



Wake County

301 South McDowell Street
Raleigh, NC

Meeting Minutes Board of Commissioners

Thursday, April 30, 2020

10:00 AM

Wake County Justice Center

Special Work Session - Meeting Held Remotely

Present: 7 - Chairman Greg Ford, Vice-Chair Vickie Adamson, Commissioner Matt Calabria, Commissioner Susan Evans, Commissioner Jessica Holmes, Commissioner Sig Hutchinson, and Commissioner James West

Others Present: David Ellis, County Manager; Scott Warren, County Attorney; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board; Emily Lucas, Chief Financial Officer; Michelle Venditto, Budget Director; and Ben Canada, Assistant to the County Manager

Meeting Called to Order: Chair Greg Ford

Chairman Ford announced that the board will review the current economic impacts to the budget. He said at the retreat in February, staff reviewed the budget economic impacts and today they would be looking at the current impacts. Staff will be sharing a revenue update, expenditure deduction strategies, and they will discuss potential specific reductions for the upcoming Fiscal Year (FY). Staff will also review the upcoming 7 year capital plan. No decisions are being made today as this is an informational opportunity.

Chairman Ford said the materials are content rich and staff would pause for questions every five slides.

County Manager David Ellis thanked the department heads and staff. He said the process was collaborative. He said the presentation today will include what departments have brought forward.

1. Agenda

Attachments: [Agenda Work Session 4.30.2020 FINAL.pdf](#)

2. FY2021 Budget Outlook

Attachments: [Special Work Session FY21 Budget Final.pdf](#)
[User Fee Policy.pdf](#)

Ms. Emily Lucas, Chief Financial Officer, shared that the focus of today's meeting would include two topics, COVID-19 Impacts and FY21 Balancing Strategies.

COVID-19 Impacts

- Evolving economic conditions
- CARES Act funds
- Property taxes and revised revenue neutral rate
- Sales tax
- Budget shortfall

FY21 Balancing Strategies

- Capital budget revisions to create operating capacity
- County results from 7 percent reduction requests
- Next Steps: Balanced budget for presentation on May 18

She shared the impacts of COVID-19.

Economic conditions, CARES Act, and updated revenue projections.

COVID-19 continues to impact Wake County

County operations

- Longest and largest EOC activation in County's history, including reassignment of many staff members to support ongoing response; anticipated active through June
- Provide testing, compliance enforcement, and communication to residents and businesses
- Additional operational measures to protect employees against exposure

Other impacts

- School closures through end of school year
- Continue stay-at-home orders with phased "reopening" based on measurable data

Fiscal support

- County received \$193 million in CARES Act funding
- Can be used to respond to COVID-related emergency but **cannot** be used to replace lost revenues

County manager, David Ellis, said that it is anticipated that the Emergency

Operations Center (EOC) will be operational in some form through June at a minimum.

Ms. Lucas shared the permitted uses of the Cares Act Funding.

- Purchase of Personal Protective Equipment and testing supplies
- IT equipment and support related to teleworking
- Employee pay and benefits related to COVID response, including hazard pay and overtime
- Communication and enforcement of public health orders
- Support municipalities in their COVID-related response
- Purchase and distribution of food
- Economic support to small businesses due to business disruption
- Care of homeless populations
- Maintenance of jail facilities to promote social distancing
- Employee sick and family medical leave costs
- Disinfection of facilities

Ms. Lucas shared the unemployment information.

Unemployment rapidly increasing; projected to hit 12 percent nationally

- US Department of Labor reports a record 26 million Americans have filed unemployment claims over the previous five weeks as of it's April 23, 2020 report
- National unemployment rate projected to reach 12 percent by the end of 2020 by Congressional Budget Office
 - High US Unemployment during the Great Recession was 10 percent in October 2009
- North Carolina's March Unemployment Rate: 4.4 percent (NC Department of Commerce)
 - Increase from February's unemployment rate of 3.6 percent
 - Largest single month percentage increase since 2008

She shared the impacts to new home sales and the housing industry.

