

FY 2025 Budget Work Session

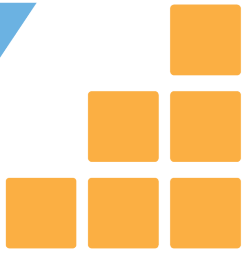
May 23rd, 2024

Town Hall Training Room
9am – 4pm



Agenda

BUILDING FOR SUCCESS

FY  25

BUDGET

- Building for Success Framework
- Revenue Overview
- Expenditure Overview
- Revenue Savings Plan Policy Changes
- Multi-year Model

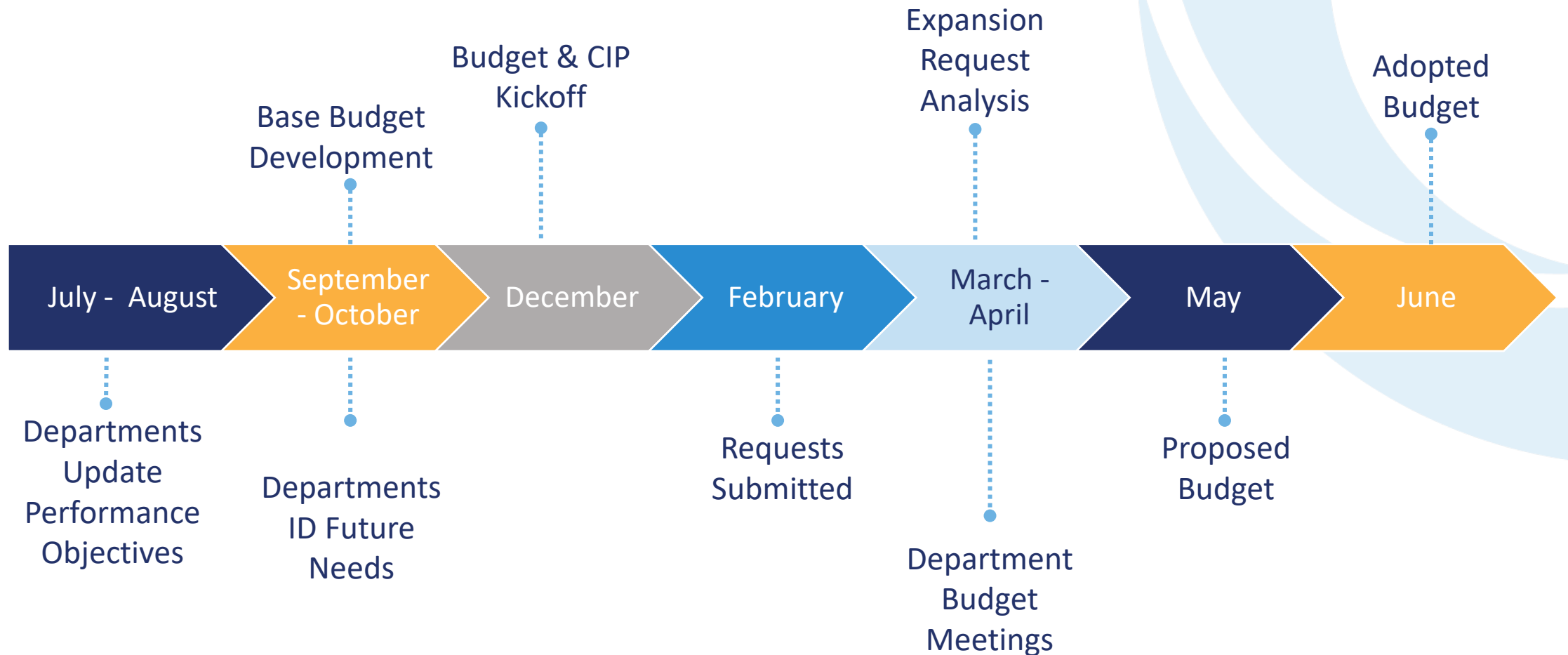


Goals for Today

1. Review information on Recommended FY25 Budget
2. Ask questions and provide feedback on FY25 Recommended Budget
 - Requested changes and discussion
3. Receive feedback on RSP policy updates
4. Affirm FY25 Proposed Tax Rate
 - Consensus on FY25 Tax Rate
5. Provide direction on Budget Ordinance



