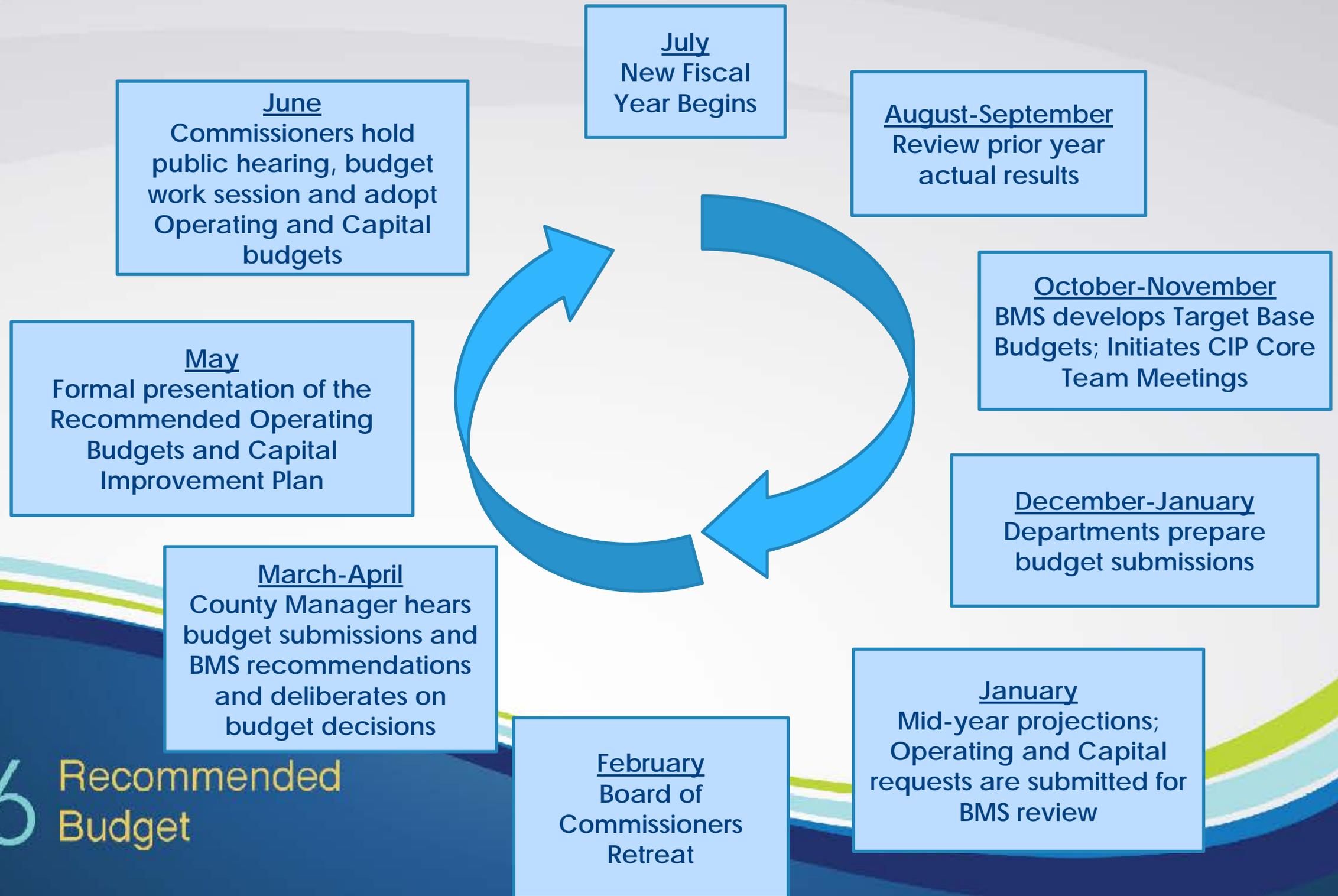


# Fiscal Year 2016 Budget Presentation

Jim Hartmann, County Manager

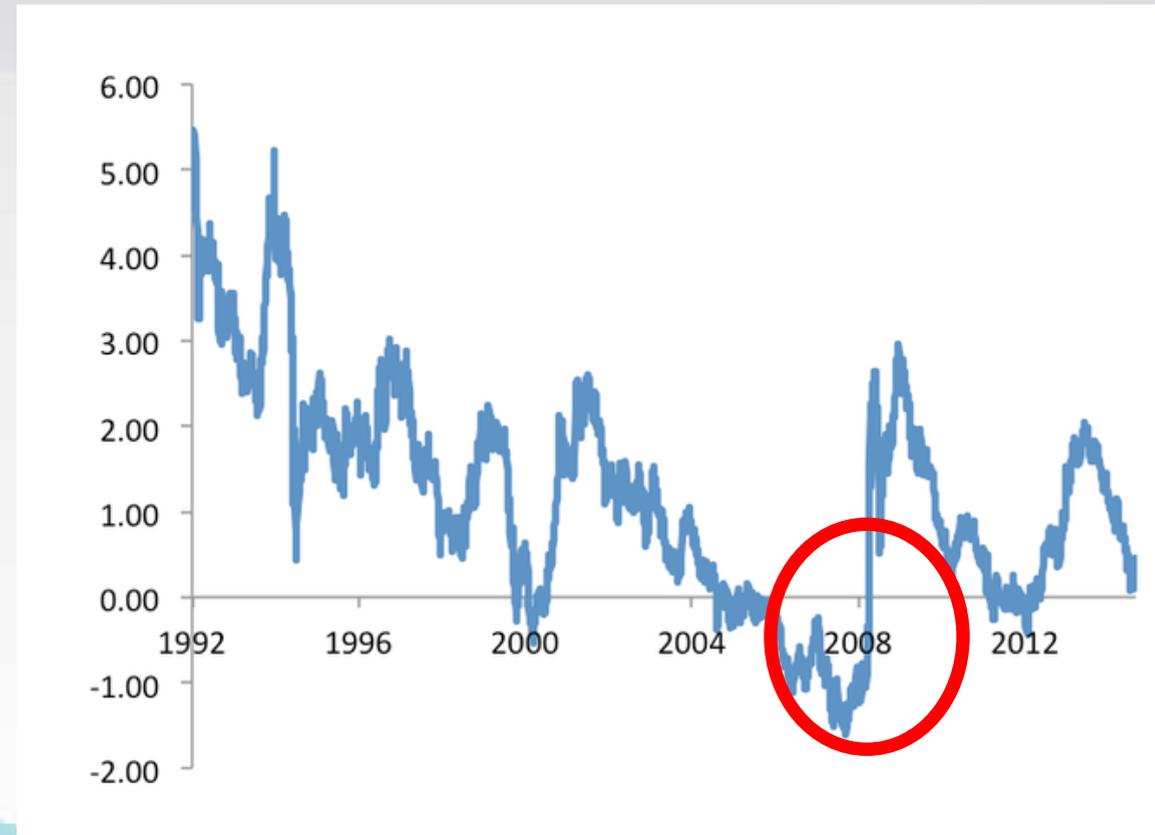
FY2016 Recommended  
Budget

# Budget is a year round process



FY2016 Recommended Budget

*Through the recession.....*



*...but not fully recovered*

