

Budget Work Session

FY2027 Budget Discussion

May 21, 2026



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Agenda

- Adjustment to Ordinances for Property Acquisitions
- Budget Adoption Ordinance Overview
- FY27 Recommended Budget Overview
- FY27 Budget Discussion Topics
- Further Board of Commissioners Discussion



Adjustment to Ordinances for Property Acquisitions

Current Challenges in Real Estate Purchase Process

- **County is experiencing challenges in executing real estate purchases due to:**
 - Dynamic market with high demand for properties
 - Internal process of 8 weeks/2 months to sign agreements
- **Current Process**
 - FD&C identifies and negotiates real estate purchase
 - Upon agreement in principal, contract review and BOC approval process begin (normally 7-8 weeks)
 - County is unable to sign a purchase agreement until BOC approval

Current Market Challenges for Real Estate Purchase will Continue

- **Market challenges**

- Market remains competitive
- Without a signed agreement in place, buyers continue to shop properties for better deals
- Prices quickly escalate
- Lose deals to other buyers due to higher costs, quicker closings, or all cash deals
- Costs the County extensive staff time and money
- Limited options in market

Proposed Improvements to Real Estate Purchase Process

- **Proposed solution**

- Add a delegation of signature authority for County Manager to sign a purchase contract upon agreement in principal with seller ***prior to BOC action and approval***
- New delegation language will be added to the Adopted Budget
- Authorizes in the General Fund, County Capital Fund, and Affordable Housing Capital Fund

- **Proposed Budget Ordinance Language**

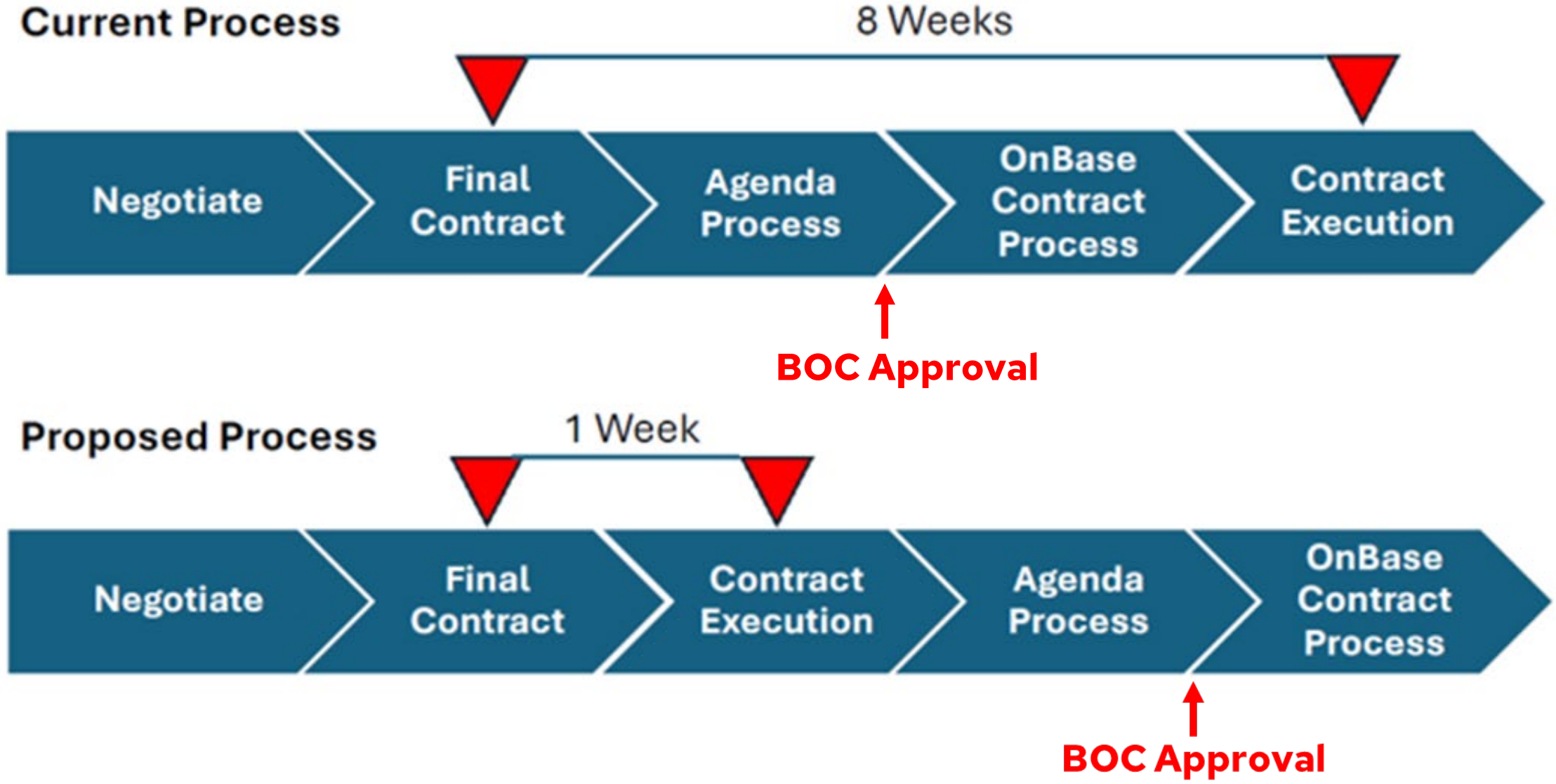
- “County Manager may execute real estate purchases agreements within budgeted appropriations, provided all such agreements contain a condition precedent that the Board of Commissioners must approve the transaction prior to closing.”

