

Item Title: Adopt Fiscal Year 2025 Operating Budgets, Capital Improvement Projects, Special Revenue Projects, and Position Authorization Ordinances

Specific Action Requested:

That the Board of Commissioners adopts the following FY 2025 budget-related ordinances:

Operating Budgets Funds Ordinances

- General Fund Annual Operating Budget
- Debt Service Fund Annual Operating Budget
- Fire Tax District Fund Annual Operating Budget
- Major Facilities Fund Annual Operating Budget
- Solid Waste Operating Fund Annual Operating Budget
- South Wake Landfill Partnership Fund Annual Operating Budget
- Corporate Fleet Fund Annual Operating Budget
- Health and Dental Fund Operating Budget
- Human Services Transportation Fund Annual Operating Budget
- Wake County Public School System Fines and Forfeitures Fund Operating Budget
- Human Services Client Trust Fund Annual Operating Budget

Capital Improvement Projects Funds Ordinance, inclusive of:

- County Capital Projects Fund
- Fire Tax District Capital Projects Fund
- Major Facilities Capital Projects Fund
- Solid Waste Capital Projects Fund
- Housing Capital Projects Fund
- Wake Technical Community College Capital Projects Fund
- Wake County Public School System Capital Projects Fund

Special Revenue Project Ordinances

- Housing Affordability and Community Revitalization Fund Project Ordinance
- Capital Area Workforce Development Fund Project Ordinance
- Grants and Donations Fund Project Ordinance

Personnel Authorization, Classification, and Compensation Ordinance

Item Summary:

Purpose: In compliance with the *North Carolina Local Government Budget and Fiscal Control Act* (G.S. 159, Article 3), the Board of Commissioners adopts an annual balanced budget ordinance covering a fiscal year beginning July 1 and ending June 30 for all governmental and proprietary funds except funds authorized by project ordinances.

Background: On May 6th, 2024, the County Manager presented to the Board of Commissioners a recommended FY 2025 General Fund budget totaling \$2,074,346,000. This recommended budget is balanced as required by and defined in the North Carolina Local Government Budget and Fiscal Control Act. Public comments were submitted through the Wake County website beginning May 6th. Public hearings on the budget were held May 20th and 21st with public comments collected through May 22nd.

Strategic Plan: This action supports routine County operations.

Fiscal Impact: The FY 2025 General Fund budget presented for adoption totals \$2,074,346,000 and reflects a property tax rate of 51.05 cents per \$100 of valuation. The budget sets the Fire Tax District tax rate to 10.75 cents per \$100 property valuation.

Additional Information:

Technical Corrections to Recommended Budget

General Fund

		FTE	Revenues	Expenditures
	Recommended	5,064.895	\$2,074,346,000	\$2,074,346,000
a.	Reallocate costs for planning, permitting, and inspections software contract from Environmental Services to HHS	-	-	-
b.	Reallocate funds from the Salary and Benefits reserve to increase the Smart Start Pre-K request	-	-	-
	Proposed Adopted	5,064.895	\$2,074,346,000	\$2,074,346,000

- a. At the February 19, 2024, Board of Commissioners Regular meeting, \$3,600,000 was reallocated from Community and Environmental Services to Human Services to support the transfer of 88 authorized positions and 9 temporary positions. Environmental Services initially budgeted \$237,116 for a planning, permitting, and inspections software system contract that was later determined to need to be transferred to Health and Human Services.
- b. On April 23, 2024, Smart Start was informed by the State that their program administration budget was being cut due to the expiration of pandemic funding. Smart Start requested the County provide an additional \$30,000 to sustain current service levels in addition to the \$227,596 in carryforward funds to cover the gap created by the decrease State funding. The increased total FY25 funding for Smart Start Pre-K and ThreeSchool is \$7,751,563.

Solid Waste Operating Fund

	FTE	Revenues	Expenditures
Recommended	-	\$23,051,000	\$23,051,000
Increase Shredded Material program revenues and expenditures		\$190,000	\$190,000
Proposed Adopted	-	\$23,241,000	\$23,241,000

The Solid Waste Operating Fund includes a new program for shredded material after the introduction of the mattress and tire shredder in FY 2024. The budget for this program was not included in the FY 2025 County Manager's Recommended Budget. Projected revenues and expenditures for the shredded material program increase the budget by \$190,000.

