



# Wake County

301 South McDowell Street  
Raleigh, NC

## Meeting Minutes Board of Commissioners

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Monday, March 31, 2025

2:00 PM

Wake County Justice Center

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### Budget Work Session

#### Meeting Called to Order: Chair Susan Evans

Chair Evans called the meeting to order at 2:01 p.m.

**Commissioners Present:** Chair Susan Evans, Vice-Chair Don Mial, Commissioner Vickie Adamson, Commissioner Cheryl Stallings, Commissioner Tara Waters and Commissioner Safiyah Jackson.

**Excused Absence:** Commissioner Shinica Thomas

**Staff Present:** David Ellis, County Manager; Emily Lucas, Deputy County Manager; Dr. Jose Cabanas, Chief Medical Officer/Deputy County Manager; Ashley Jacobs, Deputy County Manager; Duane Holder, Deputy County Manager; Scott Warren, County Attorney; Toni Womack, Deputy Clerk to the Board; Dara Demi, Chief Communications Officer; Lisa Provencher, Senior Administrative Manager; Danya Perry, Diversity, Equity and Inclusion (DEI) Director; Alisha Puckett, DEI Consultant; Amberlina Alston, DEI Consultant; Marcus Kinrade, Tax Administration Director; Joseph Threadcraft, Environmental Services Director; Theo Udeigwe, Water Quality Director; Julie CoCo, Watershed Program Manager; Tim Maloney, Planning Development and Inspections Director; Todd Taylor, Strategic Capital and Debt Director; Evan Kane, Onsite Water Protection Director; Jon, Studnek, Emergency Medical Services Director; Michelle Venditto, Budget and Management Services (BMS) Director; Molly Marcarelli, BMS Manager; Aaron Brown, BMS Manager; Hallee Haygood, BMS Analyst; Brian Taylor, BMS Analyst; Madeline Camire, BMS Analyst; Becca Turk, BMS Analyst; Matthew Wilson, BMS Analyst; Kegan James, BMS Graduate Assistant; and Tanika Cooper, Senior Executive Assistant.

**Others Present:** Steve Roa, Town of Morrisville and Christina Cole, North Carolina Association of Educators.

#### 1. Agenda

**Attachments:** [Work Session Agenda 03.31.2025.pdf](#)

#### 2. Development Services Fee Study Update

Attachments:    [1 Development Services Fee Update.pdf](#)

Mr. Tim Maloney, Planning Development and Inspections Director, introduced Theo Udei and Evan Kane, Onsite Water Protection Director;

He shared Project Approach:

A Development Services committee consisting of representatives from Community Services, Environmental Services, Fire Services and Health & Human Services was established to complete this project.

- Current State Analysis
  - Assessed each work group's cost of service delivery & recovery
  - Conducted peer review
- Recommendations
  - Developed recommendations for changes to fee schedules
- Proposal
  - Consider fee changes that may close gaps, align with market rate and/or influence customer behavior
  - Gather stakeholder feedback
- Implementation - FY26 Budget

He shared Purpose of Proposed Fee Changes:

- Most fees have remained unchanged for over two decades, making them outdated in today's market.
- Proposed changes aim to better align fees with current market rates and service costs.
- Simplified fee structure removes unnecessary complexity while maintaining fairness.
- Updates strive to achieve sustainable cost recovery.
- Revised fees encourage accountability and fosters engagement between stakeholders and service providers.

He shared Municipal Customers Affected by Proposed Fee changes. He discussed various municipalities and the services provided by Wake County. For instance, Wake County provides building inspections for Knightdale, Rolesville, Wendell and Zebulon.

He shared Proposed Fee Changes - Community Services:

- Building Re-Inspection:
  - Current Fee - \$60 flat (adopted 2005)
  - Proposed Fee - \$100 First Inspection, \$200 Second Re-Inspection, \$300 Third Re-Inspection, \$400 Fourth+ Re-Inspection
- Building Re-Inspection - Max Violations (15+):

- Current Fee - \$0
- Proposed Fee - \$150 After the first Re-Inspection

Mr. Maloney shared the goal is to deter repeat inspections when it is obvious a project is not ready for inspection. He shared this type of fee structure is implemented in other jurisdictions.

