

County Expansion Requests

In this section, staff will:

- Overview the approach of evaluating County department expansion request analysis, presentation and County Manager's Office review and
- Share department requests and preliminary recommendations within the context of commitments, risk management, maintaining / improving service, new services

Budget Process



How are expansions evaluated?

Expansion requests are additional funding beyond the Target Base Budget to maintain, improve or expand services to advance service delivery goals

Requests are expected to align with Business Plans and demonstrate progress toward outcomes

Departments provide details on program structure, new positions, equipment, and objectives

Alignment with Board Goals is evaluated

Departments justify requests with standardized business case questions

1. What problem does the department aim to solve?
2. How does this request relate to the department's business plan and targeted outcomes/metrics?
3. Who will this expansion serve and how will it improve services?
4. Which Board Goals does this expansion relate to and how will the proposal achieve the goal?
5. How does the County currently address this problem and/or provide this service?
6. What is the solution proposed and estimated in this expansion request?
7. How is this expansion related to the projected demand for future services?
8. How would the outcomes be measured?
9. What alternatives were considered?
10. Describe proposed responsibilities and duties for new position requests. Provide each major intended function, and the percentage of time devoted to each function.

Link between Board Goals and County Functions

			Board Goal Areas						
	Fund Type	Function	Social & Economic Vitality	Public Safety	Growth & Sustainability	Community Health	Great Government	Economic Strength	Education
County Operations	General Fund	Public Safety							
		Human Services							
		Behavioral Health (Alliance)							
		Community Services							
		Environmental Services							
		General Services							
		General Government							
		Transfers							
	Other Funds	Housing							
		Fire Tax District							
		Solid Waste							
Education (From GF)	Oper'g	WCPSS							
		Wake Tech							

Budget and County Manager's Office review done in two phases

Business Planning meetings in fall of 2018 to review service delivery trends, challenges

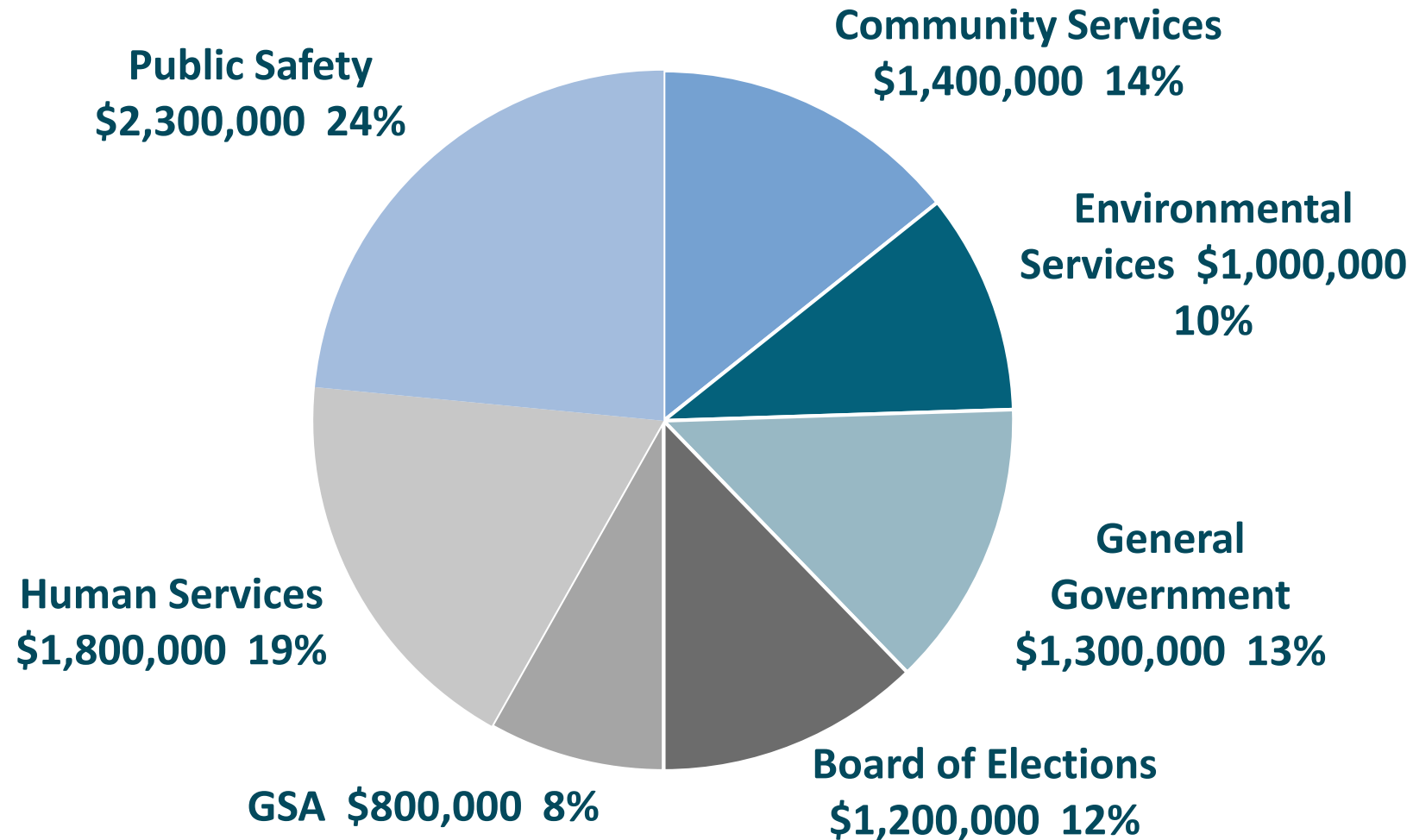
Budget and Management Services staff review all base budgets, expansion requests, user fee requests, and revenue projections

