



# FY 2026 - 2027 Proposed Budget

PRESENTED BY

KIP PADGETT, TOWN MANAGER



## *Our* MISSION

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



# STRATEGIC PLAN

## Our GOALS



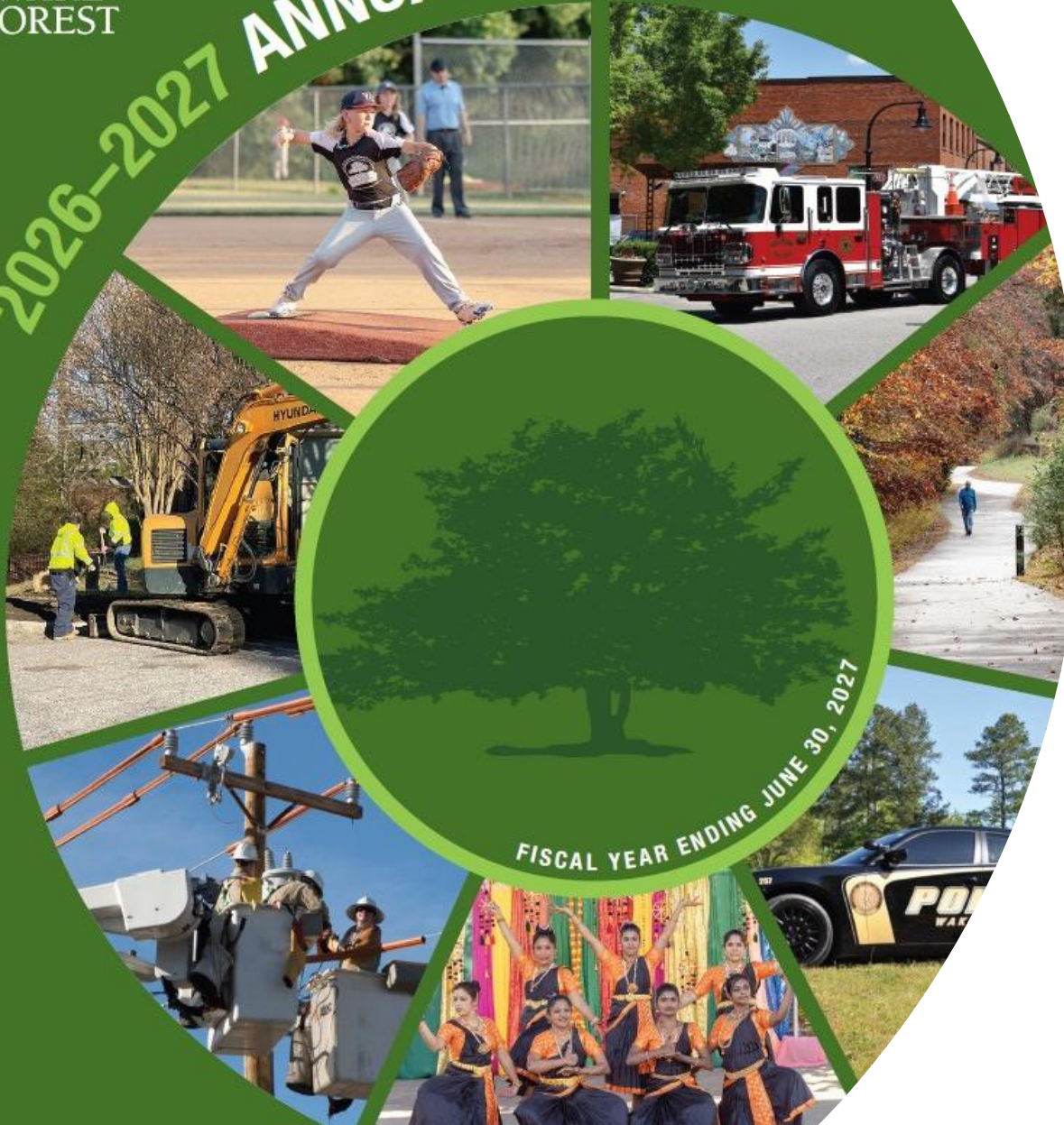
# Introduction

- Budget in Brief Document
- Transition to new software – performance measures
- Budget message – provides overview
- Uncertainty surrounding property tax