Commissioner Stallings asked for clarity on the type of jurisdictions that use the fee structure presented.

Mr. Maloney confirmed both large and small jurisdictions are utilizing the escalating fee structure.

Commissioner Stallings asked for clarity as to why the County provides certain services to other municipalities.

Mr. Maloney explained it is allowed through statutory law and the municipalities do not have the expertise to provide the services. Building inspection services have been provided to four municipalities for decades.

Theo Udeigwe, Water Quality Director, shared Proposed Fee Changes - Environmental Services:

- S&E Plan Resubmission
  - Current Fee \$75 flat (adopted 18+ years)
  - Proposed Fee - \$250 flat
- S&E Plan Resubmission - Lot by Lot
  - Current Fee \$75 flat (adopted 18+ years)
  - Proposed Fee - Lesser of \$250 flat or \$100 per lot\*
- SW Plan Resubmission
  - Current Fee \$150 flat
  - Proposed Fee - \$250 flat
- Re-Inspections
  - Current Fee - \$0
  - Proposed Fee - \$250 flat
- SW Initial Permit - Commercial, SW Initial Plan Submission - Commercial, SW Permit Added Acreage - Commercial and SW Plan Resubmission Added Acreage - Commercial
  - Current Fee - \$250 - 485 per acre sliding 50 acre cap
  - Proposed Fee - \$250 per distributed acre

\*State statute allows developers to make Lot by Lot submissions at the flat rate or \$100 per lot, whichever is lower.

Evan Kane, Onsite Water Protection Director, shared Proposed Fee

## Changes - Health and Human Services:

- Well Construction Permit Fee
  - Current Fee - \$400 (adopted 2005)
  - Proposed Fee - \$800
- Wastewater Improvement Permit
  - Current Fee - \$200 (adopted 2004)
  - Proposed Fee - \$400
- Wastewater Construction Authorization
  - Current Fee \$200 (adopted 2004)
  - Proposed Fee - \$400
- Hybrid Wastewater Improvement Permit
  - Current Fee - \$80 (4% of standard fee; by statute)
  - Proposed Fee - \$160
- Hybrid Wastewater Construction Authorization
  - Current Fee - \$80 (4% of standard fee; by statute)
  - Proposed Fee - \$160
- Well & Septic Re-Inspections
  - Current Fee - \$75 (adopted 20+ years)
  - Proposed Fee - \$200 flat

Vice-Chair Mial asked if new fees would apply to new wells or pre-existing wells.

Mr. Kane shared it will apply to new wells. He shared this would apply to replacement wells. The voluntary well testing fees would not be considered development fees.

Commissioner Jackson asked what has led to a 18 - 20 year time period to re-evaluate the fees, how does the current fees align with current prices and is there an anticipation that fees will increase in the future.

Mr. Kane shared there has been some concern about stakeholder push back over increasing fees. He shared the cost recovery ranged from 35 - 75% for services. With the increased fees, the cost recovery range is closer to 100% for the services. He shared future fee schedule change is based upon County Manager, BOC and economic changes.

## Mr. Maloney shared Targeted Stakeholder Outcomes:

- Reduced turnaround times for several services.
- Minimized project delays through more efficient operations.
- Clear, transparent, and easy to understand fee structure.

## Mr. Maloney shared Stakeholder Feedback:

- Homebuilders Association

- Understand that many of the fees have not been adjusted in nearly two decades.
  - Doubt that re-inspection and plan resubmission fee increases will lead to large scale behavior change but generally non-offensive.
  - Feedback influenced further changes to proposed stormwater fees by establishing flat rate fees for resubmission and re-inspections; and no changes to residential stormwater permitting.
- Municipal Partners
- No feedback that expressed concern or further changes.

Mr. Maloney shared the departments perform 700 inspections a day. It is hoped that the change in the re-inspection fee will decrease the number of inspections.

