



TOWN *of* WAKE FOREST

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May 5, 2026

Honorable Ben Clapsaddle, Mayor
Honorable Keith Shackelford, Mayor Pro-tem
Honorable Faith Cross, Commissioner
Honorable Haseeb Fatmi, Commissioner
Honorable Nick Sliwinski, Commissioner
Honorable Adam Wright, Commissioner

Mayor and Board of Commissioners:

Submitted for your consideration is the proposed budget for the Town of Wake Forest, North Carolina for the fiscal year beginning July 1, 2026. This budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The presented budget is balanced and identifies estimates for all revenues and expenditures for Fiscal Year (FY) 2027.

INTRODUCTION

The Town of Wake Forest continues to stand as one of North Carolina's most dynamic and desirable communities—defined by strong economic fundamentals, a high quality of life, and sustained, intentional growth. As we present this year's budget, it is important to recognize that our financial plan is being shaped within the context of both significant opportunity and complex challenges.

Wake Forest's economy remains resilient and robust. With median household incomes significantly above the state average and a highly educated workforce, the Town continues to attract new residents, businesses, and investment. Wake County is among the fastest-growing regions in the state, and Wake Forest itself is adding new residents at a steady pace—bringing energy, innovation, and long-term economic stability to our community.

However, this growth also presents real and pressing challenges. Rapid population increases place demands on infrastructure, transportation networks, public safety, and essential services. The need to expand and maintain roads, utilities, parks, and facilities must be carefully balanced with fiscal responsibility and the expectations of our residents. At the same time, rising costs for construction, labor, and service delivery continue to impact local governments nationwide, requiring thoughtful prioritization and disciplined financial management.

Additionally, maintaining the character and livability that define Wake Forest—while accommodating growth—remains a central challenge. Strategic investments must not only address today’s needs but also position the Town for long-term sustainability, ensuring that we preserve our sense of community even as we evolve.

This budget reflects that balance. It is a forward-looking plan that supports continued economic vitality, invests in critical infrastructure and services, and responds to the realities of a growing community—all while remaining committed to responsible stewardship of public resources.

LINKING STRATEGY TO BUDGET

We must continue to provide a budget that invests in solutions. This management and policy philosophy in concert with the strategic plan lay the foundation of how our budget should be developed to address the needs of our community. The strategic plan is reviewed regularly with staff and updates are provided to the BOC on a quarterly basis. Listed below are the five goals of the strategic plan and a summary of key initiatives:

Sustaining Excellent Town Services - This recommendation includes funding for performance-based merit increases, career ladder adjustments, and implementation of recommendations from the compensation and classification study. This study reviews approximately one-third of our positions each year to ensure we remain competitive in the labor market and continue to be an employer of choice. For the first time in seven years, we have experienced an increase in our insurance rates; however, we are able to absorb the increase without passing it on to our employees.

Construction of Fire Station 6 is currently underway, with completion anticipated in early summer 2027. This budget includes the personnel needed to adequately staff the station upon opening. The impact of required staff adds an additional \$1.2 million to the budget. In addition, a fire engine has already been ordered to ensure it is delivered and ready for service in alignment with the station’s completion.

Renovations to the annex and third floor of Town Hall have been completed to support both current operations and future growth. These improvements provide the space needed for key departments, including Legal, Economic Development, Planning, and Engineering.

Creating Accessible Housing Opportunities - The budget includes a \$15,000 increase to the housing rehabilitation program, bringing the total investment to \$80,000. This adjustment reflects rising construction and labor costs while ensuring the program can continue supporting critical home repairs and improvements within the northeast community, consistent with the adopted Northeast Area Community Plan.

In addition to the \$2.3 million that has been set aside in the Housing Initiatives Capital Reserve Fund, this budget proposes adding one half cent, \$617,000, in FY27. Planning staff have been actively coordinating with both public and private sector partners to identify priority areas where

these funds can have the greatest impact. It is anticipated that these resources will be directed toward infrastructure investments and strategic land acquisition to advance the Town's housing goals, in alignment with the Board's adopted housing plan.

