

Item Title: FY2025 End of Year Budget Revisions

Specific Action Requested:

That the Board of Commissioners approves budget revisions to the FY2025 General Fund, Grants and Donations Fund, Personnel Ordinance, WCPSS Fines and Forfeitures Fund, South Wake Landfill Partnership Fund, Housing and Community Revitalization Special Revenue Fund, Human Services Transportation Fund, Debt Service Fund, Major Facilities Fund, and County Capital Fund – Public Safety as described below.

Item Summary:

Purpose: In compliance with the *North Carolina Local Government Budget and Fiscal Control Act* (G.S. 159, Article 3), Wake County is required to maintain a balanced budget covering the fiscal year beginning July 1 and ending June 30 for all governmental and proprietary funds except funds authorized by project ordinances.

Background: At the end of each fiscal year, certain budgetary actions are needed to keep the County in compliance with State statutes and County policy, as well as adhere to sound budget practices. Staff recommends a number of budget amendments and transfer of fund balance, outlined in detail below, to conclude fiscal year 2025. These budget adjustments will affect the County's General Fund, Grants and Donations Fund, Personnel Ordinance, WCPSS Fines and Forfeitures Fund, South Wake Landfill Partnership Fund, Housing and Community Revitalization Special Revenue Fund, Human Services Transportation Fund, Debt Service Fund, Major Facilities Fund, and County Capital Fund – Public Safety.

Strategic Plan: This action supports routine County operations.

Fiscal Impact: The fiscal impact of the requested amendments for each of the funds listed below are described in detail in this item summary and the attached budget memos.

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FY2025 Budget Revisions:

GENERAL FUND TRANSFERS TO OTHER FUNDS

The following items require amendments in revenue and expenditure appropriation in the General Fund.

A. Authorize a transfer of Non-Departmental Historic Preservation Operating Funds to the Grants and Donations Fund for Historic Preservation Grant County Match Increase.

Transfer \$4,680 of Non-Departmental Historic Preservation operating funds from the General Fund to the Historic Preservation Principles and Standards Grant unit within the Grants and Donations Fund. These funds will support updating the Wake County Principles and Standards, which is the guiding document for determining appropriateness in changes to designated historical landmarks. The cost to complete this effort exceeds the current project budget and additional County match is needed to bridge the funding gap.

B. Authorize a transfer of Wake County Sheriff's Office Operating Funds to the Grants and Donations Fund for the Citizen Well Check Program.

Transfer \$5,633.66 of Wake County Sheriff's Office operating funds from the General Fund to the Wake County Sheriff's Office Citizen Well Check unit within the Grants and Donations Fund. These funds will support the ongoing efforts of the program, including two annual community events.

GENERAL FUND FUND BALANCE

That the Board of Commissioners commits for these purposes with the final specific amounts determined after financial records are closed for the 2025 fiscal year:

- i. \$331,532.88 from the McKinsey & Co Settlement for commitment to fund balance. A future agenda item will be brought forward to uncommit and appropriate these funds for specific behavioral health projects during FY 2026.
- ii. Approximately \$263,000 of FY 2025 business incentive grant funding for use in subsequent fiscal years for the same purpose. A future agenda item will be brought to the Board of Commissioners to appropriate these funds during a future fiscal year if needed.
- iii. Approximately \$20,000,000 of FY 2025 behavioral health funding for use in subsequent fiscal years for behavioral health purposes with the final specific amount determined after financial records are closed for the 2025 fiscal year.

GASB Statement 54 defines "Committed" fund balance as amounts that are subject to an internally enforceable spending constraint placed on it by the governing board before the end of the fiscal year. This requires that any commitment of fund balance be approved by formal action of the County's Board of Commissioners. Amendments or modifications of this committed fund balance must also be approved by formal action of the Board of Commissioners. Staff recommends formally adopting the funds identified above as committed fund balance within the County's General Fund for the fiscal year ending June 30, 2025, to indicate these funds are not generally available and that authority to spend these funds requires additional Board action.

GRANTS AND DONATIONS FUND

The following items require amendments in revenue and expenditure appropriation in the Grants and Donations Fund.