Targeted meetings with County Manager's Office, Budget and Management Services and departments requesting expansion funding

All County Operation Expansion Requests

	FY19 Requests			FY19 Preliminary Recommendation		
Requests	# of Requests	FTE	FY19 Request	# of Requests	FTE	FY19 Recommended
County Operations	113	103.45	15,000,000	90	87.45	9,800,000
Behavioral Health	9	-	3,600,000	9	-	3,400,000
Public Agencies	6	-	1,500,000	-	-	-
Performance Pay	1	-	5,900,000	1	-	5,900,000
Housing	6	5.00	6,500,000	6	5.00	6,500,000
Total	135	108.45	\$32,500,000	106	92.45	\$25,600,000
Corresponding Revenues			\$11,200,000			\$10,800,000

County Department Expansion Preliminary Recommendations by Function total \$9.8 million



Department Requests Categorized

Commitments – Previous actions; capital commitments from prior year approved projects, mid-year changes, annualizations of partial year funding

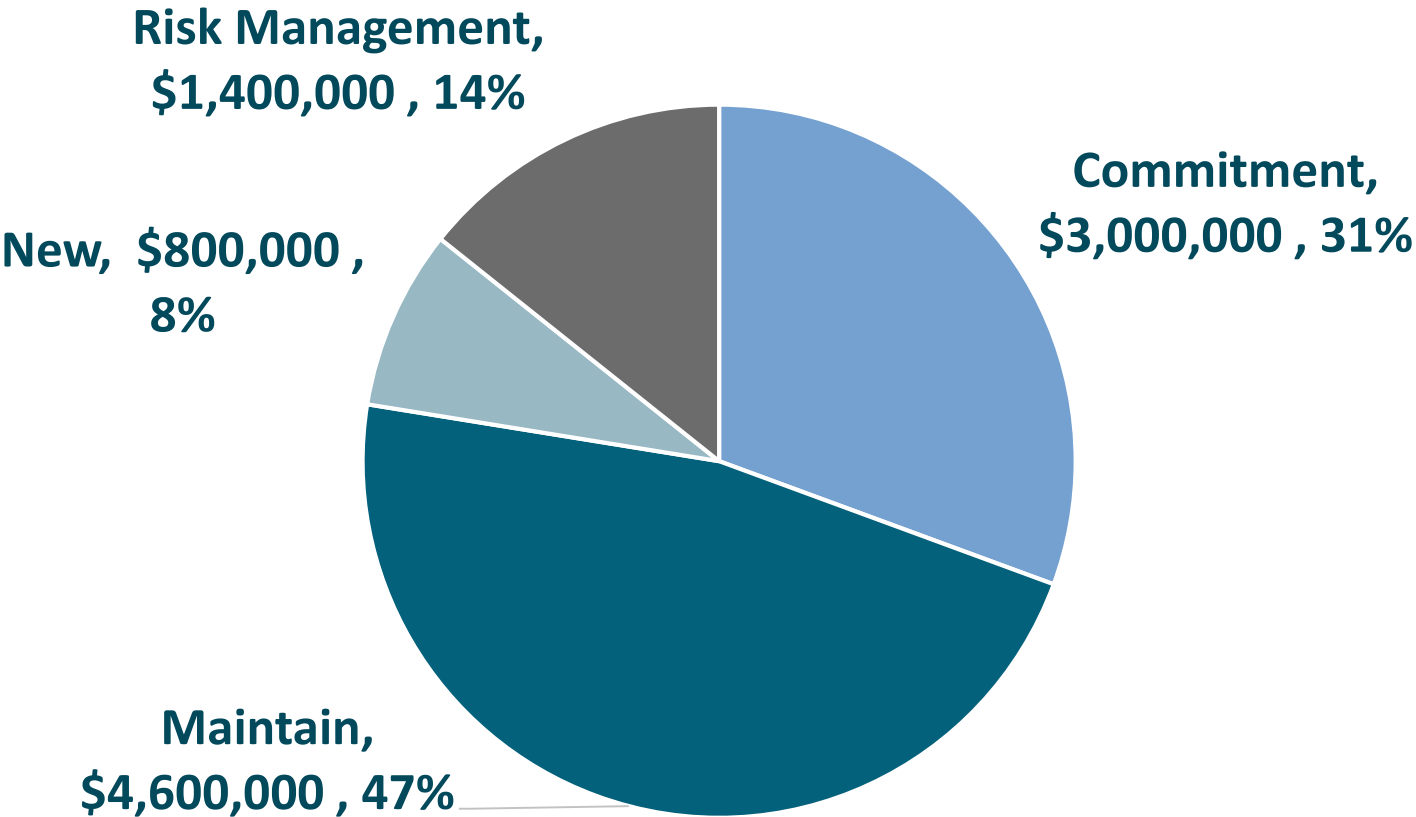
Risk management – Mitigate risk, comply with regulations, or replace technology reaching end-of-life, reduce fraud, waste or abuse

