

Wake County

Recommended Budget

July 1, 2018 – June 30, 2019

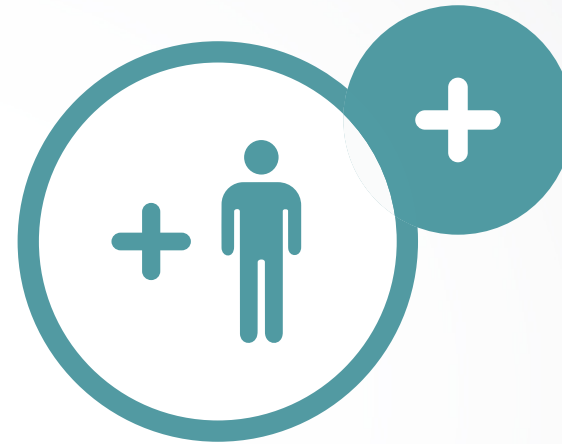
David Ellis
County Manager

19



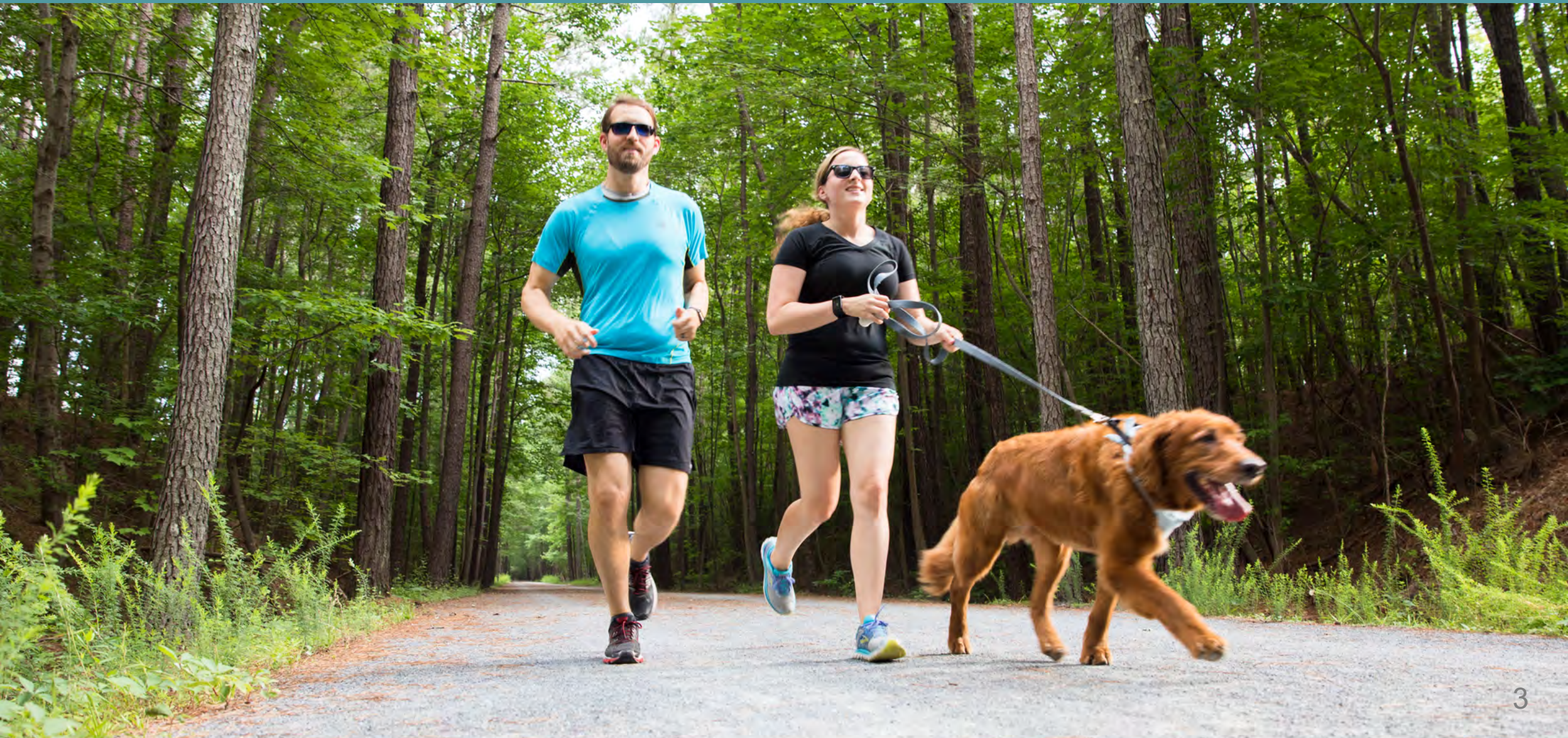
Wake County is growing

Our population
increases by



63 PEOPLE
A DAY

We want to maintain our quality of life



We want to maintain our quality of life



We want to maintain our quality of life



We want to maintain our quality of life



We want to maintain our quality of life



We have an opportunity to improve quality of life for all



2018 Board Goals



Community Health



Growth and Sustainability



Economic Strength



Public Safety



Education



Social and Economic Vitality



Great Government



FY19 Recommended Budget built to address board goals



Community Health



Growth and Sustainability



Economic Strength



Public Safety



Education



Social and Economic Vitality



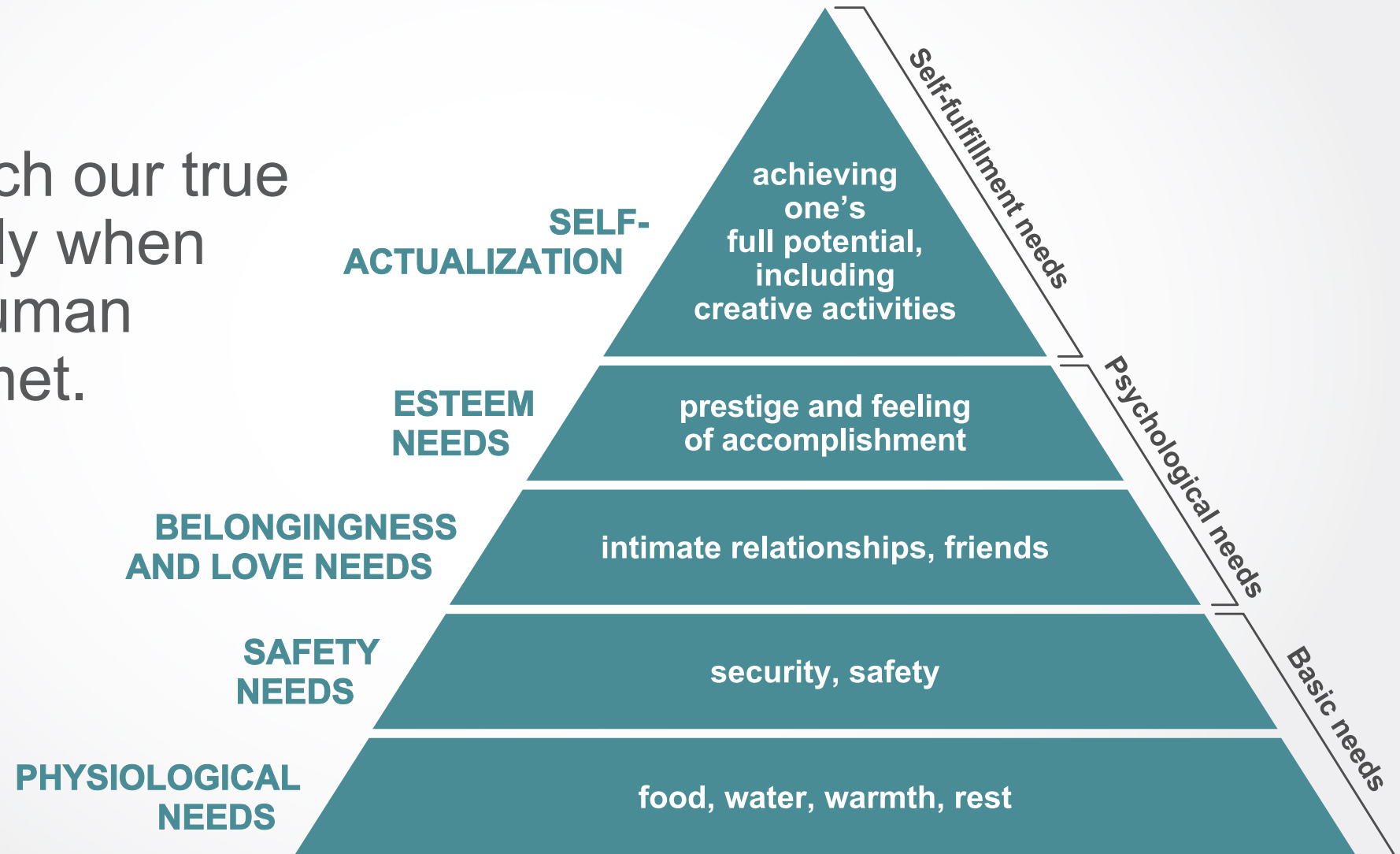
Great Government

Will enable us to make progress in **all goal areas** over the next year

Maslow's Hierarchy of Needs

Theory:

We can reach our true potential only when our basic human needs are met.