COVID-19 has cut into new home sales; Wake County experiencing slight slowdown in housing industry

New home sales had been ahead of prior year pace; mild weather and strong job growth placed 2020 at a strong start

- Nationally, March new home sales fell 15.4 percent, the largest drop in six years
- For Wake County, housing trends lower compared to March 2019

- Home sales down 14.8 percent
 - New permit applications down 2.1 percent
 - Inspections down 4.7 percent
- A bigger decline anticipated in April; homebuilders will miss the bulk of the key selling season
- Economists predict that housing market will bounce back at a faster pace than industries such as travel and entertainment

She shared information about the retail sales decline. March 2020 records the largest ever monthly decline in retail sales at 8.7 percent, for the first time ever, U.S. consumers are spending more at grocery stores than anywhere else.

Vice-Chair Adamson asked when the April retail sales numbers will be available since they may look different than March. Ms. Lucas said it would be mid-June before those numbers are available and these numbers are national numbers.

Commissioner Holmes noted that school educators and support staff are still working, even though students are not attending school right now.

Ms. Michelle Venditto, Budget and Management Services Director, shared the revenue update. She shared that the Fiscal Year projected property tax revenues at the revenue neutral rate lowered since the Board of Commissioners retreat. She shared a chart of the lowered rate from 60.5 percent.

- Estimating vehicle renewal activity will be down 30 percent in April and May 2020, with a surge in July and August as vehicle owners catch up
- Updated projection includes a \$2M reduction in real property revenue from a decrease in projected assessed valuation

She said staff continues to monitor sales tax.

- NC Department of Revenue remits Sales Tax on a 3-month delay
 - Revenues from January sales were received by county in April
- The first month of sales impacted by COVID-19 will be March Sales Tax Revenue to be received in mid-June

FY 2021 Sales Tax revenue projections have not been adjusted from what was last shared at the April 13th Budget Retreat.

She shared a chart of the sales tax projection by past recession experience. She shared a chart of the impact of sales tax by past experience. She explained the \$41.8 million loss in revenue.

She shared a chart of the real property transfer tax during the Great Recession.

- Register of Deeds collects an excise tax of \$2 per thousand of value of real property transfers (deeds) and retains ½ of collections plus a collection fee
- County share of revenues declined 38 percent in calendar year 2008 to 2009. New estimate assumes 38 percent decline from FY 20 projection based on anticipated slow down in the real estate market

She shared a chart of the Fiscal Year 20 budget revenues. She shared a chart of the Fiscal Year 2021 base budget gap that has increased to \$23.9 million. She shared information about the Fiscal Year 2021 shortfall for early voting and utilities increase. She said the FY21 budgeted revenues were further reduced by \$6.5 million based on economic outlook. Cumulatively, budgeted revenues decreased \$22.5 million from FY20 adopted budget. She shared that the FY21 shortfall increases to \$28.8 million after commitments, including early voting costs and utilities increase.

Chairman Ford said that there have been 1.5 percent reductions identified by staff for Fiscal Year 2021. He asked what impact these reductions will have.

Ms. Venditto said there is a hiring freeze and today is the deadline for departments to submit the 1.5 percent reductions. She said that strategies will be shared at a later date.

Mr. Ellis said the critical positions will be filled, and there is a process for staff to submit those requests.

Commissioner West asked for the revenue neutral rate explanation. Ms. Lucas said the revenue neutral rate looks at property tax revenue projections based on the growth in the current year plus the average growth over the prior 3 years. Since the 2020 figures are lower it then lowers the average revenue neutral rate.

Ms. Lucas shared the Fiscal Year 2021 balancing strategies.

Capital Program delays and reductions

Alternate one-time funding sources
Operating budget reductions

She shared the information about reducing the tax rate dedicated for debt and capital.

- Shift .28 cents of tax rate from debt and capital to operating
- Provides additional \$5.1 million to General Fund for operations
- Reduces available capital funding and requires additional debt and capital plan adjustments to maintain policy and guideline metrics

She shared a chart of the decreases to the portion of property tax revenue which decreases portion of property tax revenue transferred to debt and capital funds from 18.78 to 18.50 cents. She shared information about shifting the tax rate for funding capacities for county and WCPSS capital.