FY2016 Recommended Budget

# Key Indicators

Consumer Spending

Construction &  
Housing

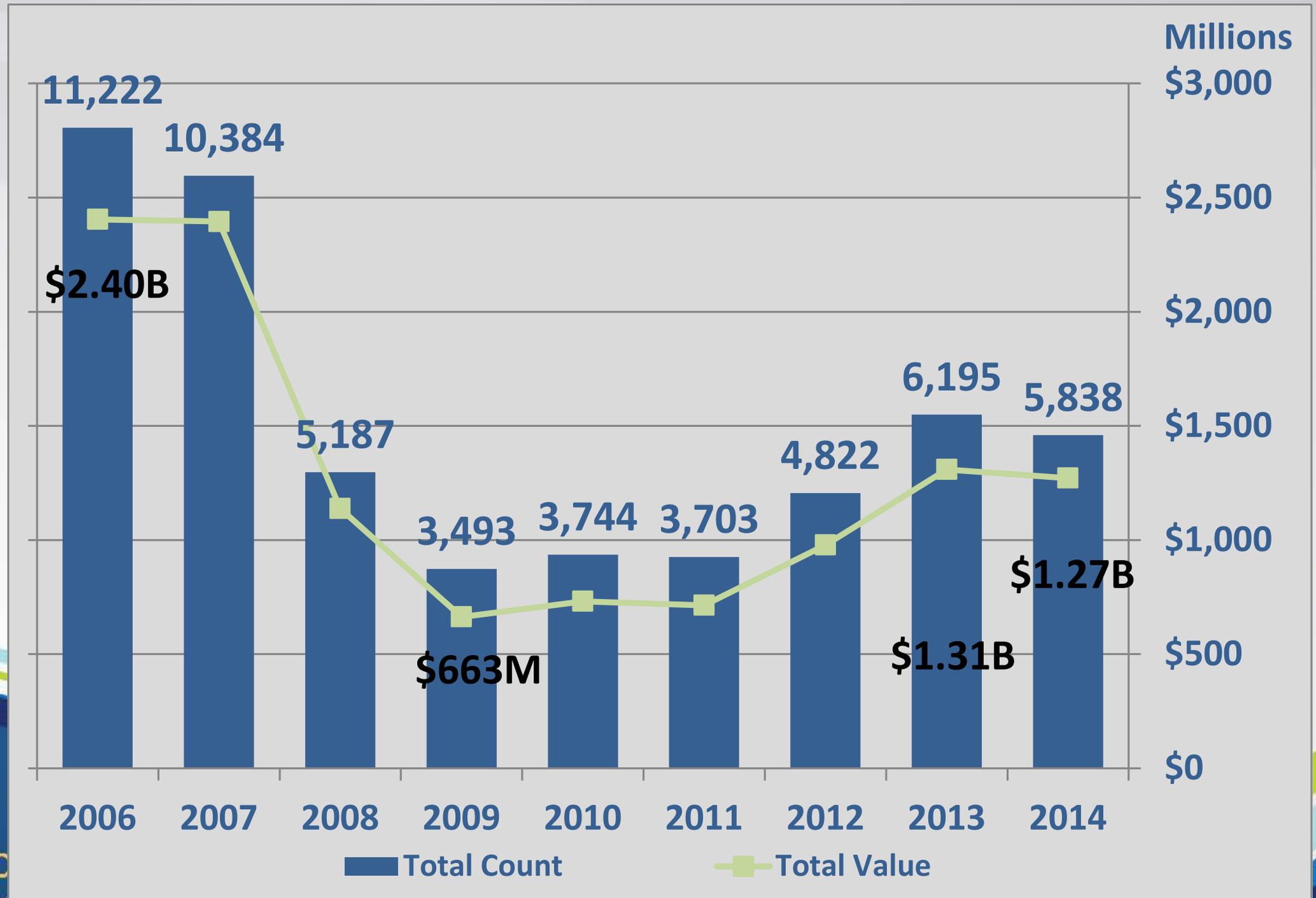
UNEMPLOYMENT

Poverty

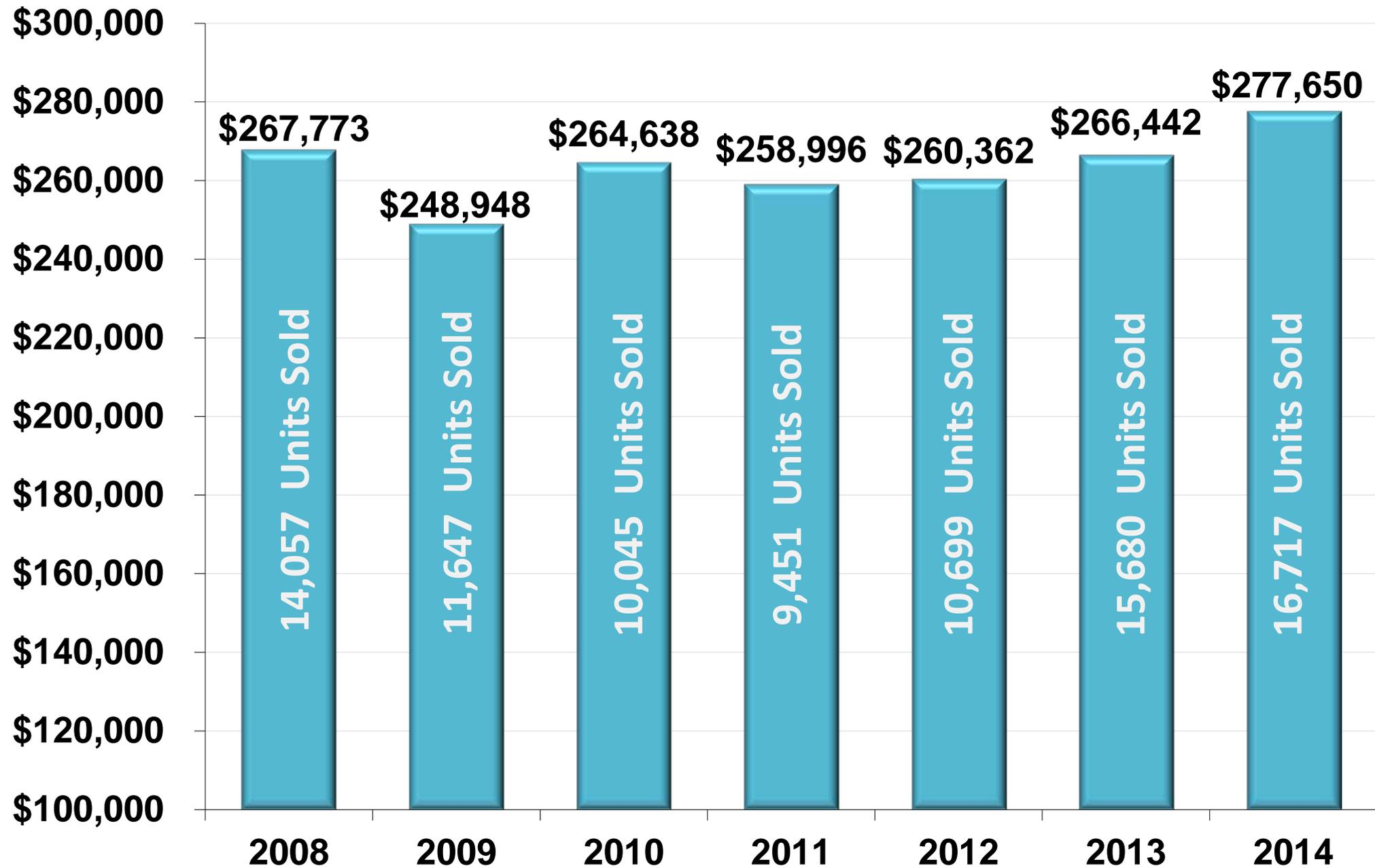
FY2016 Recommended  
Budget

*Building permits drive property values that generate our largest revenue source*

