



TOWN *of* WAKE FOREST

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May 6, 2025

Honorable Vivian Jones, Mayor
Honorable Keith Shackleford, Mayor Pro-tem
Honorable Ben Clapsaddle, Commissioner
Honorable Faith Cross, 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, 2025. 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) 2026.

INTRODUCTION

Several initiatives began this year to meet the needs of our citizens and align with the strategic plan. Two of the most notable ones are discussed below.

First, we have begun the transfer of the Senior Center to the town. Due to funding challenges, Resources for Seniors began discussions with us regarding assuming the operation and management of the Senior Center. Resources for Seniors has done an incredible job for years and will continue to be a critical partner, after the Senior Center transitions to a town department effective July 1.

Although Covid delayed the opening after Center's expansion in 2020 and a lightning strike closed the Center for several months, it is back up running and full of participants. Citizens throughout the Triangle are becoming members monthly due to its reputation. Anyone who visits the center will see why it is so popular.

During the transition process we discussed with Senior Center staff all the programming and initiatives that are occurring. It is our intent to keep those in place moving forward. The staff at the Center are amazing and a big factor in its popularity. All staff will be transitioned to the town as town employees. In speaking with employees, they discussed renaming the Center to something more reflective of their goals and vision. Due to that discussion and their suggestions, the Senior Center will become the Wake Forest Center for Active Aging on July 1.



WAKE FOREST
**Center for
Active Aging**

Secondly, the Town transitioned to Go Wake Forest, an on-demand microtransit system, last fall. Since 2008, Wake Forest has been contracting with the City of Raleigh to operate a fixed-route transit system known as the Wake Forest Loop. However, cost increases, on-time performance, and low ridership resulted in the Town exploring other options. Since transitioning to Go Wake Forest, ridership has increased from 1.5 passenger boardings per hour to 24; on-time performance has increased from 57% to 86%; and cost per rider has decreased from \$74 to under \$17. The performance of this system has far surpassed the Town's expectations and over 96% percent of riders have rated their experience a perfect five out of five stars.

TRANSIT COMPARISON

	WAKE FOREST LOOP	GO WAKE FOREST
Type	Fixed-route Transit	On-demand Microtransit
Ridership per hour	1.5	24
On-time Performance	57%	86%
Cost per rider	\$74	< \$17

The demand for microtransit continues to grow and Go Wake Forest has been responsive to this, growing its fleet from three vans to ten. Go Wake Forest's continued success has also been acknowledged regionally, with the Town receiving preliminary approval of Wake County Transit funding to fund half of operations next fiscal year. In the Fall of 2025, we will review the progress from our first year with the Board and discuss any modifications that might be warranted.

There have been many other initiatives throughout town by our various departments. It is critical we continue to provide funding at adequate levels to ensure all our departments deliver the services residents expect: from public safety to quality-of-life enhancements to solid waste; to protecting the environment; to ensuring the building code is enforced; and maintaining the balance between growth and development. Funding becomes more challenging as we continue to add services, maintain existing services, meet our capital needs, and remain an employer of choice as prices and other factors influence how we provide services.

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 is 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 funds for performance-based merit increases for staff, career ladder adjustment and recommendations from the compensation and classification study that reviews a third of our positions every year to ensure we remain competitive and an employer of choice. For the seventh consecutive year, no insurance premium increases are needed.

Fire Station Six continues to move forward. As of the writing of this memo, land has been purchased and is currently moving through the special use process. A multi-disciplinary firm has been hired to manage the process through construction. Soon we will begin to see more design details and begin pulling all the elements together to arrive at the Guaranteed Maximum Price (GMP). This budget sets aside a portion of the debt service fund for financing station construction.

With the relocation of Police to Merritt Capital Business Park, the former Criminal Investigations Division (CID) building will be renovated. The Annex, as it will be called, will provide much needed relief to capacity constraints we are experiencing at Town Hall.