Commissioner Adamson asked for the effective date of the fee changes.

Mr. Maloney shared July 1, 2025.

Chair Evans shared that based upon the information presented, the County is past due in updating the fees. She shared it is a drain on staff to perform repetitive inspections.

Commissioner Waters asked for clarity on how the increased fees would be used.

Mr. Maloney shared the increase in fees could assist in offsetting the need for increased staff.

Commissioner Waters asked were there any stakeholder groups besides the Homebuilder Association that were included.

Mr. Maloney shared they worked with the Homebuilder Association for almost everything. He shared it is difficult to obtain feedback from home owners.

Mr. Ellis, County Manager, shared this has been an ongoing process for the past couple of years. He shared the Board should see other fee changes in the future as well.

### 3. EMS Fee for Service Recommendations

**Attachments:**    [2 EMS Fee Recommendations.pdf](#)

Mr. Jon Studnek, Emergency Medical Services Director, shared

## Introduction:

- Requests for EMS services continues to grow
  - 8% increase in transport volume in calendar year 2024
- County continues to support EMS services
  - 10 more ambulances and staff in service; as approved in FY'25 budget
- More than 10 years since EMS fee for service evaluation

## He shared Agenda:

- Current state
- Market analysis
- Fee changes
- Impact
- Recommendations

## He shared Transport Type of and Payer Mix:

## - Transport Type:

- Advance Life Support 68%
- Basic Life Support 27%
- Advance Life Support 2
- Treat No Transport

He shared most of the cost to deliver service is in the preparedness aspect. He shared the cost to deliver care does not vary greatly based upon the type of transport.

## He shared Payer Mix:

- Medicare 26%
- Medicare Advantage 20%
- Medicaid 7%
- Medicaid CMO 9%
- Commercial Insurance 20%
- Patient 16%
- Other 2%

He shared State and Federal payers are fixed rate payers. He shared the rates would apply to commercial insurance and private payers.

## He shared Current Rates:

- Rates are currently set at 150% of the Medicare Fee Schedule. The policy choice to use Medicare rates was made many years ago. Many communities use Medicare rates to set their rates. However, it is not required to use Medicare rates as a guide.

He shared Market Analysis. He shared Wake County was compared to

Texas, Virginia and several communities in North Carolina. The different transport types were compared:

- Mileage
- Basic Life Support
- Advance Life Support
- Advance Life Support (ALS) 2

He shared Wake County is somewhat comparable to smaller communities in North Carolina, but not comparable to larger communities in North Carolina.

He shared Proposed Rate Adjustment:

- Increase appears large due to lack of fee increases over 10 years
- Equal fee for all service types at 200% of ALS 2
  - One comparable has equal fees across service types
  - Three comparable charge 200% of Medicare Fee Schedule

He shared Forecasted Fiscal Impact:

- Multiple variables to consider
- Does not account for call volume growth
- Focus on the percent increase of cash

He shared the proposal would equate to approximately 45 - 50% in cost recovery. He shared staff uses a scale to determine potential reimbursement that will be received. He shared the projection that is revenue would increase by 7.5%.

Potential Patient Impact:

- No change for government insured (~60% of patients)
- Commercially insured - variable out of pocket cost increase
  - Mitigation strategy - Improve recruitment efforts for the subscription program
- Uninsured - out of pocket cost increase
  - Mitigation strategy - Review options to align charity care with other County programs

Chair Evans asked for clarity on charity care programs and what is offered to those that cannot afford to pay the service.

Mr. Studnek shared if a patient is not able pay, the County offers a payment program that can accept up to \$10 month. The County also has a collection service.

He shared Recommendations:

- Set equal rates across services

- Investigate charity care options
- Improve subscription recruitment efforts

Commissioner Adamson asked if the fee for the EMS subscription will be increased.

Mr. Studnek shared an actuarial assessment is needed to determine if the \$60 rate is actuarially sound.

Commissioner Adamson shared her experience of using the EMS subscription service. She asked for clarity on the administrative costs.