FY2016 Rec Budget



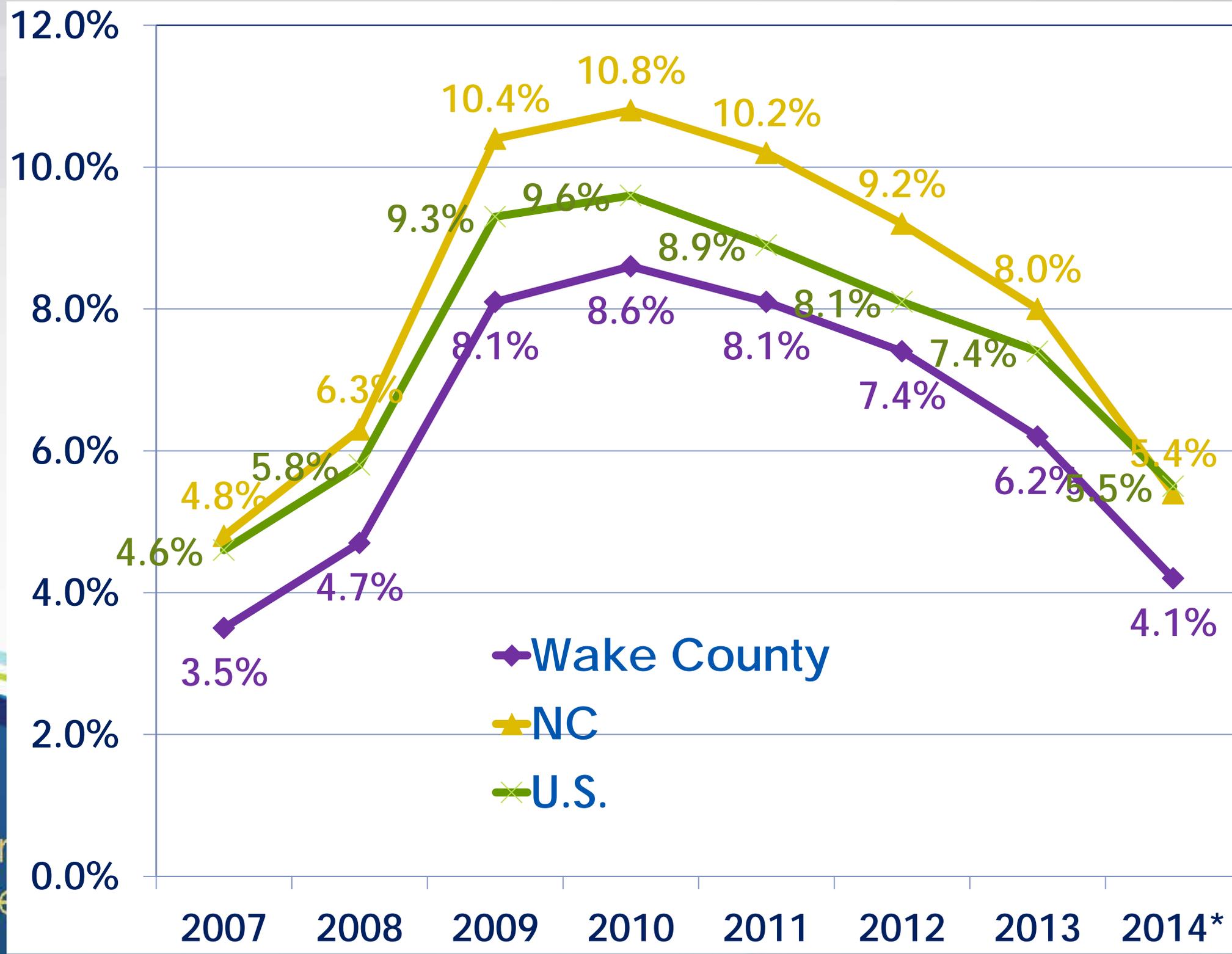
**Average Price  
(dollars)**



*Home  
values  
begin to  
rebound*

Unemployment  
on decline

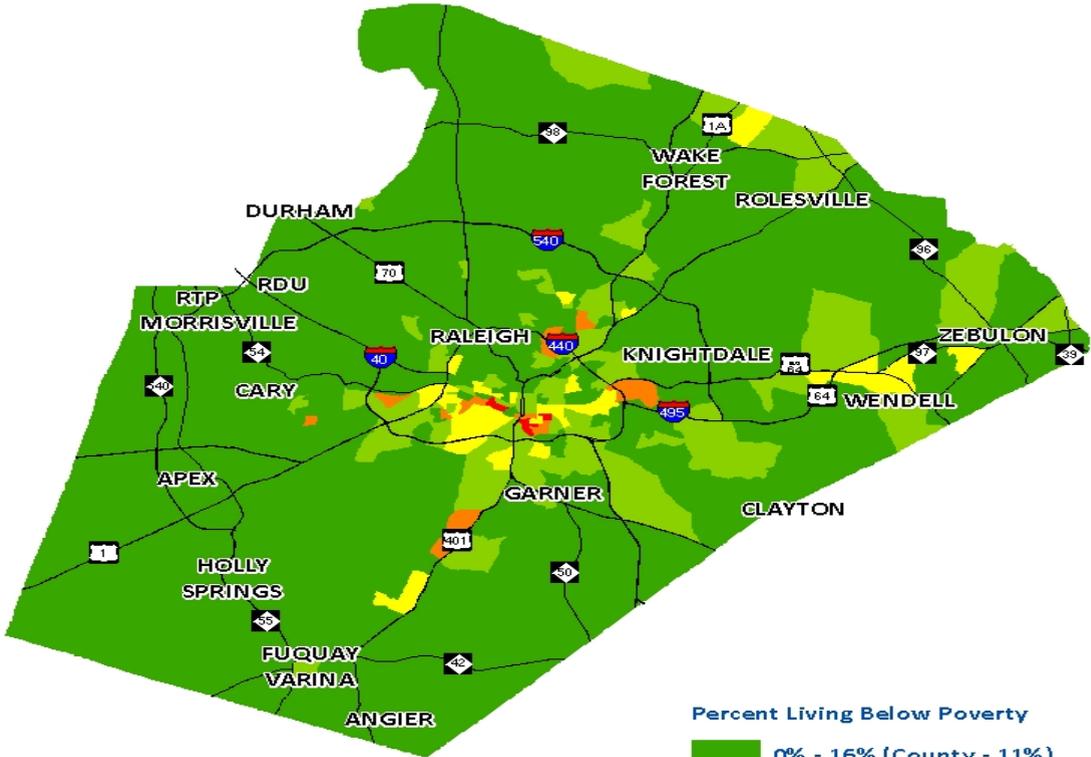
More people  
back to work



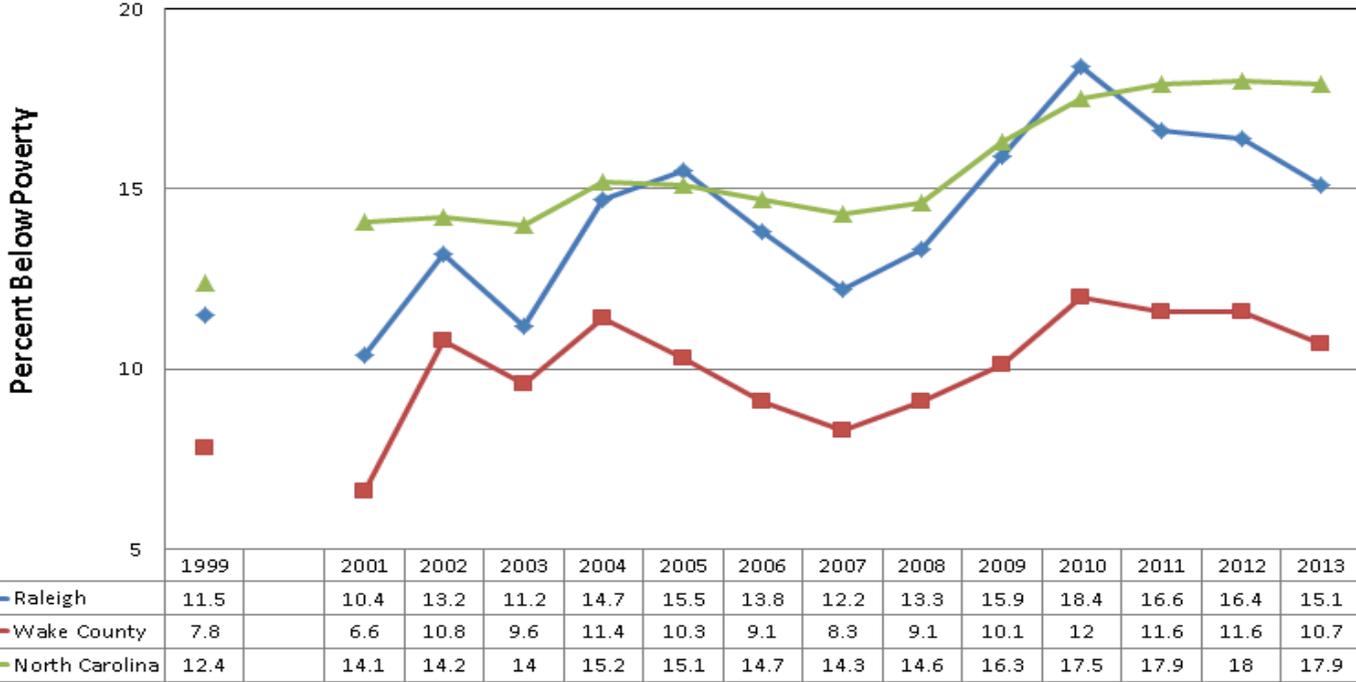
FY2016 Record Budget

# Number Persons Living Below the Federal Poverty Level:

Percent of Wake County Residents Living Below 100% of the Federal Poverty Level During the Past 12 Months: 2008-2012 5-Year Average By 2010 Census Block Groups Estimates

