

Transcript of WGTN Interview w/ David Cooke
March 17, 2009

SW -- We're here with Wake County Manager David Cooke to discuss the budget and the economy. Thank you for taking your time to share some expertise with the citizens here on WakeGov TV.

DC -- Sure, I look forward to it

SW -- Mr. Cooke, many of our citizens and employees have been hearing about changes in the County budget. They've heard about changes to the operating budget that's used to provide services to citizens on a daily basis, and the capital budget with the long term projects that's used for the capital building program and acquiring open space. Let's start with the capital budget.

What changes are going on right now to help the county in this new economy?

DC -- Well, I think and we've presented as recent as yesterday, at the Board of Commissioners, changes to the capital budget. The reason we're having to look at that is because our revenue streams have changed. And that's primarily the property tax and sales tax. We will not see in the future the growth of property tax and growth in sales tax that we have been accustomed to over the last 10 -15 years. And that requires us to look at capital very differently. So some of the things we shared yesterday is we're going to delay the quick sale of any open space and library bonds, we're going to delay the courthouse project 12 months, we're going to move forward on a very few number of cash-funded projects. Two that were mentioned yesterday include our mental health continuum of care projects and the animal shelter, and we're also going to go to market to sell bonds in March primarily for the school system and wake tech community college. But even the bonds we're going to sell for schools and community colleges don't allow them to move all projects forward according to their former schedule so even the school system and wake tech will look at having to constrain some projects. And it's all about the current economy.

SW -- The operating budget has also been affected by the changes in the economy. What are some of the changes we've seen so far?

DC -- We're looking at the operating budget in two ways. One is this current fiscal year and that's 'what do we need to do between now and June 30th of this year?' and some of the things we've had to do include the hiring freeze that's been in place since October, we've asked departments to reduce expenditures this year about 4%, and it's also to where the school system has contributed to those reductions and they've reduced their budget by 5.7 million – I believe that's the number – and so has wake tech community college and not-for-profits and so I think everybody has participated in reductions for this year. So we think we're going to be in okay shape between now and the end of this fiscal year, assuming the economy doesn't get a whole lot worse and assuming the state can solve their budget issues without passing those down to cities and counties, and now a lot of our focus has shifted to next year's budget, the budget that will begin in July until the following June, and that's where we've asked departments to look at strategies to reduce their budgets by 10%, and each department has put forward a list of reductions and what the impact might be if they reduce by 10%, and that's what generated some of the conversation that's been in the media lately about the closing of libraries, whether that means taking ambulances off the road, reducing services in the human services area – and what we've said related to that is 'we don't need 10% reductions across the board to balance the budget, but we need to know what those reductions look like if we need to have conversations if some areas need to get more money like if we're going to give the school system more money next year, if we're going to look at providing more funds for human services or the capital program, or whatever. So those

reductions are on the table for a conversation that will occur this spring, and so that we can have an honest conversation about choices and trade-offs.

SW -- What if citizens want to provide input on the budget or they don't agree with the decisions that are on the table?

DC -- I think there are a lot of different ways. We have a lot of citizen involvement right now with advisory committees. As you know we've got dozens of advisory committees covering all areas of county government and so we're working with human services and environmental services board -- they are very interested in the reductions involving human services and environmental services. We have a library commission and they are very interested in reductions that involve libraries, we work with parks and open space advisory committee, but citizens in general can participate in any number of ways. There will be public hearings on the budget that will occur in June. They could get involved now. Some have already submitted questions to public affairs as well as the county manager's office and so we invite that feedback and commentary as we work through this. It's a very difficult budget process and as we work through that this spring we invite citizen input along the way.

SW -- That's great -- I know there are a lot of people who are glad to hear their comments are welcome. Looking at the current budget and the changes going on, how does that budget and the current economic situation play into the commissioners' goals and their priorities for the next year?

DC -- The board of commissioners recently had a retreat, as you know, and some of the goals they identified, one primary one is that I think they recognize the current economic climate and so I think the lead goal coming out of the retreat was not to raise the property tax in the current economic climate. And so I think the whole budget is being framed with that goal in mind. There are other goals in there that have to do with wake tech, human services and also the environment. A lot more conversation about being green, doing LEED certified projects, and so we'll look at all those goals as we move forward.

SW -- We've talked a little bit about citizen inquiries and comments that people have had and we want to take an opportunity to kind of answer some of the most frequent questions. And one of those is from citizens who hear that some libraries may be closed. And you mentioned that that wouldn't be taking place even potentially until next year's budget. Could you explain to us and all the viewers on WakeGOV TV how that process may occur and the scenarios that are being evaluated?

DC -- The strategy of closing libraries has to do with next year's budget. And it is in response to the library department looking at their budget and if they had to reduce their budget by 10%, what are some of the things they would have to do. I think they've gone about their evaluation in a very pragmatic, deliberate way, but to save 10% in libraries would require closing some of the branches. So they've identified how they would identify those branches or, as they are called, specialty libraries. Now, libraries are also a very popular service to the citizens. And so I imagine closing of libraries would occur after we've exhausted a lot of the other things that have been identified by the different departments in county government. And as I've said, we don't need 10% reductions across the board to balance next year's budget. But we need to know what those reductions are in case the economy turns worse than what we currently anticipate. Everybody hopes it's going to get better. But we do need to know what those options are and I think everybody has gone about identifying or recommending those strategies in a very professional way.

SW -- Another common question that people are hearing is there is a possibility county employees could be laid off. Would you like to share some thoughts on that topic, as well?

DC -- We certainly hear that a lot internally and I think that every employee in different organizations because the economic climate, is the first on their minds – What about my job? And we at that very seriously at the county and one of the reasons we have had a hiring freeze in place since October is to try to create some flexibility for ourselves. And right now we have probably somewhere in the range of about 240-250 vacant positions in the county. If we have to reduce the number of positions in the county, which we anticipate that we will with the upcoming budget, we believe there is enough flexibility if employees are willing to do other work where we will fill those positions we think there's a way to of being respectful to employees and reduce the number of positions the county funds on a year to year basis. So we think we can accommodate a position reduction as well as being respectful of employees. So a very difficult time for everybody – citizens, employees of all different organizations, and I just think it's a time where we're all trying to work together to provide the best service to the citizens in an economic climate that requires us to draw down our budgets and so we're going to continue to do our best to deliver good service and do it at a lower cost.

SW -- Thank you very much for being with us today.

DC -- Thank you.