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$ 82,646,853.05	\$ 82,646,853.05
Adjustments		
A. Historic Preservation Grant County Match Increase	\$4,680.00	\$4,680.00
B. LIHEAP - Additional Pandemic Funds	\$551,698.58	\$551,698.58
C. Child Support Enforcement Incentive Fund	\$2,727,094.91	\$2,727,094.91
D. WCSO Citizen Well Check Fund Change	\$5,633.66	\$5,633.66
E. Cooperative Extension 4H Overnight Camp Fees	\$22,167.00	\$22,167.00
Total Adjustments	\$3,311,274.15	\$3,311,274.15
Final Amended Budget	\$85,958,127.20	\$85,958,127.20

A. Accept and appropriate \$4,680 transfer from the General Fund to increase the County match for the State Historic Preservation Grant.

This grant supports updating the Wake County Principles and Standards, which is the guiding document for determining appropriateness in changes to designated historical landmarks. The cost to complete this effort exceeds the current project budget and additional County match is needed to bridge the funding gap.

B. Accept and appropriate \$551,698.58 in additional funds for the Low-Income Home Energy Assistance Program (LIHEAP). Actual grant funds in FY 2025 total \$3,989,344, which is \$551,698.58 higher than the budgeted amount. The overage is due to additional federal pandemic relief funds distributed through ARPA for automatic utility payments to eligible households. These one-time revenues were not fully anticipated during budget development due to the complexity and timing of multiple overlapping funding sources.

C. Accept and appropriate an additional \$2,727,094.91 into the Child Support Enforcement Incentive Fund. Actual incentive funds in FY 2025 total \$4,857,032, which is \$2,727,094.91 higher than the budgeted amount. The overage reflects higher-than-expected recurring federal incentive revenue, which is received monthly and through a lump sum at fiscal year-end.

D. Authorize a transfer of Wake County Sheriff's Office Operating Funds to the Grants and Donations Fund for the Citizen Well Check Program.

Transfer \$5,633.66 of Wake County Sheriff's Office operating funds from the General Fund to the Wake County Sheriff's Office Citizen Well Check unit within the Grants and Donations Fund. These funds will support the ongoing efforts of the program, including two annual community events.

E. Appropriate \$22,167 of revenue from Cooperative Extension donations and 4-H Overnight Camp Fees to the Grants and Donations Fund.

Actual donations and camp fee revenues in FY 2025 total \$130,700.84, which is \$22,167 higher than the budgeted amount. This increase is due to higher 4-H Overnight Camp registration and public donations than anticipated.

The following items require amendments to the personnel ordinance in the Grants and Donations Fund.

Amended as of 6.4.2025	36.00
FTE Adjustments	
WCSO GHSP Year 5 Continuation Grant	3.00
Total Adjustments	3.00
Final Amended FTE Count	39.00

- a. The Board of Commissioners approved the budget for a fifth-year continuation grant from the Governor's Highway Safety program. This administrative correction will establish the three associated FTE in the Grants and Donations Fund in the current fiscal year.

WCPSS FINES AND FORFEITURES FUND

The WCPSS Fines and Forfeitures Fund was created with the FY 2022 budget to account for fines and forfeitures in a special revenue fund.

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$2,750,000	\$2,750,000
Adjustments		
Additional Revenue	\$200,000	\$200,000
Total Adjustments	\$200,000	\$200,000
Final Amended Budget	\$2,950,000	\$2,950,000

The Wake County Public Schools System Fines and Forfeitures fund is projected to collect revenue above the original budget by \$200,000.

SOUTH WAKE LANDFILL PARTNERSHIP FUND

The South Wake Landfill is projected to exceed the original budget of 512,000 tons by 6,000 tons. The Solid Waste Division is now projecting 518,000 tons by the end of FY 2025 due to higher than anticipated tonnage collected at the East Wake Transfer Station.

The increased tonnage results in tip fee revenues of approximately \$300,000 and is offset by expenditure increases for operating vendor costs and rebates to municipal partners.