Fostering a Safe, Diverse, and Welcoming Community - The budget continues to support a wide range of programs that enhance the Town's cultural and recreational offerings. Signature events such as Six Sundays in Spring and Friday Night on White provide live music in distinct settings, helping to appeal to a broad spectrum of musical tastes and audiences.

Programming at the Renaissance Centre further enriches the community through art shows, theatrical performances, and other cultural experiences designed to engage residents of all ages. In addition, youth camps introduce children to the arts early, fostering creativity and lifelong appreciation.

Longstanding traditions like Boo Bash, the Egg Hunt, Independence Day celebration and outdoor movie nights remain highly popular, with attendance continuing to grow alongside the community. The proposed budget includes funding to sustain these valued programs and ensure they remain a vibrant part of the Town's quality of life.

Investing in Transportation and Infrastructure - The final phase of the Town's three-year, \$18 million pavement program is now underway. Over the course of this initiative, more than 40 miles of Town streets will have been resurfaced. As this effort concludes, the proposed budget transitions to a more cost-effective pavement preservation strategy aimed at extending the life of existing infrastructure and maximizing the use of taxpayer dollars.

The Town continues to leverage public-private partnerships to accelerate project delivery and reduce costs. Major projects, including the four-lane expansion of Franklin Street to Rogers Road and the streetscape improvements along Roosevelt Avenue and North White Street, are nearing completion. These projects are funded by the 1.5 cent transportation allocation. Additionally, construction is beginning on a new traffic signal at the intersection of Forestville Road and Coach Lantern Way.

Improving connectivity remains a key priority. Dunn Creek Phases 3 and 4 have been completed, along with the Miller Park Stream Restoration project. The second issuance of the 2022 Bond referendum is planned for Fall 2026 that includes the construction of Smith Creek Phases 2 and 3. Work continues with the Friendship Chapel Road connection linking South Main Street to Jones Dairy Road. These investments reflect the Town's ongoing commitment to enhancing mobility, connectivity, and safety.

Stormwater infrastructure also remains a critical focus. The budget includes \$2 million for the construction of the remaining phases of the Crenshaw Stormwater Improvement Project, as well as for ongoing pipe rehabilitation and replacement efforts. In addition, design work is funded to address critical infrastructure needs and improve water quality within the Richland and Toms Creek watersheds.

Advancing Community and Economic Prosperity - The Wake Forest Business and Technology Park (WFBTP), a partnership with Southeastern Baptist Theological Seminary (SEBTS), is experiencing growing interest from prospective developers. The Town continues discussions with UNC Health regarding the potential development of a community hospital campus, along with conversations involving other private sector partners to optimize the site in a manner that aligns with the shared goals of the Town and SEBTS. A key component of these discussions is the need for supporting road infrastructure, particularly addressing the impacts and access considerations related to Capital Boulevard and Ligon Mill Road. Design work on the extension of Ligon Mill Road is anticipated to advance in the coming year.

In addition, funding is included in the Economic Development budget to support the Wake Forest Business and Industry Partnership (WFBIP) entrepreneurial initiatives. This includes programs such as the Founders program, along with workshops, training opportunities, and educational classes. This investment reflects the Town's continued commitment to strengthening the local entrepreneurial ecosystem and supporting business growth throughout the community.

REVENUE SUMMARY

The recommended property tax rate for the coming fiscal year remains unchanged at \$0.42. This rate is based on an estimated combined tax base of \$12,529,203,095 across Wake and Franklin Counties and a collection rate of 98.5%. The total proposed budget for the Town of Wake Forest, inclusive of all funds, is \$145,213,515.

The recommended tax rate for the Downtown Municipal Service District (MSD) is \$0.13 per \$100 of assessed value. This reflects a one-cent reduction, made possible by the completion of debt service payments on the 2019 White Street Streetscape project. While the Town has reduced the general fund tax rate in prior years due to rising property valuations, the MSD rate has remained steady until now to meet ongoing debt obligations. Revenues generated within the district continue to support key investments such as the Downtown Streetscape project, façade improvement initiatives, and other related needs.

Sales tax revenues, along with vehicle taxes and fees, are projected to see modest growth in the coming year. Given broader economic uncertainty, a conservative increase of approximately 3% over FY26 year-end projections has been assumed.