# 2026-2027 ANNUAL BUDGET



## Budget Highlights

- GFOA Award - FY 2025-2026
- Balanced per NC General Statutes
- Three Major Operating Funds
  - General Fund
  - Debt Service Fund
  - Electric Fund
  - Stormwater Utility Fund
- Other Funds



# Tax Rates & User Fees

<p>\$0.42 Property Tax Rate No Change Estimated Tax Base = \$12.5B</p>	<p>\$25 Solid Waste and Recycling Fee \$1 Increase</p>	<p>\$0.13 MSD Tax Rate 1¢ Reduction</p>
<p>.1434 Electric Rates (kWh) No Change Revenue increase due to growth in customer base</p>	<p>\$44-\$231 Stormwater Fees No Change</p>	<p>\$30 Vehicle Fee No Change; redistribution of funds, General - \$20 and Debt Service - \$10</p>



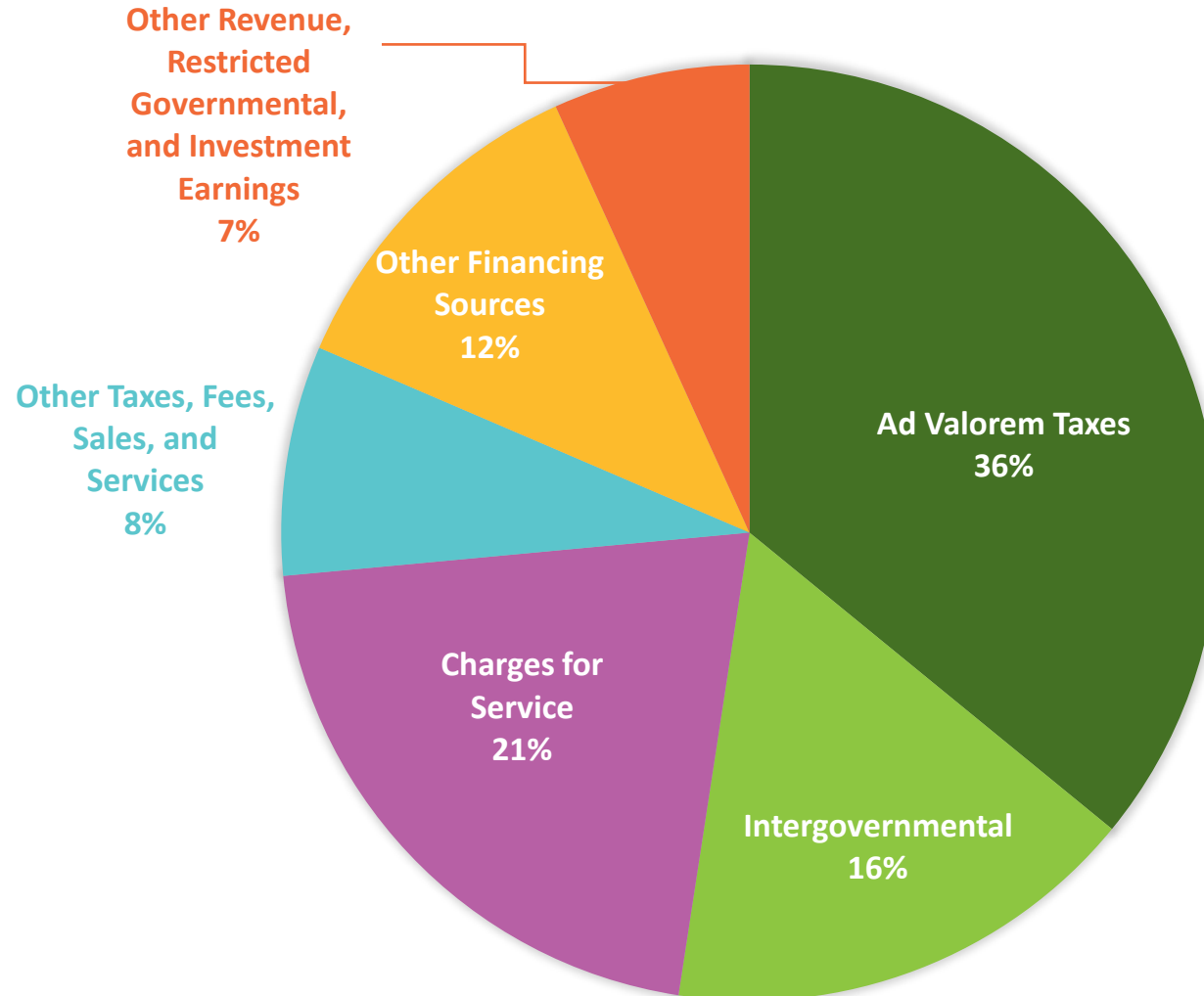
# FY27 All Funds Summary

Fund	FY26-27 Proposed
General	\$ 97,545,500
Debt Service	11,451,500
Electric	29,710,500
Stormwater Utility	4,020,500
Downtown Municipal Service District	212,765
Wake Forest Business & Industry Partnership	733,250
Wake Forest Renaissance Centre	1,539,500
<b>TOTAL</b>	<b>\$ 145,213,515</b>



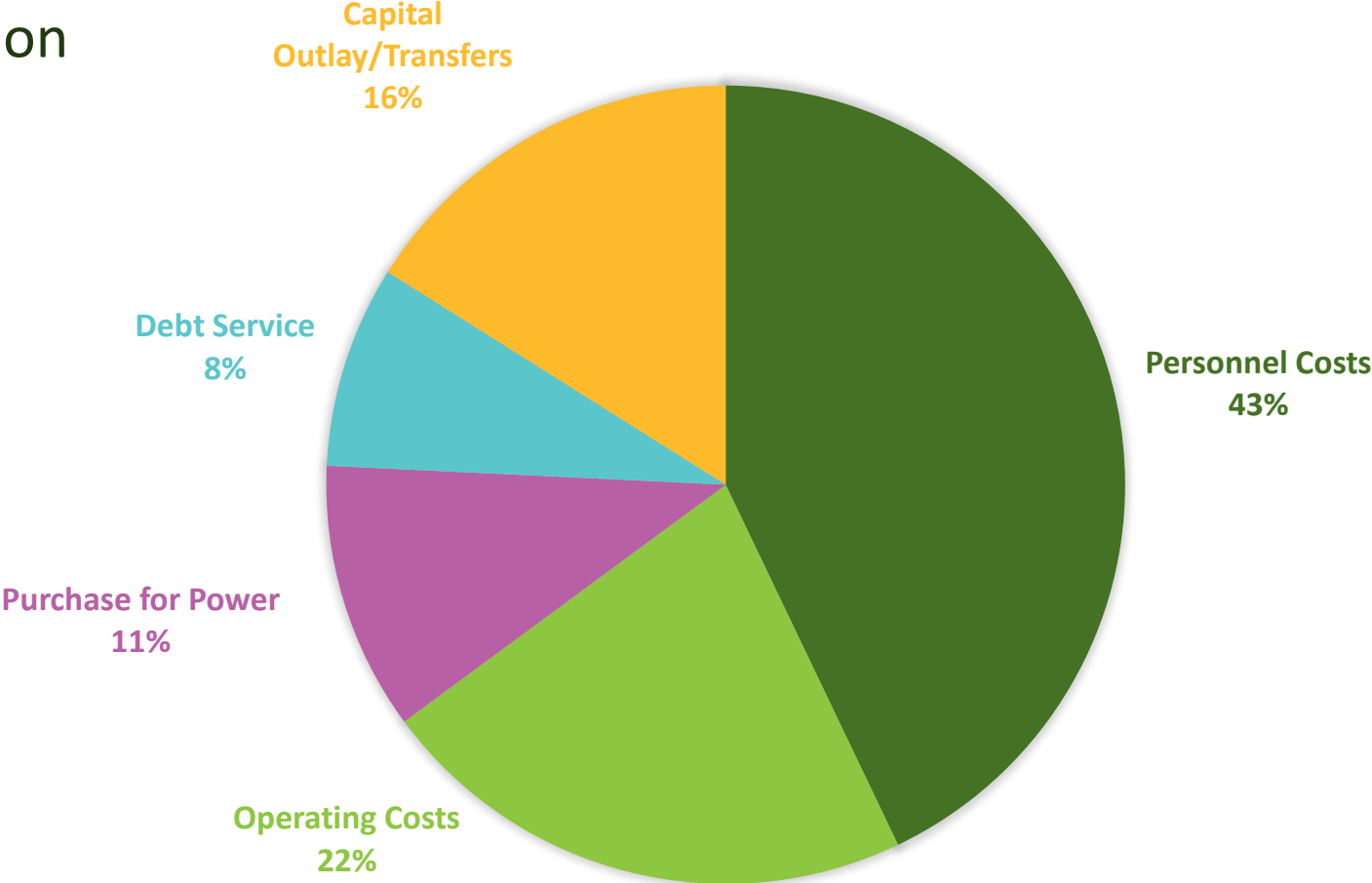
# Total Proposed Revenues - \$145,213,515