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$23,812,000	\$23,812,000
Adjustments		
Tipping Fees	\$300,000	
Landfill & Transfer Station Operations		\$150,000
Partner Rebates		\$150,000
Total Adjustments	\$300,000	\$300,000
Final Amended Budget	\$24,112,000	\$24,112,000

HOUSING SPECIAL REVENUE FUND

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$124,652,291.61	\$124,652,291.61
Adjustments		
Received higher than anticipated grant revenue for Shelter Plus Care grant	\$521,460.00	\$521,460.00
Total Adjustments	\$521,460.00	\$521,460.00
Final Amended Budget	\$125,173,751.61	\$125,173,751.61

Accept and Appropriate \$521,460 in federal funding to the Housing and Community Revitalization Special Revenue Fund for the Continuum of Care program. The grant funds provide permanent supportive housing through tenant based rental assistance and supportive services for eligible households.

HUMAN SERVICES TRANSPORTATION FUND

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$12,385,310	\$12,385,310
Adjustments		
NC ROAP Duplication Adjustment	(\$703,806)	(\$703,806)
Total Adjustments	(\$703,806)	(\$703,806)
Final Amended Budget	\$11,681,504	\$11,681,504

Reduce expenditures and revenues in the Human Transportation Fund by \$703,806. Funds from the NC Department of Transportation Rural Operating Assistance Program (ROAP) were duplicated and need to be reduced to reflect actuals.

DEBT SERVICE FUND

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$390,420,000	\$390,420,000
Adjustments		
Transfer to County Capital		(\$4,024,617)
Debt Service Principal, Interest, and Fees		\$4,024,617
Total Adjustments	\$0	\$0
Final Amended Budget	\$390,420,000	\$390,420,000

In FY 2025 there was a planned transfer of \$4,024,617 to the CIP from Debt Service as part of the FY 2025 Adopted Budget. This was to fund the loan to the Town of Zebulon for their portion of the Zebulon Station. The town chose a different loan option, and the funds are no longer needed.

MAJOR FACILITIES FUND

The Major Facilities fund includes Occupancy Tax and Prepared Food and Beverage Tax revenues, and the expenditures are governed through an interlocal agreement between the County and the City of Raleigh. Revenues generated by Occupancy and Prepared Food and Beverage Taxes are projected to exceed the FY 2025 Amended Budget.

The distribution of additional tax revenues is outlined by the enabling legislation and a series of amendments associated with the original Interlocal Agreement. This action adjusts the budgeted revenues and expenditures in line with the projected end of year collections. These expenditures are based on a percent of actual revenues collected, including the distribution to the Raleigh Convention Center, Greater Raleigh Convention and Visitors Bureau, Centennial Authority (management of the Lenovo Center), and Town of Cary Hold Harmless.

A portion of the expenditures are based on a fixed annual distribution such as the Raleigh Holdback and competitive project allocation. These projects remain unchanged in the revised budget.

	<u>Revenues</u>	<u>Expenditures</u>
Amended as of 6.4.2025	\$88,030,000	\$88,030,000
Adjustments		
Occupancy Taxes	\$5,000,000	
Prepared Food and Beverage Taxes	\$1,000,000	
Appropriated Fund Balance	(\$628,000)	
Greater Raleigh Convention and Visitors Bureau for Operating Support		\$1,250,000
Town of Cary Holdback from Occupancy Tax Proceeds		\$250,000
Centennial Authority for Operating Support		\$315,000
Raleigh Convention Center		\$3,557,000
Total Adjustments	\$5,372,000	\$5,372,000
Final Amended Budget	\$93,402,000	\$93,402,000

COUNTY CAPITAL IMPROVEMENT FUND

Element	Project	Current Appropriation	Appropriation Adjustment	Revised Appropriation
Public Safety	Zebulon Station Funding Source	\$5,745,324.00	(\$4,024,617.00)	\$1,720,707.00

- A. Reduces \$4,024,617 from the County Capital Public Safety budget. The Town of Zebulon has chosen another entity to fund loan and the \$4,024,617 is no longer needed for this purpose.

Attachments:

1. Budget Memo – FY2025 Public Safety
2. Budget Memo – FY2025 Grants and Donations Fund
3. Budget Memo – FY2025 Personnel Ordinance Memo
4. Budget Memo – FY2025 South Wake Landfill Partnership Fund
5. Budget Memo – FY2025 WCPSS Fines and Forfeitures Fund
6. Budget Memo – FY2025 Housing and Community Revitalization Special Revenue Fund
7. Budget Memo – FY2025 Human Services Transportation Fund
8. Budget Memo – FY2025 Major Facilities Fund
9. Budget Memo – FY2025 County Capital Fund – Public Safety