Maintain – Continue service at current level, meet increased demand from customer service growth or increasing complexity of rules and regulations

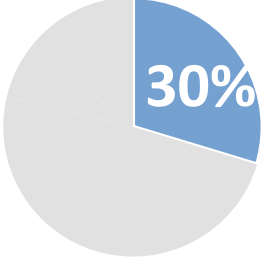
New – Enhanced or new services that will yield increased productivity or quality of services, achieve cost savings, or address an emerging need

Largest portion of County department preliminary recommendations are to maintain service levels

Total: \$9,800,000

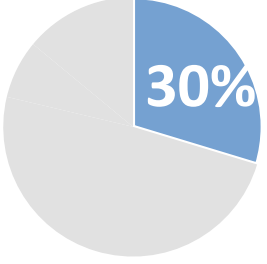


Commitments



Theme	# of Requests	FTE	FY19 Cost	FY19 Revenues	Recurring Cost
Capital Projects Obligations	7	-	1,200,000	-	400,000
Multi-Year Service Plans	4	2.00	500,000	-	500,000
Opening New Facilities	3	-	200,000	-	200,000
New Libraries	6	22.00	1,100,000	-	1,100,000
Total	20	24.00	\$3,000,000	-	\$2,200,000

Commitments



Capital Projects Obligations

Replace 13 year old Board of Elections Voting Equipment

Ongoing Operating costs for IT Projects implemented

Capital Projects Obligations

Staffing or Utilities for:

Turnipseed Nature Preserve

EMS New Hope Station

Oak City Multi-Services Center

Opening New Facilities

Revenue - Real Estate Appraisers for moving to 4-year Reappraisal Cycle

Increase in Elections Early Voting to 17 Days

Multi-year Service Plans

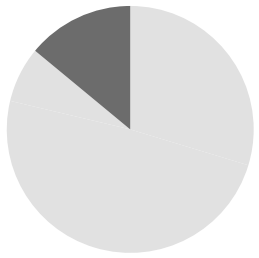
Cary Regional Library

Morrisville Library

Wake Forest Library

Risk Management

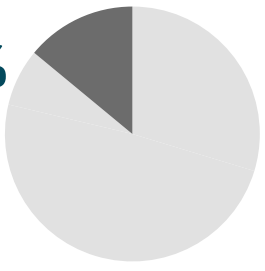
14%



Theme	# of Requests	FTE	FY19 Cost	FY19 Revenues	Recurring Cost
Cash Handling	2	1.00	100,000	-	100,000
Technology	3	2.00	300,000	-	300,000
Regulatory Compliance	9	13.50	1,000,000	300,000	900,000
Total	14	16.50	\$1,400,000	\$300,000	\$1,300,000

Risk Management

14%



Cash Handling

Increase oversight of cash handling by adding a Revenue Manager to oversee continued centralization of cash receipts

Funding for an annual external audit of Register of Deeds

Technology

Redesign 5 Year old WakeGov.com built on technology reaching end of life

Change Management and Communications Specialist to enhance roll-out of new technologies org-wide

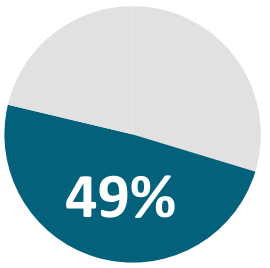
IT Engineer to mitigate key person dependency for critical Financial, Payroll and HR systems

Regulatory Compliance

Meet timeliness and accuracy requirements set by the federal and state agencies

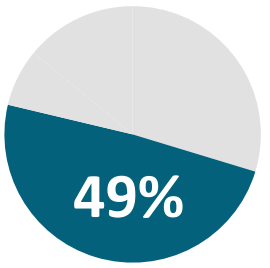
- Adult protective services 30-45 day mandated timeframe
- 95% Food and Nutrition Services applications and reviews
- Communicable Disease mandated 30 day reporting and investigation
- 5 day state mandated timeliness requirement for vital records

Maintain



Theme	# of Requests	FTE	FY19 Cost	FY19 Revenues	Recurring Cost
Environmental Services	10	7.00	1,000,000	300,000	800,000
General Government	13	5.00	700,000	0	600,000
Human Services	8	10.25	700,000	100,000	600,000
Public Safety	11	15.00	2,200,000	0	1,500,000
Total	42	37.25	\$4,600,000	\$400,000	\$3,500,000

Maintain



General Government

Contract increases unable to fund in the base
Elections Specialist and Mapping Technician to
respond to increase in population, staffing
requirements and jurisdictional modifications

Environmental Services

Preserve water quality through increased
inspections and testing
Extend Animal Control emergency response

Human Services

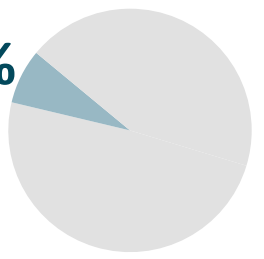
Physician Extender in Health Clinics to increase
clients served
Continue Recovery Court to assist high-risk,
high-need adults in the criminal justice system

Public Safety

Staff and deploy two additional ambulances,
first new units added since 2014
Increase recruitment efforts for hard-to-fill
vacancies in EMS and Sheriff's Office