## By Classification



# Total Proposed Expenditures - \$145,213,515

By Account Classification



# Year-over-year Fund Comparison

Fund	FY25-26 Amended	FY26-27 Proposed	% Change
General	\$ 96,410,444	\$ 97,545,500	1.18
Debt Service	11,404,415	11,451,500	.41
Wake Forest Power	28,241,000	29,710,500	5.20
Stormwater Utility	3,635,510	4,020,500	10.59
Downtown Municipal Service District	221,700	212,765	(4.03)
Wake Forest Business & Industry Partnership	582,855	733,250	25.8
Wake Forest Renaissance Centre	1,504,150	1,539,500	2.35

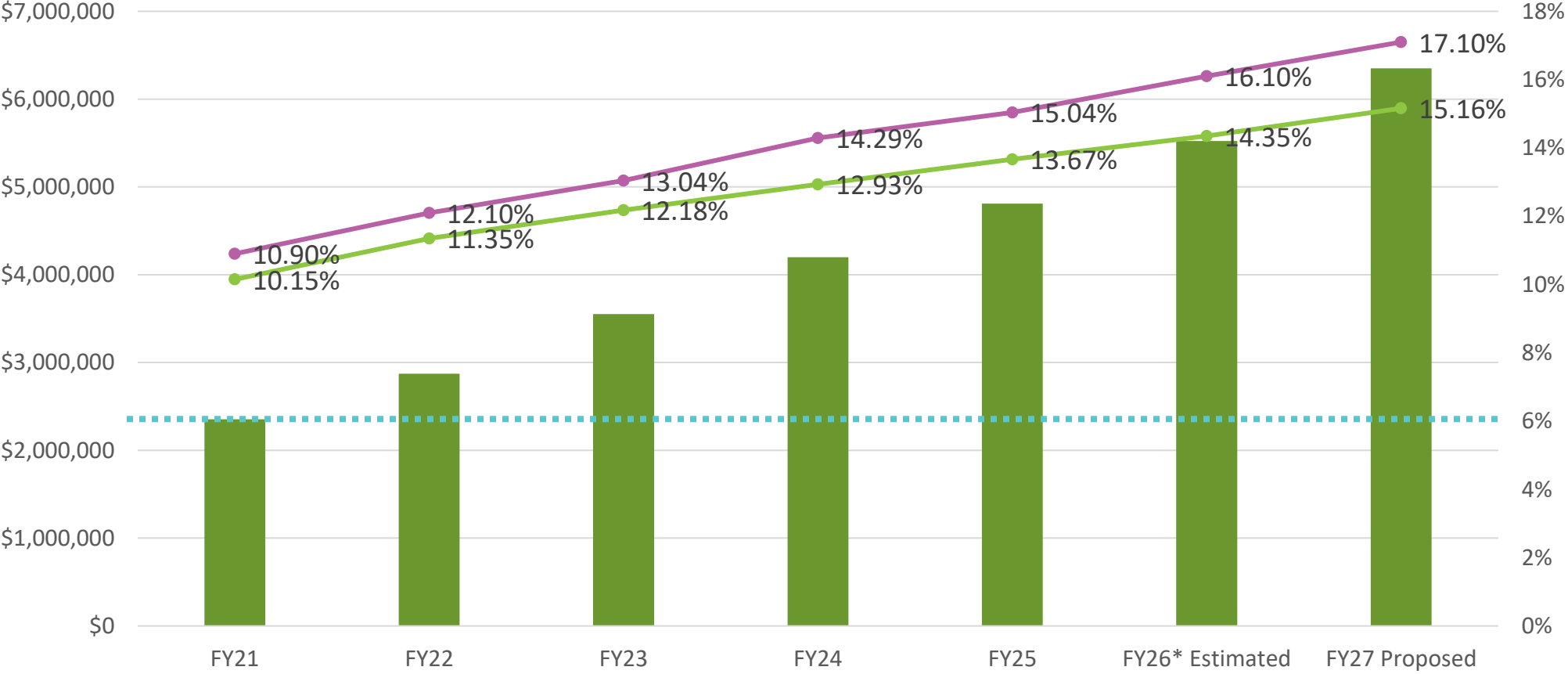


# Employees

- Twenty-five (25) new positions
  - 23 General Fund (includes 3 part-time to full-time)
  - 2 Electric Fund (includes 1 part-time to full-time)
- Performance pay (merit), career ladder, pay and classification
  - Health Insurance Premiums – **6% increase, absorbed by Town**
  - Retirement - \$ 6.35 million
    - Annual increase continues to impact employer contribution rates
    - 14.35 % to 15.16% - General and Fire
    - 16.10 % to 17.10% - LEO