93,252 residents in Wake County live at or below 100% of the federal poverty rate

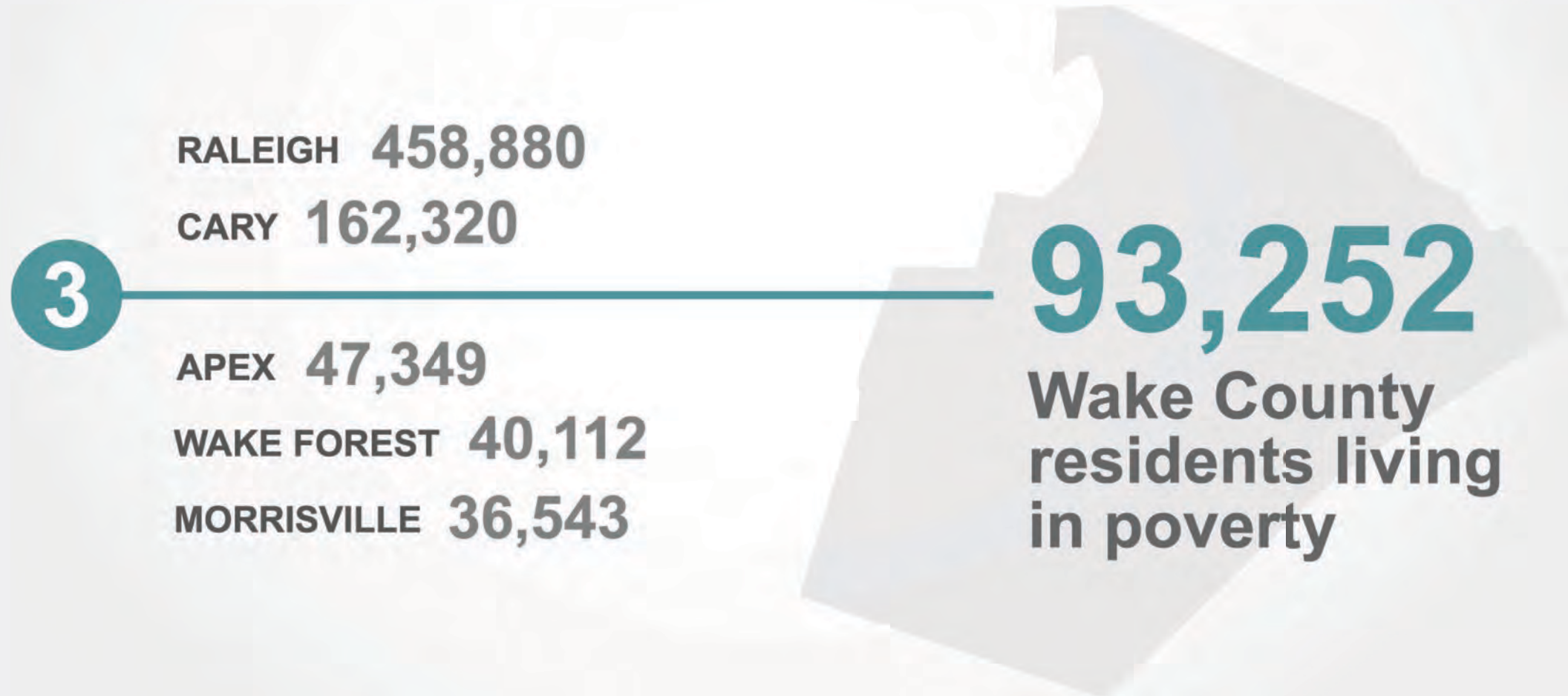
**Annual household
income less than**

\$24,600



Family of four

If they were a municipality, it would be the third largest in Wake County

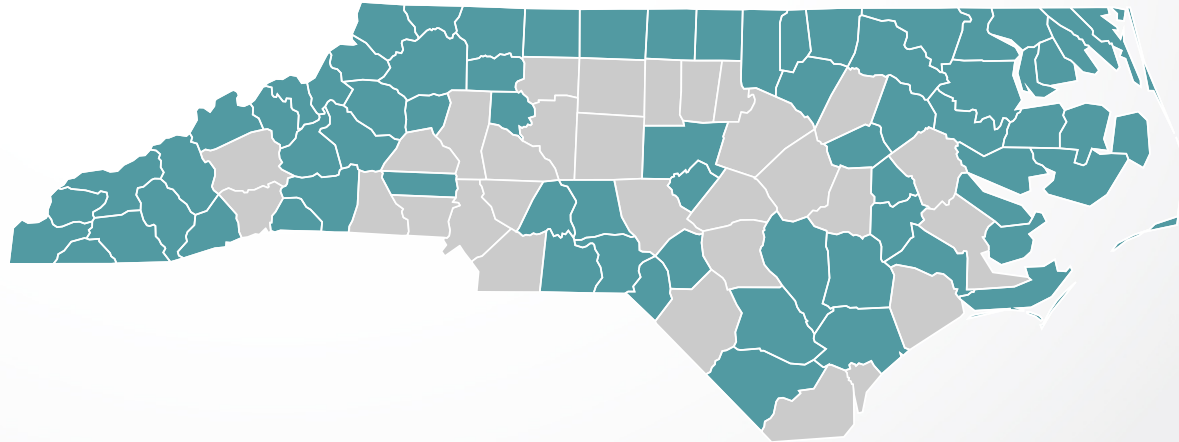


Wake County's population in poverty is larger than the populations of 70 counties



93,252
residents living
in poverty

Counties with
populations below 93,252



Our role is to serve all residents to the best of our ability



FY19 Recommended Budget

General Fund Operating Budget

\$1,318,600,000

Includes a **2.9-cent** property tax increase for
a total proposed rate of **64.4 cents**

Our needs exceed our revenues

Normal revenue growth will generate **\$24 million** without a tax increase.

That's **not** enough to:

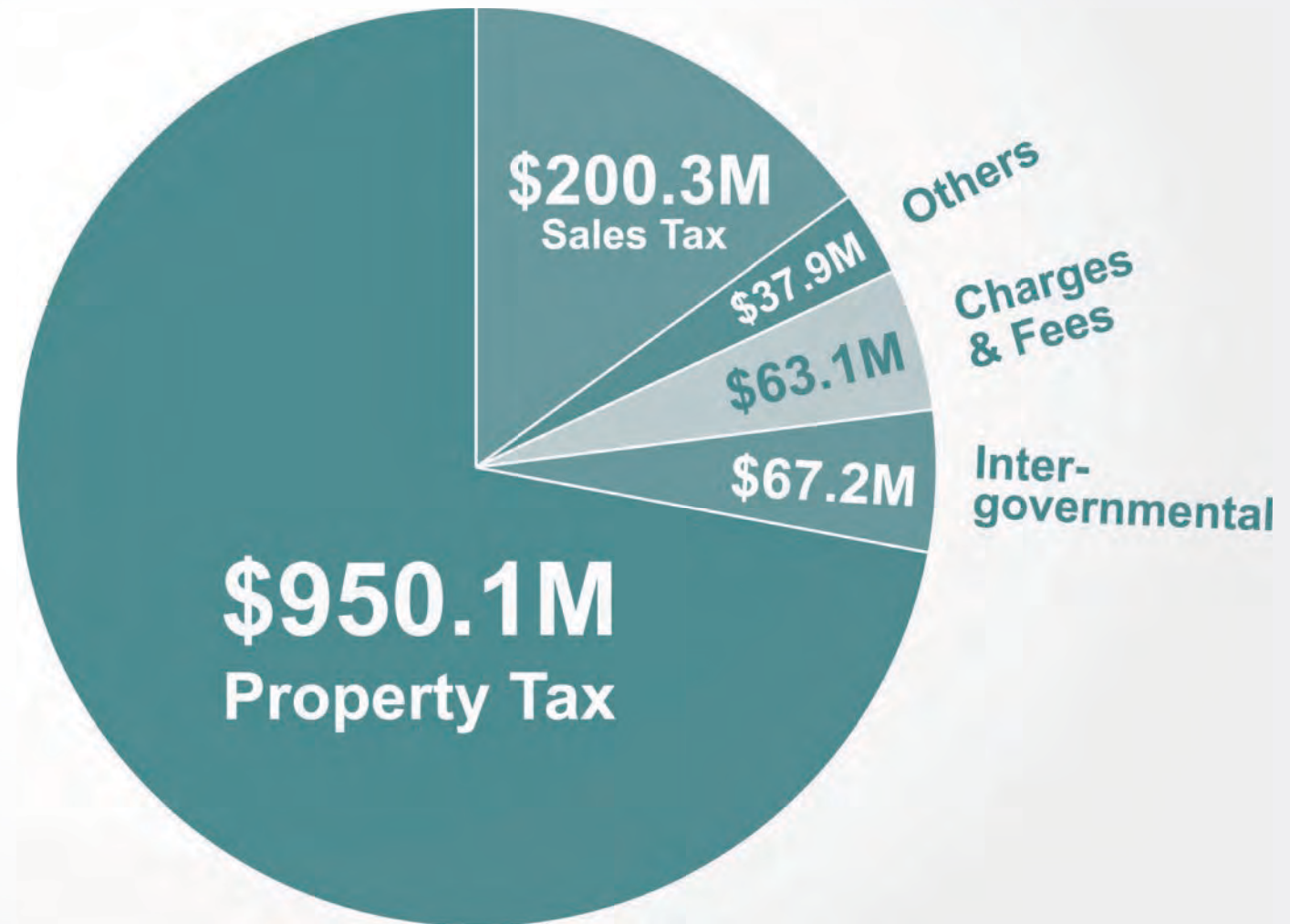
- Maintain operations
- Meet our commitments
- Address your top priorities