County Capital

- Delays \$52.7 million in GO bonds or LOBs:
- Next installment of PGROS; delays Beech Bluff Park and other projects by at least one year
- Public Health Center completion shifts from FY 2023 to FY 2024
- Hammond Road Annex improvements shift from FY 2024 to FY 2025
- Reduced PayGo (cash) funding available by \$1.6 million in FY 2024 - FY 2027

WCPSS Capital

- Reduce \$36.9 million in debt funding previously available in FY 2024 - FY 2025
 - Increase debt funding by \$50 million in FY 2026 to replace debt capacity lost in earlier years of CIP
- Reduce PayGo (cash) funding totaling \$16 million between FY 2022 - FY 2025
- WCPSS facilities would need to consider reduced funding in an updated plan

She shared a chart of the funding plan based on adjustments. She shared a chart of the variance by program.

Mr. Ellis said that he and the superintendent have discussed this information.

Commissioner West asked how these adjustments affect the seven year capital program.

Ms. Lucas said the major impacts were to the larger building projects, park plans, and the Hammond Road Annex by one year.

Ms. Lucas shared the consideration of ABC fund balance in Human Services and county capital plans.

Additionally, invest ABC fund balance in Human Services and county capital plans

- Support \$4 million in projects scheduled for FY21:
 - Space buildout and upfit at Oak City Center for Housing staff
 - Human Services leased buildings at Somerset and Departure Drive
 - Public Health Center planning and design (construction still delayed)
- Allows one-year reduction in property tax transfers
 - Not necessarily repeatable in future year budgets
 - Strategy utilizes currently-available ABC fund balance

Ms. Venditto shared the operation budget reductions.

Operating departments asked to identify 7 percent reductions due to revenue declines = \$30.8 million

- Three weeks to develop and consider reduction options
- County departments identified reductions for FY21 base budget expenditures and service levels
- Majority of county services are state or federally mandated
- Front-line county services seeing increased community need, driving increasing demands
- Not knowing the severity and duration of current situation, departments had to identify ongoing (not one-time) reductions

She shared that the county manager's office reviewed the 216 submitted reductions.

County Manager's Office reviewed 216 submitted reductions with a goal to minimize impact on service delivery

- Seek to take a reasonable, measured approach to reductions, minimizing service impacts from reductions submitted
- Review included whether reductions impacted mandated or discretionary services
- Overall, reductions lower organizational resiliency and ability to

adapt to any increased community needs and service levels

- Will look to restore reductions as economic conditions improve and resources become available

She shared the information after the review indicating the reductions decrease county operations by \$22.8 million.

- Personnel reductions (regular and temporary) comprise more than 40% of budget cuts
- Contracts include reductions in medical services, software licenses
- Supplies include medical supplies and library materials
- Most departments significantly reduced or eliminated training and professional development

She shared the personnel reductions to eliminate 115.5 positions that may have been frozen in Fiscal Year 2020.

- 115.5 positions eliminated
- 17.5 filled positions eliminated, which will be reductions in force
- Additionally, temporary staff reduced; handle seasonal surges in work and support professional positions with lower-level technical and administrative work

She shared the short term strategies.

Travel/Training

- Reduced both internal HR conducted trainings and external professional development
- Professional development high priority but given current travel environment, offerings likely to be limited; will seek virtual alternatives

Contracts

- Reducing professional services / temporary agency contracts
- Will work to fill gap with county staff and/ or revisit scope of services to reduce lower priority activities

Supplies & Equipment

- Defer purchases of small equipment, software and new technologies
- Prioritize spending for meeting mission critical services

- Purchases will be “must haves”; wants will have to wait

She shared that the Fiscal Year 2021 budget will not include pay increases for county employees.

FY21 budget does not include performance pay, adjustments to Living Wage or adjustment to pay ranges for any county employees

- This strategy was previously included and mentioned on April 13
- Long-term halting of market pay adjustments and performance pay impacts the county’s ability to recruit and retain top talent
- Short term strategy to close budget gap

Commissioner West asked if retirement benefits will be affected in the reductions. Ms. Venditto said those items will not be affected.