Budget Development Schedule



Building for Success Framework



Growth



Infrastructure



Employees



Development



Parks &
Greenways



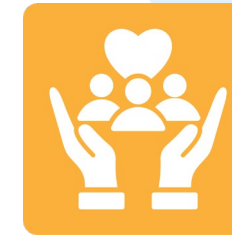
Public Safety



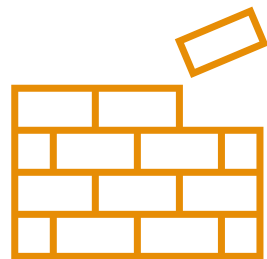
Engagement



Asset
Maintenance



Community



Building Blocks for the Future



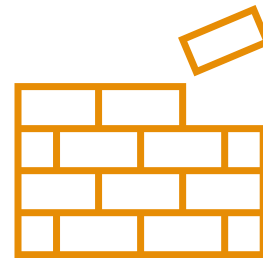
Building for Success Framework

Setting a foundation for

- Growth
- Safety
- Thriving Community

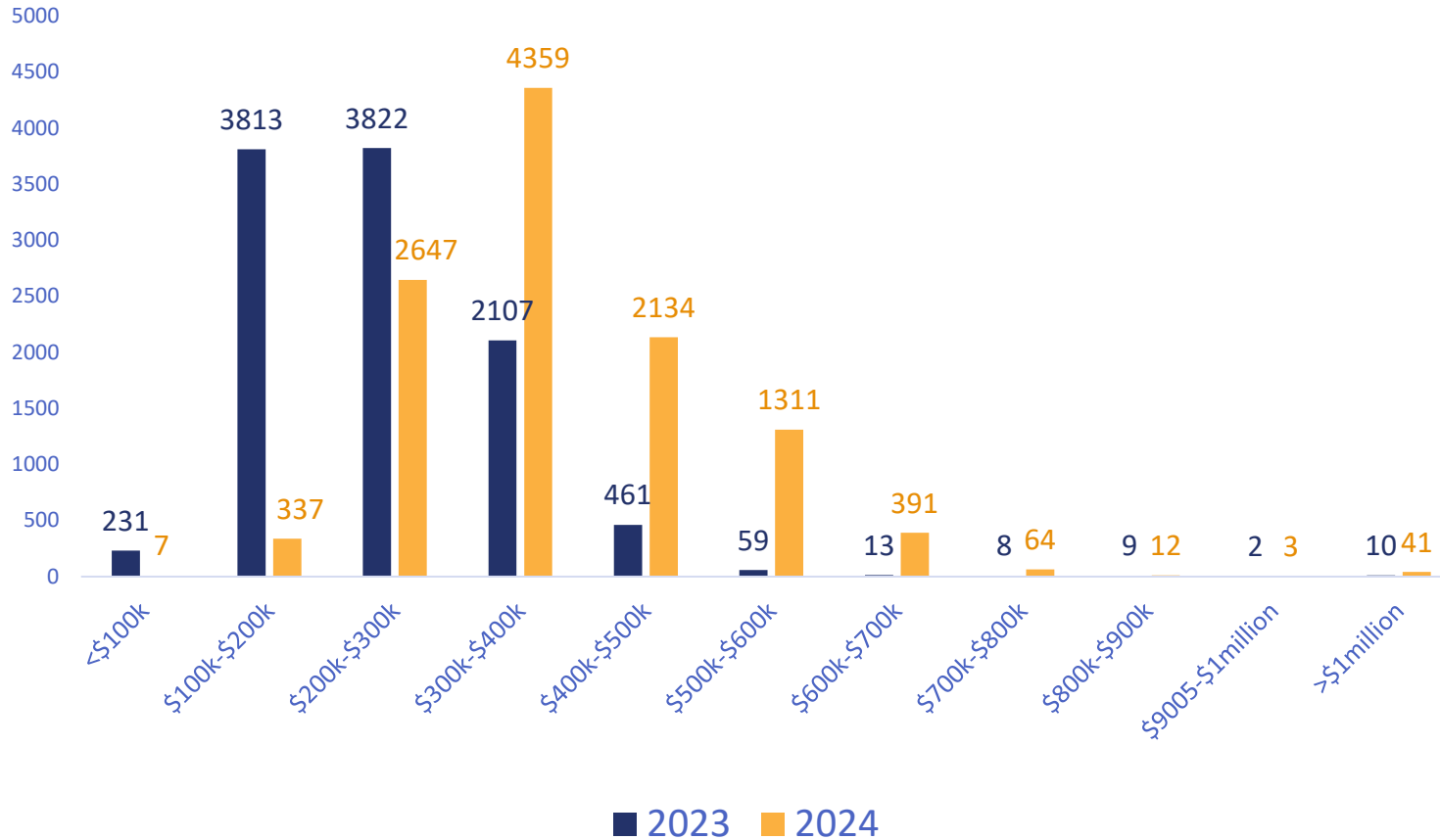


Foundational Elements for Future Funding Strategies



Wake County Revaluation

Assessed Value



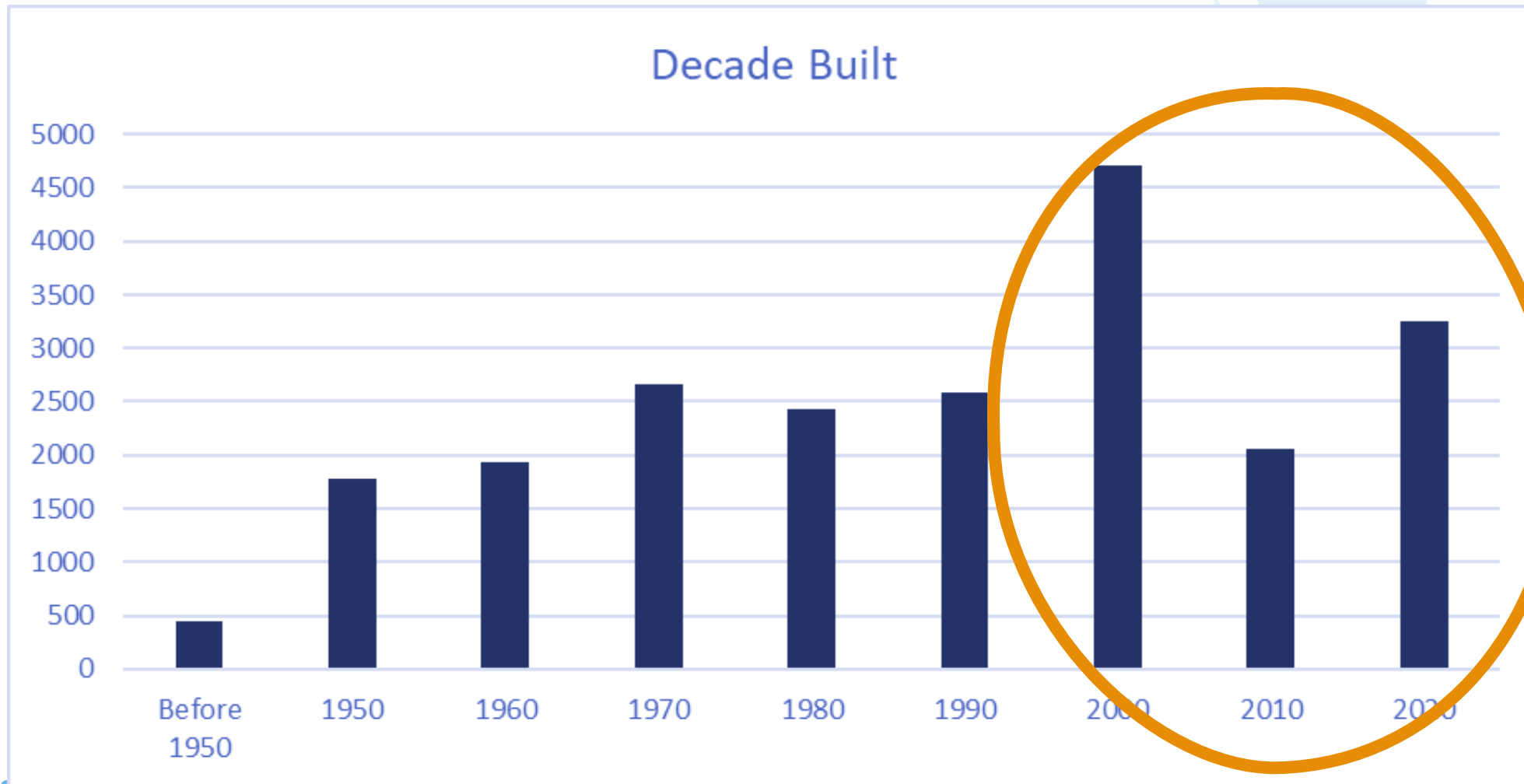
Average Assessed Value
2023 - \$260,437
2024 - \$380,760