Property tax is our main funding source

Property tax equals
72% of total budget

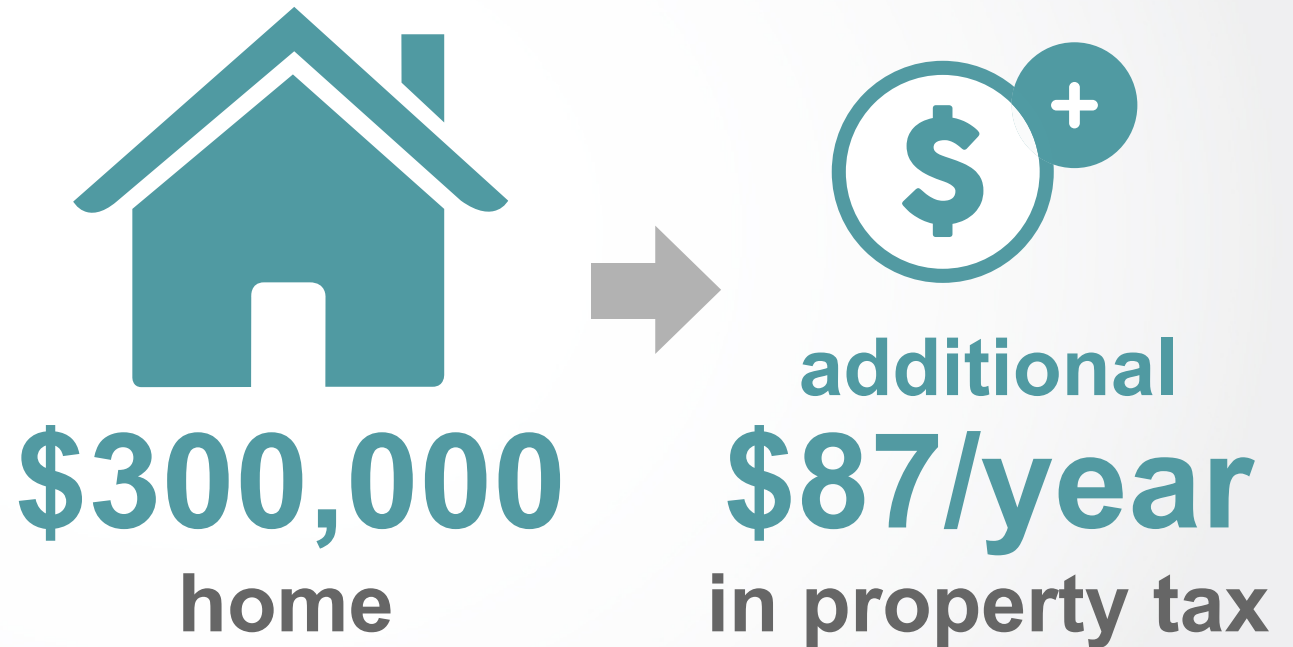
Only revenue
source within the
county's control



Effect on the average homeowner

The breakdown:

For every **\$100,000** of assessed value, the property owner will pay an additional **\$29**.





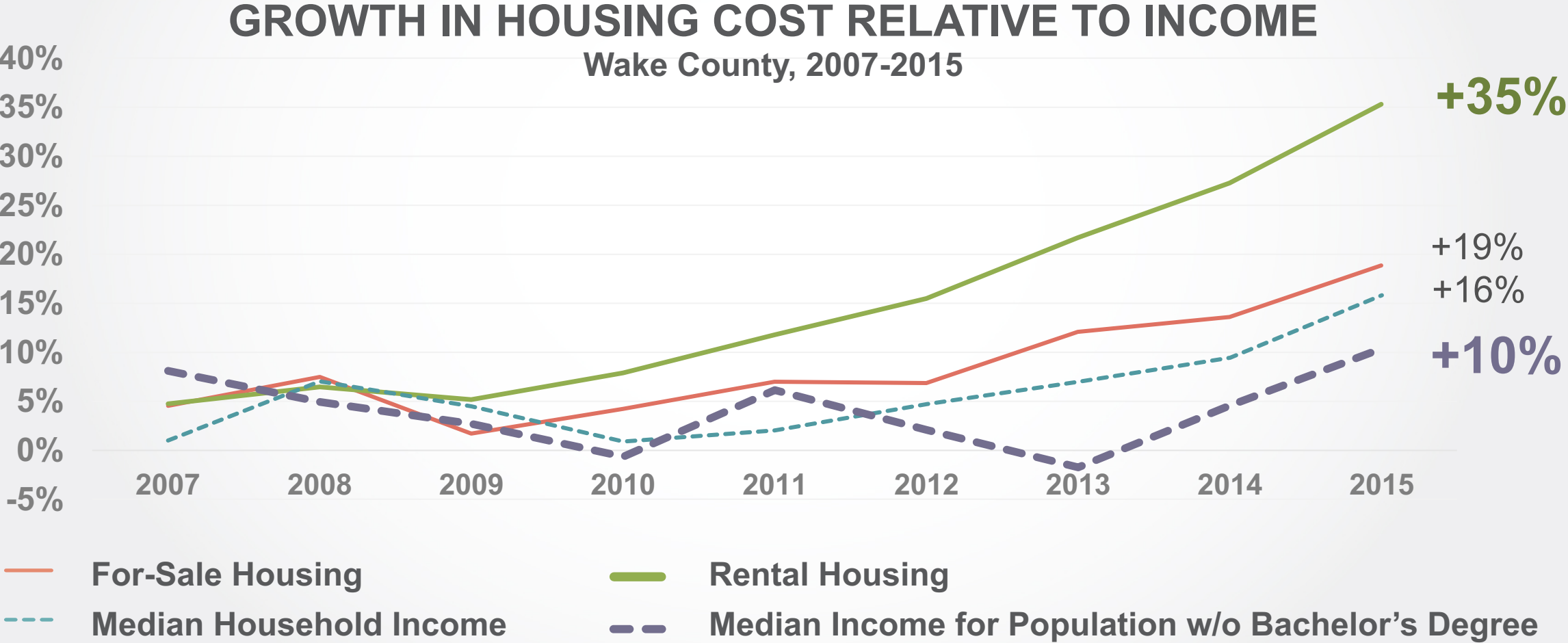
Investing in Housing Affordability

Population growth puts upward pressure on the cost of renting or owning a home

Our housing supply is not keeping up with growth, making it challenging for families to find homes.



Household incomes are not keeping pace with rising housing costs



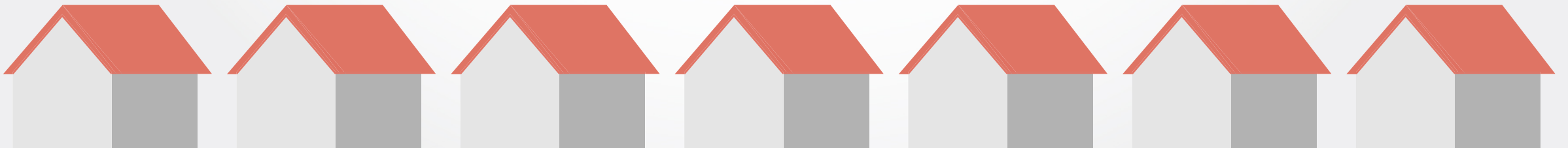
There is a shortage of homes affordable to families making less than \$39,000 a year

Current shortage of **56,000 units**



Housing affordability is critical to Wake County's overall success

- Offers housing for people at all income levels
- Supports economic opportunities for all residents
- Furthers our commitment to healthy and inclusive growth



Progress made on housing affordability



- Formed **Affordable Housing Steering Committee**
- Adopted the **Affordable Housing Plan** in 2017
- Instructed staff to implement and fund it

Next big step: Make a historic investment in housing affordability

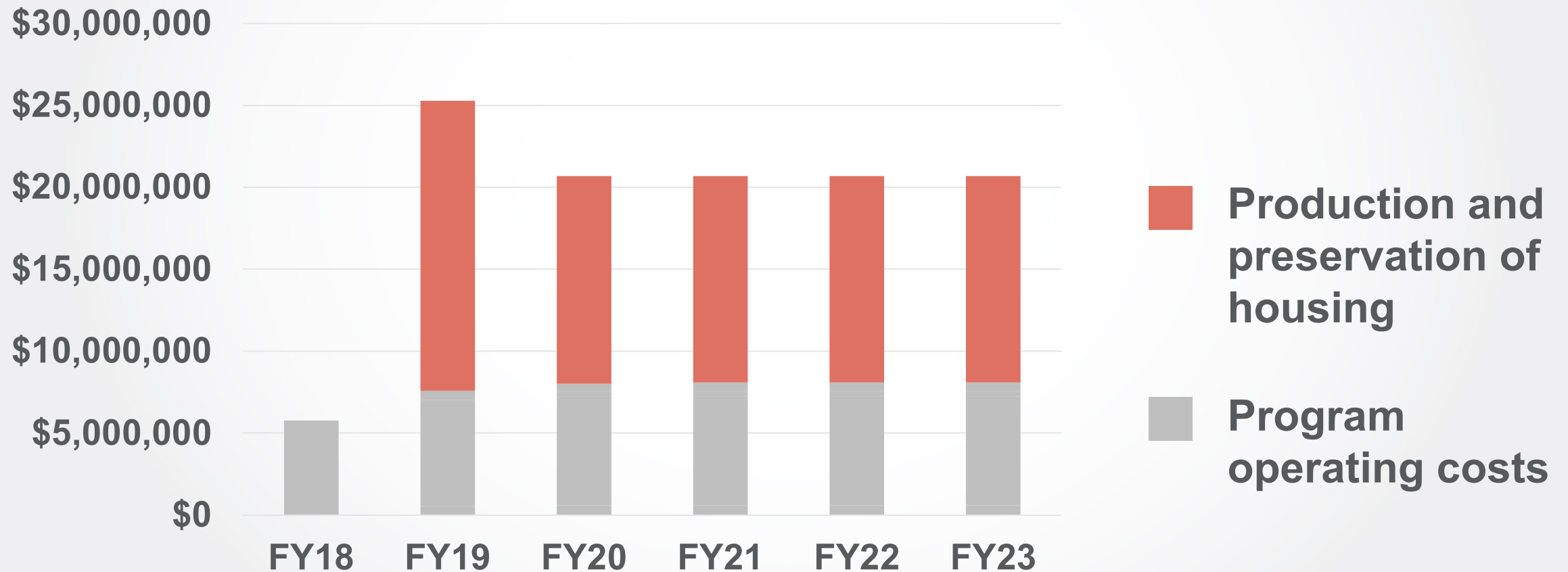
FY19

Recommended Budget

\$15 million

- Dedicated annually to helping our residents secure safe places to live
- Will generate **\$75 million** over first 5 years