Vice-Chair Adamson asked if there could be explanation of WCPSS information. Ms. Venditto said that the presentation today would cover county departments and the capital information.

Commissioner Holmes said a living wage is important and asked the board to make that a priority once budget conditions improve.

Commissioner West asked about the ABC Board and the ongoing programs they fund in regard to whether they would continue.

Ms. Venditto clarified that the ongoing programs would continue.

Chairman Ford noted that contracts have been reduced and asked staff to elaborate on these reductions and the impacts to citizens.

Ms. Venditto said that the contract cuts would have minimal impacts on service delivery. She said further information would be provided to the board.

County Manager Ellis said that contracts augment work to allow staff to focus on other areas of importance.

Commissioner Hutchinson asked what departments the 17 positions come from. Ms. Venditto said the majority are Community Services, Information Services, and Human Resources.

Ms. Venditto shared the operating reductions by department. She shared a disclaimer*

*None of the reductions put forth are ideal, but we find ourselves in

extraordinary times. Departments had limited time to identify reductions, but have been extremely thoughtful and deliberate in their recommendations. Seven percent is not an inconsequential amount. In some departments, the impact of proposed cuts was not acceptable. In these cases, department reductions total less than 7 percent and departments did not have to provide additional items for consideration.

She shared information about Behavioral Health, Human Services, and Housing stating that the reductions had not been accepted. She said that for Behavioral Health reductions staff is unable to achieve target reduction as impact to the population served would be too great. Options are very limited.

She shared the information about reduction contributions to housing capital reserve for future projects.

Reduce contributions to Housing capital reserve for future projects; expand staff in high-demand programs.

Expand staffing for Permanent Housing and Supportive Services and Homeless and Prevention Services

- Cornerstone Program Team
- South Wilmington Street Shelter Team
- Housing Resource Team
- Intake and Assessment Phone Line and Staff

Reduce Housing Capital Reserve by \$1.9 million has limited short-term implications

- FY 2021 budget still adds \$598k to capital reserve
- Total of \$9.2 million remains in capital reserve
- No planned expenditures out of the capital reserve until FY23

She shared the Human Services reductions.

Align budget based on historical spending

Approximately half, \$3.7 million, of the HS reductions reflect alignment with historical spending patterns and will have limited impact.

Reductions are from all divisions

Minimal cuts to ESS and Child Welfare

Less than \$200k of contract reductions were taken in Economic Self Sufficiency and Child Welfare

Minimal reductions of \$100k in administration, the smallest division

Reductions in temporary staffing - all divisions

Scale back use of temporary services and eliminate vacant positions where service demands is stable (\$1.1 million)
Increase emphasis on filling vacant positions

Public Health

Slight decline in demand for services at health clinics
Public health focus on COVID-19 likely to continue in FY21
Reductions of \$400,000 in contracts and vacant positions will have limited impact

She shared the behavioral health reductions.

- Eliminate county supported contract position for court coordination added in FY20. Alliance projected to retain their equivalent position to continue coordination and diversion strategies to support the public defender, district attorney and other court offices
- Scale back school-based mental health program, cutting 2 positions from team of 15. Staff connect families to Behavioral Health services and assisting school re-entry after hospitalization and court diversion
- Scale back the Forensic Post Release Team from 4 to 2 case managers. Program helps inmates discharged from jail connect to services and intensive case management for 9 months
- Reduce contract for Adult Outpatient Services with Monarch that provides outpatient Behavioral Health treatment to uninsured adults at a Raleigh site and Wake County regional centers. Anticipate minimal service impacts based on historic spending
- Scale back Transitional Living Substance Abuse program from 24 to 18 beds. Program provides adult transitional step-down support for individual in substance use treatment

Commissioner Hutchinson asked if the reductions in behavioral health and other critical areas could be restored as soon as the budget outlook improves.

Vice-Chair Adamson asked if immunization services would be cut. Ms. Venditto said there were no reductions recommended.