Mr. Studnek shared there will be minor impacts on the billing. However, most of the work in the billing cycle is based upon determining primary care.

Commissioner Adamson asked if County EMS is in network with most commercial insurance companies.

Mr. Studnek shared they are not in network. There is one negotiated contract with BlueCross and BlueShield. He would not recommend being in contract with other companies.

There was continued discussion regarding commercial insurance and how it is applied to EMS use.

Vice-Chair Mial asked if there is an offset of the charges for those that have Medicaid or Medicare.

Mr. Studnek shared the County can not bill more than what is paid by Medicaid. Medicaid patients will not receive a bill. Medicare has some cost sharing with patients. He shared they have other mechanisms to assess patients that might be eligible to participate in a charity program.

Commissioner Waters asked for clarity as to who are the most common users of EMS. She asked is he aware of any part of the population that might be hesitant to use EMS due to financial hardships.

Mr. Studnek shared based upon the previous chart discussed, the payer mix demonstrates the users of EMS. He shared more than 60% are elderly that might use Medicare or a population that qualifies for Medicaid. He shared 20% have commercial insurance, which is usually provided by their employer. The assumption is that those that have commercial insurance are of working age. The private payer that does not have insurance are the most vulnerable in society.



Commissioner Waters asked for clarity on how to reconcile the difference between what is paid by the insurance and what is paid by the County if a person does not have an EMS subscription.

Mr. Studnek shared if a person has a subscription, the person does not pay the out of pocket costs. If a person does not have a subscription, he/she must pay the out of pocket cost. The out of pocket cost can be dependent on if the deductible is met.

There was continued conversation regarding if a person has a subscription versus not having the subscription and how that affects the County.

County Manager Ellis shared that Wake County can improve upon providing better education about having an EMS subscription plan. He shared that the County has a donation portal to assist those that might have difficulty paying for the services. He shared there are payment plans available.

Commissioner Jackson asked for clarity on why to use equal fees in the fee schedule.

Mr. Studnek shared the decision to use the equal fee prospective was based upon the theory as to why fees are charged. The theory is based upon the rate a user has to pay versus the general fund dollars used with in Wake County. He shared the cost of delivering the service does not vary on Medicare defines transports. He shared they are confident that the cost of delivering EMS does not differ based upon the type of transport.

Commissioner Jackson asked when would staff need to revisit the change of the fees.

Mr. Studnek shared he would recommend a more frequent analysis, every 3 - 4 years. He shared staff would want to be sure they are current on the various markets and perform more formal analyses.

Commissioner Stallings shared with considering the payer mix chart, it appears that half the users are on Medicare. She asked has staff seen an impact with Medicare Expansion.

Mr. Studnek shared that the transition from standard to Medicaid to Medicaid MCO is has greatly increased. He shared staff's goal is ensure those that are eligible are enrolled.

Commissioner Stallings asked if the department has received all the ambulances.

Mr. Studnek confirmed they have received all the ambulances.

Commissioner Jackson asked for clarity on why Wake County needed to go above comparable analysis.

Mr. Studnek shared when the comparables are reviewed, he considered two perspectives: 1. There has not been a change in a while and 2. Being aware that care is mostly delivered on an ALS 2 level and that is the capacity that they are designed to deliver.

Commissioner Waters asked for more information on users ability to pay, such as the percentage that is sent to collections.

Mr. Studnek shared he would report those findings to the County Manager Office.

Commissioner Waters asked for recruitment strategies to market the EMS subscription.

Mr. Studnek shared there are two things to consider: Wake County has a great product and to help the community to make informed decisions on how to be prepared for the future.

County Manager Ellis shared there are tools that staff utilizes to help build upon that will assist with making the community aware of what is available.

Chair Evans shared a summary of what was discussed. She asked how does one subscribe to the EMS subscription program.

Mr. Studnek shared a mailer is sent.

There was continued discussion regarding the EMS subscription program.

Commissioner Waters shared her concerns regarding the significant increase in the fees.