Additional \$15 million per year would mostly fund production and preservation of housing



Build more housing that working families can afford



Addition of affordable housing

Last 5 years
(2013–2018)

+500 units

Next 5 years
(2019–2024)

+2,500 potential units

- Opportunity fund for property acquisition and preservation
- Increased rental production
- Municipal partnerships to support housing affordability

Increase funding and support for people experiencing or at risk of homelessness



- Partner to expand women's shelter capacity
- Open Oak City Multi-Services Center

Veterans deserve the opportunity to live in safe, stable homes



- Effectively end veteran homelessness in Wake County
- Timeframe: **end of calendar year 2021**

Break the cycle for individuals moving through community systems

- Create a pilot program serving those who interact with homeless, medical and law enforcement services
- Based on best-practice Permanent Supportive Housing model

- + Case management
- + Mental health services
- + Primary health care
- + Substance abuse treatment
- + Independent living skills

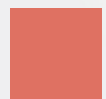


Permanent Supportive Housing

- Benefits assistance +
- Job training +
- Transportation +
- 24-hour resources +

In first 5 years, \$64 million toward creating housing units and \$11 million in program operating costs

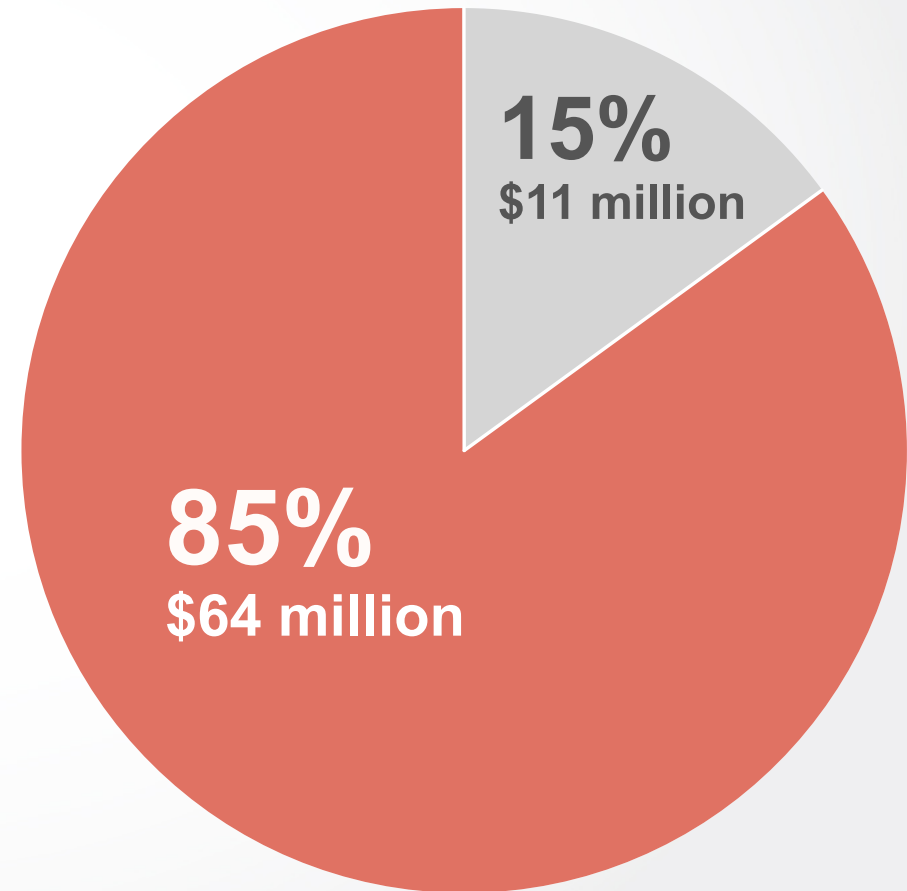
\$75 million of new investment in the first 5 years of the Affordable Housing Plan



Production and
preservation of
housing

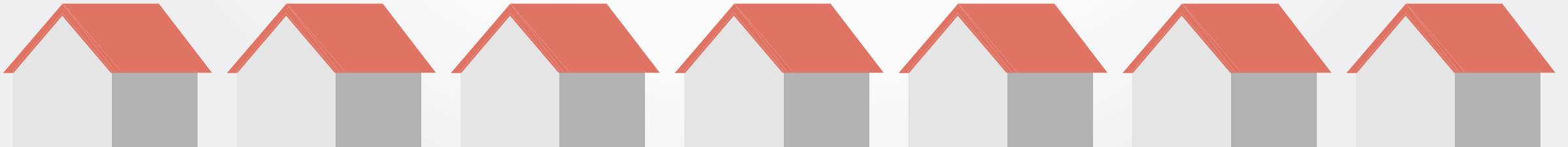


Program
operating
costs



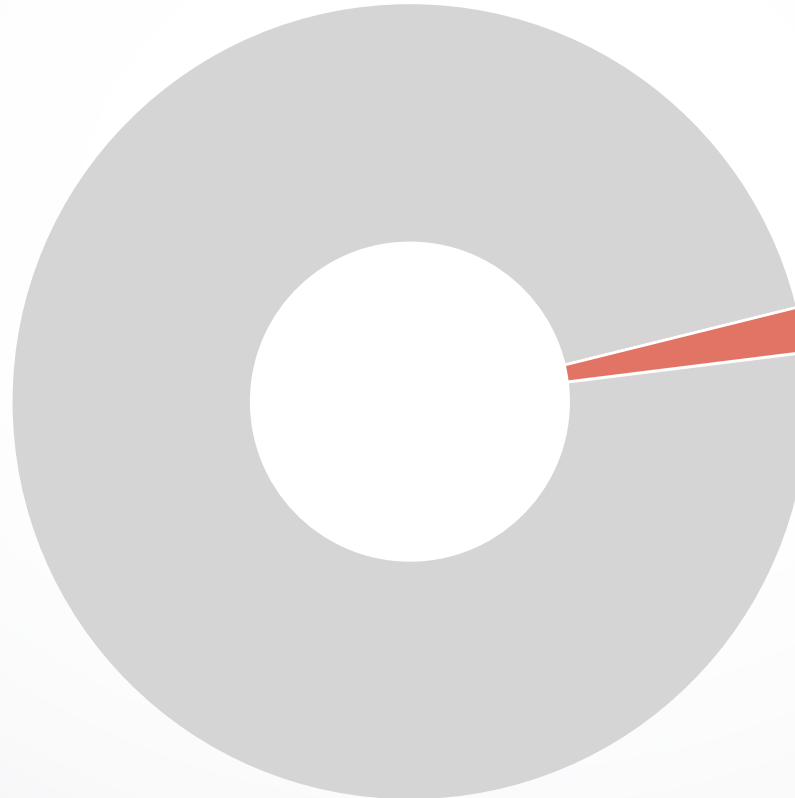
Everyone in Wake County benefits when we invest in housing that is affordable

- Families have more money to use for other basic needs
- Children in stable homes are more likely to perform better in school
- Economy benefits from jobs, local income and property tax



Proposed investment in housing affordability is a 338% increase over FY18

FY19 General
Fund Budget
\$1.3 billion

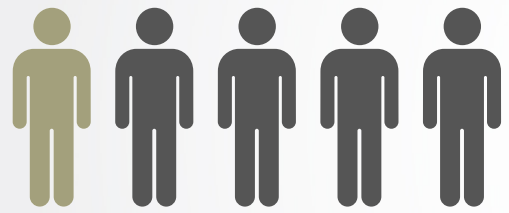


\$25.3 million
1.9% of total budget
338% increase
over FY18

A man and a woman are seated in a professional setting, possibly a meeting or interview. The man is on the left, seen from the side, wearing a light-colored button-down shirt. The woman is on the right, facing him, wearing a light-colored V-neck t-shirt. They are both smiling and appear to be engaged in a conversation. The background is a bright, out-of-focus interior space with large windows. The title 'Investing in Behavioral Health' is overlaid in white text in the center of the image.

Investing in Behavioral Health

Behavioral healthcare is difficult to access



1 IN 5 ADULTS
in the U.S.

will experience

**A MENTAL
ILLNESS**

Invest **\$30.6 million**
in programs to better
coordinate access to
mental health and
psychiatric services.