Vice-Chair Adamson said that she was glad to see that there were not substantial cuts to a position in the housing department and the nursing staff in schools.

Commissioner West said that he serves on a governmental commission, the Juvenile Crime Prevention Committee, and is concerned about cuts that may affect the most vulnerable citizens.

Vice-Chair Adamson said she was very happy that none of the school nurse positions were being cut.

Chairman Ford said a prioritization plan for the budget is necessary. He asked staff if they can provide tiers of priorities.

Commissioner West asked for clarity in relation to community revitalization related to housing and the collaboration with the City of Raleigh.

County Manager Ellis said that the county has a lower AMI than the city with housing funding. He said there are continued conversations about collaboration efforts.

Commissioner Evans echoed previous comments about priorities be set for a "phasing back in" plan.

County Manager Ellis said there is one vacant public school nurse position that was eliminated.

Commissioner Holmes recommended that the nurse position be filled.

Chairman Ford echoed the need for nurses in the schools as they fill many roles supporting students needs. He commented that there would be additional need for social workers.

Ms. Venditto shared the reductions for the Public Safety Department. She said reductions were not accepted that affected clinical outcomes.

Ms. Venditto said Emergency Medical Services (EMS) currently maintains minimal coverage during peak morning and late evening. She shared a chart and said that the reduction of units would have unacceptable impacts.

She shared the EMS reductions.

FY20 Expansions

Reduced FY20 expansions that were not yet implemented:

- 12-hour peak load unit ambulance

- Contingency funding for 911 dispatch improvements

Training & Supply Reductions

Reductions in research capacity, uniforms, equipment & supplies, and non-essential training, quarterly training

Internal Paramedic Program

Reduces by half, EMS recruitment and workforce development program: 6 FTEs (4 - Wake County; 1 - Cary; 1 - Eastern Wake)

Eliminated 2 Peak Load Units

- Eastern Wake unit staffed with temporary employees
- One county unit: 2 Paramedics and 2 EMTs

Merge non-profit squad into County

Merge Cary and Eastern Wake EMS contract agencies into positions in county. No impact on service delivery with savings of \$573,000.

Last remaining non-profit squads: Garner, Six Forks and Apex all consolidated.

Eastern Wake EMS resulted from consolidation of Zebulon, Wendell and Rolesville

Ms. Venditto shared the Sheriff's office reductions without reducing manpower.

Eliminate long-term vacant positions in Sheriff's Office to reduce costs without reducing current manpower

FY20 Expansions

Eliminating vacant positions added in FY20 budget in the Detention Medical Unit

- Three nurse positions
- One Certified Nurse's Aid position

Eliminating vacant positions

Eliminating four deputy sheriff positions, one deputy sheriff major, one chief of operations, and one detention captain, widening span of control

FY17 Expansions

Eliminating 34 of the 71 long-term vacant detention officer positions; a majority of which were added in FY17 as a measure to limit overtime from backfilling officers who were in training or on leave; detention officers are a difficult position to recruit and retain

Travel and Training

Reductions in travel and professional development

Commissioner Calabria asked if there is an increase in COVID-19 ambulance trips and whether there is federal assistance.

Ms. Lucas said there has been some Medicaid reimbursement. She said there are fewer car accidents and a decrease in calls due to less traffic.

Commissioner Calabria asked about the nurse vacancies in jail and whether these vacancies will impact the care of the incarcerated.

Ms. Venditto said the vacancies of nurses in the jail are positions that have been vacant for a year.

Chairman Ford asked if the lack of nurses in the jail is a recruitment and retention issue.

County Manager Ellis said that he was unsure of the retention issue, but he is working closely with the Sheriff on these positions.

Commissioner Holmes echoed Commissioner Calabria's comments and said that the deaths in the jail were not inmates that were on death row. She said during the COVID-19 pandemic there is need for additional resources and personal protective equipment. She said adequate health care and nurses are critical in these areas.

Commissioner West expressed his concern of some of the programs that are "faceless" and particularly the jails. He asked if a study has been performed for the best results in the climate of staff in the jails.