# NC Retirement Increases



Actual      General Rate      LEO Rate      Employee Rate



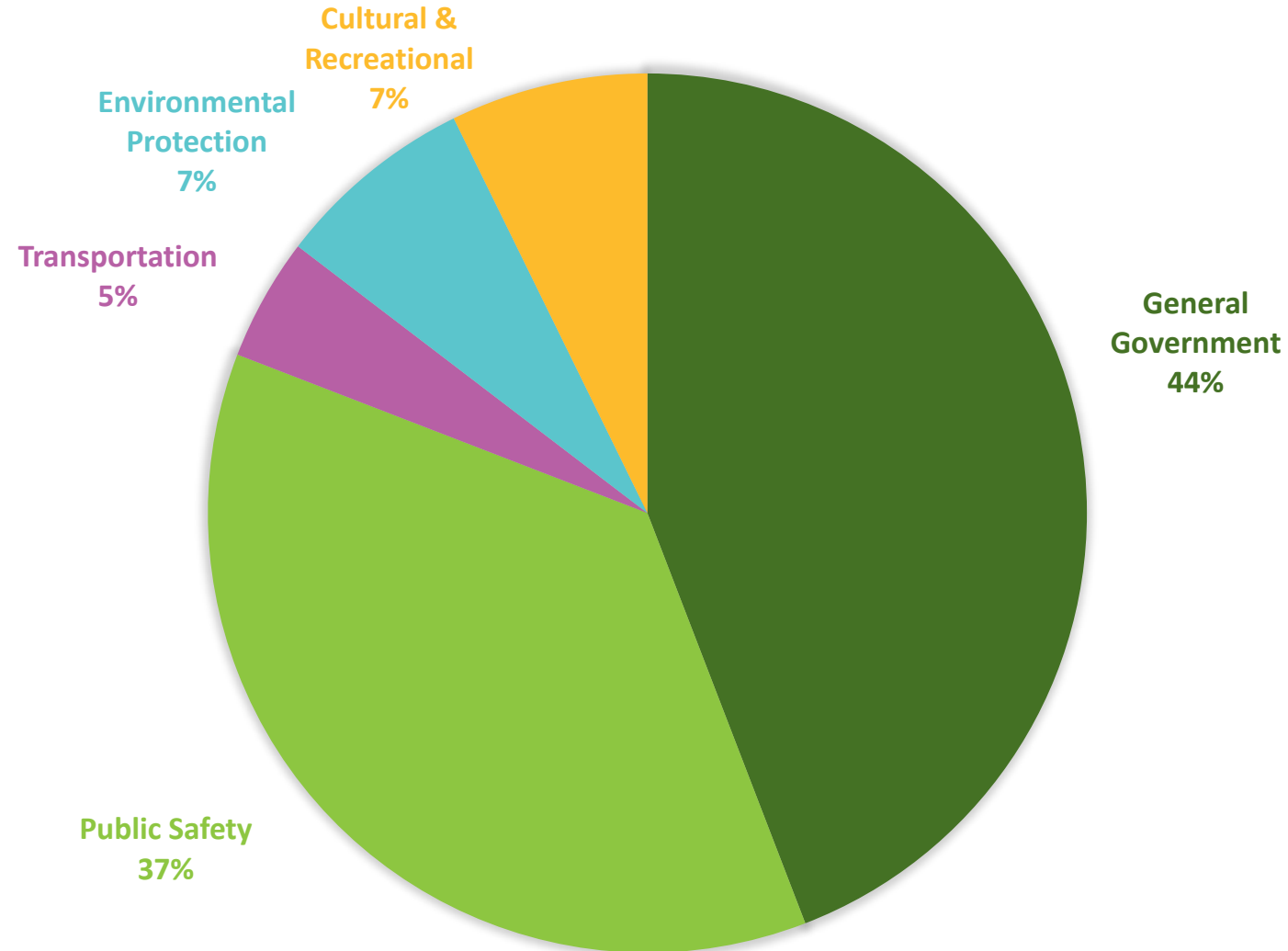
# Major Impacts

- **New positions (all funds) - \$1.8 million**
  - \$1.2 million - Firefighter Recruits
- **Debt service fund - \$11.45 million**
  - \$2 million - Fire Station 6
  - \$1.2 million - 0 Forestville Rd. Property
- **Capital Funding Plan - \$8.9 million**
  - \$4.3 million - General Fund
  - \$2.4 million - Electric Fund
  - \$2.3 million - Stormwater Utility Fund
  - \$2,989,500 Appropriated Fund Balance - one-time capital items



