

**Item Title:** FY 2018 Budget Revisions

**Specific Action Requested:**  
**That the Board of Commissioners:**

**Approves budget revisions to the FY 2018 General Fund, Debt Service Fund, Grants and Donations Fund, Solid Waste Capital Fund; Fire Tax District Capital Fund, and County Capital Projects Fund as described below.**

**Item Summary:**

**Purpose:** In compliance with the *North Carolina Local Government Budget and Fiscal Control Act* (G.S. 159, Article 3), Wake County is required to maintain a balanced budget covering the fiscal year beginning July 1 and ending June 30 for all governmental and proprietary funds except funds authorized by project ordinances.

**Background:** This item is needed to make revisions in the FY 2018 Wake County budgetary funds that require amendments in revenue and expenditure appropriations prior to the close of the fiscal year on June 30, 2018.

**Board Goal:** This Board action supports routine County business.

**Fiscal Impact:** The fiscal impact of the requested amendments for each of the funds listed below are described in detail in this item summary and the attached budget memos.

**FY 2018 Budget Revisions:**

**GENERAL FUND**

The following items require amendments in revenue and expenditure appropriation in the General Fund.

	<b>Revenues</b>	<b>Expenditures</b>
<b>Amended as of June 18, 2018</b>	<b>\$1,239,602,299</b>	<b>\$1,239,602,299</b>
<b>Adjustments</b>		
A. Appropriation of Fund Balance	2,438,000	
B. Sheriff's Office – Inmate Medical Bills		5,700,000
C. Human Services – State and Federal Revenues	3,262,000	
<b>Total Adjustments</b>	<b>5,700,000</b>	<b>5,700,000</b>
<b>Final Amended Budget</b>	<b>\$1,245,302,299</b>	<b>\$1,245,302,299</b>

**A. Appropriation of Fund Balance:** Use of fund balance is projected to be offset by unspent FY 2018 expenditure appropriation in County Departments.

**B. Sheriff's Office:**

The Sheriff's Office has experienced substantial emergency medical claims for uninsured inmates that the County is required by state statute to cover. This is an area that can experience unpredictable costs from one fiscal year to the next and is under review for future budget year impacts.

**C. Human Services:**

Human Services is projecting to collect an additional \$3,262,000 by the end of FY18 beyond what was budgeted. \$1,478,000 is in state reimbursements for Economic Self Sufficiency programs. The Medical Assistance Administration revenue is a result of two programs in the Economic Self Sufficiency Division: Food Stamps and Medicaid eligibility determination. Human Services is projecting to collect an additional \$1,784,000 in Medicaid Cost Settlement. This revenue is the difference between the cost to provide Medicaid services and Medicaid reimbursement in the clinics.

**GENERAL FUND FUND BALANCE**

That the Board of Commissioners commits for these purposes with the final specific amounts determined after financial records are closed for the 2018 fiscal year:

- i. Approximately \$3,000,000 of FY 2018 behavioral health funding for use in subsequent fiscal years for behavioral health purposes, and
- ii. Approximately \$2,000,000 of North Carolina Alcoholic Beverage Control Commission funding set aside for future appropriation.
- iii. Approximately \$3,000,000 of employee and employer health insurance contributions funding intended to offset health claim expenditures, which will be set aside for future appropriation. In January 2018, Wake County changed to a new third-party administrator for health insurance (CIGNA), the transition in which generally creates a delay in claims processing. These funds will be available to appropriate for health expenses, should FY19 costs exceed the health insurance budget.

GASB Statement 54 defines "Committed" fund balance as amounts that are subject to an internally enforceable spending constraint placed on it by the governing board before the end of the fiscal year. This requires that any Commitment of fund balance be approved by formal action of the County's Board of Commissioners. Amendments or modifications of this committed fund balance must also be approved by formal action of the Board of Commissioners. Staff recommends formally adopting the funds identified above as committed fund balance within the County's General Fund for the fiscal year ended June 30, 2017 to indicate these funds are not generally available and that authority to spend these funds requires additional Board action.

**DEBT SERVICE FUND**

Transfer \$1,946,150 of General Obligation Bond Series 2013B premium and interest from the debt service fund to the WTCC capital projects fund, and transfer to the debt service fund \$1,946,150 of cash funding from the WTCC capital projects fund. Per IRS regulations, after the capitalized interest period, any remaining premium must be spent on capital projects.