Creating Accessible Housing Opportunities - The budget includes an increase of \$15,000 to the housing rehabilitation program which brings the total program amount to \$65,000. This program continues to assist with renovations and rehabilitation of homes in the northeast community in accordance with the adopted Northeast Area Community Plan. Funds set aside for Housing Initiatives in the Capital Reserve Fund are expected to reach \$1.4 million dollars by June 30, 2025. If you recall, the BOC allocated one cent to this fund to address affordable housing initiatives. Planning has been working with both private and public sector entities to address areas within the community that could benefit from these funds. We anticipate these monies will be allocated for infrastructure and/or land acquisition needs to further the Town's housing initiatives and in conformance with the Boards adopted housing plan.

Fostering a Safe, Diverse, and Welcoming Community - The budget continues to provide funding for a variety of programs that improve the cultural and recreational offerings for our residents. Events like Six Sundays in the Spring and Friday Night on White both offer musical attractions but in different settings to attract a broad range of musical interest. Art shows, plays and other performing arts offered by the Renaissance Centre seek to entertain all ages and provide camps for kids to involve them in the arts at an early age. Longtime events such as Boo Bash, Egg Hunt, Movie nights, etc., remain popular and as we grow attendance seems to increase at each event. Funding is provided in the recommended budget to continue these programs. While all our events are successful, it becomes a challenge to add new events and expand existing ones while maintaining the level of service we expect at these events. Discussion with the Board will need to occur over the coming months about additional town events and ensuring resources are available to meet the needs of our citizens and maintain our level of service expectations.

Investing in Transportation and Infrastructure - The second phase of our 3-year, \$18 million pavement program is underway. During year one, we resurfaced almost 12 miles of town streets and are planning for an additional 13 miles for phase two. At the conclusion of this initiative, we will continue to allocate around \$2 million annually to ensure our roads are properly maintained. This annual funding will come from the 1.5 cents dedicated to transportation funding, Powell Bill monies and debt service as needed.

We continue to advance public/private partnerships to facilitate the speed at which projects are completed and to save costs. The four-lane construction of Franklin Street to Rogers Road and the streetscape project along Wait Avenue and N. White Street are in the construction phase. A recent agreement was executed for the connection of Friendship Chapel Road and associated stream crossings.

This was the first year of our revised stormwater program which includes a dedicated stormwater fee. The upcoming budget recommends funding in excess of \$2 million dollars to repair and replace the aging stormwater infrastructure in the Crenshaw neighborhood, address stormwater concerns in the Cardinal Hills community, repairs at the WF Reservoir and water quality enhancement project(s) to protect the drinking water resources. Funding is also included to reestablish a dedicated stormwater crew within public works. This will allow us to respond more quickly to emerging stormwater issues and be more proactive in addressing stormwater concerns, along with improved response to See Click Fix issues submitted by citizens.

Advancing Community and Economic Prosperity - The Wake Forest Business and Technology Park (WFBTP), a partnership with Southeastern Baptist Theological Seminary (SEBTS), is experiencing increased interest in development. Discussions continue with a medical provider seeking to develop a community hospital campus and other private development parties on how to optimize the site and meet the goals of the Town and SEBTS. Increasingly critical in that discussion is road infrastructure to serve the site and the impact that Capital Boulevard and Ligon Mill Road have on that property. Moving into this budget year, developing an effective strategy to prevent infrastructure constraints from precluding the pending and highly significant economic development of the site is paramount.

Funding has been included within the ED budget for the Wake Forest Business and Industry Partnership (WFBIP) Entrepreneurial program, including the Founders program, workshops, classes, etc. This funding continues to illustrate the Town's ongoing commitment to fostering the entrepreneurial ecosystem advancing across Wake Forest.