# Proposed General Fund - \$97,545,500

## Budget by Function



# General Fund Forecast

	FY 2022	FY 2023	FY 2024	FY 2025	AMENDED FY 2026	03/31/26 FY 2026	FY 2026	PROPOSED FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Actual	Actual	Actual	Budget	YTD	Projected	BUDGET	Forecast	Forecast	Forecast
<b>REVENUES</b>											
Ad Valorem Taxes	\$ 35,375,578	\$ 36,894,135	\$ 40,037,372	\$ 49,886,477	\$ 51,065,310	\$ 49,769,638	\$ 51,175,225	\$ 51,956,800	\$ 58,191,616	\$ 59,355,448	\$ 60,542,557
Other Taxes	56,265	55,512	63,546	74,570	72,500	55,496	81,725	82,500	75,000	78,500	82,500
Unrestricted Intergovernmental	17,034,220	18,676,830	19,411,696	21,478,256	22,026,645	11,755,356	23,334,145	23,975,490	24,694,755	25,435,597	26,198,665
Restricted Intergovernmental	3,132,834	3,376,269	4,655,348	4,744,512	5,209,250	4,399,499	5,162,497	5,472,670	5,225,500	5,350,000	5,350,000
Permits and Fees	4,770,730	3,809,720	3,948,942	3,161,251	3,322,500	2,276,718	3,087,850	3,034,550	3,110,414	3,188,174	3,267,879
Sales and services	4,372,131	4,481,901	5,071,144	5,446,549	5,987,535	3,578,193	5,718,187	6,147,720	6,393,629	6,649,374	6,915,349
Other Revenue	1,579,584	2,422,778	2,201,387	2,087,451	3,234,635	2,049,281	3,148,790	2,954,185	2,275,000	2,275,000	2,275,000
Investment Earnings	39,922	1,229,044	1,725,372	1,550,271	1,091,850	819,906	1,041,815	957,075	950,000	950,000	975,000
Interfund Transfers	396,218	227,275	3,675,125	164,037	847,850	424,639	542,640	502,065	483,750	507,940	533,340
Installment Purchase Proceeds	1,763,260	1,142,990	1,359,595	1,405,950	1,432,500	-	1,432,500	1,668,500	1,500,000	1,650,000	1,650,000
Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Wake Forest Fire Dept	-	-	-	-	-	-	-	-	-	-	-
Transfer from - NCCHIP	703,477	169,500	525,675	415,000	375,000	375,000	375,000	-	-	250,000	275,000
Lease Financing	716,888	195,124	4,651,834	242,651	-	-	-	-	-	-	-
Appropriated Fund Balance	-	-	-	-	4,359,433	-	-	2,989,500	-	-	-
<b>TOTAL REVENUES</b>	<b>69,941,108</b>	<b>72,681,077</b>	<b>87,327,035</b>	<b>90,656,974</b>	<b>99,025,008</b>	<b>75,503,726</b>	<b>95,100,374</b>	<b>99,741,055</b>	<b>102,899,663</b>	<b>105,690,033</b>	<b>108,065,291</b>
<b>Expenditures</b>											
Salaries & Benefits	31,663,227	36,392,449	41,437,688	45,853,155	49,644,710	35,601,481	49,117,360	54,149,260	56,315,230	58,567,840	60,910,553
Professional Services	1,367,902	1,314,673	1,936,608	1,623,596	2,155,446	1,017,542	1,468,928	1,879,720	1,750,000	1,802,500	1,856,575
Operating	14,850,098	16,332,347	18,403,243	19,071,861	22,870,214	15,457,898	21,026,378	23,019,245	23,479,630	23,949,222	24,428,207