New or enhanced services

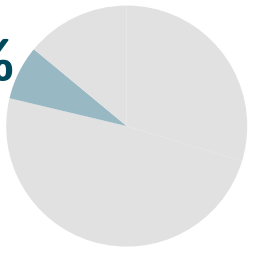
7%



Theme	# of Requests	FTE	FY19 Cost	FY19 Revenues	Recurring Cost
Expand Services	1	1.50	100,000	-	100,000
Innovative Solutions	4	2.00	300,000	100,000	200,000
Investments	9	6.20	400,000	100,000	400,000
Total	14	9.70	\$800,000	\$200,000	\$700,000

New or enhanced services

7%



Expanded Service

Open Sunday hours at Holly Springs, Leesville, and Middle Creek Large Community Libraries

Innovative Solutions

IT Business Analyst to assist county departments with improving the efficiency and effectiveness of operations

Pilot program with the Triangle Land Conservancy for an urban agricultural farm at Walnut Hill Preserve

Investments

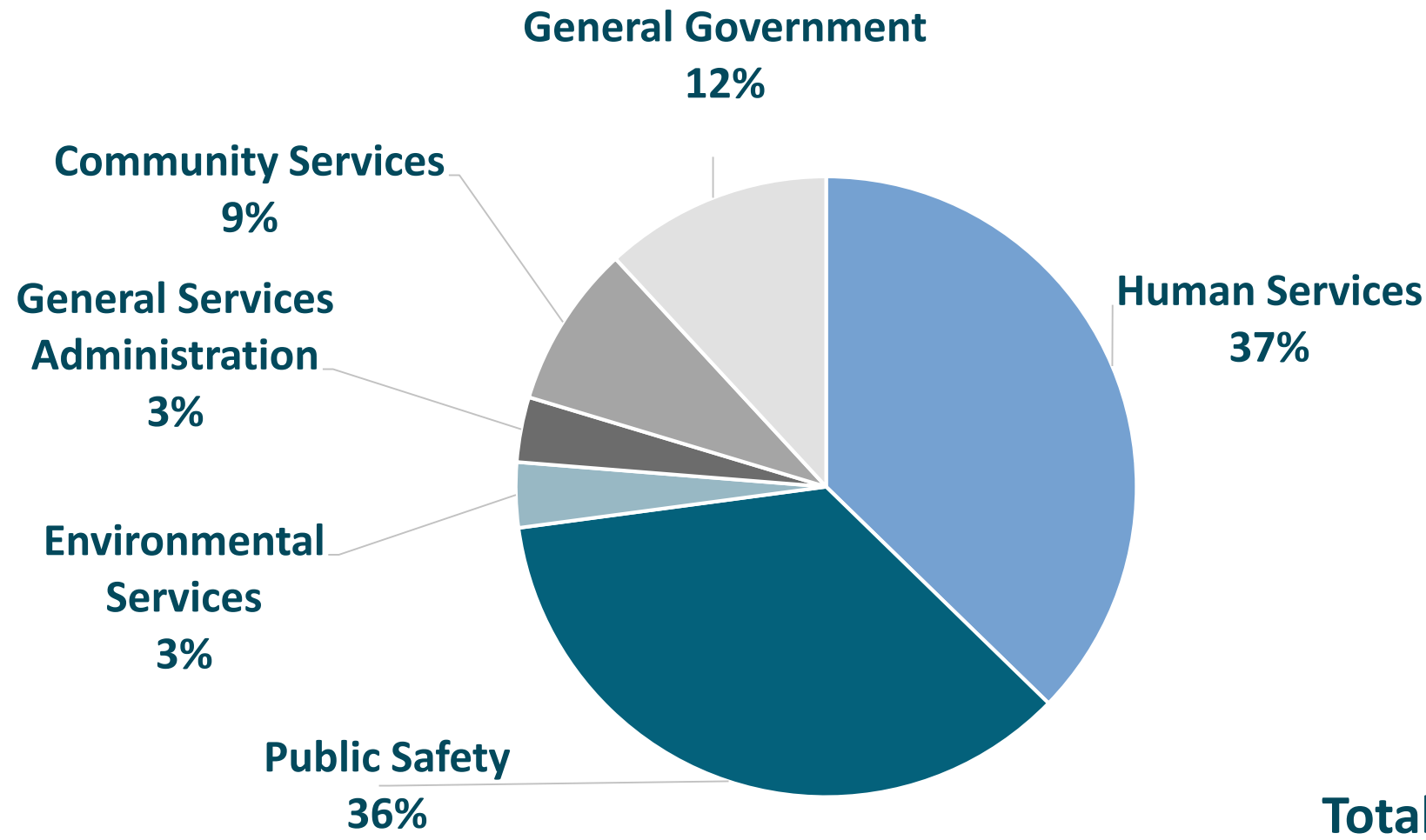
Human Resources Consultant to develop and deliver training for 800 county-wide supervisors and managers

Digital media asset tool to create central repository for photos and graphics

Preliminary recommendation for County department expansion requests by category

Theme	# of Requests	FTE	FY19 Costs	FY19 Revenues	Recurring Cost
Commitments	20	24.00	3,000,000	-	2,200,000
Risk Management	14	16.50	1,400,000	300,000	1,300,000
Maintain	42	37.25	4,600,000	400,000	3,500,000
New/Enhanced	14	9.70	800,000	200,000	700,000
Total County Departments	90	87.45	\$9,800,000	\$900,000	\$7,700,000