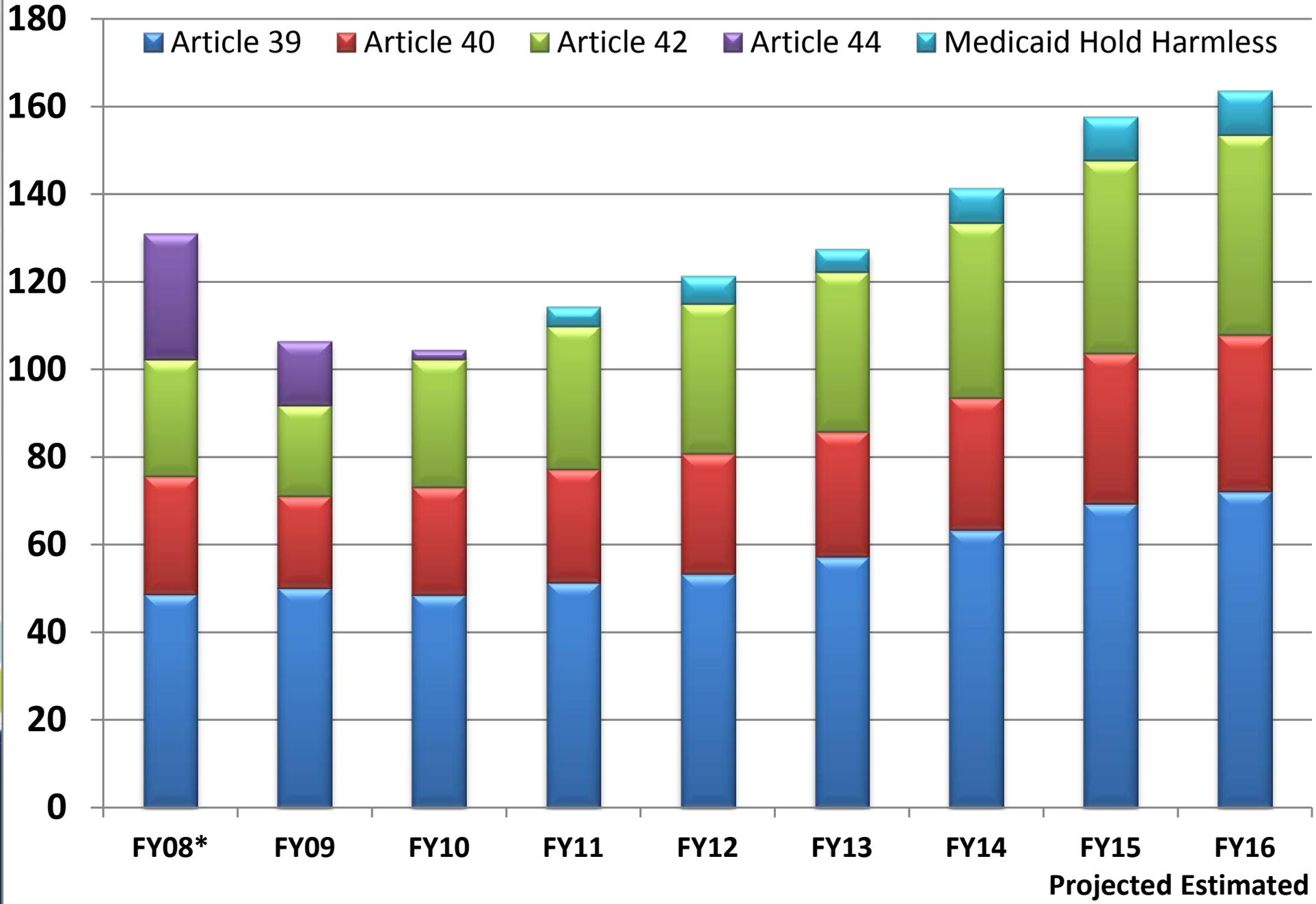


Margins of Error Not Included



101,753 (10.7%)

Millions

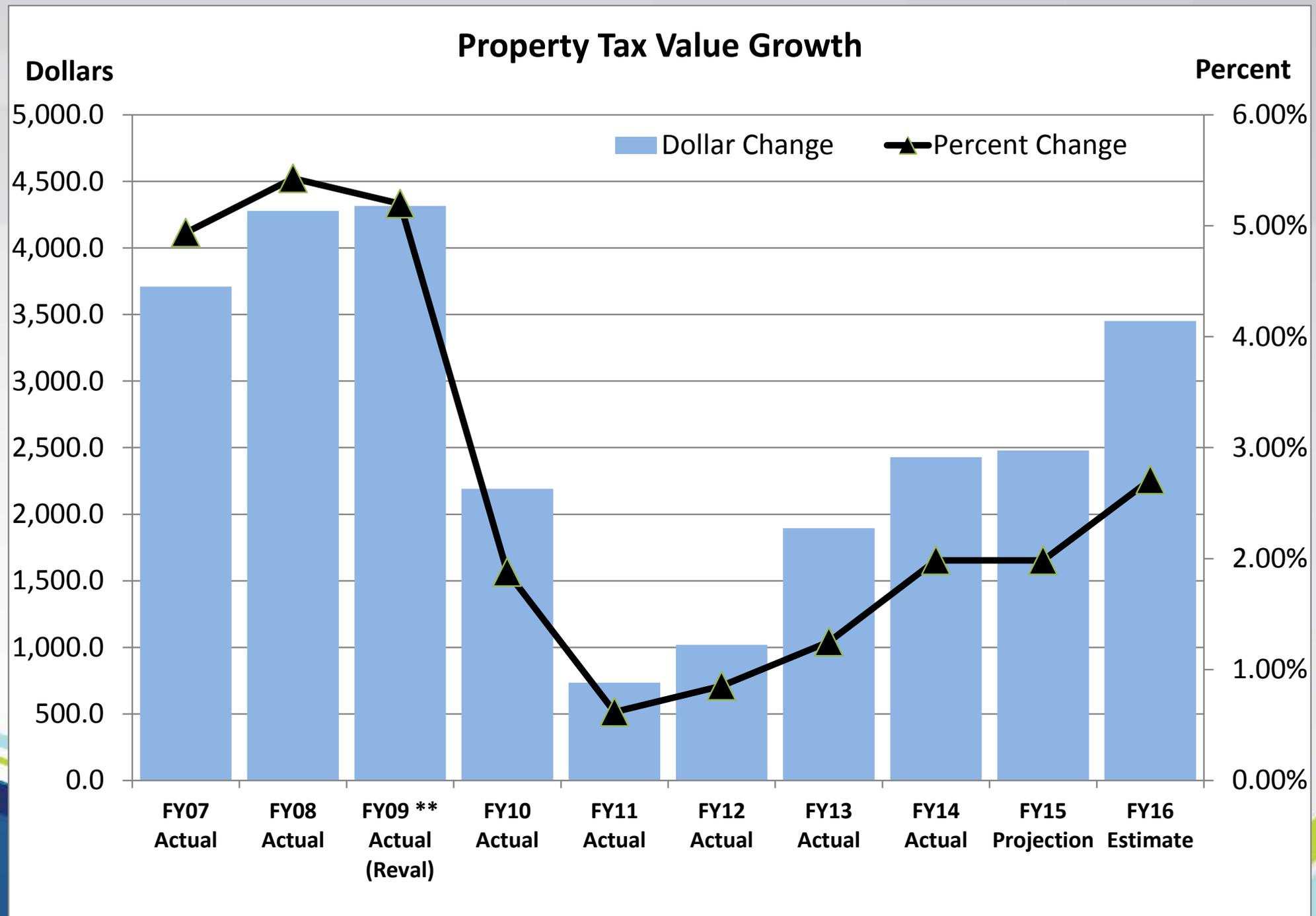


Sales tax recovers  
as consumer  
confidence  
returns and  
General Assembly  
expands tax base