↑ 46%

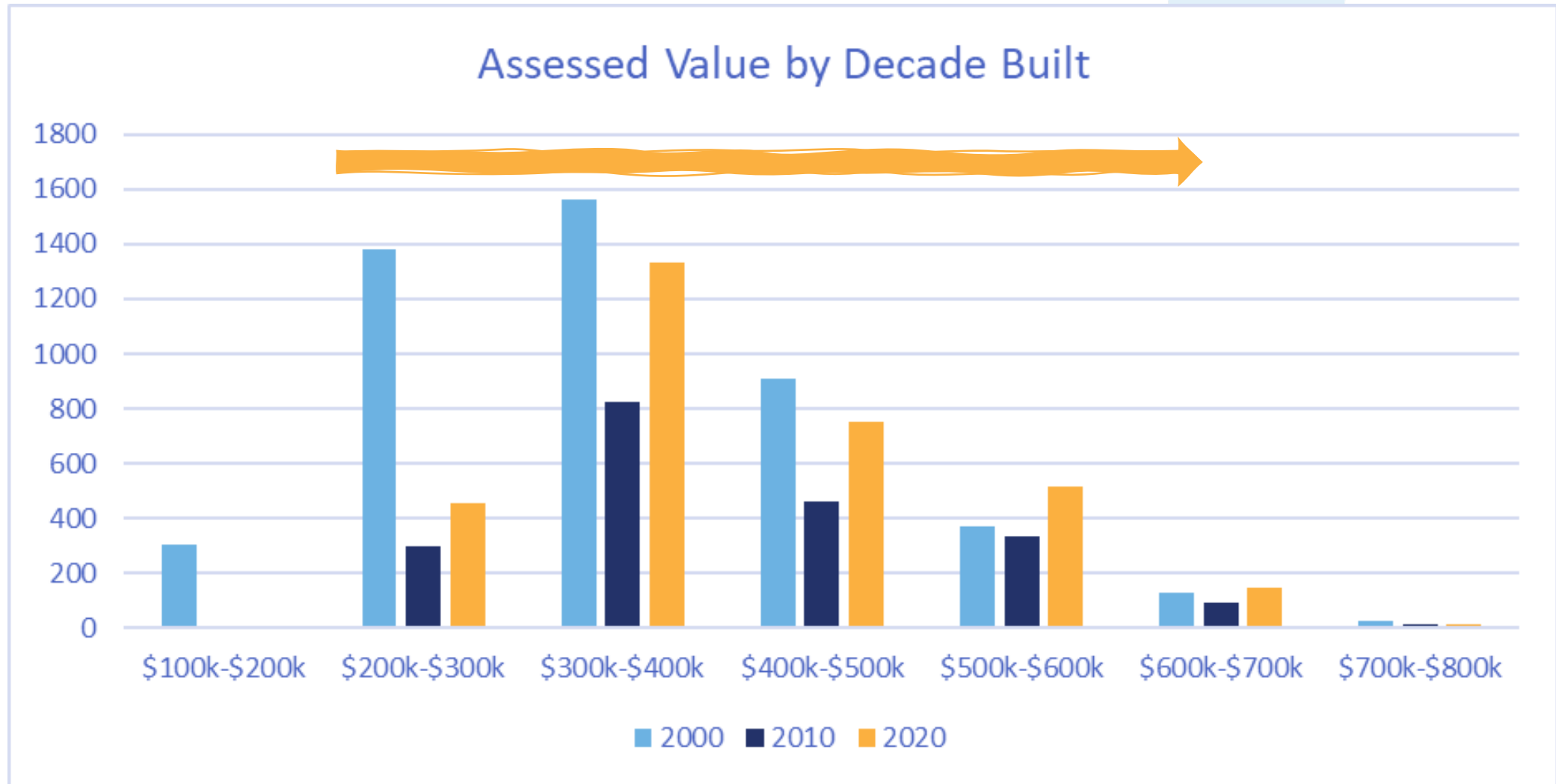


Wake County Revaluation

All homes in Garner by decade they were built.