Ms. Venditto said she was not aware of a study, but staff can provide this information to the board if the Sheriff's Office has conducted one.

Commissioner Hutchinson suggested if funding from the Cares Act can be used to assist with services that are needed in the jail. He suggested tele-health opportunities.

Ms. Lucas said that allocation of expenses for social distancing can be used in the jail if funding is not already in the budget for them. She said that those positions were already identified in the budget. She said that staff can look at the tele-health opportunities. She said that she would provide information once it is received from staff.

Commissioner West asked if any studies have been done with the

detention staff to gauge the working climate. County Manager Ellis said there have not been any studies conducted.

Commissioner West said some of the churches have applied for the business assistance resources and asked whether there is a department in the county that are looking at federal and state grants that may be available to assist the county.

County Manager Ellis said the Ferguson Group is researching the available assistance to the county.

Ms. Venditto shared the City-County Bureau of Identification (CCBI), Fire and Emergency Management reductions.

CCBI

Elimination of a Civil ID Specialist and Latent Print Examiner; may impact wait times and backlog in the Crime Laboratory

Fire & Emergency Management

Fire Training Center: Reducing operating budget; facility usage has decreased in recent years due to increased virtual/online training and mobile training props.

Various reductions in overtime, non-essential travel and training, supplies and materials.

She shared information on the CCBI fingerprinting fees.

CCBI target submission included increase in fingerprinting fees to capture higher percentage of costs

- Increase CCBI Civil Fingerprinting Fee for first set of fingerprints from \$15 to \$30
 - Generates additional \$325,000
 - Civil Fingerprint Fees have not been increased since 1998
 - Civil fingerprinting is a non-mandatory service provided by the county
 - Examples of civil fingerprinting services include: ABC Licensing, Bar exam candidates, Child care/daycare services, Nursing licensing, Lottery licensing, Precious metals licensing, Visa applications, and other employment related requests

Ms. Venditto shared that the Community Services and Environmental Services reductions were not accepted.

Environmental Services: Reduction in Food and Institution inspection staff who complete mandated health and safety inspections would increase public health risks

Reduction in Water Quality staff would negatively impact ability to meet state mandated inspections and permit turnaround time goals

Ms. Venditto shared the Environmental Services budget reductions in targeted non-mandated areas and discretionary line-items.

Animal Services

Eliminate Animal Control officer dedicated to trap and release to community cat caregivers

Limit after hours animal care and relief vet coverage and reduce overtime to emergency only

Discontinue testing for feline leukemia

Greater reliance on donations for specialized bloodwork and some supplies

Water Quality

Reduce purchase of technology/supplies supporting field staff responsible for permitting and inspections

Department wide

Decrease temporary staffing at Customer Service Center assuming decreased workload from COVID-19 and temporary staffing support

She shared that the Environmental Services target submission included a \$25 fee increase for pool permits to protect against public health risks.

Annual Pool Permit Fee of \$275 supports:

- Initial permitting of pools
- Enforces Wake pool ordinance through routine pool inspections, complaint response and outbreak mitigation

Propose raising fee by **\$25 to \$300** to continue support of the program, fee has not been adjusted in the past 17 years

Ms. Venditto shared the Community Services library reductions.

Community Services' largest division is libraries - impossible to achieve 7 percent without impact to libraries.

1. Modify library schedule opens libraries an hour later and closes an hour earlier. New schedule would have libraries open:
 - Monday through Thursday 10am - 8pm
 - Friday and Saturday 10am - 6pm
 - Sunday 1pm - 5pm

Reduces 210 hours of library availability and 32 library staff

1. Reduce library book budget by 15% (\$700,000) and backfill this amount with available capital funding - no FY21 impact
2. Eliminate the public Wake County Public Library Book Sale and instead sell surplus books through discount reseller

Ms. Venditto shared that there were no Board of Elections budget reductions accepted.