Property values growing but at lower levels than pre-recession

Revaluation  
January 1, 2016

FY2016 Recommended Budget



# *Experiencing a “new normal”...*

➔ **New service delivery models**

➔ **Business process improvements**

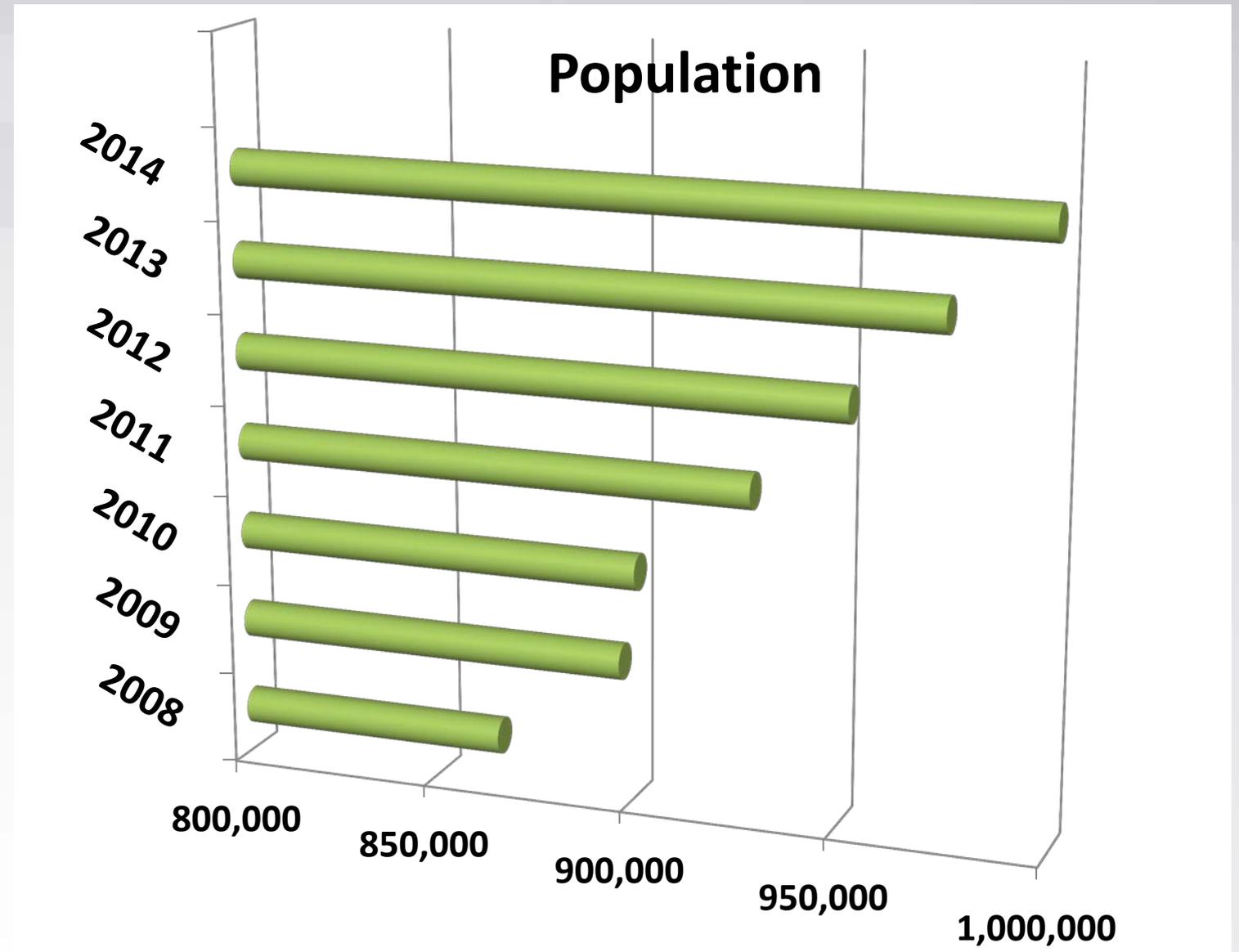
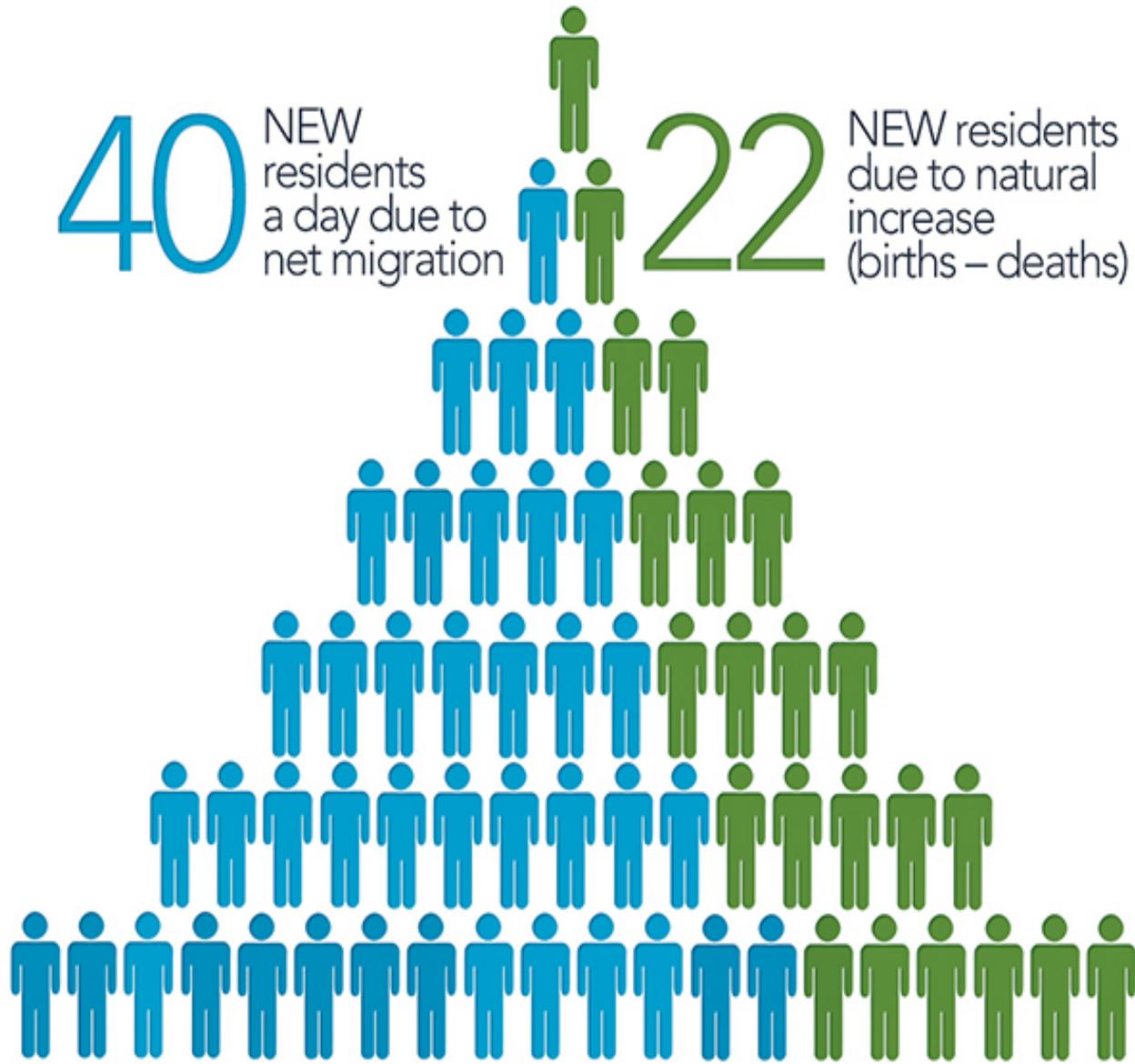
➔ **New technologies**

FY2016 Recommended  
Budget

# WAKE HITS A MILLION

40 NEW residents a day due to net migration

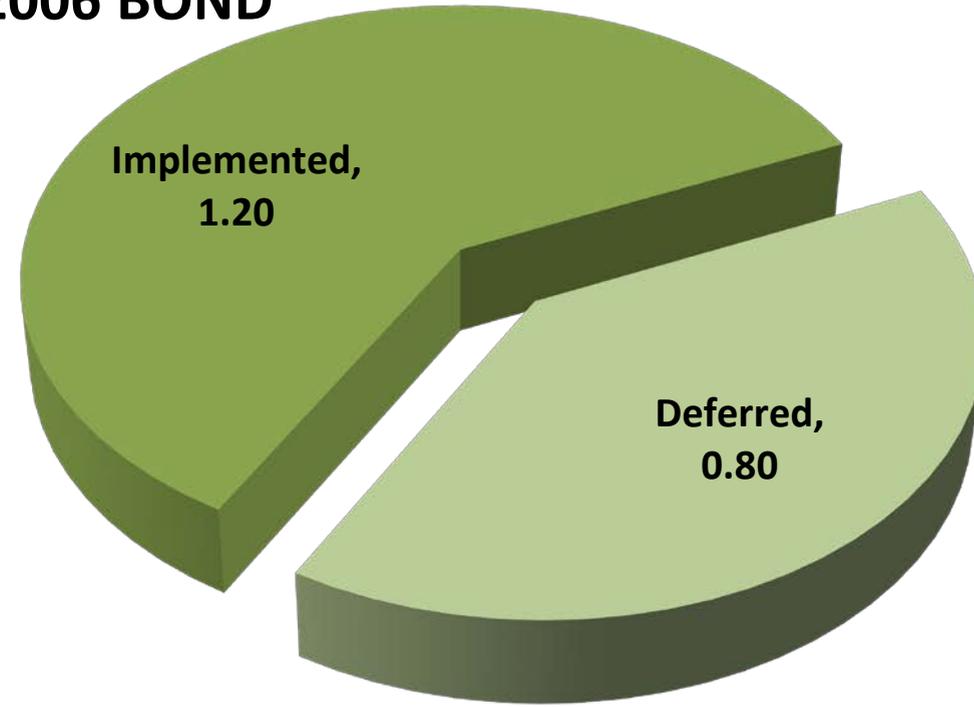
22 NEW residents due to natural increase (births – deaths)