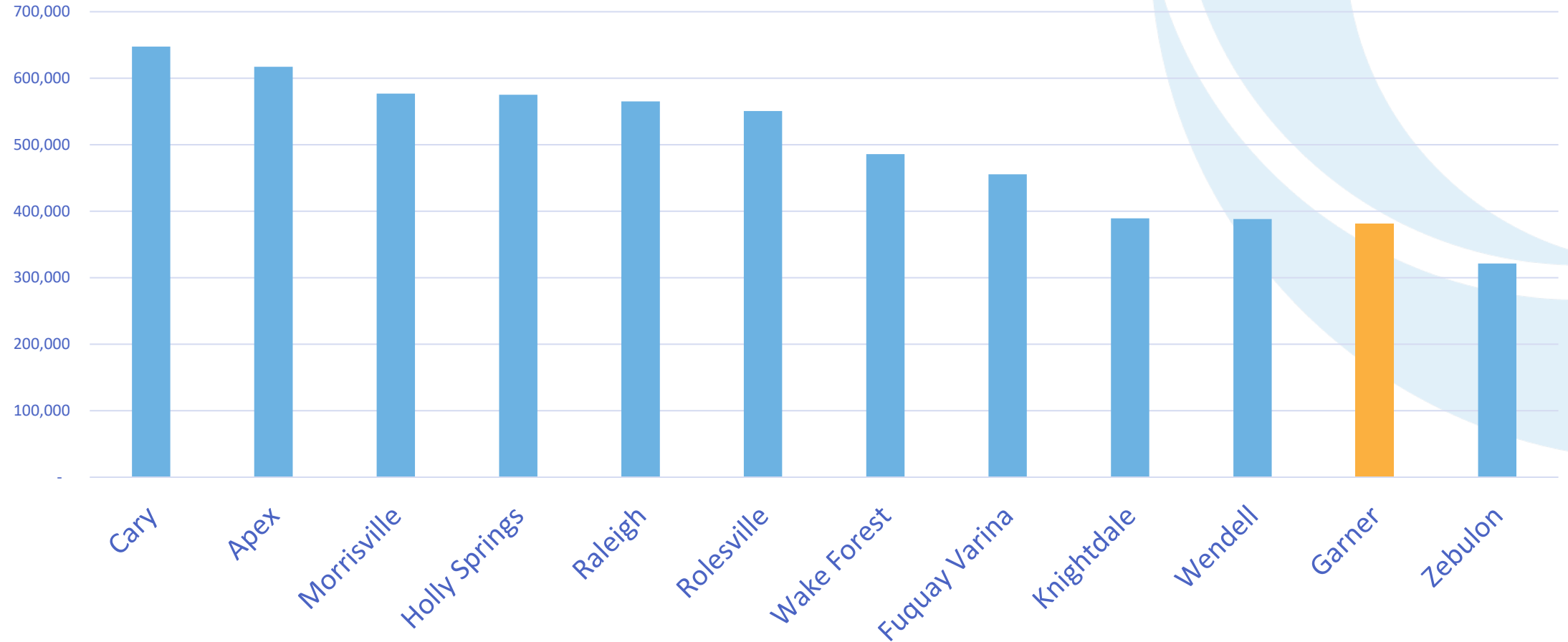


Wake County Revaluation



Municipal Comparison

Median Home Value



Garner Property Tax

FY25 Recommended Tax Rate		
Zebulon	\$	0.5750
Garner	\$	0.5200
Knightdale	\$	0.4400
Wake Forest	\$	0.4200
Wendell	\$	0.4200
Raleigh	\$	0.3880
Fuquay Varina	\$	0.3680
Morrisville	\$	0.3500
Holly Springs	\$	0.3435
Apex	\$	0.3400



**includes net expenditure*



Municipal Comparison: Property Tax and Fees

- Only the Town of Garner roles all services into the tax rate



Municipality	Median Home Value	FY25			Total
		Estimated Property Tax	Stormwater Annual Fee	Solid Waste Annual Fee	
Raleigh	565,279	2,193	92	289	2,574
Apex	617,146	2,098	78	185	2,362
Wake Forest	486,083	2,042	44	276	2,362
Knightdale	389,445	1,947	81	210	2,238
Holly Springs	575,190	1,913	62	255	2,231
Zebulon*	321,607	1,849	-	297	2,146
Morrisville	576,970	2,019	50	-	2,069
Wendell	388,465	1,632	75	336	2,043
Garner	380,761	1,980	-	-	1,980
Fuquay Varina	455,638	1,677	-	276	1,953

*Zebulon rolled Stormwater Fee into property tax in FY25

*As of May 23rd, data for Cary and Rolesville is unavailable



Municipal Comparison: Value of Penny



Value of a Penny				
	FY24	FY25	Difference	
Wendell	160,948	284,782	123,834	77%
Fuquay Varina	647,601	1,024,683	377,082	58%
Holly Springs	811,716	1,275,994	464,278	57%
Apex	1,252,724	1,945,021	692,297	55%
Knightdale	275,855	427,414	151,559	55%
Garner	591,217	914,826	323,609	55%
Rolesville	162,911	249,265	86,354	53%
Wake Forest	766,287	1,135,485	369,198	48%
Cary	3,449,521	5,006,736	1,557,215	45%
Raleigh	8,193,820	11,640,634	3,446,814	42%
Zebulon	182,908	255,521	72,613	40%
Morrisville	688,852	948,711	259,859	38%
Wake County	20,777,617	30,256,480	9,478,863	46%

