Wake County
Recommended Budget

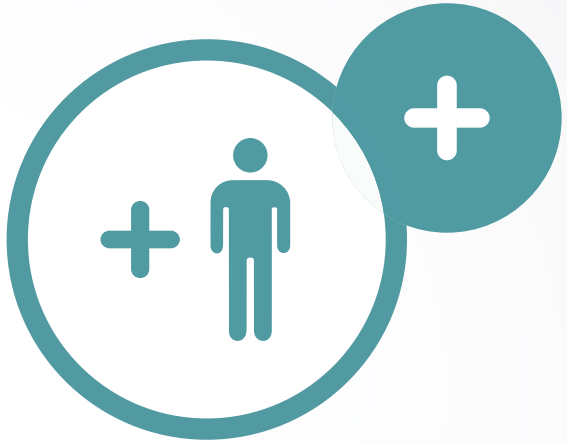
July 1, 2018 – June 30, 2019

19

David Ellis
County Manager

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
- Economic Strength
- Education
- Great Government
- Growth and Sustainability
- Public Safety
- Social and Economic Vitality

FY19 Recommended Budget built to address board goals

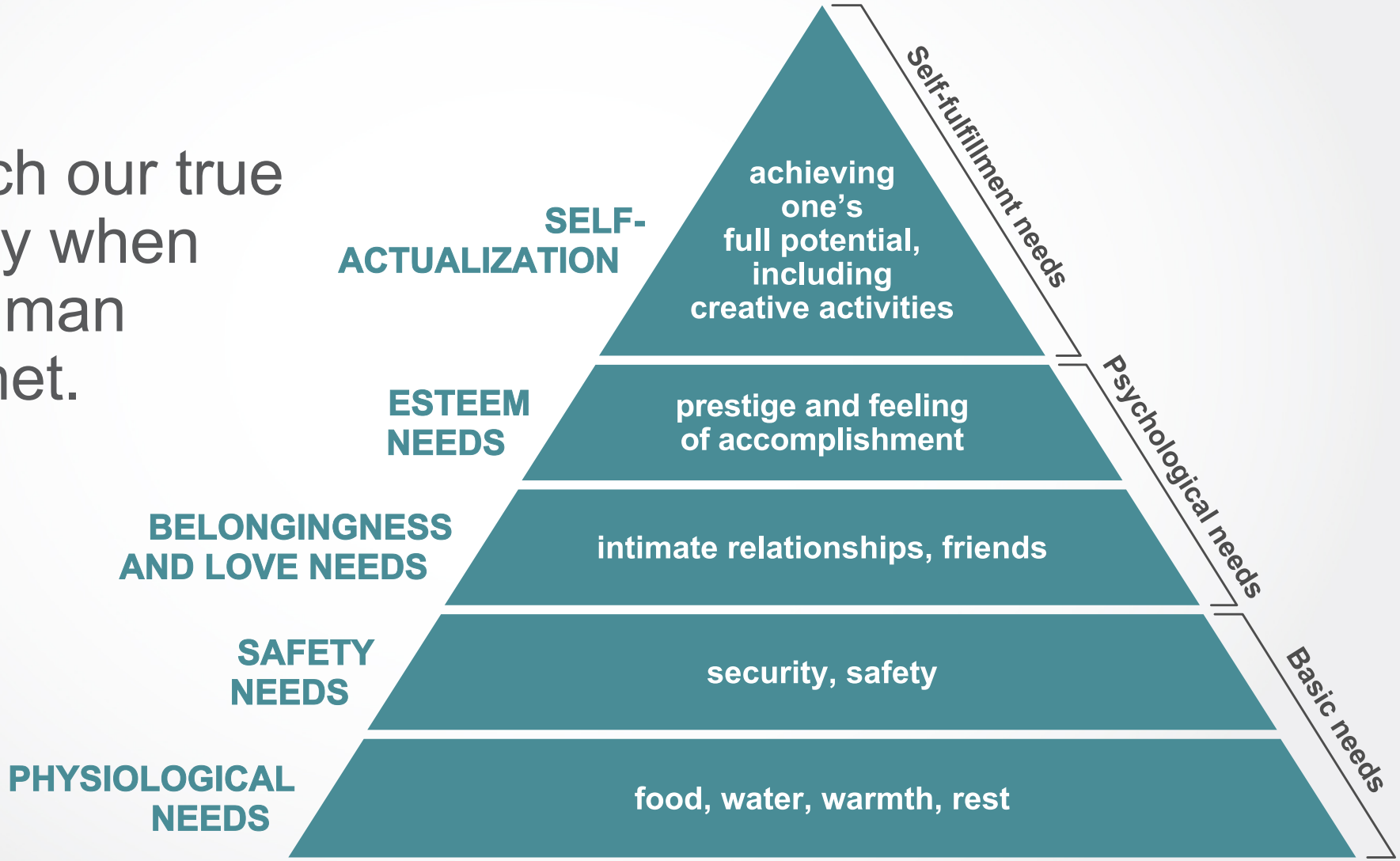
- Community Health
- Economic Strength
- Education
- Great Government
- Growth and Sustainability
- Public Safety
- Social and Economic Vitality

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.



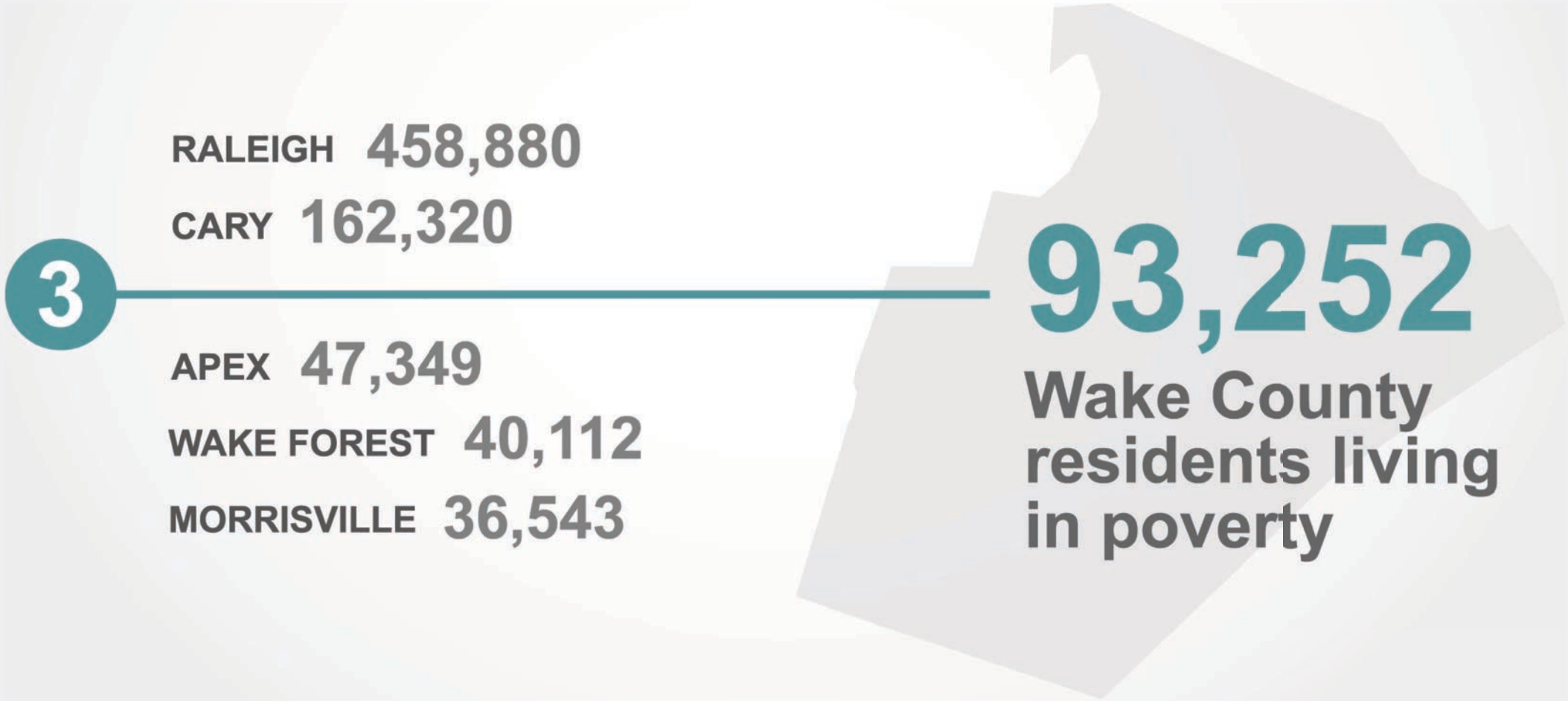
93,252 residents in Wake County live at or below 100% of the federal poverty rate