Behavioral Health Summit helped us identify key focus areas for county dollars



Working with community partners to improve:

- Access to services for people in crisis
- Coordination of behavioral healthcare for school-aged children

Behavioral Health Urgent Care would improve access to services

\$750,000

Behavioral Health Urgent Care Pilot Program

- More timely service
- Less costly for patients
- Frees up space at crisis facilities



Mobile Crisis Service Pilot would pair mental health professionals and first responders



\$850,000

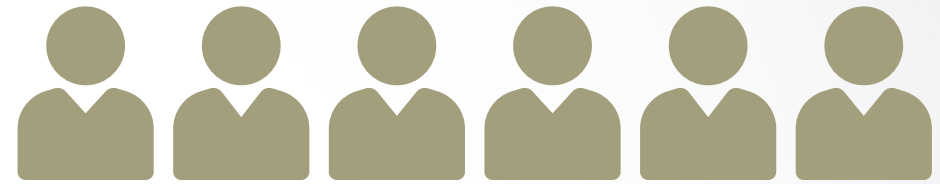
For enhanced mobile crisis service pilot program

- Earlier intervention for people in crisis
- Would divert people from the emergency department and jail

School-based mental health team links students to behavioral healthcare

Increase funding by **\$400,000** to add staff to Alliance Behavioral Healthcare's school-based team

Total investment of **\$1.4 million**

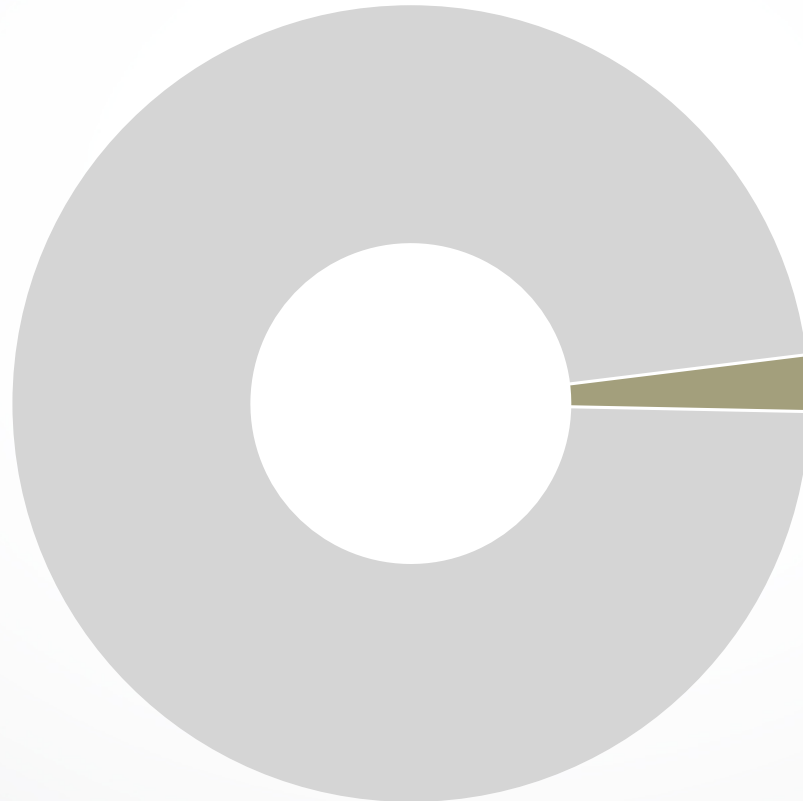


Additional staff would:

- Improve caseworker-to-student ratio
- Provide more resources for families and school staff

Proposed investment in behavioral health is a 13% increase over FY18

FY19 General
Fund Budget
\$1.3 billion



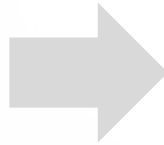
\$30.6 million
2.3% of total
budget
**13% increase
over FY18**

A photograph of a white Wake County EMS ambulance with the number 36 on its side. The ambulance is parked on a street, and a paramedic is visible near the rear. The text "Investing in County Operations" is overlaid in white on the image.

Investing in County Operations

Wake County provides a wide range of programs and services

Total investment:
**\$513
MILLION**



Our operational needs fall into four categories

- 1. Commitments**
- 2. Risk Management**
- 3. Maintaining Service Levels**
- 4. New Programs**

Invest in our commitments

Commitments include:



Equip the Board of Elections to conduct effective elections in compliance with law



Commitment

- Replace 13-year-old voting equipment
- Fund one-stop early voting for the 2018 General Election

New and renovated libraries need funding to hire staff and open to the public

Commitment

Open and operate:

Fall 2018



**Expanded Wake Forest
Community Library**

Spring 2019



New Cary Regional Library

Opening Turnipseed Nature Preserve brings maintenance and operations costs

Commitment

- **Phase 2** of the preserve opens this summer
- Ongoing maintenance costs
- Temporary staff for weekend and some weekday hours



Invest in risk management

Our focus on risk management will allow us to:



Mitigate risks



**Improve compliance
with regulations**

Strengthen organizational controls

Risk Management

- Add revenue manager to oversee revenue and cash management
- Fund an annual external audit of the Register of Deeds Office



Protect our IT network from security threats

Risk Management

- Invest in tools to reduce our risk
- Would improve our defense against phishing scams, ransomware and hackers

The New York Times

A Cyberattack Hobbles Atlanta, and Security Experts Shudder

The Charlotte Observer

LOCAL

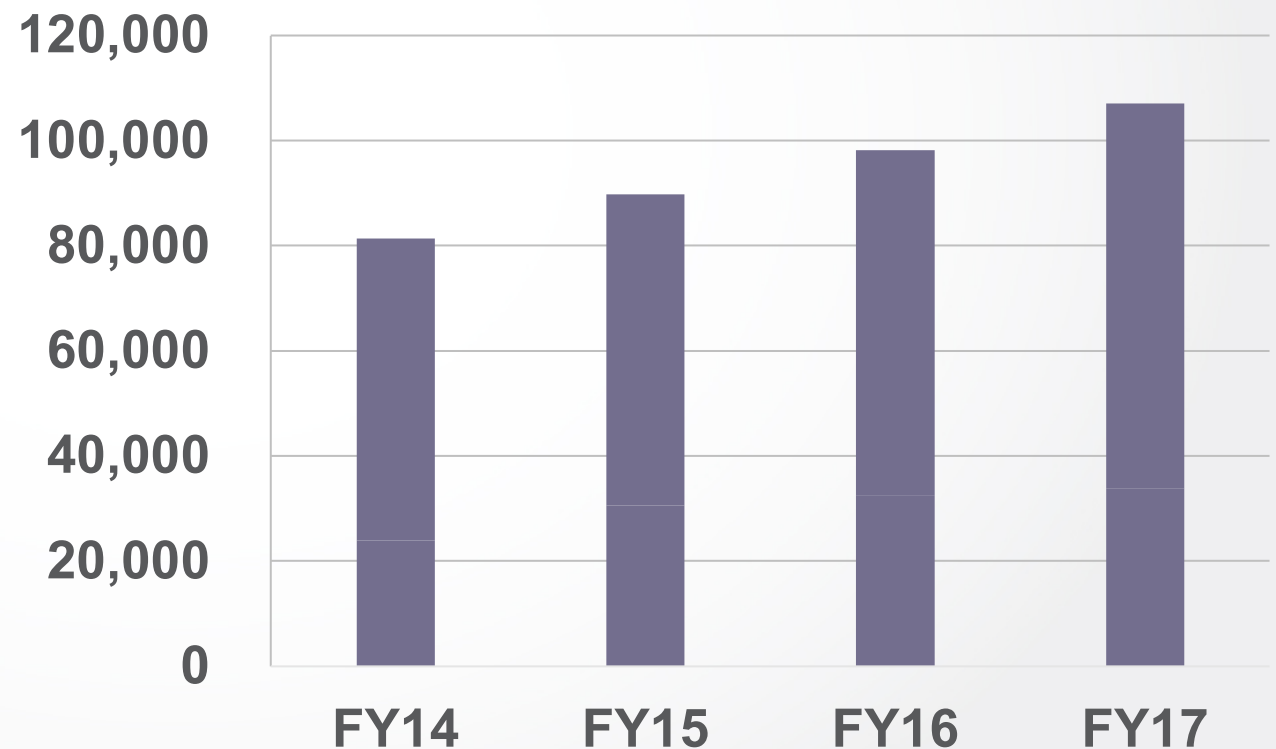
Mecklenburg government paralyzed as hacked computer files are held for ransom