FY24 is actual value of penny based upon actual net levy



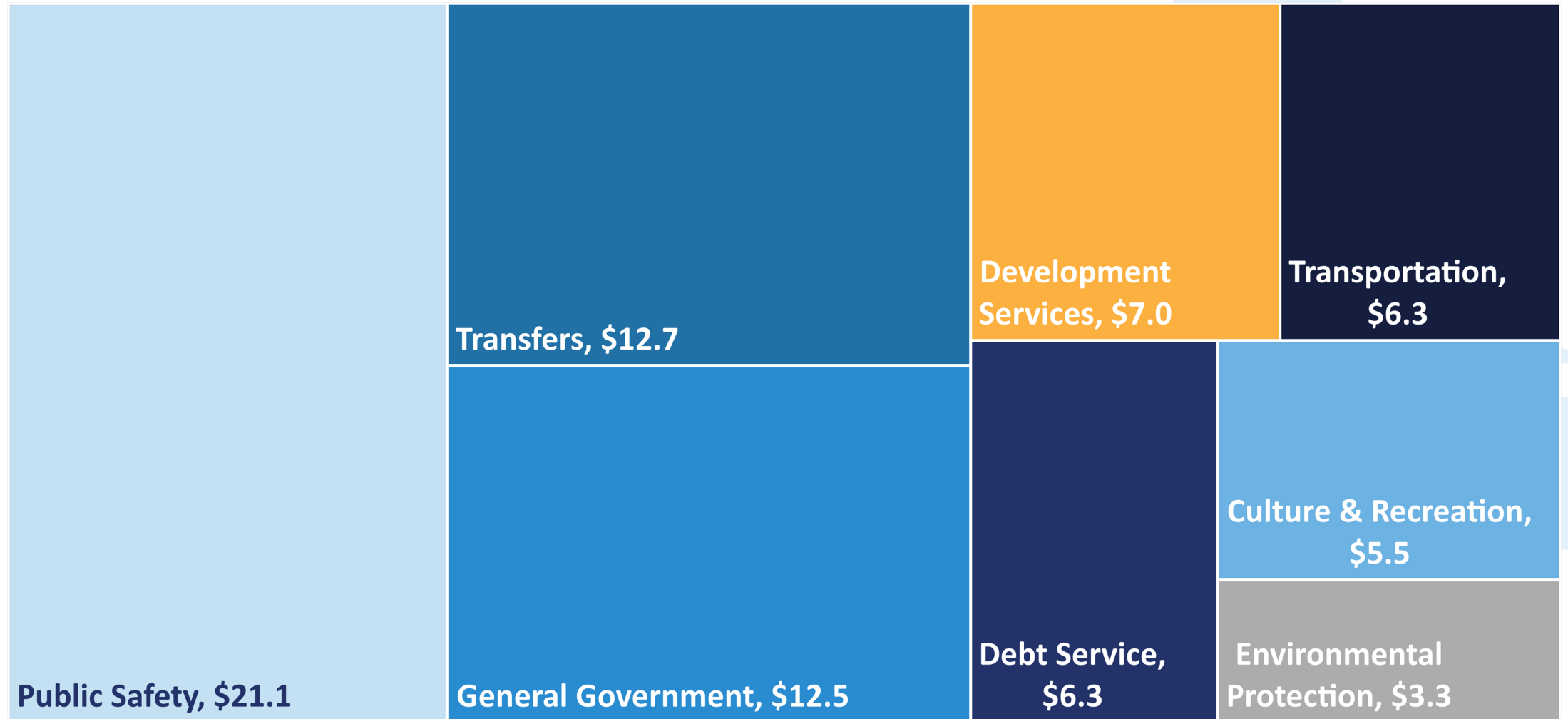
Revenue Overview



**in millions*



Expenditure Overview



**in millions*



Strategic Investments

Building the Foundation and the Future:

- Services
- Public Safety
- Parks and Culture
- High Quality Staff
- Sustainable Growth
- Community Engagement
- Asset Maintenance



Strategic Investments



GROWTH

- 15 New FTEs
 - 14.0 FTEs for the Town
 - 1.0 FTE for Garner Fire-Rescue
- Foundation to continue to provide exceptional services to residents



Strategic Investments



EMPLOYEES

- Reimagined Merit – up to 4%
- Market Adjustment of 3%
- Enhanced Benefits
 - Health, Dental, Vision
- Supplemental Pay Increase
- Foundation to continue to recruit and retain high quality staff



Strategic Investments



PARKS

- 1.0 FTE Parks and Greenways Planning Manager
- 1.0 FTE Parks Capital Project Manager
- Foundation for creating Town amenities that make Garner a great place to be



Strategic Investments



DEVELOPMENT SERVICES

- 4.0 FTEs for Inspections
- 1.0 FTE Planner II
- 1.0 FTE Engineering Technician
- Foundation in making growth in Garner sustainable and in adherence to the Garner Forward Plan



Strategic Investments



PUBLIC SAFETY

- 4.0 FTE Police Corporals
- 1.0 FTE Firefighter

PUBLIC WORKS

- 1.0 FTE Right of Way Specialist
- Foundation for promoting public and roadway safety for our residents



Strategic Investments



ENGAGEMENT

- 1.0 FTE for Communications Specialist

COMMUNITY

- Funding for Public Art & Housing Rehabilitation
- Foundation for promoting engagement with residents across the Town



Strategic Investments



ASSET MAINTENANCE

- Funding for:
 - Public Facility Repair & Maintenance
 - Vehicle Repair & Maintenance
 - Enhanced funding for Penny for Parks
 - \$573,094 → \$914,826
- Foundation for maintaining current Town assets and amenities