- Total Budget of \$5.0M; 0.3 percent of budget
- Reduction target of \$348,000
- no cuts accepted
- Preserve ability of Board of Elections to conduct open and fair elections; no reductions made to elections
- November election projected to have large turnout with President and Governor on ballot
- Board of Elections still working to understand COVID-19's impact on upcoming election and early voting
- Likely to require amounts beyond current budget but will be lobbying for additional state funding for any election mandates

Commissioner Calabria asked if the comparisons of the Board of Elections budget is based off the past year budget and whether keeping the budget the same is a reduction.

Ms. Venditto said there is an annual allocation in the budget each year and early voting funding is funded in full.

Commissioner Calabria said the State Board of Elections has made recommendations to the General Assembly regarding adapting to COVID-19 and other budget implications. He said that based off of projections more funding may be needed for payment for absentee requests, salaries related to poll worker, matching funds, and hosting outside persons including schools and nursing homes.

Ms. Lucas said the CARES ACT funding does not cover voting funding. She said there are Help America Vote Act (HAVA) funds that have been

given to the state for some of the mentioned additional costs.

Vice-Chair Adamson said she was pleased the Sunday hours in libraries would be continued. She asked if the children's and adult programming would be continued. She asked about staff reductions in the libraries.

County Manager Ellis said programming would be kept. Ms. Venditto said she will follow up about staff reductions.

Vice-Chair Adamson asked about the feline leukemia and how it will affect the day to day operations of the Animal Care Center. County Manager Ellis said he would follow up on this and get back to the commissioners.

Ms. Venditto said that most of the General Government reductions were accepted in the budget and the majority of general government departments were able to achieve the 7 percent reduction target.

She shared the Tax Administration and Information Services reduction impacts.

Tax Administration meeting 7 percent required elimination of two Tax Agents. Tax Agents support tax collections and during challenging economic times, these positions are essential.

Information Services (IS) budget includes contracts and licenses that support County-wide operations including:

- Email accounts
- Financial, HR, budget, land development, and other systems
- Telephone, network, and security systems
- WakeGov.com

IS budget preserved to the extent possible to minimize disruption of operations.

Ms. Venditto shared the charts of accepted departmental reductions which reflected that the accepted reduction requests have a net impact of \$22.8 million, 4 percent reduction from the base budget.

She shared the Community Organizations proposal.

The Board of Commissioners agreed to increase the Community Organization budget to \$2,000,000 for FY21; in the current base budget. Proposed new amount of \$500,000 would provide \$1,500,000 in reductions beyond department items.

Chairman Ford asked if the Community Organizations funding included housing and food scarcity parameters. He asked whether these

organizations would be notified formally about the funding soon.

County Manager Ellis said food scarcity was included. Ms. Venditto said the organizations would be notified.

Commissioner West asked about priorities that are being made toward the Community Organizations since the City of Raleigh put forward \$1 million toward these efforts.

County Manager Ellis said he was not familiar with the funding from the City of Raleigh.

Commissioner Calabria said the food security and core food programs are still being continued and highlights the importance of these programs. He asked if the CARES ACT is limited to small businesses and what is the definition of "small."

Ms. Lucas said the definition of the Small Business Administration would be used.

Commissioner Calabria asked if non-profits were excluded.

Ms. Lucas said the county can use the CARES ACT funding for non-profits but cannot duplicate the support in the budget.

Commissioner Calabria suggested creative ways to assist partners.

Commissioner Holmes said the non-profit funding should focus on food security and housing. She said there are many partners and supporting them are of priority.

Commissioner Hutchinson agreed that food security is of importance. He said all of the organizations have a great impact in the community and asked if ABC funding can be used toward these community organizations.

Ms. Venditto said that staff will look at the potential of using the ABC funding.

Vice-Chair Adamson said the majority of the community funding cuts would be from the arts. She said that an Artist Relief fund has been started by the United Arts Council and so far it has \$70,000 from private donations with approximately \$2 million in need identified.

Commissioner West said there are the "haves and have nots" and there are a lot of needs and said that it is important to focus on the funding for the persons that need it most "not a hand out, but a hand up."

Commissioner Holmes echoed Commissioner West's comments and said the poorer communities and the most vulnerable populations should receive their fair share. She supports housing and food first on her list. She said that a small business owner needs services, but the employees do not receive the benefit from the funds. She said she supports organizations that feed clothe, and provide support to its citizens.