Annual household income less than

$24,600

Family of four

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

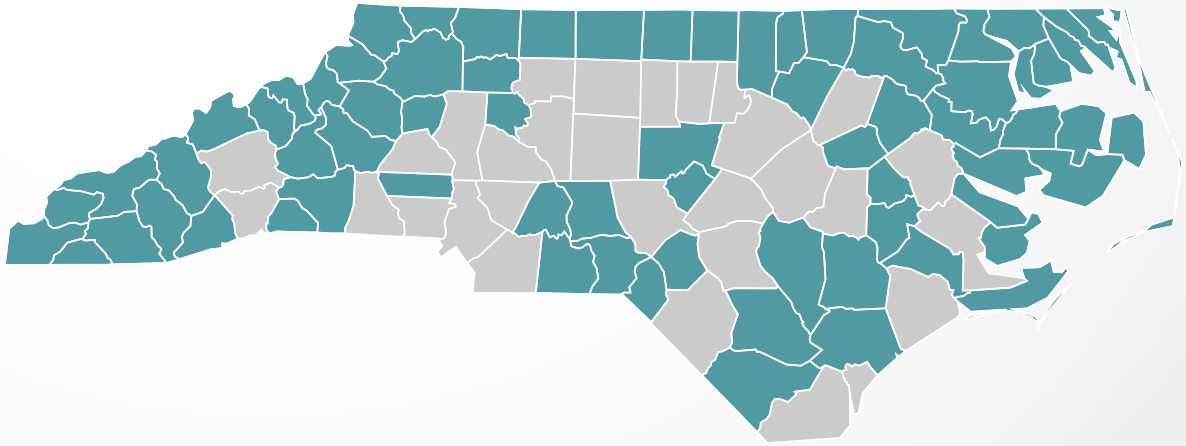


Wake County's population in poverty is larger than the populations of 70 counties

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.

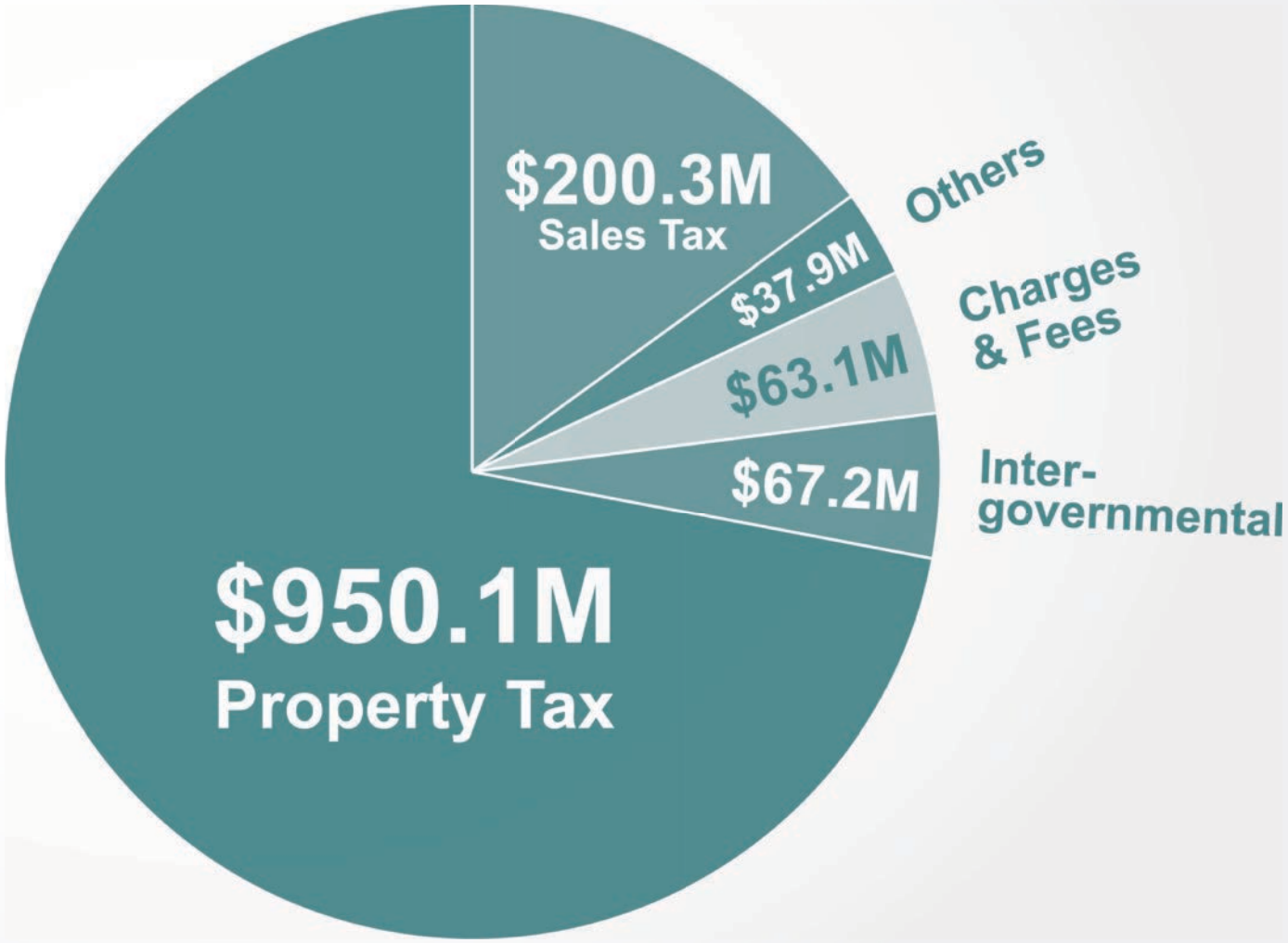
That's **not** enough to:

- 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**.