Benefits of Proposed Process Change

- **Benefits**

- Increased credibility with sellers
- Strengthens negotiations
- Stops costs from escalating
- Staff can focus on due diligence rather than struggling to hold the deal together
- Saves deals as purchase contract is executed upon agreement
- Efficiency, approximately 7 weeks is saved in processing agreement
- Quicker closings
- Eliminates rushes for signed contracts at the end of the process

Real Estate Purchases



Proposed Process Continues to Align with BOC Authority

- **Protections on process**
 - Purchase must be within budgeted appropriations
 - Purchase agreement is non-binding and subject to BOC Approval and due diligence by County staff (Finance, Real Estate) and attorneys
 - Closing is precedent on all conditions above being met
 - If appropriation does not exist, must come to the BOC for approval before use of signature authority delegation
- **Effective 7/1/26 with Adopted Budget**



Discussion



Budget Adoption Ordinance Overview

Budget ordinances reflect FY27 Recommended Budget with presented adjustments

Ordinances are included for Board Consideration in accordance with the North Carolina Local Government Budget and Fiscal Control Act. Ordinances serve as the official record of the County's annual balanced budget for all governmental and proprietary funds.

- General Fund Operating Ordinance
- Health and Dental Ordinance
- Debt Service Fund Ordinance
- Fire Tax District Ordinance
- Major Facilities Fund Ordinance
- Solid Waste Operating Ordinance
- South Wake Landfill Partnership Fund Ordinance
- Corporate Fleet Fund Ordinance
- Health and Human Services Transportation Fund Project Ordinance
- WCPSS Fines and Forfeitures Fund Ordinance
- Health and Human Services Client Trust Ordinance
- Capital Improvement Projects Fund Ordinance
- Housing Affordability and Community Revitalization Fund Ordinance
- Capital Area Workforce Development Fund Project Ordinance
- Grants and Donations Fund Project Ordinance
- Position Authorization, Classification, and Compensation Ordinance

WCPSS Purpose and Function

PURPOSE →

FUNCTION {

WCPSS Purpose and Function		FY2026 Recommended Budget
Instructional Services		
	Regular Instructional Services	\$265,163,982
	Special Populations Services	\$46,808,083
	Alternative Programs and Services	\$26,849,213
	School Leadership Services	\$24,026,325
	Co-Curricular Services	\$27,161,767
	School-Based Support Services	\$37,185,984
	Total	\$427,195,354
System-wide Support Services		
	Support and Developmental Services	\$9,219,317
	Special Populations Support and Development Services	\$8,267,867
	Alternative Programs and Services Support and Development Services	\$4,556,151
	Technology Support Services	\$22,939,981
	Operational Support Services (WCPSS Fund 02)	\$132,065,065
	Operational Support Services (WCPSS Fund 04)	
	Operational Support Services (WCPSS Fund 08)	\$963,164
	Financial and Human Resource Services	\$30,296,072
	Accountability Services	\$2,563,515
	System-wide Pupil Support Services	\$7,725,325
	Policy, Leadership, and Public Relations Services	\$10,575,366
	Total	\$229,171,823
Non-Programmed Charges		
	Payments to Other Governmental Units	\$81,240,139
	Total	\$81,240,139
TOTAL WAKE COUNTY PUBLIC SCHOOLS EXPENDITURES		\$737,607,316

115C-429. Approval of budget; submission to county commissioners; commissioners' action on budget