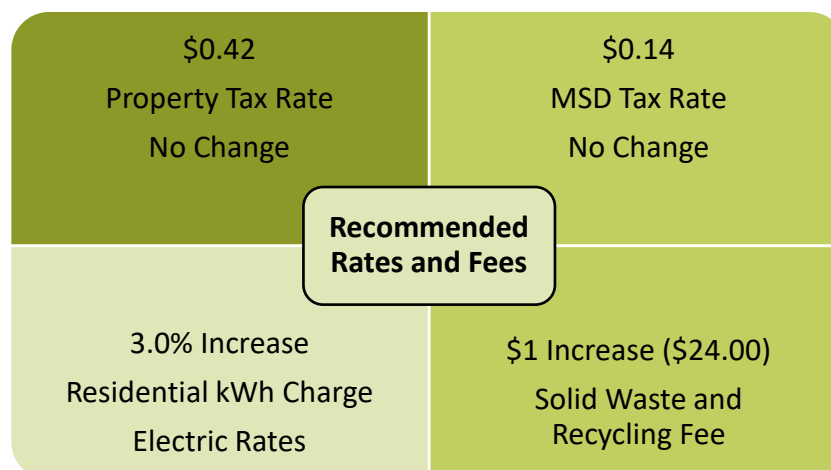
REVENUE SUMMARY

The recommended tax rate for the coming year is \$0.42. This rate is based on an estimated tax base of \$12,308,541,950 (Wake County and Franklin County) and a collection rate of 98.5%. The total budget for the Town of Wake Forest, inclusive of all funds, is \$139,299,630.

The recommended tax rate for the Downtown Municipal Service District (MSD) remains at \$0.14 per \$100 of assessed value. The revenues from this service district aid in offsetting debt for the Downtown Streetscape project, facade improvements and other costs as they arise.

Sales tax revenue and vehicle taxes and fees are projected to slightly increase this year. We are experiencing declines in the growth of sales tax revenue from previous years. Due to our location, we are not experiencing the drastic declines like some others. Due to some uncertainty in the marketplace, we have projected a modest increase of 2.5% when compared with previous year's projections.

A 2.5% increase in the sale of power for the Electric Department is projected for growth in the system. The budget recommends a slight adjustment in electric rates by increasing the residential kWh charge by 3.0% (\$3.34/mth. to average customer). This amount is less than we had projected and is keeping with the Board policy from the 2023 Retreat of smaller increases on a more frequent basis as opposed to larger increases less frequently. While we are growing our customer base, the cost of supplies/material continue to be a challenge. It is important to remember our electric system is an enterprise fund and should be self-supporting based on the revenue generated.



Solid waste and recycling fees are recommended to increase by \$1 per month. This increase is needed to address the cost of trash and recycling collection and fees associated with landfills and recycling fees.

It is prudent fiscal policy to be conservative in our projections of those revenues that are affected by changes in the economy. These revenues include sales tax, interest income and building and inspection fee collections. To help meet revenue needs in the General Fund, \$2,522,500 of fund balance is appropriated. These funds are earmarked for one-time capital purchases. Due to our conservative budgeting, this amount may not be needed, but does help to balance the budget until final revenues are accounted for next fiscal year. Our fund balance remains above the adopted policy level. A healthy fund balance is needed in case of emergencies and unexpected expenditures. This will also allow us to benefit from lower interest rates when we borrow money.

EXPENDITURE SUMMARY

Personnel

Due to a mandate from the State Treasurer's Office, an increase in the retirement contribution is needed. A 14.35% for general employees and 16.10% 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 eighteen (18) new full-time positions:

Position/Department	Justification
Center for Active Aging	As stated earlier in this memo, the Town will be assuming operation of the Senior Center on July 1. There are currently four fulltime positions at the Center. Those would be transferred to the Town. An additional position is requested to assist with the activities and programming for the Center.
Grants Program Manager	This position has been discussed at board meetings and the January retreat. The Grants Program Manager would be responsible for identifying and applying for grants that address the goals of Wake Forest to assist in offsetting costs from town resources. Due to the recent suspension and in some cases defunding of grants, this position is not recommended to be hired until the spring to allow staff a better understanding of the future of grant programs and how the position will fit.
Radio Technician	This position came at the request of Fire and Police. Both departments utilize radios in the performance of their jobs. A fulltime technician on staff to repair and calibrate radios, along with coordinating with Wake County on the 800 megawatts system is needed to ensure reliability and faster turnaround in dealing with issues.
Fire Training Lieutenant	The 15 fire fighters hired in FY 2024 and the fifteen more planned in FY 27, requires additional training support. The position will ensure all firefighters are getting their mandated training, specialized training and ensuring our training standards are aligned with the requirements to maintain our ISO 1 rating.