Commissioners Jackson shared she supports the proposed changes and wanted it note that significant education is needed regarding the fee increases.

Chair Evans shared the Board is interested in charity programs and confirmed an affirmative consensus on supporting the proposed changes.

#### **4. FY26 Operating Budget**

Attachments:    [3 FY 2026 Operating Budget Session Final.pdf](#)

Ms. Michelle Venditto, Budget and Management Services Director, shared

Agenda:

- Economic Outlook
- Revenue Projections
- FY 2026 Operating Budget Planning and Considerations
  - Debt and Capital Transfers
  - County Operating
  - Education
  - Multi-Year Forecast
- Next Steps

She shared Key Economic Observations:

- United States implementing tariffs on Canada, Mexico, and China
- Strong economy in 2024, recession concerns for 2025
- Stock market volatility, S&P 500, Dow Jones experiencing downtrends
- Inflation rate 2.8% in February 2025, down from 3.2% last year
- Wake unemployment rate below pre-pandemic levels
- Wake median income trends above state and national rates

She shared Inflation continues to decline: 2.8% in February 2025, down from 3.2% in February 2024.

She shared United State Tariffs Summary:

- The United States has made several changes to tariff policy since January 2025
  - Increases, decreases, suspension, or other changes in tariff policy have been abrupt and unpredictable
- Tariff unpredictability has led to market instability
- Changes have led to greater concerns about a recession in 2025
- Subject to change as more information comes out, additional tariffs to come April 2nd

She shared Wake County grew 30% from 2012 to 2025, projected 10% by 2030; and will add 119,600 residents.

She shared Wake County unemployment rate below pre-pandemic levels.

She shared Wake County's median household income rose higher and faster than the national and statewide median income. She shared the median household income for Wake County is \$103K. This is 50.25% more than the median income across the state.

She shared Monitoring economic indicators:

- National economic policy (tariffs, other federal spending)
- Inflation indices, including national and regional CPI
- Consumer sentiment, confidence, and spending as predictive indicators of sales tax revenues
- Consumer and commercial debt and spending trends
- Employment, including non-farm wages, labor force and workforce participation

She shared FY25 adopted budget revenue resources:

- \$2.05 billion FY2025 General Budget
  - Property Taxes 75%
  - Sales Tax 15%
  - Charges for Services, Fees, Permits 4%
  - Federal, State and Local 4%
  - Transfers, Miscellaneous and Other Sources 1%
  - Fund Balance 1%

She shared FY26 base revenues projected to increase by 2%.

She shared assessed taxable property values increased over 45% with January 2024 reappraisal.

She shared Projected property tax revenue 3% over FY25 Adopted Budget.

She shared Revenue from tax increase outpaced natural growth from FY21 - FY25.

Commissioner Stallings shared when speaking of the median Wake County household income being \$103K, there are approximately 215,000 residents on Medicaid in Wake County, which indicates not everyone is thriving. This should be considered when speaking of budget requirements.

Commissioner Waters asked for clarity on revenue sources in regards to permits and fees.

Ms. Venditto explained that the County is currently at 75% for cost recovery. She shared to increase from 4% to 5% for permits and fees would be optimistic.

She shared historic and projected property tax revenue by fiscal year.

She shared sales tax projection history.

She shared charges and fees based on cost recovery or statutory limits.

She shared All Other Revenues Projected at \$21.6 M:

- Real Property Transfer Tax
- Miscellaneous and Other Taxes
- Transfers
  - Increase in real property transfer tax collected by the Register of Deeds is based on 5-year averages
  - Projection uncertainty: depends on interest rates, broader economic factors

She shared FY26 revenues projected to stabilize into moderate, normal growth:

- Property tax revenue growth from FY25 Adopted Budget \$50.4M at current property tax rate
- Sales tax collections show slight, but continued growth currently
  - Collections subject to change based on consumer activity
  - Article 44 revenue and Medicaid expenses seeing similar growth - Medicaid Hold Harmless payment staying flat compared to FY25

Chair Evans shared the sales of homes have plateaued for the last few years. She shared that once the sales increases, the County will generate more funds.