Chairman Ford said a budget is about values, priorities, and choices and its consequences. He asked County Manager Ellis for his approach toward the values.

County Manager Ellis said the board priorities assist with the budget direction. He said there are mandated services and recognizing the key community values are key.

Ms. Venditto said in relation to the submitted reductions there was a focus on minimizing the citizens customer service impact. She said the reductions were measured. She said there were short and long-term approaches.

Chairman Ford said the impact of COVID-19 has had a impact on people of color and those in unfortunate situations. He said the job of the Board of Commissioners is for a cooperative, proportionate approach with a specific mindset.

Commissioner West noted that a community activist meeting recently took place. He said that if the county doesn't respond to certain situations, then there will be consequences.

Commissioner Hutchinson said that there are residents that are hurting and the board will do what it can during difficult times. He thanked all service staff who are helping people during this time. Food security and housing must come first, he said there are many areas that need to be funded.

Commissioner Holmes reiterated that prioritization is key in meeting the housing and food areas.

Commissioner Hutchinson said that all of the areas have significant importance to the community and deserve to be considered.

Commissioner West said there is no time for foolishness for the citizens that have the largest needs in this critical time.

Chairman Ford said the board is at a place where they have to make some hard decisions. He quoted Maya Angelou, "We are more alike my friends than we are unlike." He said the funds are Wake County dollars that are being returned back to the Wake County citizens. It is an opportunity to reinvest them.

Vice-Chair Adamson said that it is sad that cuts must be made, but she agrees that food insecurity, housing, and clothing are of importance. She said she had additional questions that she would forward to staff for answers.

Vice-Chair Adamson said that the Stay-At-Home order expires today. She said it feels like a decade ago, there were thought processes from the experts about the decision to follow the governor's order, and asked if the board could receive updates from those experts again.

County Manager Ellis said that staff is working on that now.

Vice-Chair Adamson says that she hopes the state and federal government realize as they look at their budgets how important the schools are.

Commissioner Evans said she appreciated the thoughtful approach by staff and the approach the board has toward the community. She said she staff's prioritization has been in the right place. She said that the schools are important and is confident that the board will do what it can towards their funding.

Ms. Venditto shared the summary.

- We find ourselves in extraordinary and uncertain times
- Identified multiple strategies to address the FY21 budget short-fall
- Departments have been thoughtful and deliberate in their 7 percent target recommendations with limited time
- Sought a reasonable, measured approach to reductions, minimizing service impacts from reductions submitted

She shared a chart of the next steps.

The County Manager will be working closely with departments and our education partners over the next several weeks to identify his priorities in developing a recommended budget, which will be presented on May 18, 2020. His recommendation will be followed by work sessions and public hearings before you are asked to adopt your budget the second meeting in

June, 2020.

Chairman Ford thanked staff for their preparation and what is to come. He said in every crisis there is opportunity and responsibility.

County Manager Ellis said that the budget will have pain, but the budget will be about the priorities of the board and the community.

The meeting went into recess, then the meeting reconvened.

Adjourn

The meeting adjourned at 1:13 p.m.

Respectfully submitted,

Denise M. Hogan, NCMCC
Clerk to the Board
Wake County Board of Commissioners



Legislation Details (With Text)

File #: 16-2813

Type: Regular Item **Status:** Agenda Ready

On agenda: 4/30/2020 **In control:** Board of Commissioners

Title: Agenda **Final action:**

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Work Session 4.30.2020 FINAL.pdf](#)

Date	Ver.	Action By	Action	Result
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Agenda



Legislation Details (With Text)

File #: 16-2814

Type: Regular Item **Status:** Agenda Ready

On agenda: 4/30/2020 **In control:** Board of Commissioners

Title: FY2021 Budget Outlook **Final action:**

Sponsors:

Indexes:

Code sections:

Attachments: [Special Work Session FY21 Budget Final.pdf](#)
[User Fee Policy.pdf](#)

Date	Ver.	Action By	Action	Result
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FY2021 Budget Outlook