RSP Policy Update

Refer to page 25 of the FY25 Recommended Budget

- Maintains the integrity and theory of the original Revenue Savings Plan (RSP)
 - Sets aside a portion of growth-driven revenue
 - Positions the Town to fund current and future debt and capital obligations
- The RSP dedicated ad valorem tax rate shall be amended as needed in tax revaluation years proportionally to the overall tax rate
 - Next tax revaluation will occur in fiscal year 2028-29



RSP Policy Update

- Proposed policy language continues to allow Town Council opportunities to revisit the policy and guidelines
- Advantages of the new RSP Policy
 - Consistent and predictable revenue stream
 - Greater transparency and visibility within the budget
 - Less complicated to administer and explain to others



Multi-Year Model: Funding Priorities

- FY25-29 Multi-Year Funding Priorities

Include:

- Transfer to the Revenue Savings Plan of 8.5¢ annually
- Continued allocation for employee enhancements
- Additional FTEs for Police annually
- Additional positions for Development Services meet demands of Town growth and development
- Operating funding for the opening of Yeargan Park in FY26



Multi-Year Model

Revenue Assumptions

- 5% annual growth for property tax in FY26-FY28
- 15% increase in FY29 for property taxes associated with revaluation
- 1.5% growth in other revenue annually
- Utilization of RSP as a revenue as modeled by Davenport Debt Model
- No appropriation of Fund Balance

Does not include:

- Stormwater Utility



Multi-Year Model

Expenditure Assumptions

- Additional FTEs
 - 2.0 FTE for Police annually
 - 2.0 FTE Inspections FY26 & FY27
 - 2.0 FTE for Engineering FY26 & FY27
- Salary and Benefits
 - 6% annual growth
 - Merit, COLA, annual enhanced benefits
 - Pay Study in FY27
- Operating – 1.5% annual Growth
- Impacts for Yeargan and White Deer Park
 - 3.0 FTE for Parks in FY26
 - 9.0 FTE for Public Works in FY26-28

Does not include:

- Stormwater Utility
- Garner Fire Rescue Merger
- *Continued forecasting will be used when available*



Multi-Year Model

Multi-Year Expansion Requests

- Departments were asked to submit no more than 8-10 requests
- Requests were evaluated and scored based upon:
 - Critical need
 - Available data
 - Alignment with the Strategic Plan
 - Alignment with current service delivery



Multi-Year Model

Forecasted Revenue	FY24 Adopted	FY25	FY26	FY27	FY28	FY29
Total Revenue	60,872,201	74,516,096	79,839,454	87,081,340	96,171,610	109,363,047

Forecasted Expenditures	FY24 Adopted	FY25	FY26	FY27	FY28	FY29
Total Expenditure	60,872,201	74,516,096	81,836,296	90,215,193	98,503,667	106,112,366
Gap/Surplus	(0)	0	(1,996,842)	(3,133,853)	(2,332,058)	3,250,681

Departmental Multi-Year Approved Requests	FY24 Adopted	FY25	FY26	FY27	FY28	FY29
Total	-	-	2,470,755	913,627	741,000	362,000
Total FTEs	9	14	10	6	6	2
Gap/Surplus	(0)	0	(4,467,597)	(4,047,480)	(3,073,058)	2,888,681

Growth	9%	54%	5%	5%	5%	15%
Assessed Property Value	5,887,172,723	9,148,264,986	9,605,678,235	10,085,962,147	10,590,260,254	12,178,799,293
\$0.01 Property Tax Increase	573,094	914,826	951,420	989,476	1,029,055	1,070,218
Tax Rate	0.5521	0.5200	0.520	0.5670	0.6079	0.6377
Tax Rate Increase	0.0749	0.0850				
Change in Tax Rate Needed	0.0000	-	0.0470	0.0409	0.0299	(0.0270)
Adjusted Tax Rate	0.6270	0.5200	0.5670	0.6079	0.6377	0.6107

**Refer to page 80 of the FY25 Recommended Budget Book*



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