Commissioner Jackson asked for clarity as to how the revenue projects compared to past data.

Ms. Venditto shared the revenues grow year after year.

Chair Evans shared that the increase in sales tax has flatten out due to inflation.

Ms. Venditto shared Human Capital is the largest investment within county operations:

- Personnel largest expenditure category after the WCPSS operating allocation
  - 67% of the FY25 County operating budget
  - 5,064.895 FTE
    - 4,938.895 General Fund
    - 126 Other Funds

Commissioner Waters asked for clarity on potential impacts of salary incomes that might be connected to federal funding.

Ms. Venditto shared Wake County has some positions that are federally funded. She shared there are Wake County subgroups that are monitoring any potential changes in Federal funding. There is not currently any specific information available.

County Manager Ellis shared the County is currently in a "wait and see" state.

Ms. Emily Lucas, Deputy County Manager, shared the County does not have a large number of positions that are federally funded. She shared the County receives very specific grants. She shared a lot of funding received is passed on to a recipient.

Ms. Venditto shared transfers to debt and capital are 25% of the FY25 budget. Wake County dedicates a portion of the property tax and transfers applicable sales tax to support the debt and capital programs for WCPSS, Wake Tech, and County.

She shared \$551.5M million of General Fund supports debt and capital for WCPSS, Wake Tech, and County Capital in FY25.

She shared continued commitment to funding debt payments and capital:

- Estimated Property and Sales Tax Revenue
  - FY25 Property Tax rate of 51.35 cents
    - Operating General Fund 36.60 cents
    - Dept and Capital Funds 14.75 cents
  - Sales Tax
    - Operation General Fund
    - WCPSS Dept Service Funding: 30% Article 40, 60% Article 42

Chair Evans asked for clarity on Article 40 and Article 42.

Mr. Aaron Brown, BMS Manager, shared NC has a couple of statues called local option sales tax: Article 40 (levied per capita) and Article 42 (point of sale). Statutorily, a portion of Wake County's revenue received from sales tax must be turned over to the school system for capital purposes.

There was continued conversation regarding sales tax.

Ms. Venditto shared Property Tax and sales tax revenue projected to increase moderately.

She shared Library GO Bonds - \$0.25 tax increase: (✓ completed tasks)

- ✓ November 2024 (FY25) - Bond referendum - Approved
- ✓ March 2025 (FY25) - BOC work session decisions
  - ✓ Decided on TBD Project: Southgate Community Library Replacement
  - ✓ Confirmed order of projects
- July 2025 (FY26) - Levy 0.25¢ tax increase to support bond approval
- July 2025 (FY26) - Appropriate portion of funds with FY26 Adopted Budget
  - Can immediately begin spending on projects
- Spring 2026 (FY26) - Initial bond sale
  - Amount and timing to be determined
- Future - more bond sales & appropriation to support cash flow needs

She shared upcoming Budget Work Session on April 7th will discuss capital and debt:

- Maintenance is an ever-growing portion of the CIP
- With service growth new facilities are coming forward; prioritization is necessary and will need to consider:
  - Maintenance of existing facilities versus new facilities
  - Mandated facilities versus community amenities

Commissioner Adamson asked is the property tax collection rate changing due to the change in the economy.

Mr. Marcus Kinrade shared they do not expect a 99.9% collection rate.

Ms. Venditto shared General Fund County operations are 39% of the FY25 Budget.

She shared Budget and Planning Process:

- July
  - New Fiscal Year Begins
- August - September
  - Review prior year actual results
- October - November
  - Target Base Budget development
  - Departments identify potential capital projects
  - Departments submit multi-year business plan initiatives
- December - January
  - Departments prepare requests for capital projects, operating commitments and cost escalations

- CMO reviews business plans
- January
  - Departments prepare requests for capital projects, operating commitments and cost escalations
  - CMO reviews business plans
  - Retreat
- February - April
  - County Manager policy and budget meetings; consideration of budget decisions
  - Board of Commissioners Work Session
- May
  - Formal presentation of the Manager's Recommended Budget
- June
  - Commissioners hold public hearing, budget work session, and adopt Operating and Capital budgets

She shared FY26 Budget Priorities:

- Recruit and retain a highly skilled workforce; Reallocate current resources to more emergent needs; Optimize current business processes; Plan for the three-year window.
- The FY26 budget process supports fiscal sustainability.
- County is moving toward multi-year financial and program planning for revenues, expenditures, operating budget, service operations, grants, and capital projects.