Wake County appropriates the school system operating funding by Purpose and Function

Agenda Item Board Motion

- The Board will state a motion adopting the FY2027 Budget Ordinances
- Staff will provide language with proposed adjustments from the Manager's Recommended Budget to the Board of Commissioner Adopted Budget, if and as directed

Item Title: Adopt Fiscal Year 2026 Operating Budgets, Capital Improvement Projects, Special Revenue Projects, and Position Authorization Ordinances

Specific Action Requested:
That the Board of Commissioners adopts the following FY 2026 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



FY27 Recommended Budget Overview

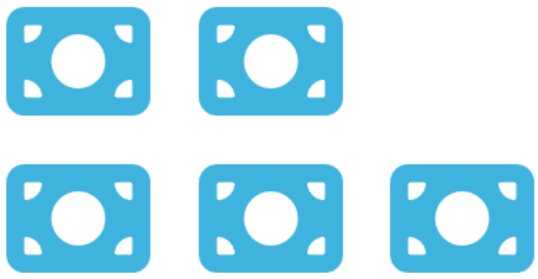


FY2027 Recommended Budget

\$2,282,021,000

FY2027 Recommended Budget

- ✓ Accounts for rising costs stemming from federal decisions
- ✓ Subsidizes areas where the state falls short
- ✓ Supports the growing needs of WCPSS, Wake Tech and Smart Start
- ✓ Meets the housing needs of foster youth and jail inmates



**\$40–50
million**

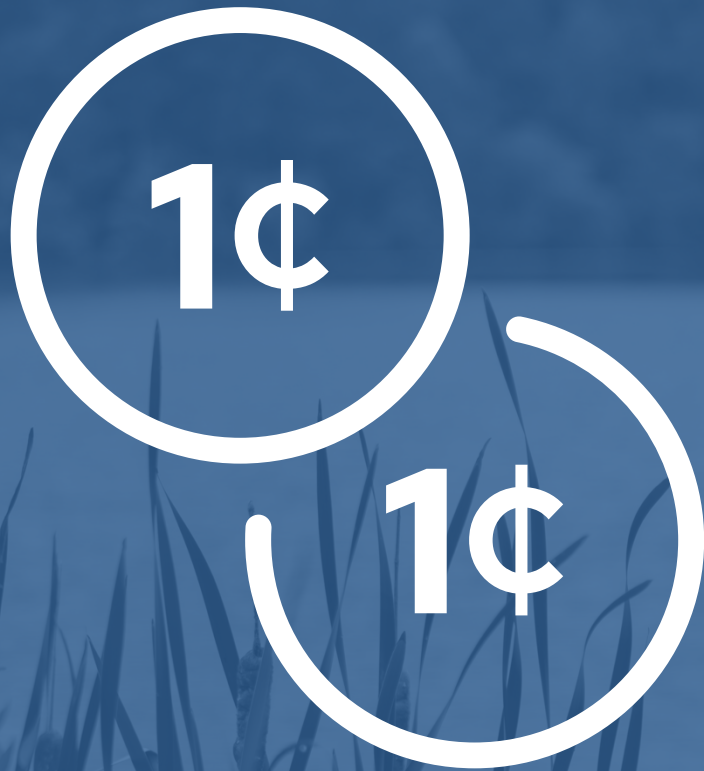
Amount of new revenue
we expect property tax
to generate each year

vs



**\$8
million**

Amount of new revenue
property tax is projected
to generate in FY2027



Property tax increase proposed

Propose a 2-cent increase

It will:

- Raise the property tax rate to 53.71 cents
- Generate **\$62.15 million**

The owner of a \$450,000 home would see a \$90 increase in their tax bill.

An unprecedented use of one-time funds

Recommend moving
\$35 million
from our reserves to the
General Fund in FY2027



Hope the General Assembly will fix the Blue Ridge loophole to avoid repeating this unsustainable approach

Looking ahead to the FY2028 budget

If the state:

- Does not close the Blue Ridge loophole
- Does cap property tax increases

Then, Wake County may have to cut:

- Operating hours
- Program investments
- Funding for education

Planning for FY28

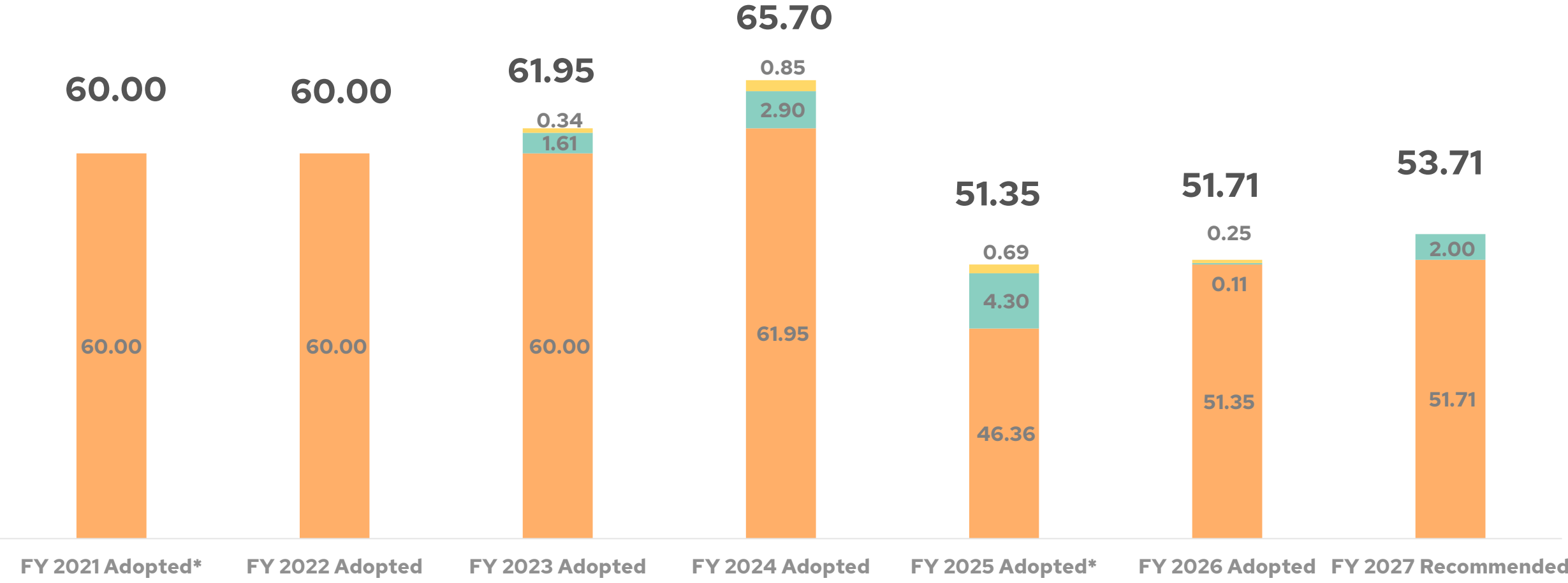
- **The Manager will reflect on the FY27 budget cycle and decisions starting in June to plan for the FY28 process**
- **Actions at the legislature will be monitored to inform our revenue projections**
- **Priorities will continue to be providing core services, advancing the Strategic Plan, a high-performing TeamWake – all in service of the community**



Budget Discussion Topics

Property tax rate is Board's primary funding tool

■ Base Tax Rate
 ■ Operating Tax Increase
 ■ Capital Tax Increase



FY 26 Tax Rate for the State Gap

Question

The property tax per penny generates approximately \$31 million. \$600 million could have been provided by the state is approximately 19 cents

Amount that State could have funded	\$600,000,000
Per penny generates	\$31,075,000
Equivalent per penny	19.31

Wake's property tax rate in FY26 is 51.71 cents. If we didn't tax approximately 19 cents our property tax rate would be approximately 30 cents. The figures in the message were rounded.

Equivalent per penny State could have funded	19.31
FY26 Wake County property tax rate	51.71
Property tax rate Wake County could be	32.40