Meet federal and state requirements for Medicaid, Food and Nutrition Services

Risk Management

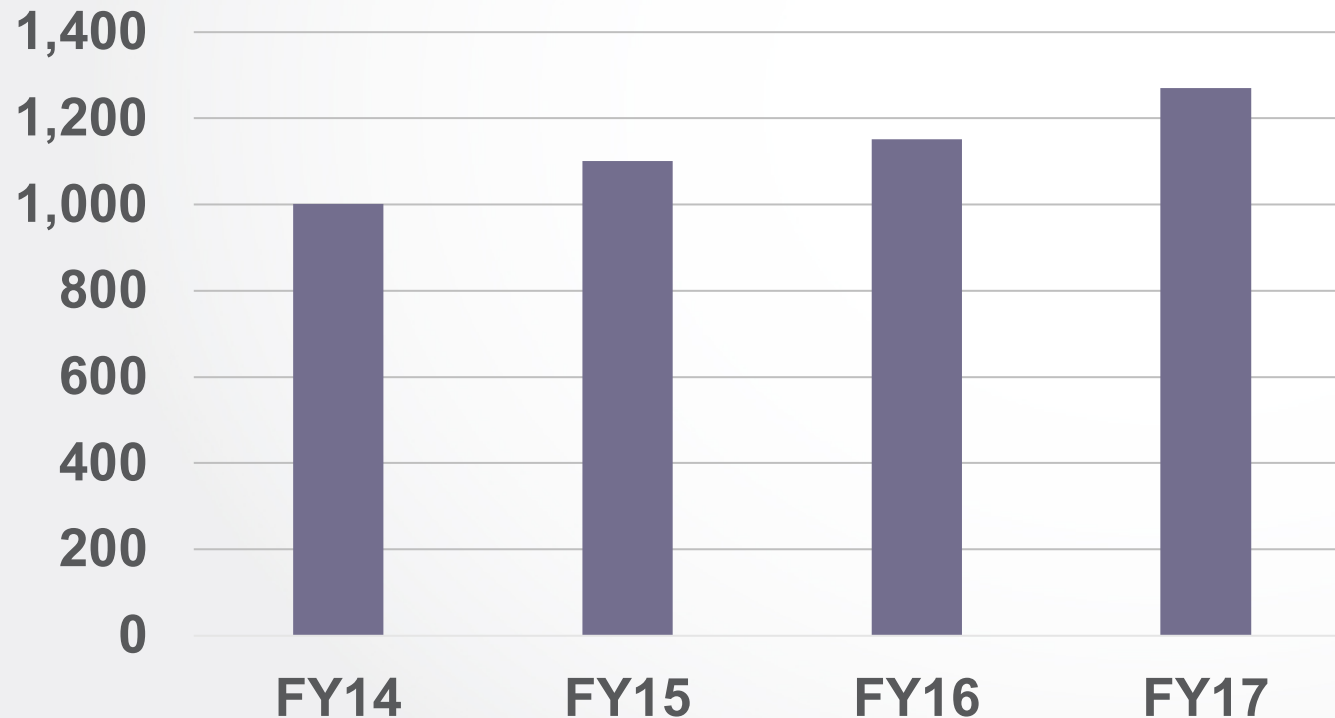
- Add **7 positions** to Medicaid services
- Add **2 positions** to Food and Nutrition Services

Medicaid applications have increased by 10% every year since FY14



Meet federal and state requirements for communicable disease investigations

Communicable disease investigations up 27% since FY14



Risk Management

- Add communicable disease nurse
- Would ensure our reporting is compliant and better prepare us for outbreaks

Invest in maintaining our service levels

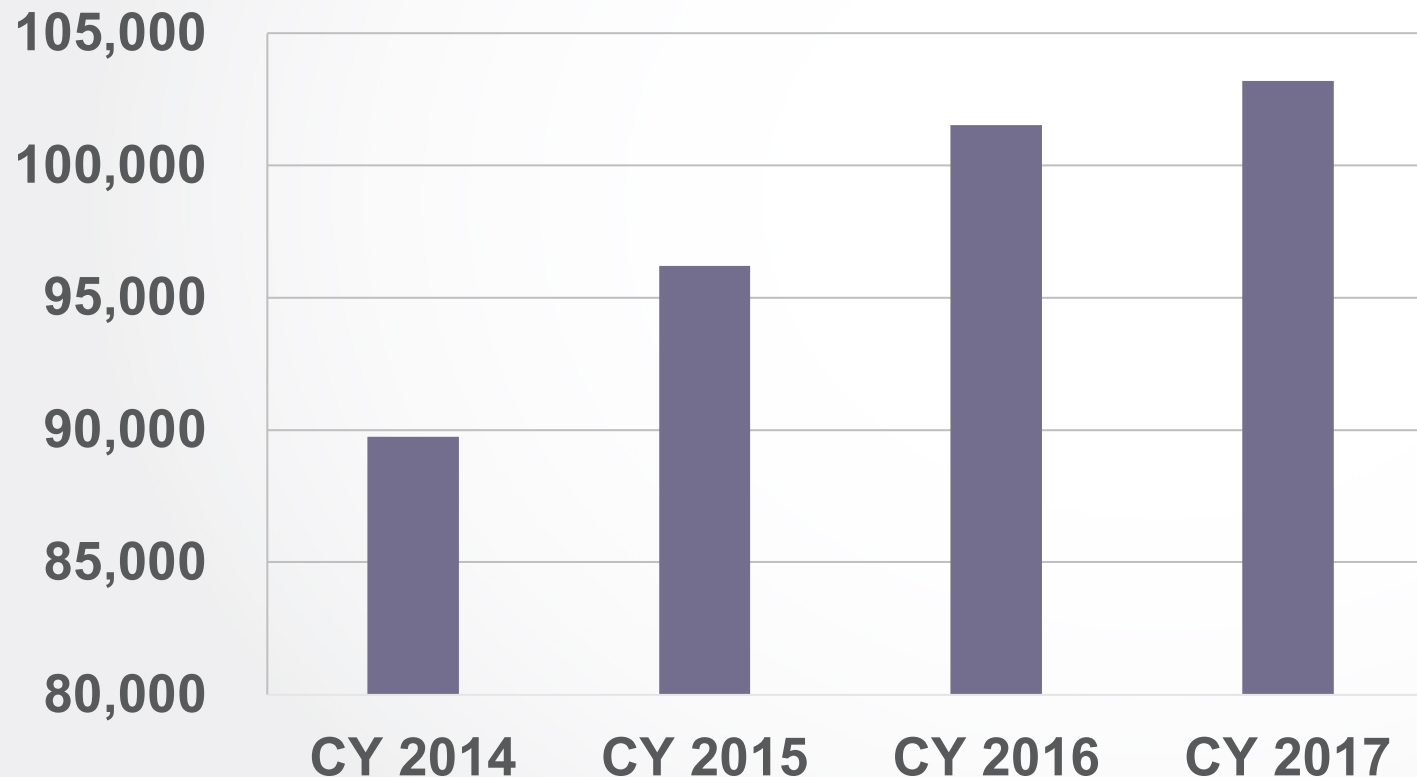
Maintaining our service levels allows us to:

- Continue to deliver a high level of service to the public
- Meet increased demands and complex regulations



Adding ambulances would help address increasing EMS calls

15% increase in EMS calls since 2014



Maintaining Service Levels

Investment:

- **\$1 million** for two ambulances, staff
- Would cover peak demand hours

EMS recruitment remains a challenge

Maintaining Service Levels

- Expand successful EMT-to-Paramedic program
- Would train **10 paramedics** each year



Sheriff's Office also has recruitment challenges

Maintaining Service Levels

- Need to fill **44 deputy and detention officer positions**
- Add **a second recruiter**
- Fund travel and materials for job fairs and other recruitment efforts



Reduce call wait time for GoWake Access riders



Maintaining Service Levels

- Add **4 new customer service representatives** to the call center
- Would reduce call wait time by **87%**

Growth drives demand for essential services



Maintaining Service Levels

- Add 2 food and lodging inspectors
- Add 2 environmental consultants in watershed management
- Add 1 animal control officer

Provide more opportunities for employees to learn and grow

Maintaining Service Levels

- Invest **\$6.5 million** in an average **3% performance pay increase** for eligible employees
- Create new position in HR to offer leadership training to our **800 managers and supervisors**



Invest in new programs

Our focus on new programs will allow us to:



**Increase productivity
and enhance the
quality of services**



**Achieve cost
savings**

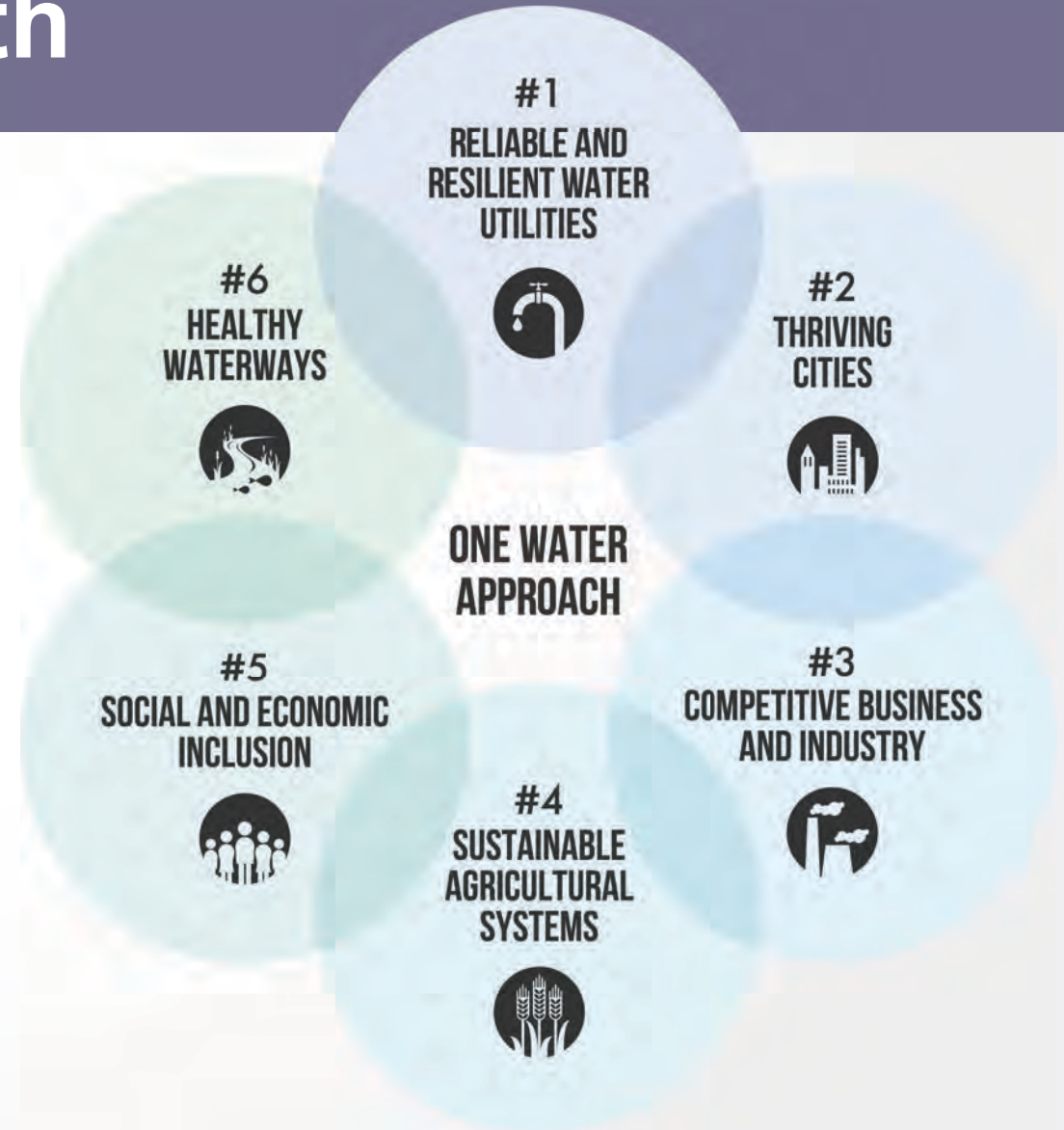


**Address
emerging needs**

Ensuring a clean, abundant water supply is vital to community health

New Programs

- One Water Study
- **Goal:** to create a snapshot of county water use
- Will determine community water needs and develop a long-term plan



Pilot program to help county understand benefits of urban agriculture

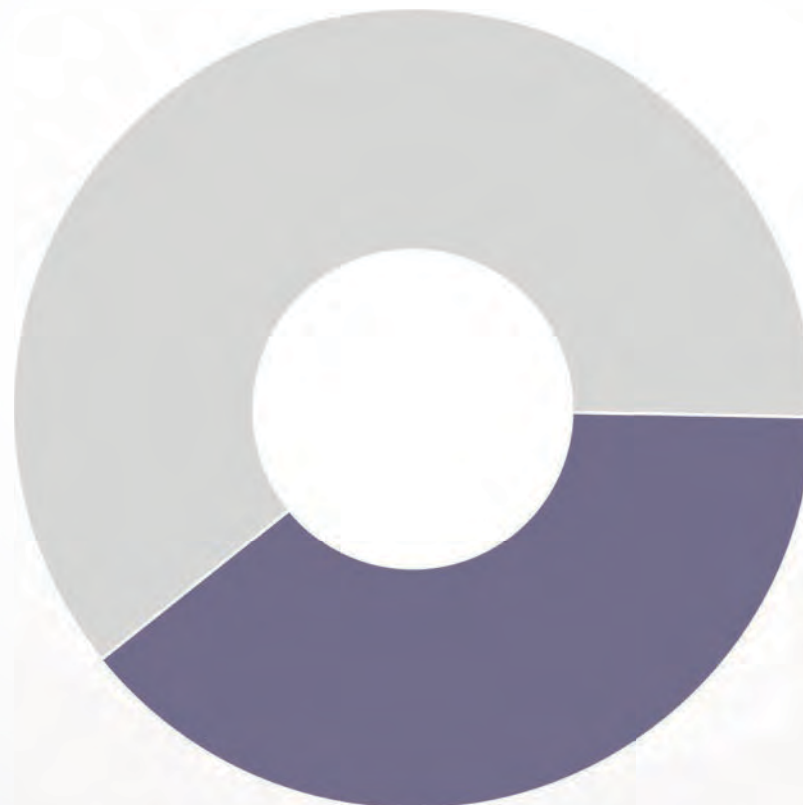
New Programs

- Begin **3-year pilot** to establish farm at Walnut Hill Preserve
- Initiative aims to bolster local food production, support small-scale farmers



Proposed investment in county operations and capital is \$513 million

FY19 General
Fund Budget
\$1.3 billion



\$513 million
38.9% of total budget
5.2% increase
over FY18

A sepia-toned photograph of two young children, a boy and a girl, smiling and holding trays of food. The boy is on the left, and the girl is on the right. They are both holding white trays with food and white cups. In the background, other children are visible, slightly out of focus. The text "Investing in Our Partners" is overlaid in the center in a large, white, sans-serif font.

Investing in Our Partners

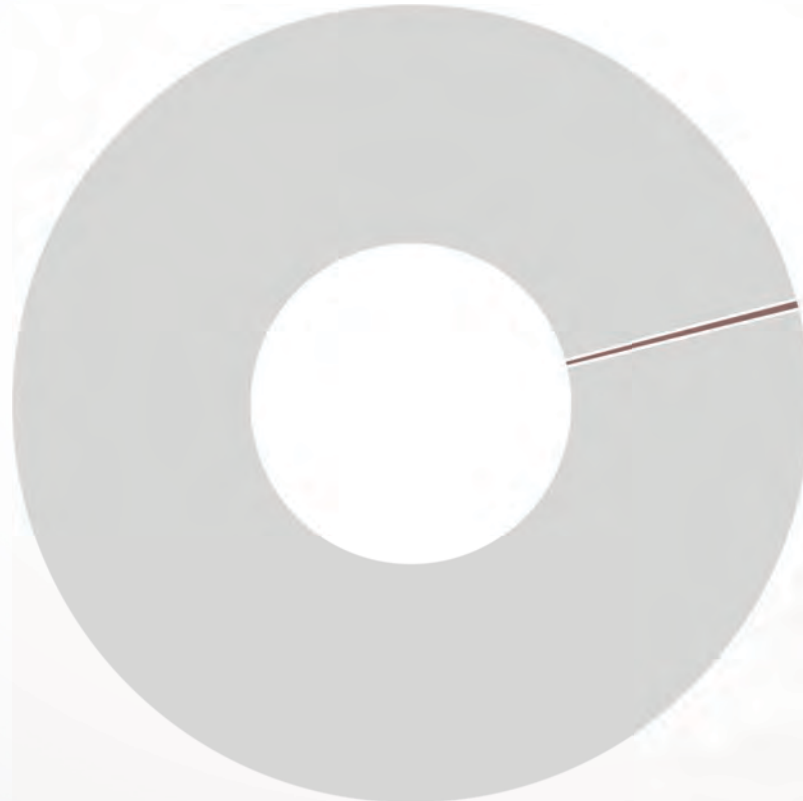
Provide funds to nonprofit organizations

Partner	FY19
Communities in Schools	\$100,000
East Wake Education Foundation	\$50,000
Food Bank of Eastern & Central NC	\$12,000
InterAct	\$100,000
Interfaith Food Shuttle	\$25,000

Marbles	\$650,000
North Carolina Symphony	\$100,000
Universal Breakfast	\$221,000
Wake County Arts Council	\$511,000
Wake County SmartStart	\$1,188,592
Total	\$2,957,592

Proposed investment in our partners is a 27% increase over FY18

FY19 General
Fund Budget
\$1.3 billion



\$3 million
0.2% of total
budget
27% increase
over FY18

A photograph of a man with glasses and a beard leaning over two young girls, smiling and pointing at a book. The image is overlaid with a semi-transparent green filter. The text "Investing in Education" is centered in white.

Investing in Education

Historic \$1.2 million investment would clear SmartStart's 2018 Pre-K waiting list

Recommendation for SmartStart

- Increase our contribution by **\$600,000** for FY19
- With leveraged funds, **400 more children** to attend Pre-K classes through SmartStart