She shared Reoriented business planning and budget sequencing:

- Update of departmental business plans in the Fall, including Deputy Manager input
- Manager's collective review in facilitated meetings Nov - Dec
- Identified policy topics for further understanding and initiatives potentially needing a resource (re)allocation Feb - Mar
- Robust education and conversation

She shared FY26 Budget Guidelines:

- Overarching message - no new expansions that are not directed through business planning by Manager's Office
- County department submissions include:
  - Cost escalations
  - Prior year commitments
  - CIP related operating impacts
  - CMO directed expansion submissions
  - Handful of more traditional requests as we refine process shift

She shared FY26 Expenditure Considerations:



- Competitive employee compensation
- Evaluate pilot projects started with ARPA funding
  - ARPA funds must be encumbered by December 2024 and fully expended by December 2026
- Open planned new, replacement and expanded facilities
- Other knowns: Housing Continuum of Care, behavioral health programming, software upgrade costs, for example
- Initiatives that further the Wake County Strategic Plan

She shared Education Funding Overview:

- WCPSS - Operating, Debt, & Capital, \$1,026M - 49%
- County - Operating, Debt, & Capital, \$969.3M - 47%
- Wake Tech - Operating, Debt, & Capital, \$87.3M - 4%

She shared Wake County Contribution to Smart Start - FY17 (\$489K) - FY26 (\$9.0M).

She shared Smart Start Overview:

- Current Status
  - 298 Wake ThreeSchool slots funded in FY25 are filled
    - An additional 16 children are served through Head Start Slots
  - All 1,532 funded slots are filled for NC Pre-K; limited providers
- FY26 Request
  - WCSS is requesting \$803K to maintain current Pre-K service levels and increase the reimbursement rate from \$1,346 to \$1,368
  - WCSS is requesting \$439k to maintain current Three School service levels and increase the reimbursement rate from \$1,275 to \$1,297
- Smart Start will present updates with details about their FY25 requests at the March 24th Education Committee Meeting

Chair Evans encouraged the Board to watch the video regarding the SmartStart meeting.

Commissioner Stallings asked if the SmarStart information was included in the data.

Ms. Venditto confirmed it is included, but it is a very small amount.

Commissioner Adamson asked if charter school information is included in the data.

Ms. Venditto shared charter school information is a very small amount as well.

She shared County funding responsibilities for WTCC:

Per NC general statute 115D-32, the County is responsible for:

- Plant Fund - Acquisition of land; erection of all buildings; alterations and additions to buildings; purchase of motor vehicles; purchase of equipment for the maintenance of the campus; and purchase of furniture and equipment not provided for administrative and instructional purposes
- Operation and Maintenance - Salaries of facilities staff; payment of utilities; payment of costs related to janitorial services; payment of costs for maintenance and repair of buildings, vehicles, and equipment

She shared FY25 Adopted budget for Wake Tech.

She shared FY26 Wake Tech requests: \$1.9M.

She shared County-funded Wake Tech Initiatives:

- Wake Invests in Women:
  - Dedicated to closing the gender representation gap in STEM in Wake County
  - 49 mentorship matches dedicated to developing career readiness, building professional network
- Launch Wake County
  - Supports and develops entrepreneurs in under-resourced communities in Wake County
  - Total course enrollment in 2024-25 was 180 (77% female, 78% minority)
- WakeWorks
  - Addresses the shortage of technical workers in the Triangle by training apprentices
  - 360 current apprentices and pre-apprentices
  - 53 completed program in 2024

She shared Wake County's responsibility for WCPSS:

- County public school funding responsibilities defined in NC State statute
- Primary responsibilities focus on funding building construction and maintenance
- Indirect authority allows support of public-school operating

She shared WCPSS Enrollment.