46th most populous in the country

**Tax *increases***  
for bond  
operating  
impacts  
were  
***deferred***

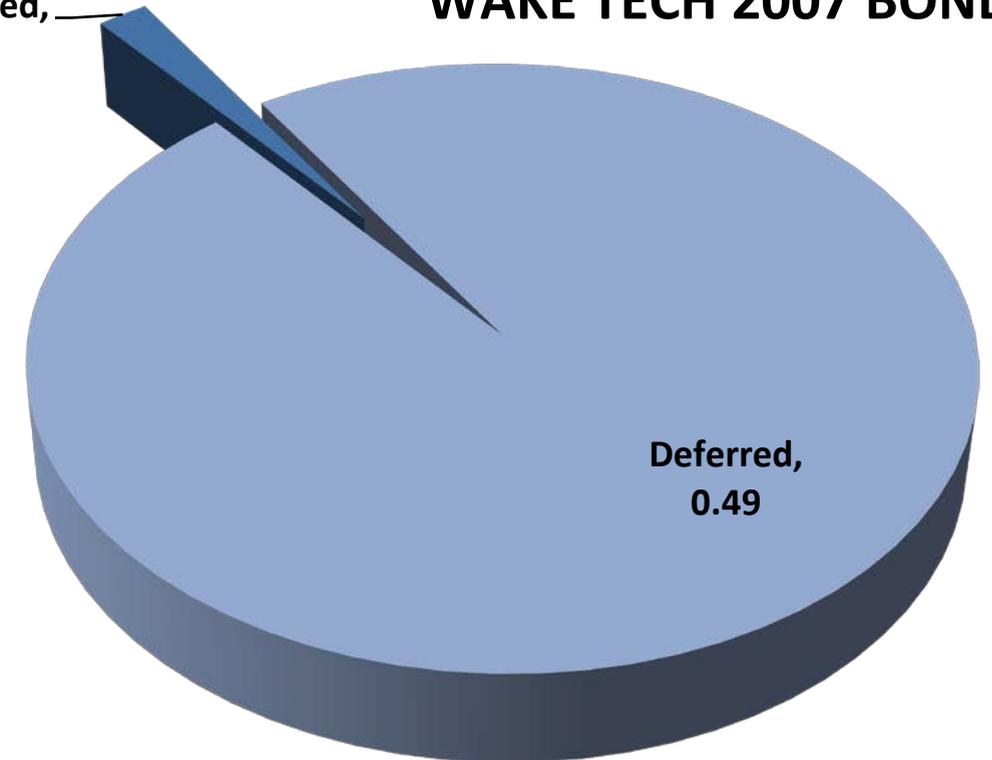
WCPSS 2006 BOND



**Cents on  
Property Tax  
Rate**

Implemented,  
0.01

WAKE TECH 2007 BOND



**FY2016** Recommended  
Budget

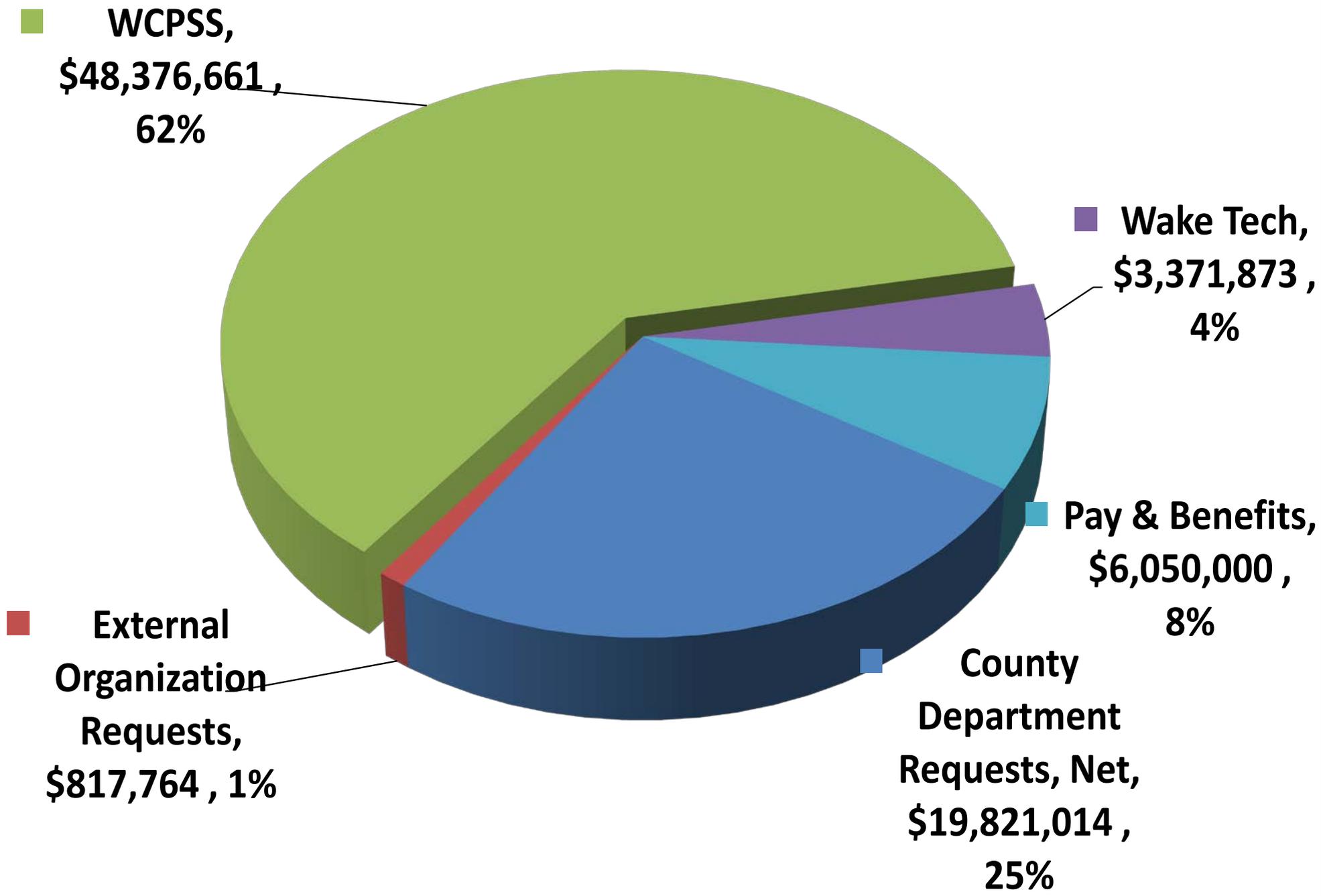
# *Continuing to play catch up...*

➔ **Gains in efficiencies**

➔ **Outpaced by rising  
demand for services**

FY2016 Recommended  
Budget

Requests  
seeking  
funding  
totaled  
\$72 million



# The Balancing Act:

Needs > Resources requires either

Cutting expenditures

Raising revenues

FY2016 Recommended  
Budget



# Building Blocks – Developing Department Target Base

FY15 Adopted Budget Expenditures

+ /- Salary and Benefits Calculation

- Exclusion of Prior Year One-time Costs

+ Inclusion of Board Approved Items

+/- Update of County-wide Chargebacks

= FY16 Target Base

# Target Base

**Salary and Benefits**

**Contractual Services**

**Supplies and Materials**

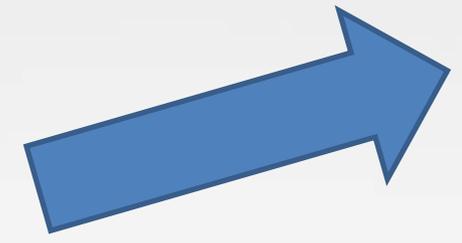
- Needs outside of the base can be requested as an expansion