No increase in the electric rate is recommended. Although the Town continues to see growth in its customer base, rising material and supply costs remain a challenge. Ongoing evaluation of the system will be necessary to maintain long-term stability. As a reminder, the electric system operates as an enterprise fund and is intended to remain self-supporting through the revenues it generates.

\$0.42 Property Tax Rate No Change	\$25 Solid Waste and Recycling Fee \$1 Increase	\$0.13 MSD Tax Rate 1¢ Reduction
Recommended Rates and Fees		
.1434 Electric Rates (kWh) No Change	\$44-231 Stormwater Fees No Change	

Maintaining a conservative approach to revenue projections remains a cornerstone of the Town’s fiscal policy, particularly for revenues sensitive to economic fluctuations such as sales tax, interest income, and building and inspection fees.

To support General Fund needs, \$2,989,500 in fund balance is appropriated in the proposed budget. These funds are designated for one-time capital expenditures per town policy. While this appropriation may ultimately not be fully needed due to conservative revenue assumptions, it provides flexibility to ensure a balanced budget until actual revenues are realized in the coming fiscal year. Even with this planned use, the Town’s fund balance is expected to remain above the adopted policy threshold.

Maintaining a strong fund balance is essential to address emergencies and unforeseen expenditures, while also positioning the Town to secure more favorable interest rates when financing future projects. This financial strength has enabled the Board to pursue strategic land acquisitions over the past two years. Additionally, recent events such as Hurricane Helene—and the uncertainty surrounding federal reimbursements—underscore the importance of preserving adequate reserves to safeguard the Town’s financial stability.

EXPENDITURE SUMMARY

Personnel

Due to a mandate from the State Treasurer’s Office, an increase in the retirement contribution is needed. The new rates are 15.16% for general employees and 17.10% for law enforcement. LGERS still remains one of the best performing and solvent government pension plans in the Country.

The budget recommends funding for the following twenty-five (25) new full-time positions:

Position/Department	Justification
Fire Recruits (14)	Fourteen fire recruits are needed to staff Station 6 in preparation of its opening in the summer of 2027.
Human Resources Consultant	As we continue to grow as a town government, additional HR support is needed, especially in benefits administration.
Communications Specialist	This position will provide support for our Public Information efforts to provide support to various departments including public safety. This also provides for succession planning.
Applications Technician	This converts an existing part-time position to full-time to assist in handling increased technology demands on the town, especially in cyber security.
Public Facilities (2) Custodians and Facilities Maintenance Specialist	These positions will assist in the upkeep of our buildings as we have expanded office spaces and are adding a new fire station. We will also be able to reduce our current custodial contract.
Public Works - Fleet Apprentice Mechanic	This position converts a part-time position to full-time for an apprentice as it is becoming more difficult to recruit for mechanic positions. This follows the same practice as our Inspections Department. An apprentice will allow us to bring someone onboard who has the interest and aptitude to allow us to train them in this trade.
Assistant Parks, Recreation & Cultural Resources Director	As the department continues to add programs, greenways and facilities to its operations, it has become necessary to have a position to assist in the management of this large and diverse operation. This also provides for succession planning.
Utility Billing Specialist	Due to an increasing customer base, this position will assist in our billing efforts on stormwater and electric services.
Customer Service Representative (CSR)	This is a part-time position that is requested to move to full-time status to assist in the growing demand placed upon our current CSR team.
Economic Development Specialist	This is a part-time position that is requested to move to full-time to meet the growing demands of our two-person team.

Capital Outlay

Capital funding is planned for the General, Electric and Stormwater Funds. In the General Fund, we are relying on installment financing, capital reserve funds and fund balance to fund needed capital items. Installment financing will be used to acquire most of the rolling stock listed in the Capital Improvements Plan. The Board's policy of maintaining adequate fund balance and capital reserve funds affords us opportunities for flexibility in funding capital items. Minor capital items have also been funded where needed. The capital funding plan for this year is \$8.9 million; a breakdown of each fund is below:

CAPITAL FUNDING PLAN		
GENERAL	ELECTRIC	STORMWATER
<ul style="list-style-type: none"> - Replacement patrol vehicles, radios - Ailey Young House (design construction drawings/structural analysis) - S-line design - ADA improvements - Building improvements - Wayfinding signage - Replacement equipment; chipper, excavator, leaf vacuum truck 	<ul style="list-style-type: none"> - Line construction - Replacement vehicles and equipment; excavator, wire puller, diggers - Building improvements 	<ul style="list-style-type: none"> - Crenshaw improvements - Toms/Richland Creek Watershed Improvements - Replacement equipment; dump truck, sweeper - Pipe repair and replacement
\$4.3M	\$2.4M	\$2.3M

Debt Service

Our debt service fund budgets \$11.45 million for FY27, which is 11.7% of the General Fund expenditures. All general fund debt is placed in this fund. This includes payments for Fire Station 6 and the 0 Forestville Road property. We expect to issue the second round of GO bonds from the 2022 referendum in the amount of \$23.5 million in late 2026 or early 2027. Projects include Ailey Young Park improvements, Smith Creek greenway and transportation improvements.

Other Agencies

While nonprofits provide a needed service to the community, it is often difficult to decide which ones to fund. It is important to review the mission of the non-profit and how that fits into the service of the community and values set by the Board. This must be balanced with revenues available and the requirements of the Town to provide basic services to its citizens.

The following local nonprofits are included in the FY27 Proposed Budget:

- Birthplace Museum - \$25,000
- The Boys & Girls Club - \$10,000
- Chamber of Commerce - \$20,000

FUTURE NEEDS AND OTHER ISSUES

It is extremely important that we look to the future and prepare now for the needs of the community and Town operations over the coming years.

- **Personnel** – As our community continues to grow and we enhance our services to citizens; personnel are a continual need and represent one of the largest expenditures.
- **Wake County Revaluation Cycle** – North Carolina law requires all counties to conduct a property tax revaluation of real estate at least once every eight years, Wake County is transitioning from a 4-year cycle to a 2-year cycle, scheduled to begin January 1, 2027. This strategy is designed to address rapid market growth and reduce “sticker shock” for homeowners.
- **Legislative Action** – Municipal governments are created by the State and action by the General Assembly could create unanticipated (and unfunded) mandates.

SUMMARY

Fiscal Year 2027 promises to be another active and impactful year for the Town. Projects such as Fire Station 6 and infrastructure endeavors represent important investments that will enhance both service delivery and overall quality of life. As we advance these and other initiatives, we remain focused on balancing immediate needs with long-term planning—positioning the Town to meet today’s challenges while embracing future opportunities and innovation. This work is made possible by a dedicated team of employees who demonstrate professionalism, commitment, and a strong sense of purpose in serving our community each day.

This budget continues to reflect the priorities outlined by the Board and in our strategic plan. It is grounded in a disciplined financial approach. We have taken a conservative stance on revenue projections while maintaining careful control over expenditures. This approach requires difficult choices, as not every need can be fully addressed; however, it ensures that we use available resources thoughtfully and effectively. Our goal is to invest in meaningful, sustainable solutions rather than simply allocating funds without clear outcomes.

Because of this philosophy, I am confident that the proposed budget is both realistic and responsive. It provides the necessary resources to advance the Town’s mission while highlighting the positive impact we can provide for our residents. It also underscores our commitment to remaining an employer of choice by supporting and investing in our workforce. Regardless of growth trends, challenges will always exist, but this budget positions Wake Forest to meet those challenges while continuing to provide high-quality services to a thriving and dynamic community.

I would like to express my sincere appreciation to our Assistant Town Managers and Department Directors for their leadership and dedication throughout the budget development process. Special thanks are due to the Budget Department led by Michelle Daniels, whose work was instrumental in preparing this balanced budget, as well as to Aileen for her continued financial expertise and steady guidance in maintaining our fiscal stability. Finally, I want to thank the Board for its ongoing commitment to sound fiscal policy—without which Wake Forest would not be the exceptional community it is today.

Please let me know if you have any questions or need additional information as we move forward in the budget process toward adoption in June.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kip Padgett", with a long horizontal line extending to the right.

Kipling D. “Kip” Padgett, ICMA-CM, CPM
Town Manager