Cost of 3% performance pay increase allocated by expenditure function totals \$5.9 million for ¾ of a year



Total: \$5,900,000

Plan to use \$3.4 million of fund balance to maintain and start new projects for Behavioral Health

Maintain

Independent Living to stabilize frequent users of community services; 8 efficiency units designed for 3-5 month stays

School-based ACE Program to disrupt the school-to-prison pipeline for at-risk school youth; 85.5% not using after 30 days

Partial Hospitalization Program to reduce length of stay in inpatient facilities; 97% not readmitted to hospital

Consultant Contracts to implement a developing Behavioral Health Plan

New

Behavioral Health Urgent Care to provide triage, referral, and initial treatment; goal is to have results like Carolina Outreach in Durham where 89% were seen the same day and most discharged with meds

Mobile Crisis for First Responders to manage crises, de-escalate, and provide mental health first aid; goal is to have results like Austin, TX where 63% avoided transport to facility

School-based Mental Health Team to add 4 care coordinators to enhance focus on pre-K, K, and I/DD children, family engagement

Behavioral Health fund balance is the source of revenue

Requested Projects	Planned and Requested Use of Fund Balance	Remaining Fund Balance
FY2018 Beginning Fund Balance		\$14,417,533
Reserved Funding for FY2018 Contract with Alliance Behavioral Health (ABH)	(\$1,004,000)	\$13,413,533
1/16/2018 Approved Board Action		
Permanent Supportive Housing Technical Assistance, Consultant Services for Special Projects, Predictive Analytics/Identifying Familiar Faces Project	(\$325,000)	\$13,088,533
Future Planned Projects		
FY2019 Budget Request	(\$3,437,140)	\$9,651,393
Permanent Supportive Housing – Capital and Operating Support	(\$8,000,000)	\$1,651,393
Adult Crisis Services Facility Support (request from ABH)	To Be Determined	-

Public Agency requests total \$1.5 million

Agency	FY18 Budget	FY19 Total Request	FY19 Change
North Carolina Symphony	100,000	100,000	-
Wake County Arts Council	488,864	550,000	61,136
East Wake Education Foundation	50,000	60,000	10,000
Communities in Schools	100,000	100,000	-
Marbles	650,000	650,000	-
Wake County SmartStart	588,592	1,886,512	1,297,920
Universal Breakfast	199,000	199,000	-
Interfaith Food Shuttle	20,000	25,000	5,000
Food Bank of Eastern & Central NC	6,000	12,000	6,000
InterAct	75,000	100,000	25,000
Advocates for Health in Action	-	100,000	100,000
Legal Aid	50,000	-	(50,000)
Total	\$2,327,456	\$3,782,512	\$1,455,056

Housing


In this section, we will review the beginnings of implementing the Housing Affordability Plan to include:

- **Current funding sources**
- **Cost of implementing the plan in priority order**
- **Future funding needs**

Affordable Housing Plan is the roadmap over the next 20 years

- Adopted by Board on October 16, 2017
 - 56,000 working families unable to find housing that's affordable (making less than \$39,000 per year)
 - This will grow to 150,000 in 20 years (if status quo)

Initiatives underway

- 
- Preserving & Increasing Affordable Housing:
 - Permanent Supportive Housing – Requests for Interest (RFI) in process
 - Preventing & Reducing Homelessness:
 - Women's Shelter – CDBG funding committed

Currently, there are three funding sources totaling \$13.5 million

1

General Fund

Largely County Human Services dollars

- South Wilmington Shelter
- Cornerstone
- Supportive Housing
- McKinney Team

2

Housing Fund

Largely Federal dollars

- CDBG
- HOPWA
- HOME
- Shelter Plus Care

3

County Transfer

County dollars transferred from Capital Budget (will be

Source	FY18
General Fund	\$5.8M
Housing Fund	\$6.2M
County Transfer*	\$1.5M
Total	\$13.5M

*Slides going forward include \$1 million county transfer as part of the base, \$525,000 is one-time and excluded.

Preserving & increasing Affordable Housing initiatives would add at least 500 units per year at a cost of \$8.7 million

Type of Funding	FY18	FY19	FY20	FY21
Ongoing	\$2.6M	\$4.7M	\$9.3M	\$11.8M
One-time	\$0.5M	\$2.1M	\$2.0M	-
Total	\$3.1M	\$6.8M	\$11.3M	\$11.8M
Additional each year		\$3.7M	\$4.5M	\$0.5M

- Increased production of tax credit rental stock could lead to 80-300 new units per year
- Creation and execution of Acquisition and Preservation Fund could lead to 400-700 new units per year
- Affordable Homeownership Program could add 5-15 new homes annually
- Permanent Supportive Housing would provide higher level of onsite care, reducing repeat problems
- Land Use & Disposition could lead to 500 ADU's and 5,000 units total from land disposition

Preventing & reducing homelessness for women initiatives would add 37 beds at a cost of \$700,000 in increased recurring operating support

