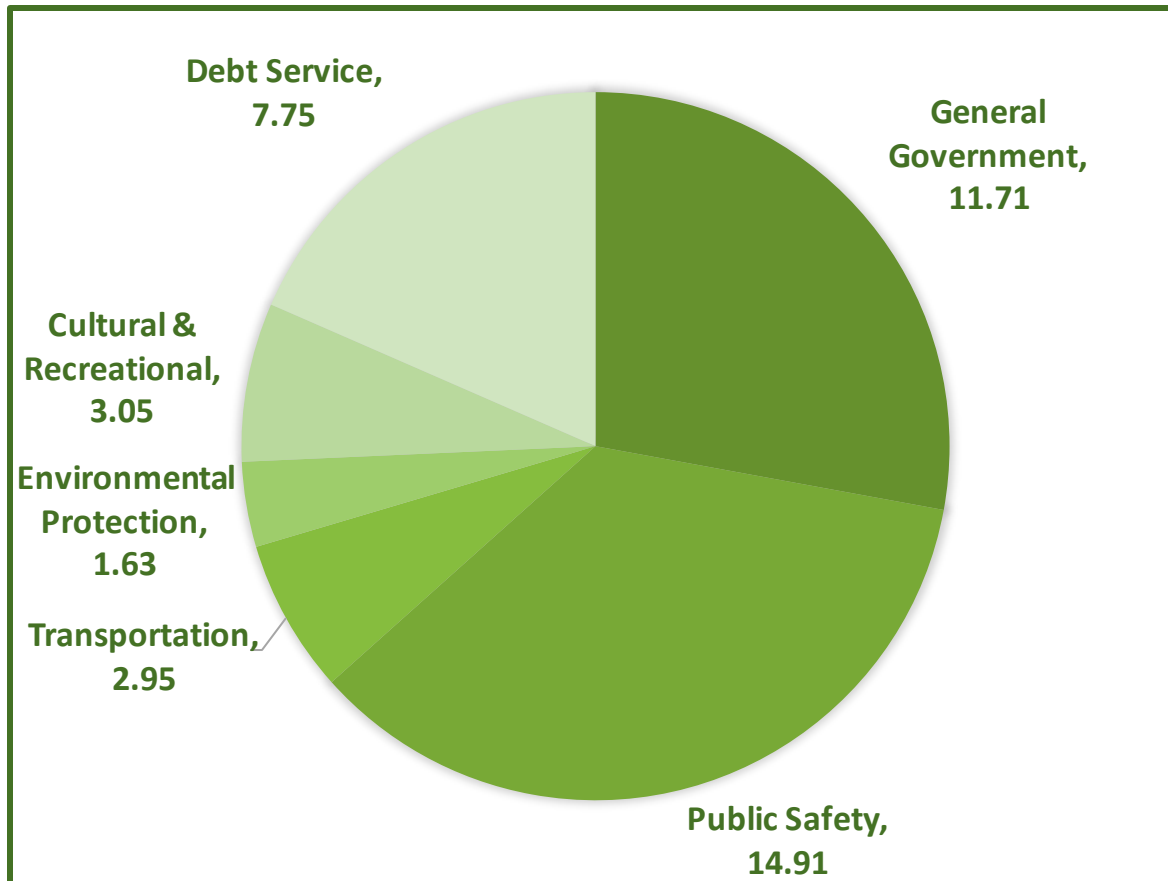
Performing Arts Center Feasibility Study