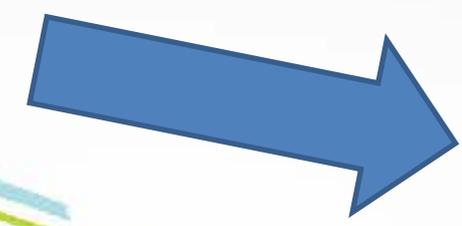
**FY2016** Recommended Budget

# Normal Revenue Growth

\$31.9 million



Debt Service  
\$10.7 million



All Other Requests  
\$21.2 million

FY2016 Recommended Budget

	Calendar Years				
Revenues or Expenditures	2015	2016 *	2017	2018*	Notes
Property Taxes		Property Tax Revaluation			Completion of 8-year cycle; reset to revenue neutral tax rate
		Fire Tax District Tax Increase?			Tax increase likely to support sustainable operations
Sales Taxes		Transit 1/2 cent Sales Tax Referendum?			\$.5 billion to \$1 billion in transit infrastructure
		1/4 cent Local Sales Tax Authority?			If enacted, generates approximately \$30 million annually
WCPSS - Operating	Requested Significant Increase - Tax Increase?	Student growth and new schools	Student growth and new schools	Student growth and new schools	Growth of more than 10,000 students expected; \$8M in cost of new schools
WCPSS - Construction		G.O. Bond Referendum?		G.O. Bond Referendum?	WCPSS has identified needs of more than \$300M annually
Wake Tech - Operating	New Facilities Open	New Facilities Open	New Facilities Open	New Facilities Open	Requires county funding of start-up instructional costs and facility operations
Wake Tech - Construction		G.O. Bond Referendum?			Next major phase of building program is RTP Campus
Open Space / Parks		G.O. Bond Referendum?			Limit bond funds remaining for open space acquisition
Libraries				G.O. Bond Referendum?	Last of 2007 bond projects to open in 2020

*Balance in a fiscally responsible manner to protect County's Triple, Triple-A Bond Rating*

# Recommended FY16 General Fund Budget

**\$1,133,550,000**

**2.9 cent property tax increase**

**(Tax rate increased to 60.7 cents from 57.8 cents)**

**FY2016** Recommended  
Budget

# Education Requests



**WAKE COUNTY**  
**PUBLIC SCHOOL SYSTEM**

**\$48 million requested**



**WAKE TECH**

COMMUNITY COLLEGE

**\$3.4 million requested**

**FY2016** Recommended  
Budget

# Education: Funding Responsibilities

## GS: 115C-426(e)

### Counties:

- To build, equip and maintain public schools and community college facilities
- Supplement the operating expenses of state primary schools within “financial resources and consistent with the fiscal policies of the board of county commissioners.”

### State:

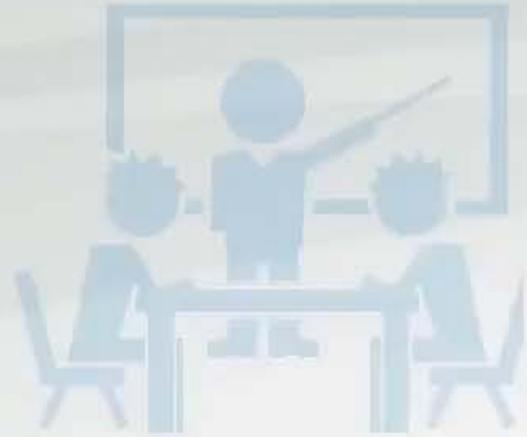
- To fund school operations and instructional expenses using state revenue
- Two-thirds of the Wake County Public School System’s budget is funded by the state and dependent on legislative action.