Type of Funding	FY18	FY19	FY20	FY21
Ongoing	\$8.5M	\$8.7M	\$9.2M	\$9.2M
One-time	-	\$2.0M	-	-
Total	\$8.5M	\$10.7M	\$9.2M	\$9.2M
Additional each year		\$2.2M	(\$1.5M)	-

- Acquisition and rehabilitation of Urban Ministries property to add 37 beds for homeless women
- Ongoing operating to support opening of new women’s shelter

Proposing increased operational support by nearly \$1 million

Type of Funding	FY18	FY19	FY20	FY21
Ongoing	\$1.7M	\$2.3M	\$2.4M	\$2.6M
One-time	-	-	-	-
Total	\$1.7M	\$2.3M	\$2.4M	\$2.6M
Additional each year		\$0.6M	\$0.1M	\$0.2M

- Maintain relationships with partners, clients and colleagues to implement 20-year, Affordable Housing Plan
- Identify opportunities, report outcomes and ensure program compliance
- Supervise housing development, rehabilitation, community revitalization
- Escalation costs in development, programming, staff investments

Initiatives identified will require increased recurring funding of \$10.3 million

Type of Funding	FY18	FY19	FY20	FY21
Ongoing	\$12.9M	\$15.8M	\$20.9M	\$23.7M
One-time	\$0.5M	\$4.1M	\$2.0M	-
Total	\$13.4M	\$19.9M	\$22.9M	\$23.7M
Additional each year		\$6.5M	\$3.1M	\$0.7M

- Maintain relationships with partners, clients and colleagues to implement 20-year, Affordable Housing Plan
- Identify opportunities, report outcomes and ensure program compliance
- Supervise housing development, rehabilitation, community revitalization
- Escalation costs in development, programming, staff investments

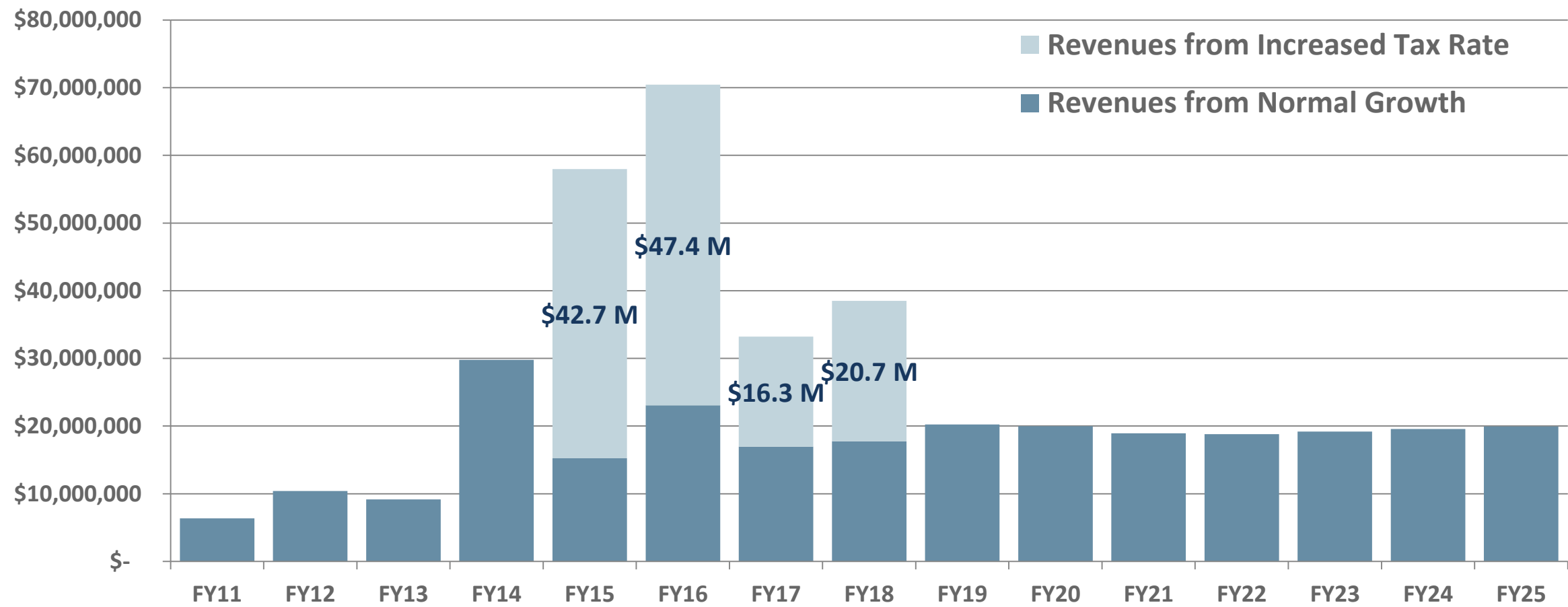
ABC funds available for FY19 but long-term funding strategy is needed

Projects	Planned and Requested Use of ABC Revenues	Remaining ABC Revenues
FY2017 Ending Balance		\$8.0M
FY2018 Adopted Budget Commitments		
Drug Overdose and Tobacco Prevention Program (Year 1)	(\$0.3M)	\$7.7M
Sheriff Inmate Program	(\$0.1M)	\$7.6M
Housing Emergency Assistance	(\$0.1M)	\$7.5M
Future Planned Projects		
Drug Overdose and Tobacco Prevention Program (Year 2)	(\$0.6M)	\$6.9M
FY2019 Budget Request	(\$6.5M)	\$0.4M