She shared Summary of WCPSS Approach:

- WCPSS identified approximately \$60M of needs for additional local funding in early 2025
- Superintendent directed the budget development process to include strategic repurposing and base budget reductions
- WCPSS identified \$18.7M in reductions and the removal of \$23.6M in one-time costs during budget development
- Superintendent's Proposed Budget is requesting \$742.9 million; \$40.3M in additional Local Funding

She shared Local Funding Request Detail:

- \$16.4M - Employee Compensation
- \$14.3M - Legislative Requirements
- \$11.7M - New Schools and School Changes
- \$2M - Student Membership Changes \$3.7M - Program Continuity
- \$2.2M - Increasing Property Costs
- (\$23.6M) - Remove One-time Costs

She shared Revenue projection highlights:

- Revenues are projected to grow ~2% annually for an approximate total of \$175M cumulatively between FY26 and FY29
- Natural revenue growth projected to provide ~\$58M in new revenue per year
- Property tax revenue assumes the only tax increase is associated with Fall 2024 Libraries GO bond
- Sales tax growth assumes sustained moderate growth

She shared Expenditure projection scenarios:

- Low Growth Model (Most restrained)
  - Future projected growth is *slower than recent trends* back to FY21
  - Personnel and Operating 5%; Contracts 3%; Total 4.3%
- Medium Growth Model (Historical trends)
  - Future projected growth *similar to recent trends* back to FY21
  - Personnel 10%; Operating 8%; Contracts 6%; Total 8%
- High Growth Model (Least restrained)
  - Future projected growth is *faster than recent trends* back to FY21
  - Personnel 14%; Operating 11%; Contracts 9%; Total 11.3%

She shared Spring 2025 Model Expenditures Scenarios.

She shared Dollar Representation of Projection Gaps.

She shared Next steps.

She shared Developing a balanced budget for Board consideration:

- Base budget growth and funding requests exceed revenue resources
- Growth pressures reflective of a large growing community with complex service needs
- Considering Strategic Plan goals, departmental initiatives, core service delivery
- Looking internally at repurposing options

She shared Property Tax Rate Board's Primary Funding Tool.

Setting Property Tax Rate Tradeoffs:

Benefits of Higher Funding:

- Wake experiencing community growth and increasing demand for services
- Higher tax rate increases available funding to maintain and enhance services

Risks for Community:

- Increasing tax rate conflicts with affordability of living in Wake County
- Recognize tax burden, particularly on those with constrained incomes
- Unknown what tax rate municipal jurisdictions may set

She shared Balancing the Budget - Steps Coming Up:

April

- Finalize revenue projections, considering broader economic trends
- Finalize County Manager Recommended Budget

May

- County Manager presents Recommended Budget on May 5
- Board Work sessions on Budget on May 12 and May 22
- Public Hearings on Budget on May 19 and May 20

June

- Board of Commissioners Consider Budget for Adoption on June 2

Chair Evans shared her appreciation of the staff's hard work in providing the Board a budget proposal.

Commissioner Waters shared her appreciation of the staff's hard work.

Commissioner Stallings asked for clarity of the dollar representation of the

projection gaps. She asked if the FY26 \$25M funding gap include the \$50.4M increase in revenue that is projected.

Ms. Venditto confirmed the \$25M is included.

Commissioner Stallings asked if there has been any conversation or collaboration with municipalities regarding tax rates.

County Manager Ellis shared there has been conversations with the municipalities. It is recognized as the County grows, municipalities grow as well. The County will continue to have conversations.

Chair Evans shared the Board recognizes the effects of higher taxes and inflation.

## **Adjourn**

Chair Evans adjourned the meeting at 4:26 p.m.

Respectfully submitted,  
Tanika D. Cooper  
Wake County Board of Commissioners