# QUALITY EDUCATION



# EDUCATED WORKFORCE





FY2016 Recommended  
Budget

# Recommended FY16 General Fund Budget

# \$1,133,550,000

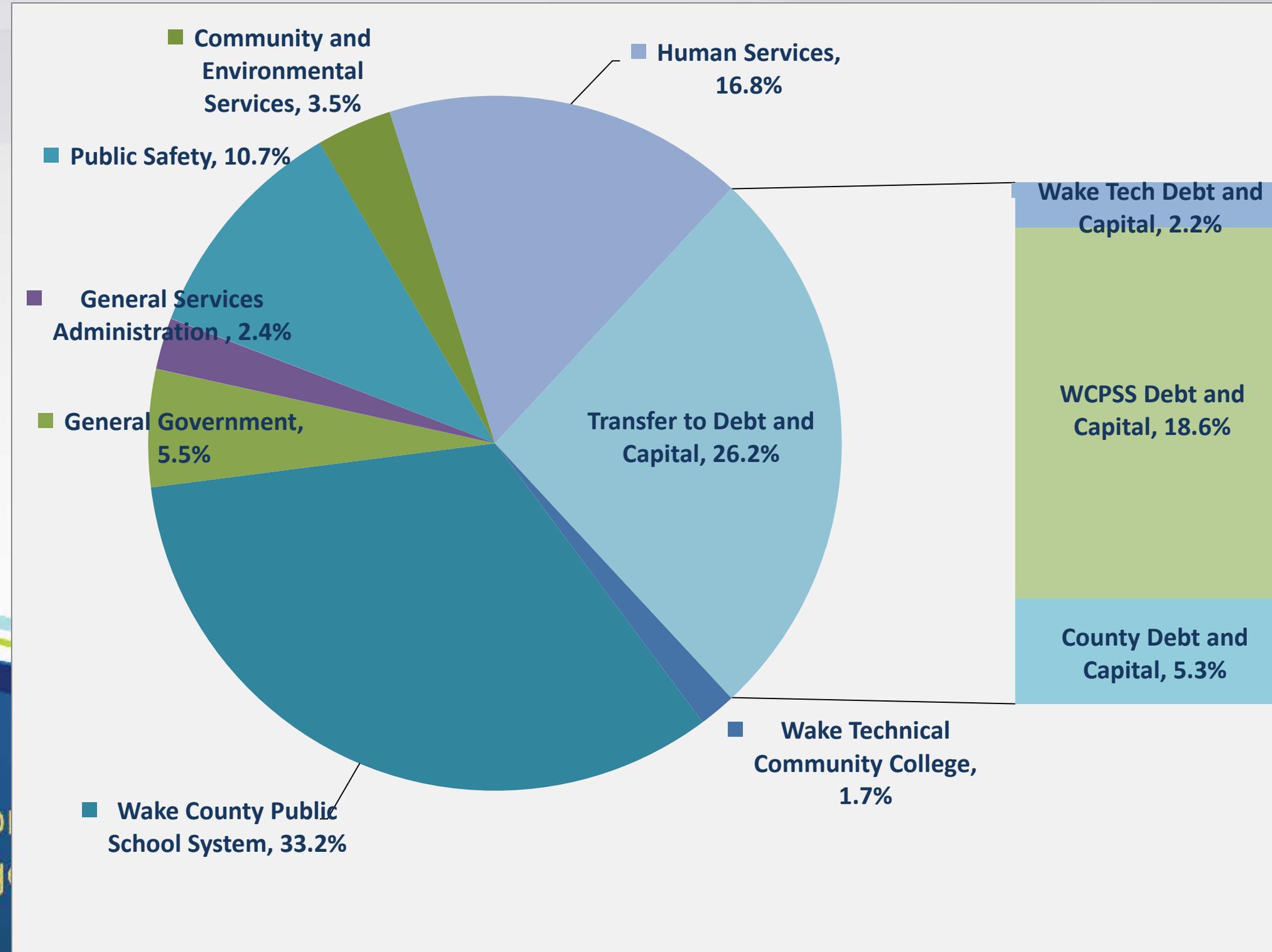
## 2.9 cent property tax increase

**(Tax rate increased to 60.7 cents from 57.8 cents)**

FY2016 Recommended  
Budget

\$1.13 billion

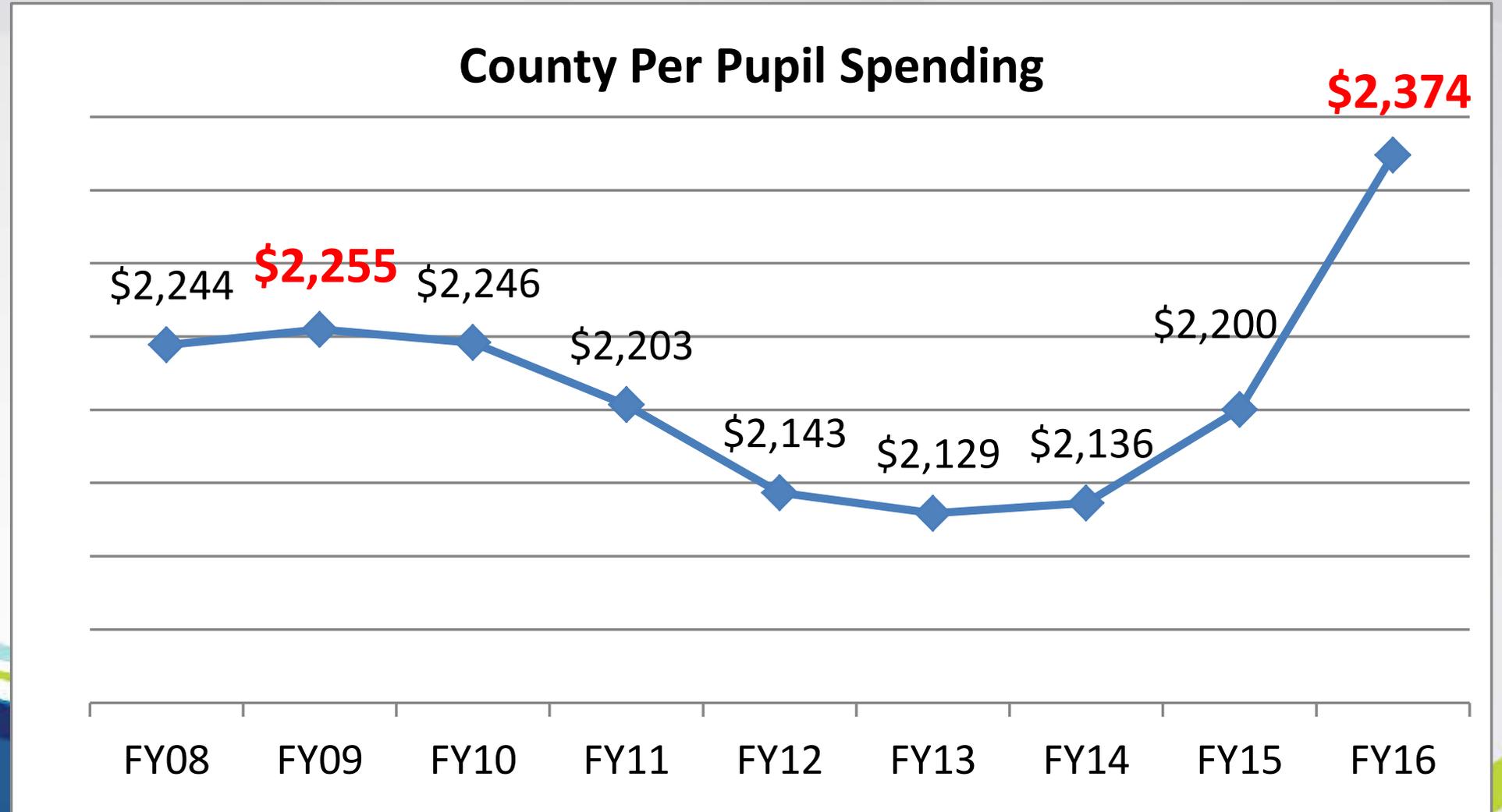
# FY 2016 Recommended General Fund Expenditures by Function



FY2016 Recommended Budget

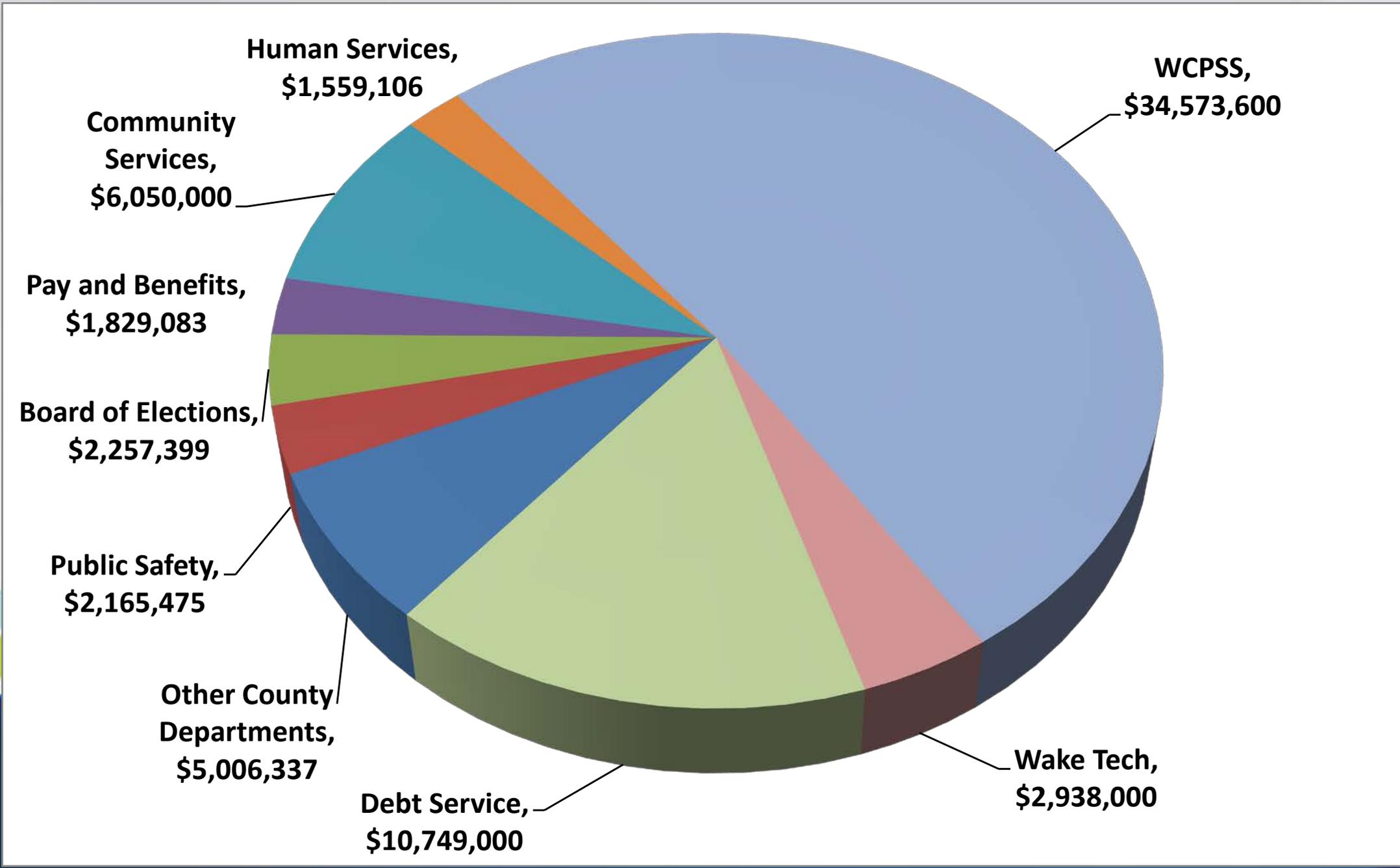
# WCPSS

\$34.6 million in  
new, recurring  
funding  
a 10.1% increase



FY2016 Recommended Budget

# Where the \$67.1 million in new revenue goes....



**Tax  
increase  
generates  
\$36.5  
million**

# *NC General Assembly*

➔ **Still in session**

➔ **Pending legislation**

**could impact**

**sales tax**



**FY2016** Recommended Budget

# ***FY16 Recommended Budget...***

**→ Strong business cases**

**→ Meet growing service demand**

**→ Enhance quality of life**

**FY2016** Recommended  
Budget

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FY2016 Recommended  
Budget

# Next Steps

<u>Date</u>	<u>Meeting Type</u>
Monday, June 1	Public Hearings 2:00 pm – Justice Center Board Room 7:00 pm – Wake County Commons
Monday, June 8	Budget Work Session (9:00 am)
Monday, June 15	Budget Adoption

Thank you

FY2016 Recommended  
Budget

# Other Items

11. Committee Reports

12. Other Business

Informational Items for the Board of  
Commissioners

13. Closed Session

14. Adjourn