$300,000

home

additional

$87/year

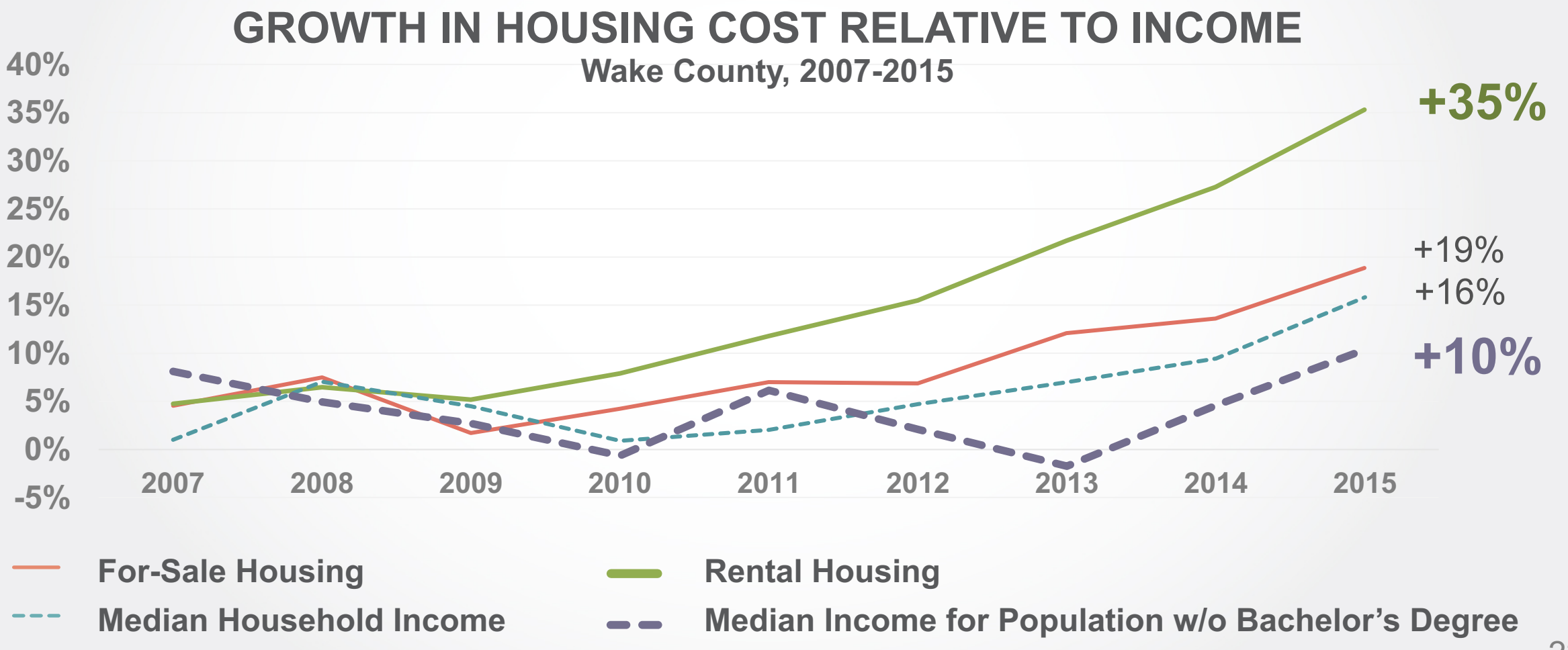
in property tax

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

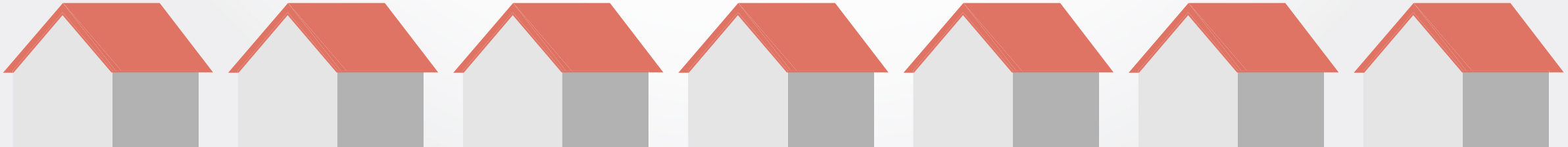


There is a shortage of homes affordable to families making less than $39,000 a year

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

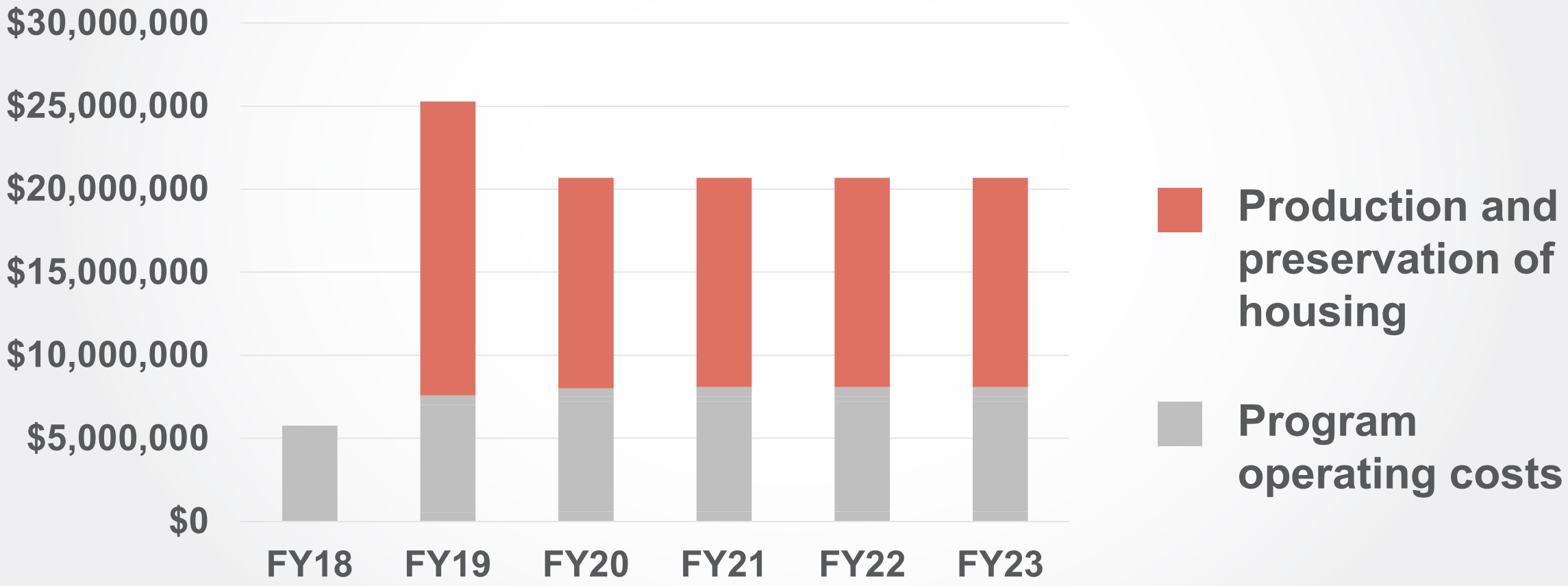
Next big step: Make a historic investment in housing affordability