1,000
total seats



1,400

FY18



FY19



Wake County Public Schools



Increase operating funding for Wake County Public Schools to highest level ever

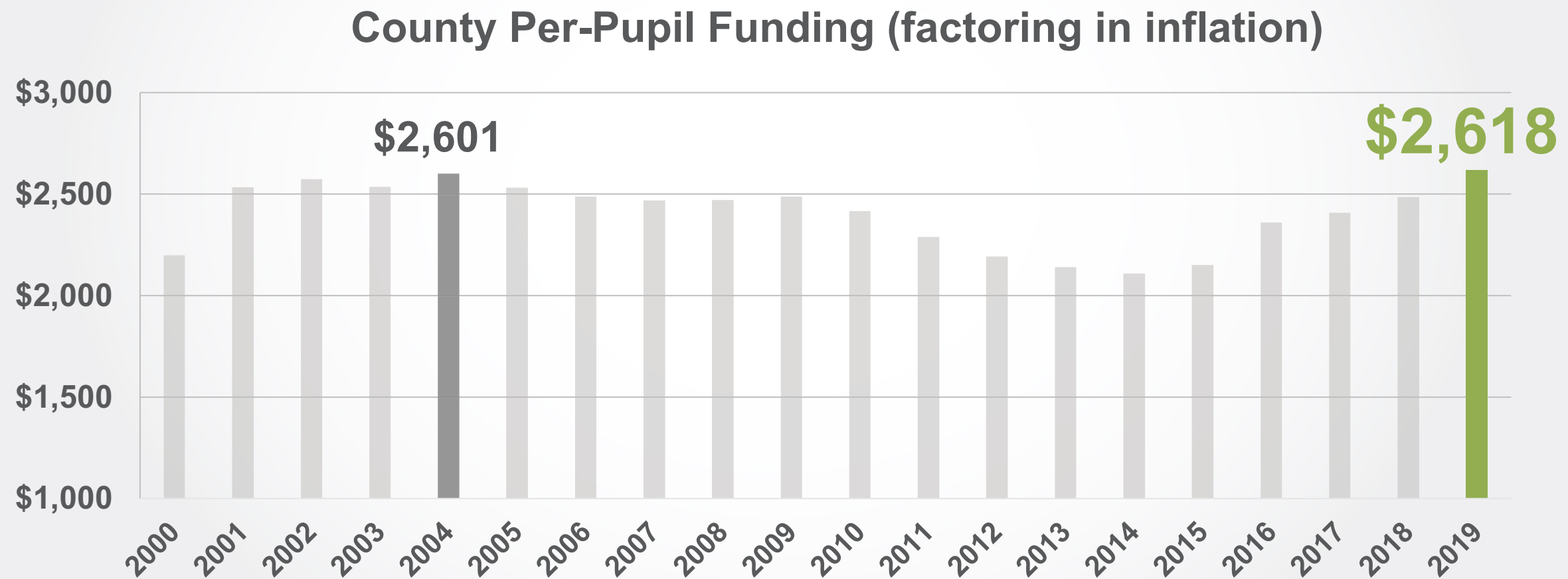
Recommendation for WCPSS

Invest an additional
\$30,089,000
in the schools
operating budget



\$461
MILLION
Annually

Brings per pupil funding to \$2,618, the highest amount since at least 2000



Fund continuing education in our community

Wake Technical Community College

- Largest in the state, **20th largest** in the nation
- **74,000 students** annually
- **6 campuses**
- **100+ online programs**



Invest a total of \$25.4 million in Wake Tech

Recommendation for Wake Tech

\$4.6 million in new funding for Wake Tech's operating budget

\$2.5 million:
Fund start-up costs for new RTP campus

\$2.1 million:
Fund facility maintenance, utilities and technology staffing



County also funds facility construction and renovation for WCPSS and WTCC



Debt service and capital funding

FY19 total:

\$260.4 million

WCPSS:

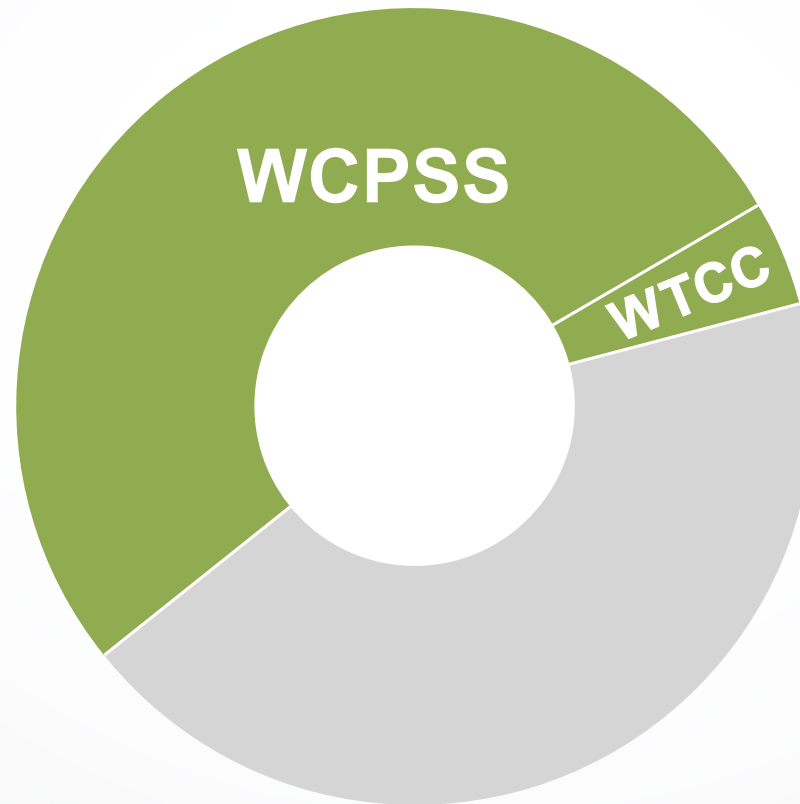
\$236 million

Wake Tech:

\$24.4 million

Proposed investment in education is 57% of total FY19 budget

FY19 General
Fund Budget
\$1.3 billion



\$746.8 million
57% of total
budget
5.7% increase
over FY18



**Housing
Affordability**



**Behavioral
Health**



**County
Operations**



Partnerships



Education

FY19 Recommended Budget

General Fund Operating Budget

\$1,318,600,000

Includes a **2.9-cent** property tax increase for a total proposed rate of **64.4 cents**

Property tax is our main funding source

Increasing the property tax by **2.9 cents** would generate **\$41.6 million** in FY19.

Would fund growing needs in:



housing
affordability



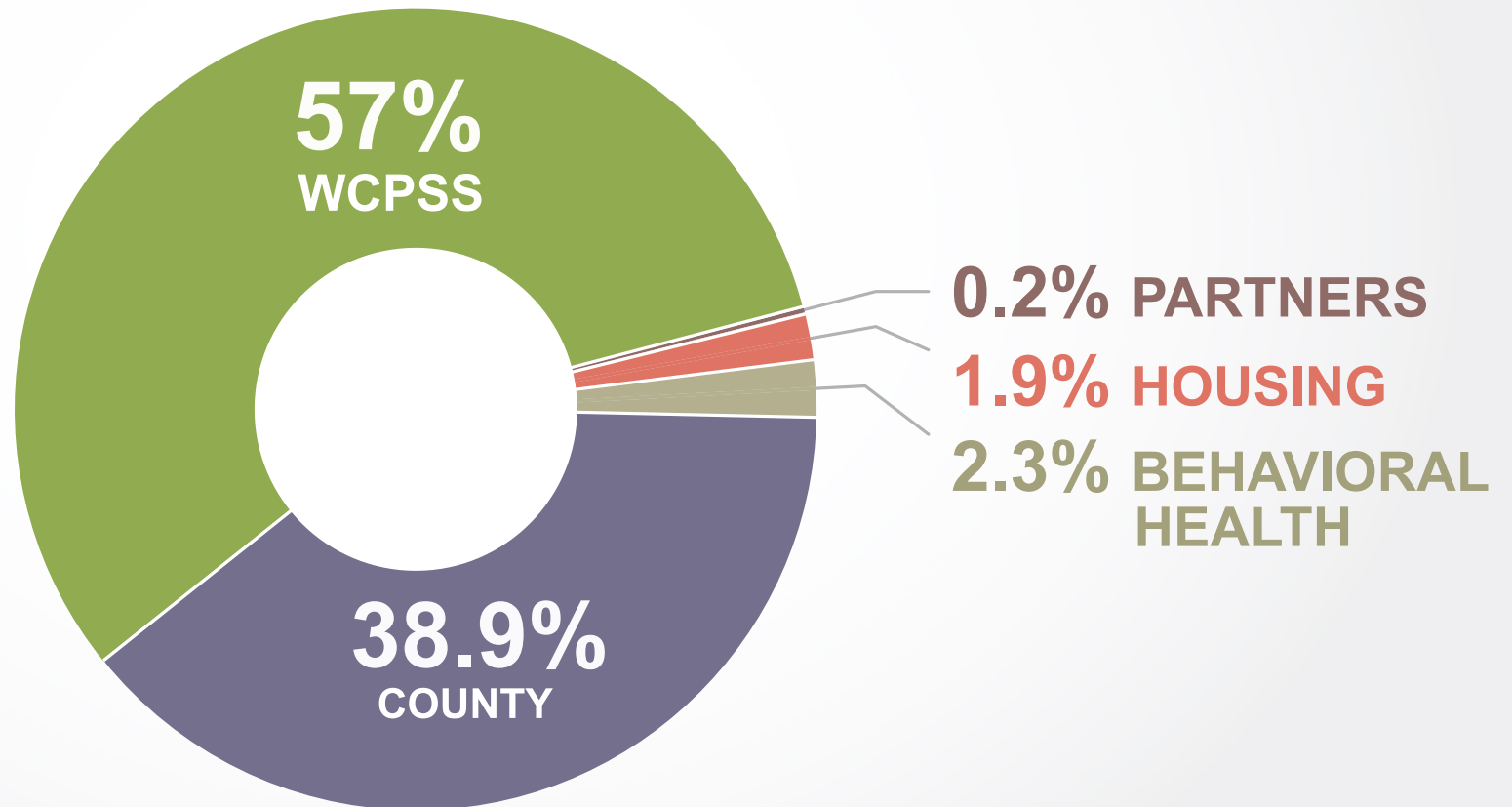
education

How it all fits together

FY19 Recommended General Fund Budget:

**\$1.3
BILLION**

**7.2% ↑
increase**
from FY18
adjusted budget



Next steps

FY19 Recommended Budget schedule

MAY
14

9 A.M.
Work session
Room 2800

MAY
30

2 P.M.
Work session
Room 2800

MAY
21

2 P.M.
First budget public hearing
Board Room

7 P.M.
Second budget public hearing
Wake County Commons

JUNE
4

5 P.M.
**Vote on proposed
budget during
board meeting**

Need more information?

**All FY19 Recommended Budget
materials are available at**

wakegov.com