Summary of Portal and Hearing Comments

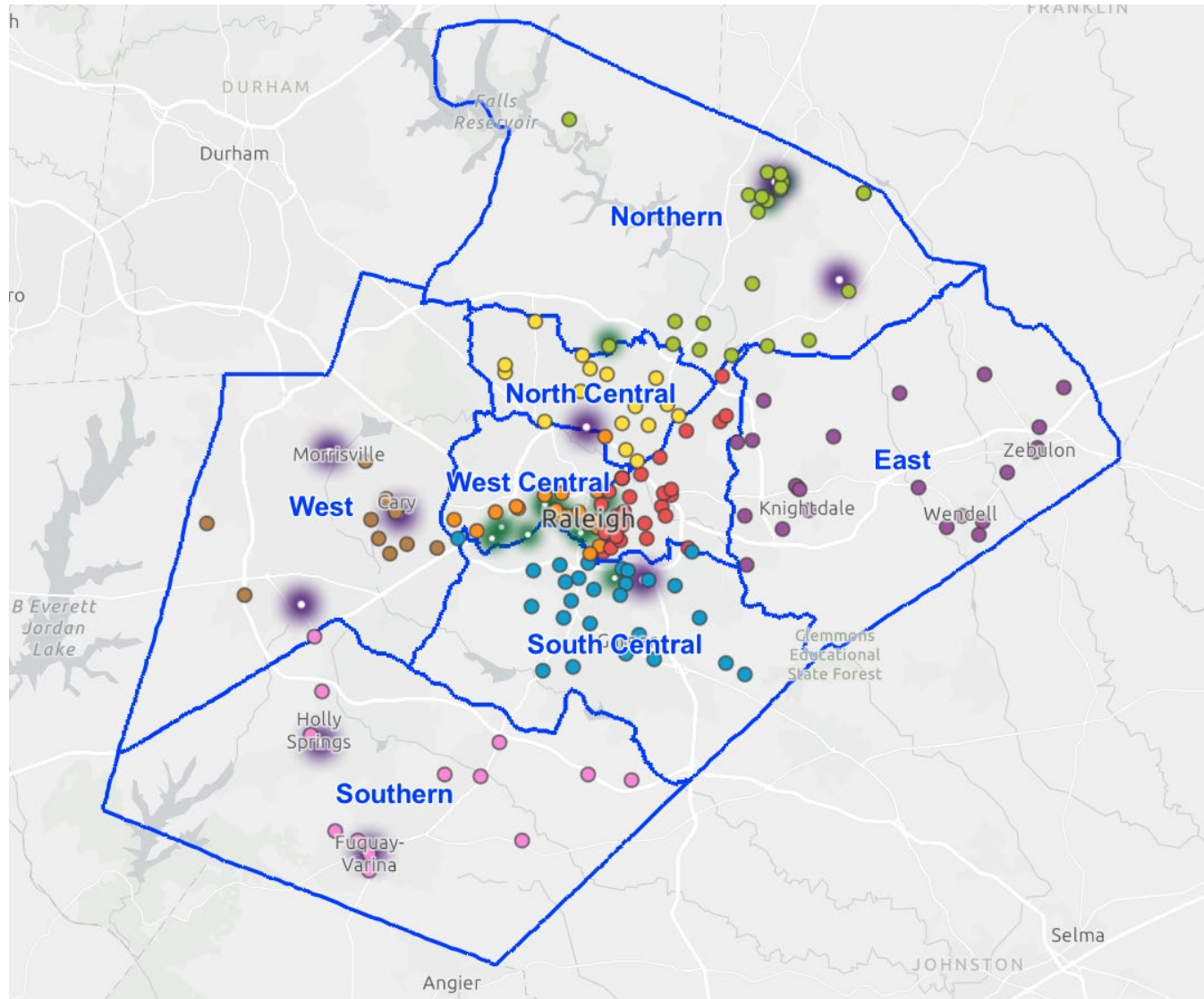
Portal Comments 5/18/26	
Topic	Count
No Tax Increase/Affordability	17
Libraries	33
Other	6
Total	56

In-Person Hearings		
Date	Topic	Count
	Education	1
	EMS	1
	Habitat for Humanity	6
	Urban Ministries, Helen Wright	4
	Libraries	9
	Smart Start	4
	Reduce Taxes, Limit Growth	1
5/11/2026 Total		26
	Urban Ministries, Helen Wright	3
	Wake Med Merger	1
	Nourish Rx	3
5/18/2026 Total		8
Total		34

For Discussion: Food Security

- With demand at record levels and federal and state challenging mounting, what specific steps are we taking to maintain our investments in and collaborations for food and nutrition services?
- What opportunities for supporting food pantries as a horizon issue have been evaluated during this budget and is there a process for cooperative extension to address this emerging issue throughout the year?

Wake Food Locator Map



- Includes known emergency food distribution resources by HHS zones; using GIS. The map will include known pantry distributions and Farmer's Markets that accept SNAP.
- Does NOT include school-based sites (limited only to participating students and families at those locations) nor does it include seasonal Summer Food or SUN Meal sites (those have not been finalized for the current summer)



Board of Commissioners Discussion

Next steps

- **Wednesday, May 27, 2026** - Commissioners provide suggested adjustments for the Adopted Budget to Chair Mial and the County Manager
- **June 1, 2026** - Board of Commissioners will consider adoption of the FY27 budget at the regular meeting



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