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

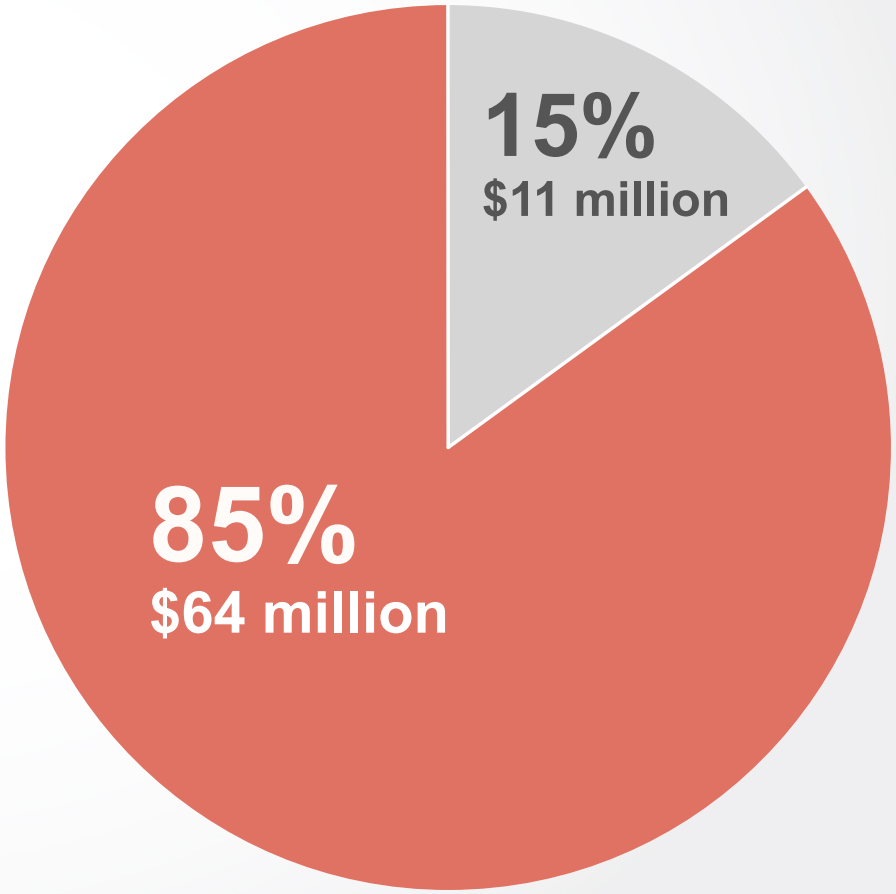
Permanent Supportive Housing

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

- **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

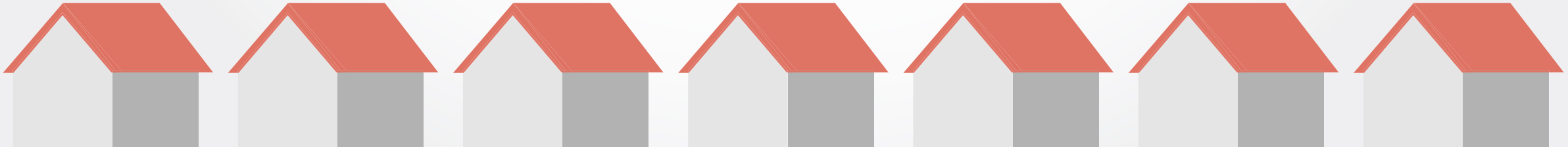


Production and preservation of housing

Program operating costs

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

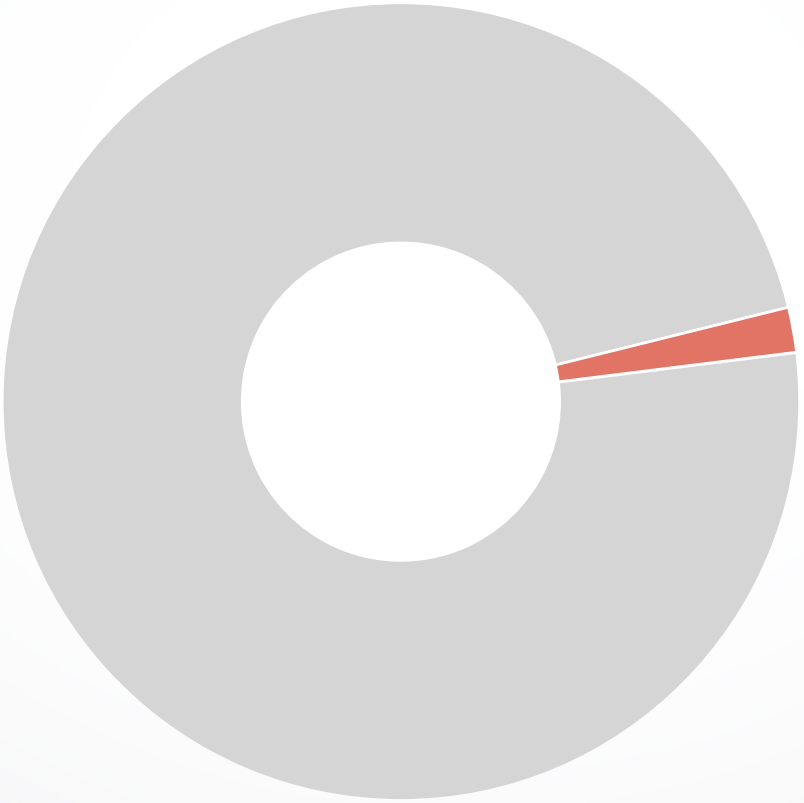
- Families have more money to use for other basic needs
- Children in stable homes are more likely to perform better in school
- Economy benefits from jobs, local income and property tax



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

FY19 General Fund Budget

$1.3 billion



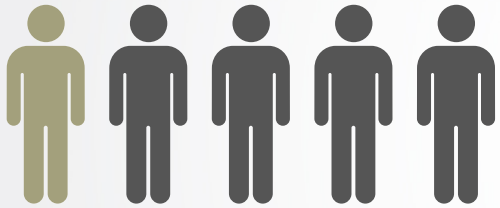
$25.3 million

1.9% of total budget

338% increase over FY18

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

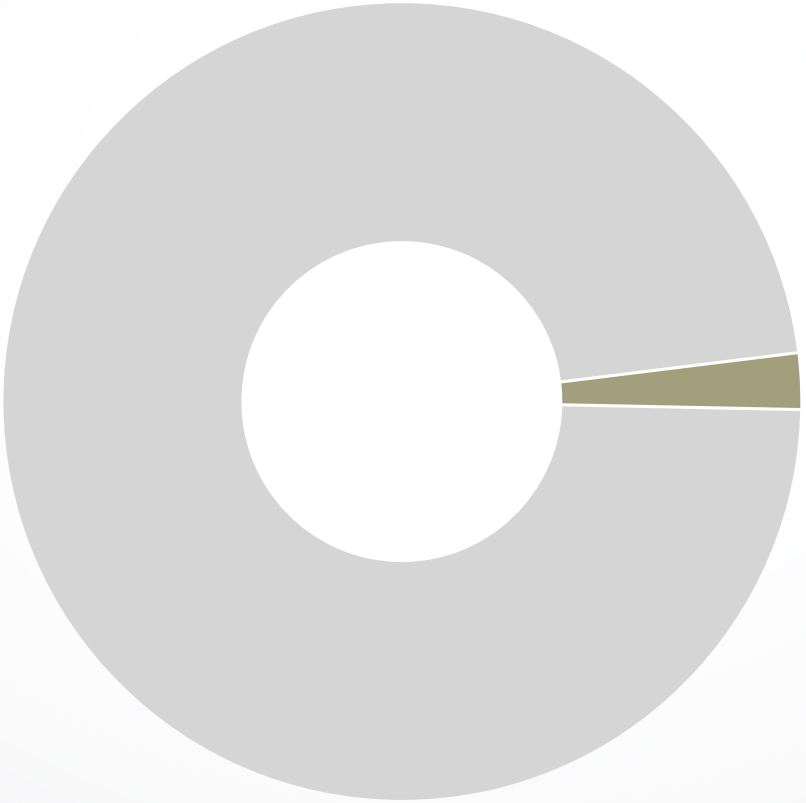
Additional staff would:

- 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

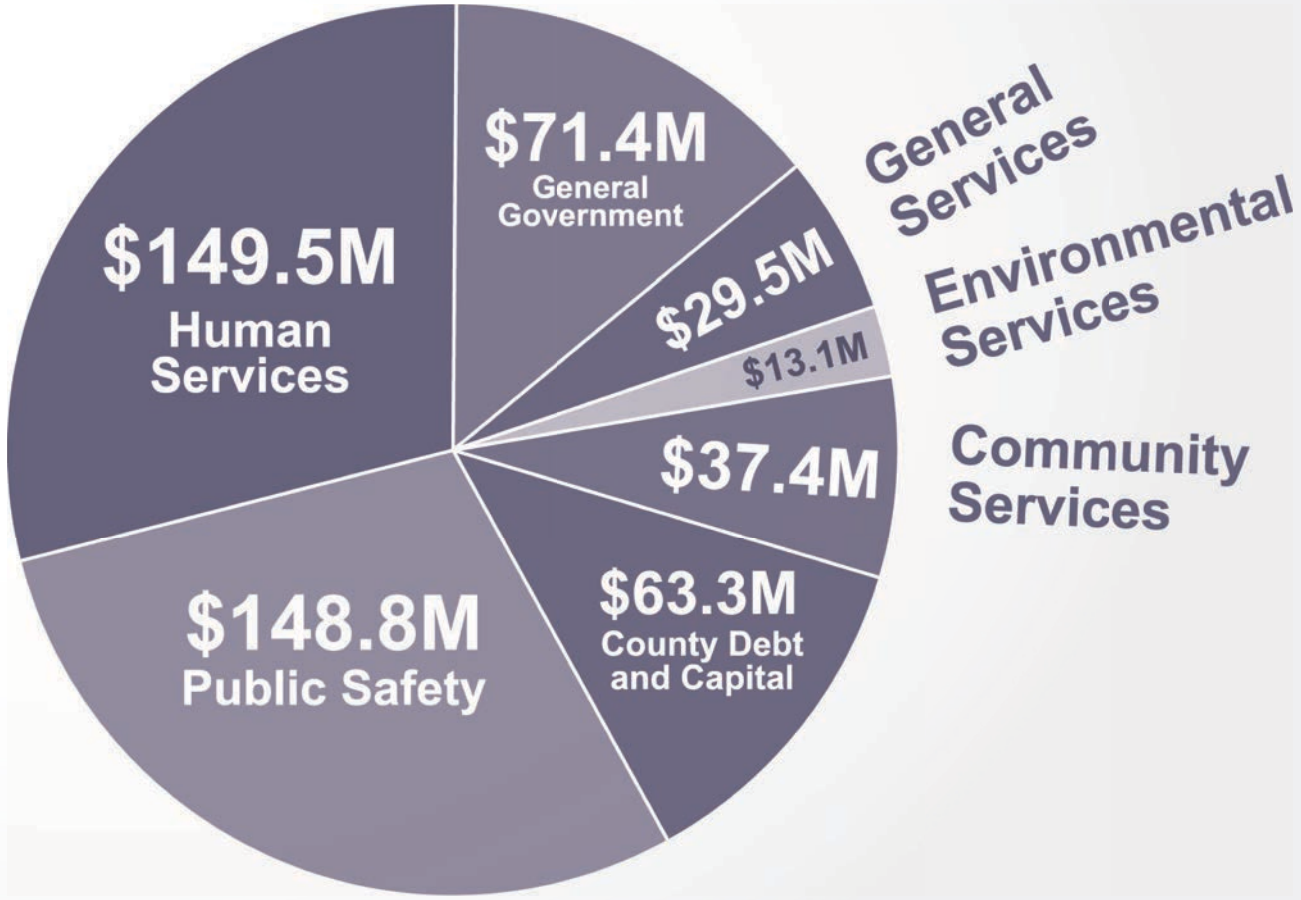
13% increase over FY18

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:

Funding previously-approved projects

Annualizing partial-year funding

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:

Expanded Wake Forest Community Library

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

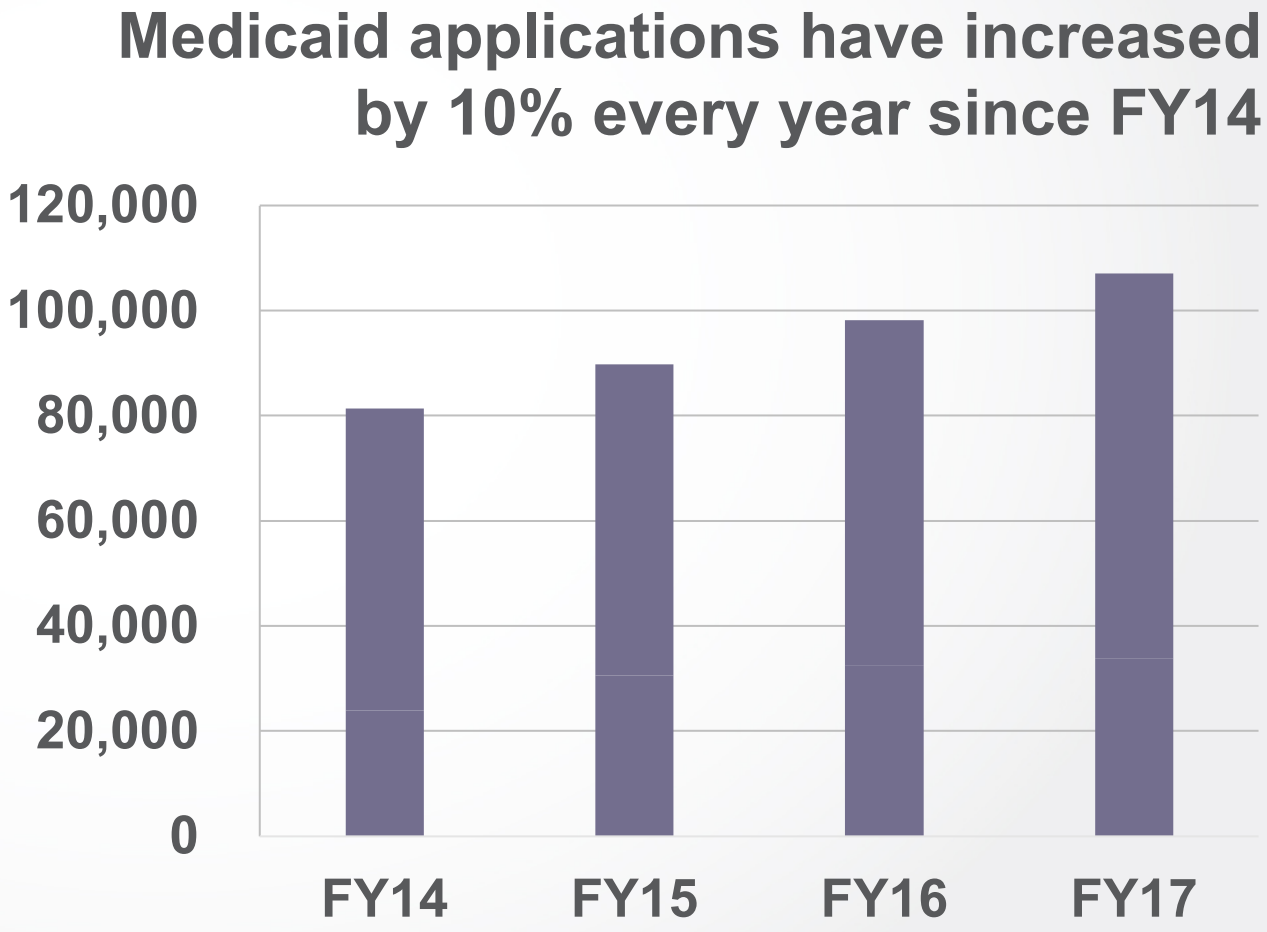
LOCAL

Mecklenburg government paralyzed as hacked computer files are held for ransom

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

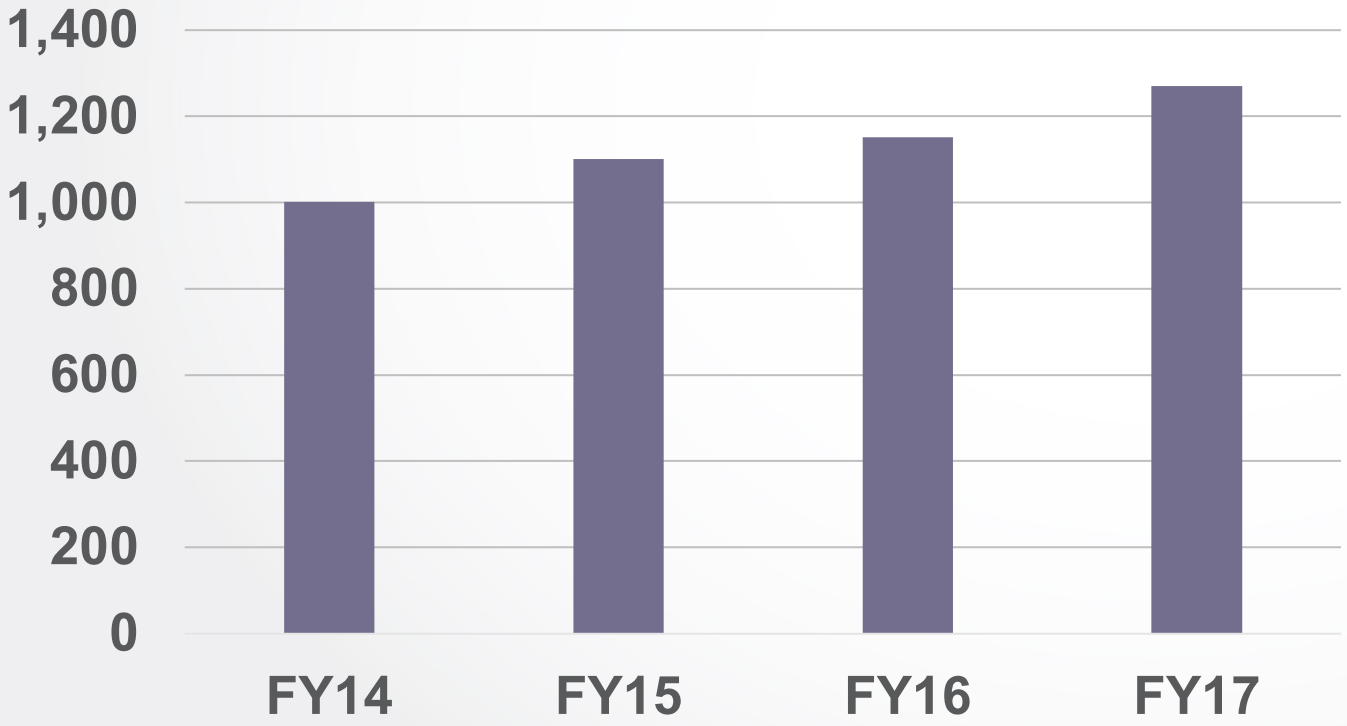
Risk Management

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



Meet federal and state requirements for communicable disease investigations

Communicable disease investigations up 27% since FY14



Risk Management

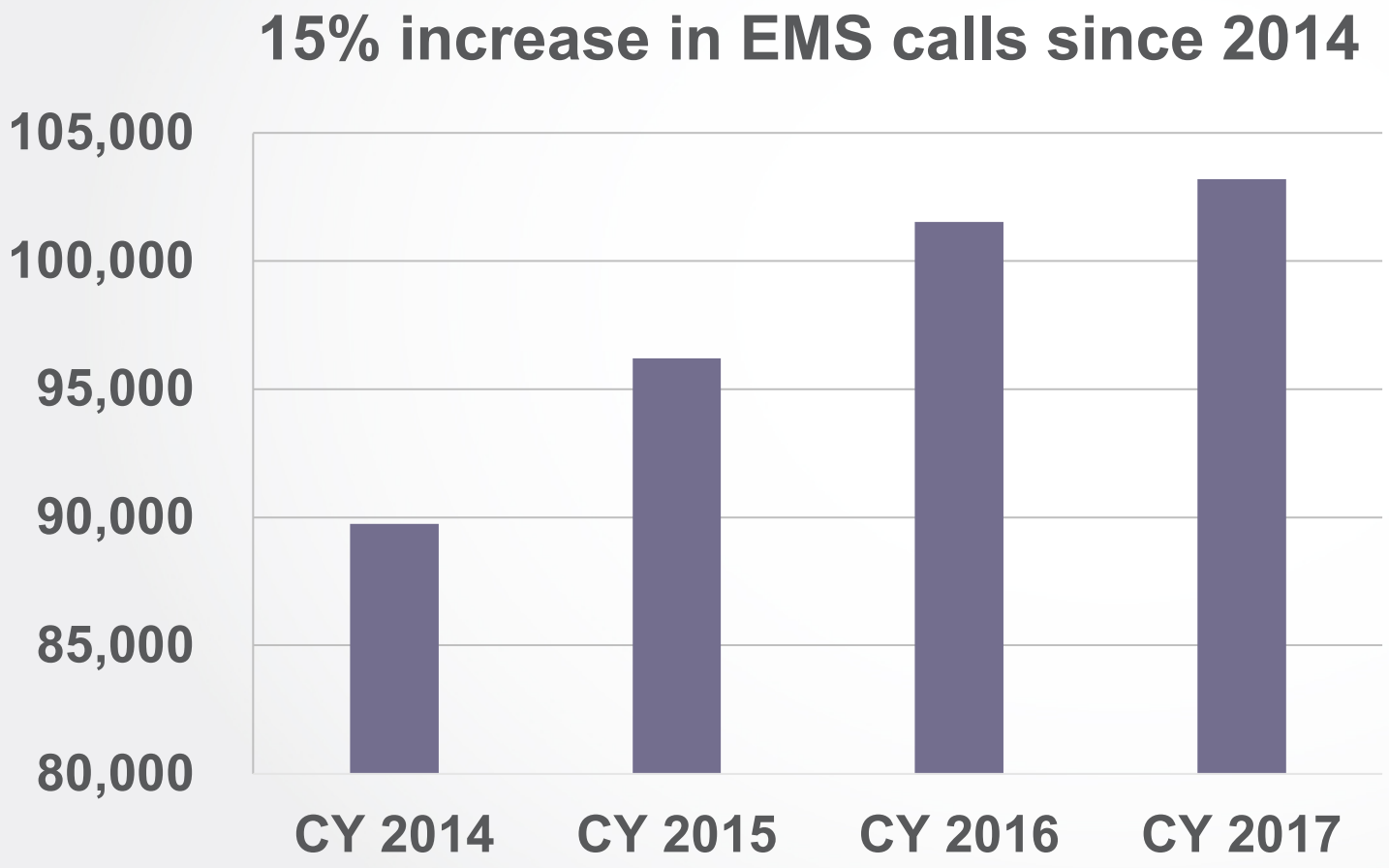
- Add communicable disease nurse
- Would ensure our reporting is compliant and better prepare us for outbreaks