Position/Department	Justification
Park Maintenance Specialist	This position will work with our Parks Maintenance Division to provide upkeep to our facilities and at events. As we grow our greenway system and develop more park amenities, the addition of park maintenance staff will be needed to maintain our current level of service.
Budget and Performance Analyst	As we continue to offer more services and expand our workforce, additional assistance is needed in maintaining our increasing annual budget and associated reporting requirements.
Graphic Design Specialist	As we continue to expand and offer more activities to our residents, additional work is required from our graphics team to create brands, design logos, print materials, etc. We have had a two person graphics team for several years however their workload is not sustainable. This position will take some of the current workload as well as any new programs that are added.
Specialized Recreation and Inclusion Coordinator/ Organizational Performance Specialist	These two positions are recommended to move from part time to full time. This is needed to address the increased needs and programs within our Parks & Rec Department and the expansion of internal and external training classes within Organizational Development.
Stormwater	Five person work crew to address stormwater concerns and emerging stormwater issues as described earlier in this memo.

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 \$9.76 million, a breakdown of each fund is below:

CAPITAL FUNDING PLAN		
GENERAL	ELECTRIC	STORMWATER
<ul style="list-style-type: none"> - replacement patrol vehicles, radios - replacement fire rescue unit - dump truck, concrete mixer, rear loader - ADA improvements - physical security upgrades, replacement cameras, wayfinding signage - street safety barriers 	<ul style="list-style-type: none"> - Unicon building Improvements - line construction - replacement vehicles and equipment; excavators, wire puller, chipper 	<ul style="list-style-type: none"> - Wake Forest reservoir - Crenshaw improvements - Stormwater Control Measures (SCM) and Cardinal Hills remediations - new vehicles and equipment for additional crew members; mini excavator
\$5.9M	\$1.82M	\$2.55M

Debt Service

Debt service fund for this year is \$11.4 million, which is 12.1% of the General Fund expenditures. All general fund debt is placed in this fund. \$.0075 cents (\$909,310) is set aside for public safety (e.g. Fire Station Six). An amount of \$613,230 in debt service is set aside for the recent acquisition of property located at 0 Forestville Road for a future park and Public Works Facility.

Other Agencies

It is recommended that the Birthplace Museum receive their requested funding \$25,000. The Boys & Girls Club is recommended to receive their requested of \$10,000. The Chamber of Commerce remains at \$20,000. Please note the Chamber of Commerce funding is contingent on the outcome of discussions among the Board.

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.

FUTURE NEEDS AND OTHER ISSUES

It is extremely important 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.
- ***Legislative Action*** – Municipal governments are created by the State and action by the General Assembly could create unanticipated (and unfunded) mandates. Additionally, as you are aware, several bills have been introduced this year that effects municipal authority. Depending on the final outcomes, this budget could be affected

SUMMARY

Fiscal year 2026 will be another busy year for the Town. Fire Station Six and the transition of the Senior Center into the town are exciting and critical to our success and quality of life. While these and other projects continue, we are planning for the long term while preparing for the challenges of today and the opportunities and innovations of tomorrow. We have an excellent team of employees that are dedicated, professional and work hard every day for the betterment of our community.

This budget continues the goals of our strategic plan. It also represents a fundamental philosophy of being conservative on our revenue projections and maintain fiscal constraint in our expenditures. This principle means that not every need can be fulfilled, but we will work effectively and decisively with the resources that are allocated. It is important that our budget invest in solutions; not throw money at problems.

Due to our budget philosophy and practices, I feel confident the budget presented is realistic and provides the resources needed to further the mission of the Town. I hope this budget displays the positives of what we can accomplish for our citizens and the actions we take to remain an employer of choice for our staff.

Whether a community is growing or not, there are always challenges. I believe this budget meets the challenges of this growing, vibrant community and allows Wake Forest to continue to thrive in its delivery of services to our residents.

I would like to thank our Assistant Town Managers and Department Directors for their hard work and dedication in preparing this year's budget. Our Budget team of Michelle Daniels and Ben Blevins were instrumental in developing this balanced budget to meet the expectations of the Town. Aileen's financial principles and expertise were again key to keeping us financially stable and she is to be commended. Finally, I want to thank each of you for your sound fiscal policy. Without this, Wake Forest would not be the great place it continues to be. Please me know if you have any questions or need additional information as we move through the budget process toward adoption in June.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kip Padgett".

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