Contributions	38,500	64,500	100,500	241,500	96,500	-	96,500	55,000	115,000	120,000	125,000
Transfers Out	2,897,682	2,215,514	2,493,887	5,106,272	5,688,455	4,557,091	5,688,455	4,918,355	3,500,000	4,500,000	5,500,000
<b>TOTAL</b>	<b>50,817,410</b>	<b>56,319,484</b>	<b>64,371,926</b>	<b>71,896,384</b>	<b>80,455,325</b>	<b>56,634,011</b>	<b>77,397,621</b>	<b>84,021,580</b>	<b>85,159,860</b>	<b>88,939,562</b>	<b>92,820,335</b>
<b>Debt Service:</b>											
Principal Retirement	6,437,659	6,224,798	6,572,392	6,864,882	9,136,915	5,507,658	8,289,364	8,869,120	7,945,345	7,313,555	6,989,790
Interest and fees	1,184,034	1,110,417	1,168,899	1,645,992	2,267,500	1,869,538	2,237,846	2,582,380	2,362,990	2,100,580	1,827,830
<b>Future Debt Service (planned)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,895,000</b>	<b>2,165,000</b>	<b>2,640,000</b>
<b>TOTAL</b>	<b>7,621,693</b>	<b>7,335,215</b>	<b>7,741,291</b>	<b>8,510,874</b>	<b>11,404,415</b>	<b>7,377,196</b>	<b>10,527,210</b>	<b>11,451,500</b>	<b>12,203,335</b>	<b>11,579,135</b>	<b>11,457,620</b>
<b>Non Operating Department</b>											
Capital Outlay	3,698,419	3,487,328	12,703,315	4,185,566	7,165,268	4,004,950	5,590,174	4,267,975	5,500,000	6,500,000	6,500,000
<b>TOTAL</b>	<b>3,698,419</b>	<b>3,487,328</b>	<b>12,703,315</b>	<b>4,185,566</b>	<b>7,165,268</b>	<b>4,004,950</b>	<b>5,590,174</b>	<b>4,267,975</b>	<b>5,500,000</b>	<b>6,500,000</b>	<b>6,500,000</b>
<b>TOTAL EXPENDITURES</b>	<b>62,137,522</b>	<b>67,142,027</b>	<b>84,816,531</b>	<b>84,592,823</b>	<b>99,025,008</b>	<b>68,016,158</b>	<b>93,515,005</b>	<b>99,741,055</b>	<b>102,863,195</b>	<b>107,018,697</b>	<b>110,777,955</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 7,803,586</b>	<b>\$ 5,539,050</b>	<b>\$ 2,510,504</b>	<b>\$ 6,064,151</b>	<b>\$ -</b>	<b>\$ 7,487,568</b>	<b>\$ 1,585,369</b>	<b>\$ -</b>	<b>\$ 36,468</b>	<b>\$ (1,328,664)</b>	<b>\$ (2,712,664)</b>

# General Fund Forecast

- Inflationary pressures – cost of doing business continues to increase
- Growth leveling off/available land for development
- Forecast indicates we need to be mindful of revenue stream – continued conservative philosophy along with other factors (i.e. State/Federal mandates)



# Future Impacts

- Planned Bond Issuance (2026 and 2028)
  - Remaining authorization from 2022 GO Referendum
- 2027 Revaluation
  - Effective with FY 2027-2028 Budget
- Future Bond Referendum – November 2028



# What's Next



- **Public Hearing on Tuesday, May 19**
- **Work Session on Tuesday, June 2**
- **Approve Budget by Tuesday, June 16**



WAKE  
FOREST