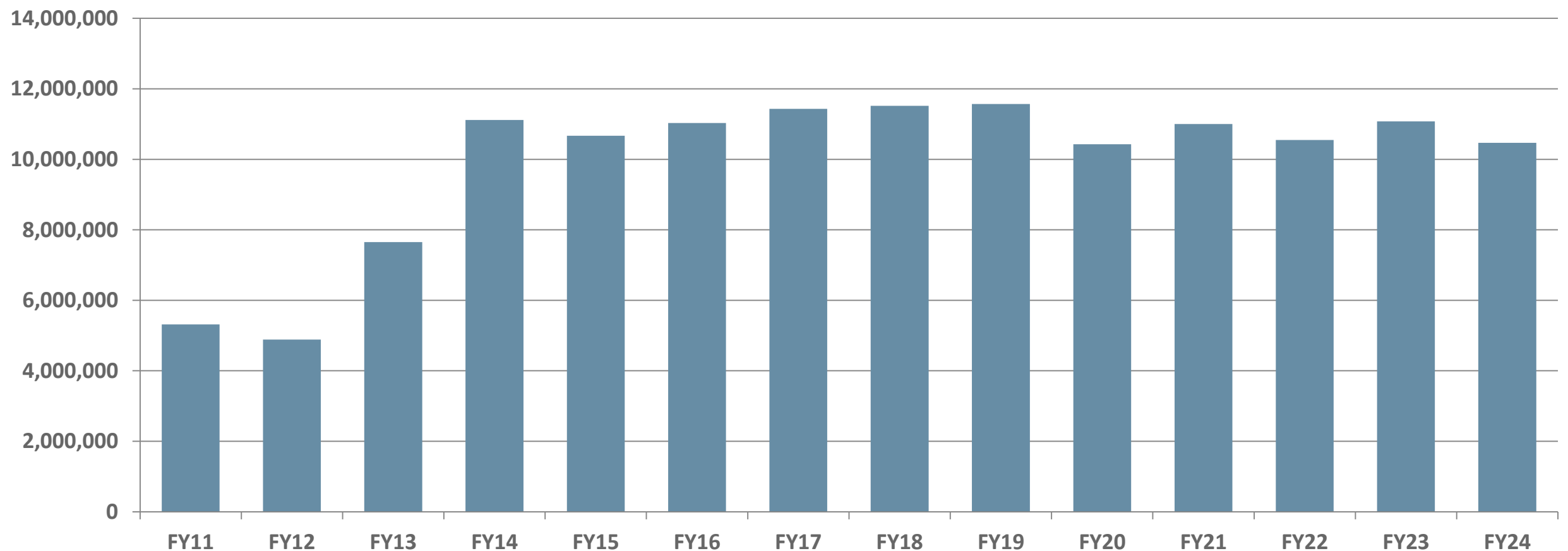
Multi-year Operating Forecast

In this section, we will discuss the preliminary County Operations recommendations, Wake Tech request, WCPSS Formula scenario and increases for the Housing Plan within the context of projected revenue.

Annual new property tax revenues, without a tax increase, has been between \$15 and 20 million



Annual new sales tax revenue has been in the \$11 million range



Revenue and expenditure assumptions drive the 5 year projection

	FY19	FY20	FY21	FY22	FY23
Revenue Projections					
Property Tax	2.30%	2.20%	2.00%		
Sales Tax*	6.5%	5.5%	5.5%	5.0%	5.0%
Other Revenue	Current Estimate	2.0%			
Expenditure Projections					
County Operations	Preliminary Recommendations	FY19 Per Capita			
Housing	Proposal Estimates			Plus \$1M	Plus \$1M
WCPSS	Inflation Formula Scenario				
Wake Tech	Request	FY19 Per Capita			
Debt & Capital Transfers	Debt Model				

*FY19 Based on Current Year Projection

Normal revenue growth is unable to accommodate forecasted scenario

			Projections			
	2018	2019	2020	2021	2022	2023
	Adjusted	Prelim Rec				
Revenue Forecast	\$1,229	\$1,277	\$1,299	\$1,333	\$1,367	\$1,401
Expenditure Forecast						
County Operating	\$465	\$489	\$499	\$510	\$520	\$530
Increase in Transfer to Housing		\$7	\$10	\$10	\$11	\$12
Wake Tech - Operating	\$21	\$26	\$26	\$27	\$27	\$28
WCPSS - Operating	\$431	\$460	\$481	\$502	\$523	\$551
<i>Debt & Capital - County, WCPSS, Wake Tech</i>	<i>\$312</i>	<i>\$322</i>	<i>\$331</i>	<i>\$339</i>	<i>\$348</i>	<i>\$356</i>
Total Expenditure Forecast	\$1,229	\$1,304	\$1,347	\$1,388	\$1,429	\$1,477
Surplus (Gap)	\$0	-\$27	-\$48	-\$55	-\$63	-\$76
Property Tax Revenue Per Penny	\$14.3	\$14.6	\$15.0	\$16.9	\$17.3	\$17.7
Cumulative Increase in Tax Rate to Close Gap (cents)		1.83	3.20	3.23	3.62	4.31

Comparing scenario to available revenues allocated by source... what is the gap?