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



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

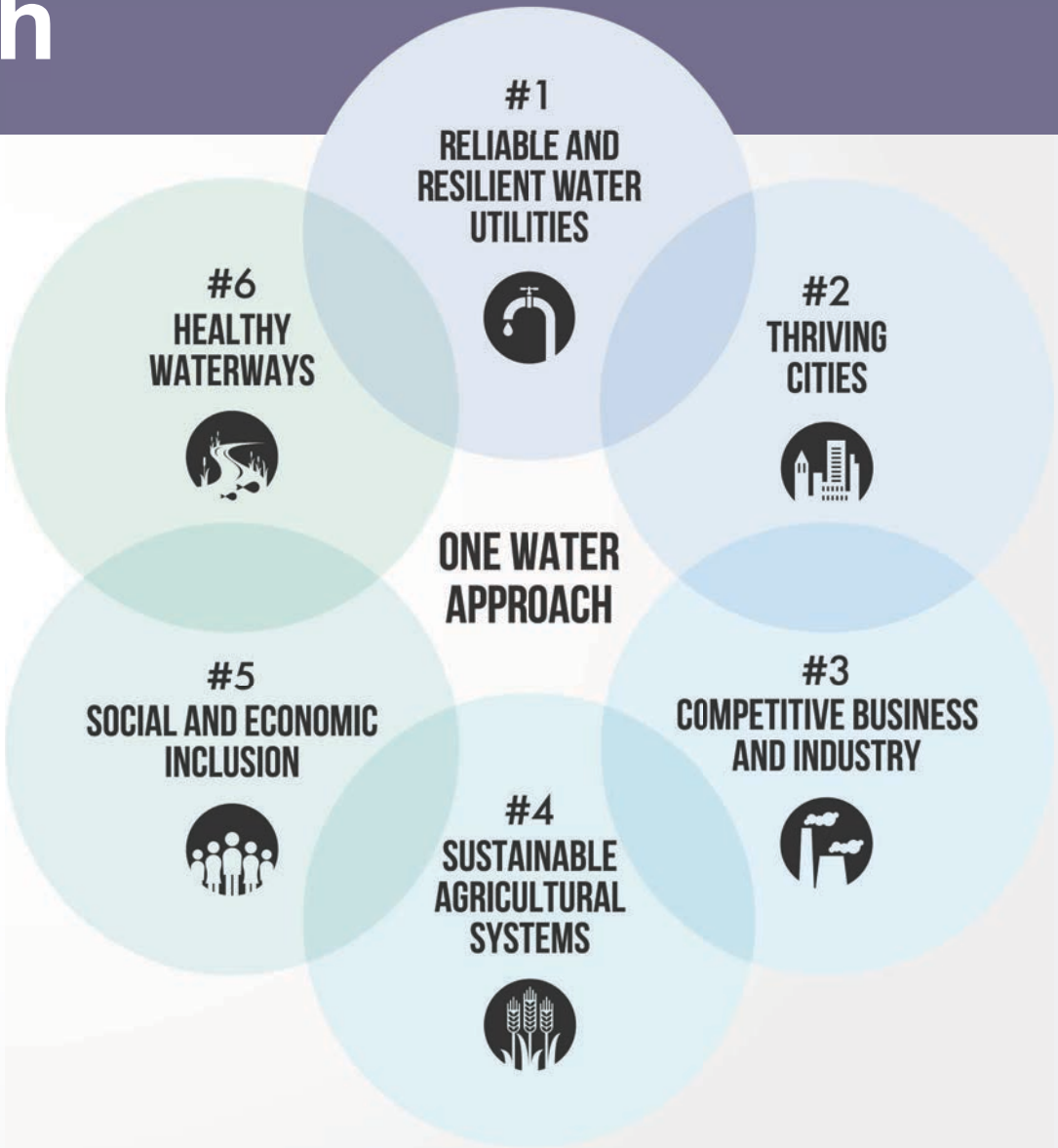
Achieve cost savings

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

Investing in
Our Partners

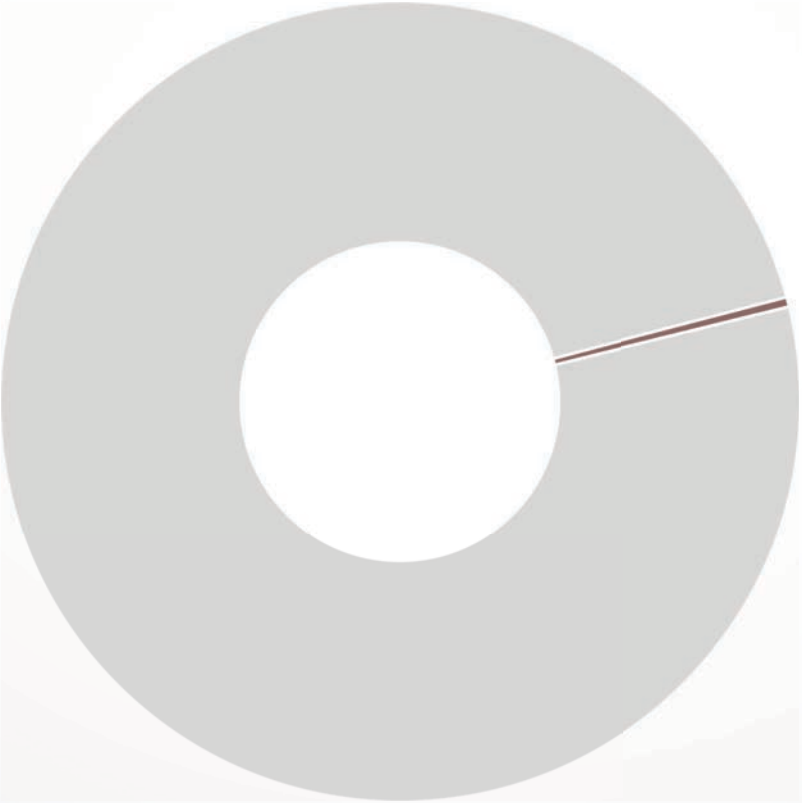
Provide funds to nonprofit organizations