Corporate Fleet Fund

	FTE	Revenues	Expenditures
Recommended	24.000	\$14,577,000	\$14,577,000
Accounting for increase in department charges for vehicle operating costs		\$2,610,000	\$2,610,000
Proposed Adopted	24.000	\$17,187,000	\$17,187,000

The Corporate Fleet Fund is an internal service fund that includes charges County departments for the operating costs to procure, equip, maintain, and repair vehicles. The charges for these vehicles were correctly included in the operating budgets; however, the County Manager's Recommended Budget did not fully account within the Fleet Fund for all the planned and budgeted department charges as revenues and operating maintenance expenditures. This correction appropriately accounts for the increase in revenues and corresponding expenditures.

Health and Dental Fund

	FTE	Revenues	Expenditures
Recommended	-	\$82,319,000	\$82,319,000
Addition of health and dental budget for expansion positions		\$1,354,000	\$1,354,000
Proposed Adopted	-	\$83,673,000	\$83,673,000

The Health and Dental Fund is an internal services fund that budgets for health and dental benefits for all County employees. The employer contributions are recorded as expenditures in the operating funds and as revenue in the Health and Dental Fund.

The FY 2025 County Manager's Recommended Budget included the addition of 138.5 FTE. The benefits costs of these positions were correctly included in the operating budgets; however, the corresponding contributions to the Health and Dental Fund were not included. This technical revision accounts for the benefit contributions and claims costs for these new positions within the Health and Dental Fund. The expected fiscal impact is \$1,354,000.

Housing Affordability and Community Revitalization

	FTE	Revenues	Expenditures
Recommended	20.000	\$7,877,000	\$7,877,000
HUD grant award amount lower than anticipated		(\$116,000)	(\$116,000)
Proposed Adopted	20.000	\$7,761,000	\$7,761,000

Department of Housing and Urban Development (HUD) actual grant funding levels for the Housing and Community Revitalization Fund are \$116,000 lower than estimated projections based on the previous fiscal year. This correction accounts for the decreased grant actuals, which were received following the presentation of the Recommended Budget.

Budget Ordinances

The attachments include all ordinances necessary to implement the FY 2025 operating, capital, and project budgets.

The totals of each budget (displayed by fund), as recommended by the County Manager on May 6, 2024, inclusive of the staff recommended and Board of Commissioners directed revisions reflected above, are:

Fund

Operating Budgets

General Fund	2,074,346,000
Debt Service Fund	390,420,000
Fire Tax District Fund	54,786,000
Major Facilities Fund	88,030,000
Solid Waste Operating Fund	23,241,000
South Wake Landfill Partnership Fund	23,812,000
Corporate Fleet Fund	14,577,000
Health and Dental Fund	83,673,000
Human Services Transportation Fund	9,444,000
Wake County Public School System Fines and Forfeitures Fund	2,750,000
Human Services Client Trust Fund	3,000,000

Capital Improvement Projects

County Capital Projects Fund	133,559,017
Fire Tax District Capital Projects Fund	11,045,914
Major Facilities Capital Projects Fund	7,279,000
Solid Waste Capital Projects Fund	6,671,000
Housing Capital Projects Fund	16,125,000
Wake Tech Community College Capital Projects Fund	94,435,000
Wake County Public School System Capital Projects Fund	300,010,294

Special Revenue Projects

Housing Affordability and Community Revitalization Fund	7,761,000
Capital Area Workforce Development Fund	6,892,000
Grants and Donations Fund	1,167,000

Position Authorization, Classification, and Compensation Ordinance

In addition to budget and project ordinances, attached is the Position Authorization, Classification, and Compensation Ordinance. This ordinance establishes the Board approved staffing levels (by full-time equivalent or FTE) for every County department and fund during FY 2025. This ordinance is not required by State statute but is included to formally adopt authorized positions.

The position authorization, classification, and compensation ordinance also includes adjustments resulting from market comparisons and reflecting the County's living wage policy. The salary of individual employees in the affected market range are unchanged unless the current salary is below the minimum of the new market range, or it is impacted by the Human Resources Department recommended adjustments.

Attachments:

1. Presentation
2. General Fund Operating Ordinance
3. Debt Service Fund Ordinance
4. Fire Tax District Fund Ordinance
5. Major Facilities Fund Ordinance
6. Solid Waste Operating Fund Ordinance
7. South Wake Landfill Partnership Fund Ordinance
8. Corporate Fleet Fund Ordinance
9. Health and Dental Fund Ordinance
10. Human Services Transportation Fund Ordinance
11. Wake County Public School Fines and Forfeiture Fund Ordinance
12. Human Services Client Trust Fund Ordinance
13. Capital Improvement Projects Funds Ordinance
14. Housing Affordability and Community Revitalization Fund Project Ordinance
15. Capital Area Workforce Development Fund Project Ordinance
16. Grants and Donations Fund Project Ordinance
17. Position Authorization, Classification, and Compensation Ordinance