<i>(in millions)</i>	Available Revenues			Forecasted Expenditures	Gap
	Property Tax	Sales Tax	Total		
Allocation:					
Education	\$9		\$9	\$34	(\$25)
County	\$5	\$8	\$13	\$15	(\$2)
Total	\$14	\$8	\$22	\$49	(\$27)

If remaining revenue was allocated based on FY18 distribution, the majority of County Operations scenario could be funded; a larger gap exists for Education



Board “Take aways” and Questions



Balancing the Budget Exercise

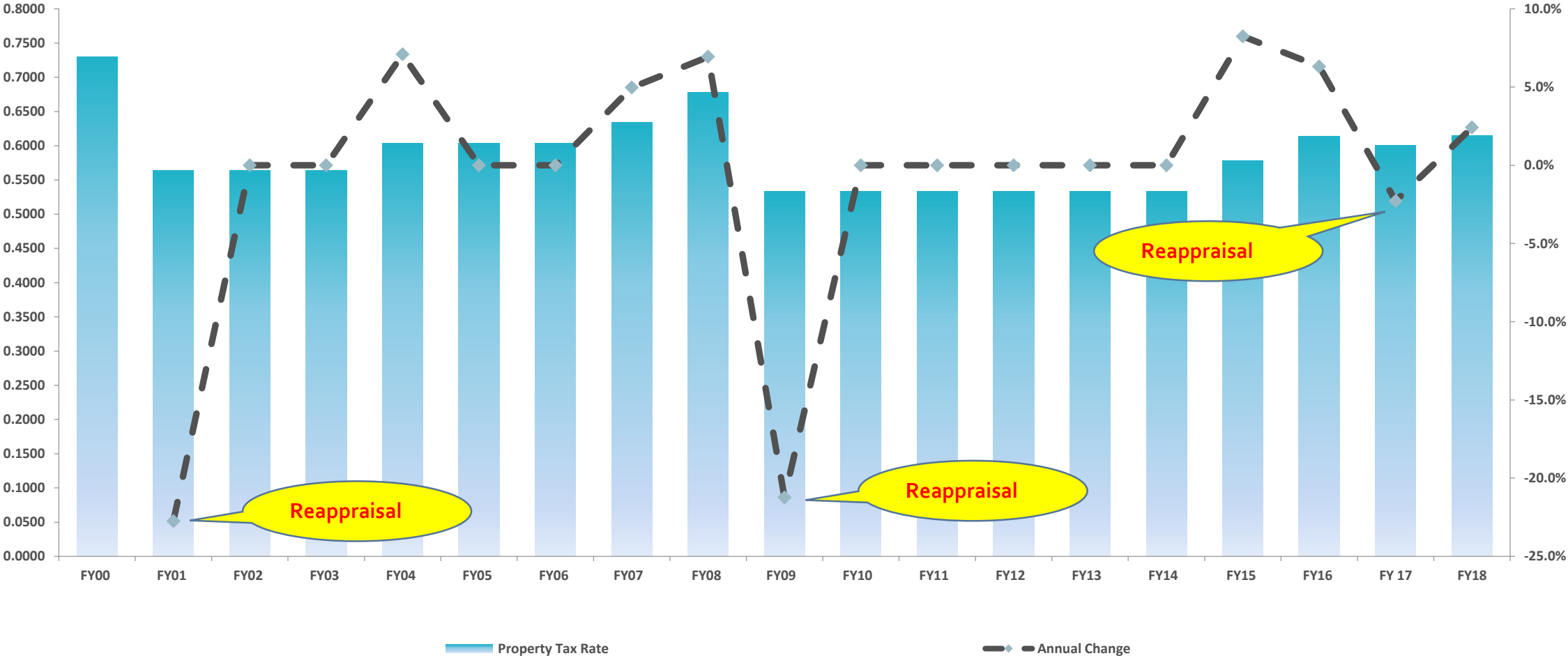


Background Info for Exercise

Tax Rate History

Combined City / County tax levy per capital

Tax Rate History



Combined City / County tax levy per capita

Jurisdiction	2017-18 Assessed Valuation	Tax Rate per \$100	Population	1 Cent Levy Equivalent at 100% collection	Valuation Per Capita	Tax Levy Per Capita
Durham County	\$ 35,683,937,761	\$ 0.7679	306,184	\$ 3,568,394	\$ 116,544	\$ 895
Durham City	\$ 28,206,924,322	\$ 0.5786	263,016	\$ 2,820,692	\$ 107,244	\$ 621
Total Durham City/County		\$ 1.3465		\$ 1,515		
Mecklenburg County	\$ 126,400,000,000	\$ 0.8157	1,077,301	\$ 12,640,000	\$ 117,330	\$ 957
Charlotte	\$ 96,620,000,000	\$ 0.4787	842,051	\$ 9,662,000	\$ 114,744	\$ 549
Total Charlotte/Mecklenburg County		\$ 1.2944		\$ 1,506		
Wake County	\$ 133,425,000,000	\$ 0.6150	1,048,771	\$ 13,342,500	\$ 127,220	\$ 782
Raleigh	\$ 58,848,006,000	\$ 0.4253	458,880	\$ 5,884,801	\$ 128,243	\$ 545
Total Raleigh/Wake County		\$ 1.0403		\$ 1,328		