Other Agency Funding

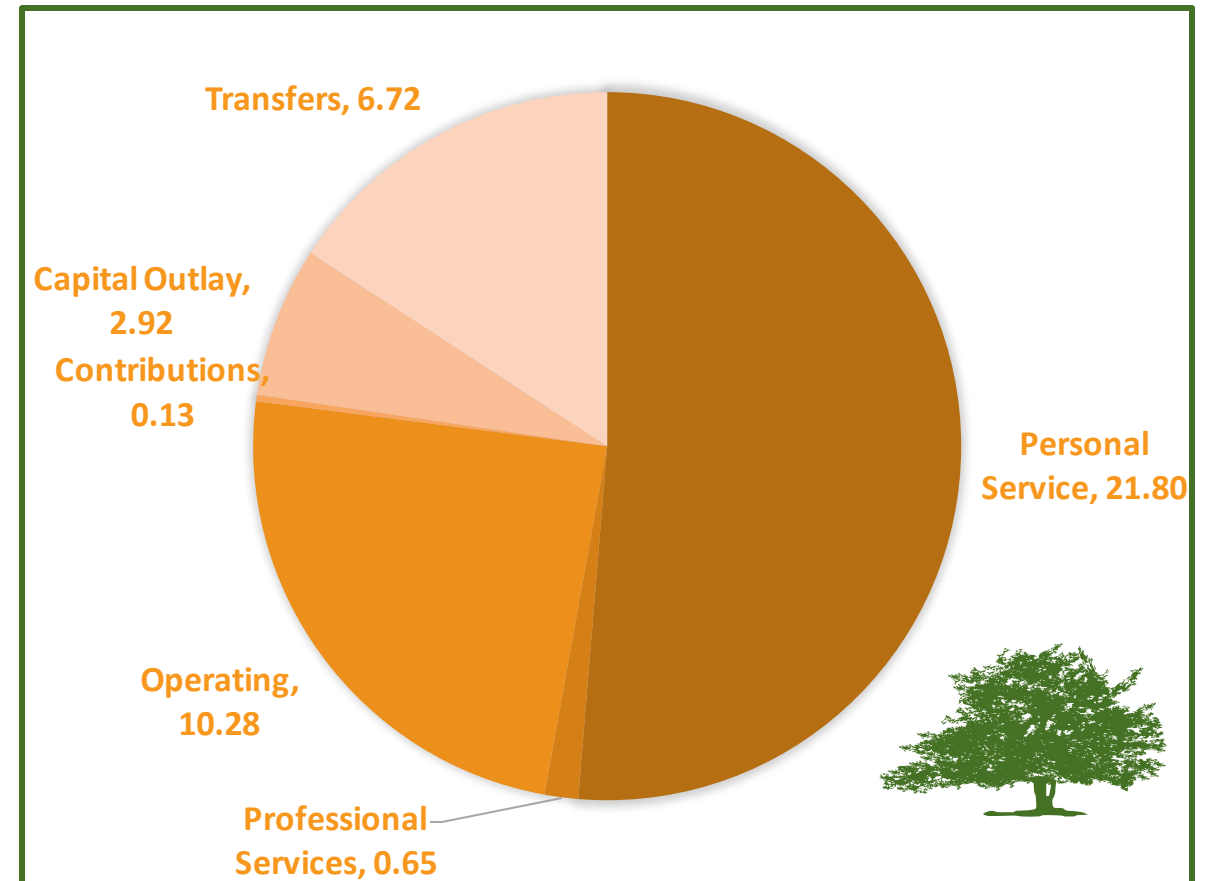


General Fund Expenditures by the Penny – \$0.42 cents

By Function



By Category





Major Impacts

- Positions
 - Annualized cost of FY24 positions
 - 13 New positions - \$825,000

- Debt service fund - \$11.1 million
 - Future debt service - \$ 3.2 million
 - 2022 Bond Referendum
 - Public Safety - Fire Station 6, warehouse and engines

- Capital Funding Plan - \$11.4 million
 - \$8.6 million - General Fund
 - \$1.4 million - Electric Fund
 - \$1.4 million - Stormwater Utility Fund

- \$2,120,665 Appropriated Fund Balance - one-time capital items



Future Impacts

- GO Bond Issuance - August 2024 - \$22 million
- Stormwater Utility Implementation
- Fire Station 6 Construction
 - 15 Firefighters
- Mandated Retirement
- Future Land Acquisition Opportunities

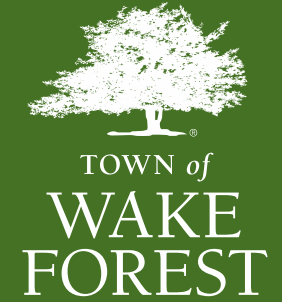
Next Step

**Board Meeting
Tuesday, June 18, 2024**



Approve FY 2024-25 Budget



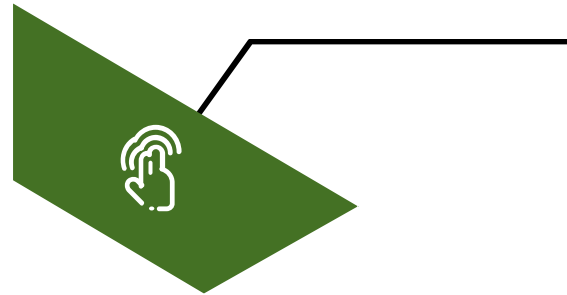


QUESTIONS OR COMMENTS

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Follow-up Item



How does the proposed tax rate impact our lower and fixed income residents? **Specifically, what is the monthly impact – show it the same way the median home value is shown.**



Property Tax Rate Impact

(Under Median Home Value)

	Current - FY24	Proposed - FY25	Variance
Property Value	\$53,310	\$64,073	\$10,763 / 20.19%
Tax Rate	\$.505	\$.42	\$(0.085)
Impact	\$269.22	\$269.11	\$(0.01) (monthly)



Property Tax Rate Impact

(Under Median Home Value)

	Current - FY24	Proposed - FY25	Variance
Property Value	\$148,328	\$199,073	\$50,745 / 34.21%
Tax Rate	\$.505	\$.42	\$(0.085)
Impact	\$749.06	\$836.11	\$7.25 (monthly)