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

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

FY18

1,000
total seats

FY19

1,400

Wake County Public Schools

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

Recommendation for WCPSS

Invest an additional

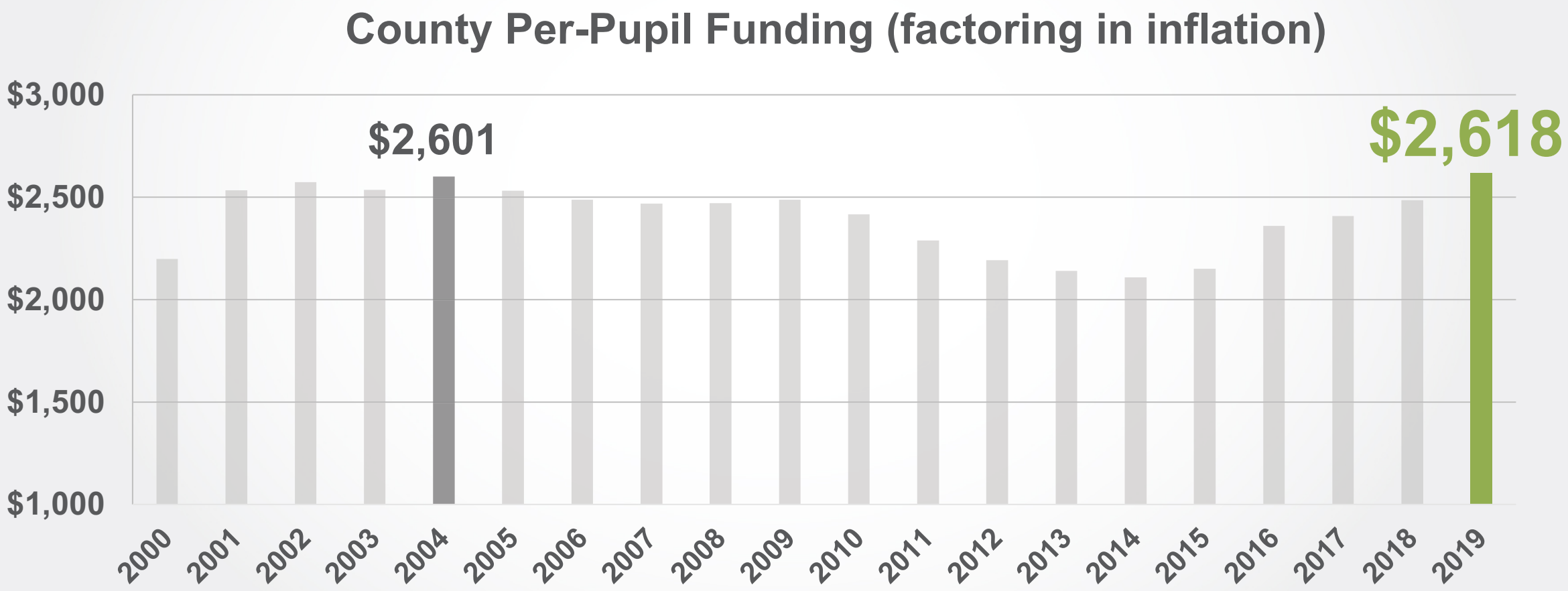
$30,089,000

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

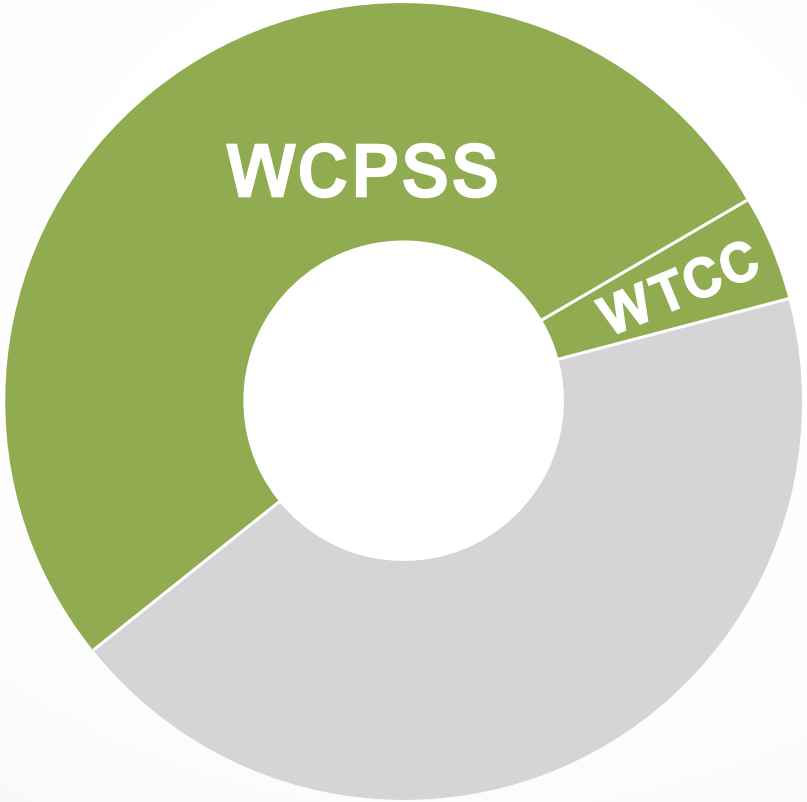
WCPSS:
$236 million

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

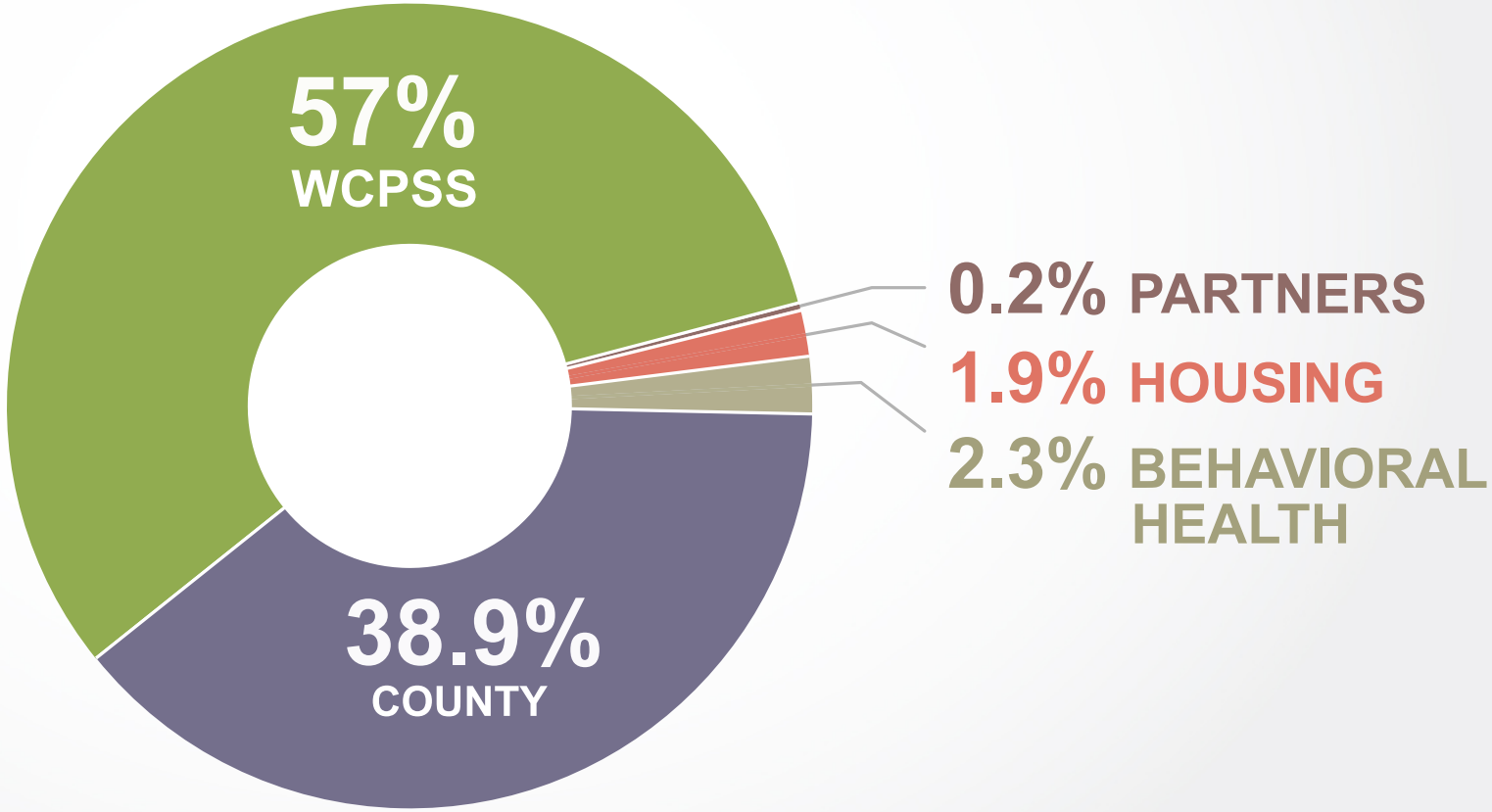
How it all fits together

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 21

2 P.M.

First budget public hearing
Board Room

7 P.M.

Second budget public hearing
Wake County Commons

MAY 30

2 P.M.

Work session
Room 2800

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