<b>Debt Service Fund</b>			
Revenue Source	Current Appropriation	Change	New Appropriation
Federal	\$2,783,013		\$2,783,013
State	\$10,000,000		\$10,000,000
Interest Income	\$6,308,000	(\$1,946,150)	\$4,361,850
Other	\$24,129,987		\$24,129,987
Transfers	\$ 239,139,000	\$1,946,150	\$241,085,150
<b>Total</b>	<b>\$282,360,000</b>	<b>-</b>	<b>\$282,360,000</b>
<b>Wake Tech Capital Fund</b>			
Revenue Source	Current Appropriation	Change	New Appropriation
Interest	\$4,836,355		\$4,836,355
Bonds Issued	\$339,561,378	\$1,946,150	\$341,507,528
Bond Anticipation Notes	\$64,703,008		\$64,703,008
Premiums on Issuance	\$1,452,603		\$1,452,603
Transfers	\$56,088,759	(\$1,946,150)	\$54,142,609
<b>Total</b>	<b>\$466,642,103</b>	<b>-</b>	<b>\$466,642,103</b>

## GRANTS AND DONATIONS FUND

**A. Grant Closeouts:** The following amendments are being made to adjust budgeted revenues and expenditures for completed grants to the actual revenues and expenditures received in the grant account to close out the grants.

	Amended as of June 18th, 2018	Department	Revenues	Expenditures
<b>Grant</b>				
1	Progress Energy/Harris Planning and Training	Fire Services	(101,697)	(101,697)
2	Duke/Harris Training and Planning	Fire Services	910	910
3	EMPG 2009 Supplemental Grant	Fire Services	(41,934)	(41,934)
4	EMPG 2010 Supplemental Grant	Fire Services	(38,116)	(38,116)
5	EMPG 2011 Supplemental Grant	Fire Services	(14,636)	(14,636)
6	EMPG 2012 Supplemental Grant	Fire Services	(14,878)	(14,878)
7	EMPG 2013 Supplemental Grant	Fire Services	(2,977)	(2,977)
8	EMPG 2014 Supplemental Grant	Fire Services	(12,817)	(12,817)
9	EMPG 2015 Supplemental Grant	Fire Services	(1,331)	(1,331)
10	Kate B Reynolds Foundation Grant	EMS	(108,037)	(108,037)
11	South Wilmington Street Center	Human Services	(8,294)	(8,294)
<b>Budget Adjustments</b>			<b>(343,807)</b>	<b>(343,807)</b>

1-2: Progress/Duke Energy Grants for Planning/Training Program: Lapsed salaries resulted in the full amount of the grant not being needed. This recurring grant from Progress Energy (now Duke Energy) funds positions and operating costs for Wake County Emergency Management in support of the Shearon Harris Nuclear Plant's Emergency Plan.

3-9: Emergency Management Performance Grant – Supplemental Grant Revisions: This federal pass through grant is distributed to counties annually through NC Emergency Management and is typically used for maintenance of equipment purchased through grants, planning and equipment costs.

10. Kate B Reynolds Foundation Grant: This grant from the Kate B Reynolds Charitable Trust to provide a contract EMS manager to complete research and quality improvement on the Wake County APP program model. The grant proposal was submitted through a partnership between the University of North Carolina's Emergency Medicine Department and Wake County EMS. The decision was made for University of North Carolina to lead the effort so dollars will be redirect there.

*11. South Wilmington Street Center:* This grant provided funding for Project Homeless Connect (PHC) and Triangle United Way/Employment. PHC Raleigh, a one-day event in Raleigh's Moore Square, provided on-site services to approximately 300 homeless persons and families in Raleigh/Wake County during the event.

## **B. Grant Appropriation Correction:**

Integrated Program for Prevention of Drug Overdose & Tobacco: As part of the Fiscal Year 2018 budget, the Board of Commissioners adopted the use of available ABC Funds, in the amount of \$950,142 over three years to be accounted for in the Grants and Donations Fund. The FY18 funding was inadvertently not set up in Grants Fund, therefore an adjustment is needed of \$316,580 to establish the entire in the Grants Fund.

		<b>Revenues</b>	<b>Expenditures</b>
Integrated Program for Prevention of Drug Overdose and Tobacco	Human Services	316,580	316,580
<b>Final Amended Budget</b>		<b>3,614,507</b>	<b>3,614,507</b>

## **Total Adjustments to Grants and Donations Fund**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Amended Budget as of June 18th, 2018</b>	<b>3,641,734</b>	<b>3,641,734</b>
Adjustment A	(343,807)	(343,807)
Adjustment B	316,580	316,580
	<b>27,227</b>	<b>27,227</b>
<b>Final Amended Budget</b>	<b>3,614,507</b>	<b>3,614,507</b>

**SOLID WASTE CAPITAL PROJECTS FUND**

Transfer a total of \$609,000 in savings from two projects to uncommitted funds within the Solid Waste Capital Projects Fund for future capital projects. A \$500,000 savings is projected in the North Wake Landfill Gas to Energy Project and \$109,000 of savings is estimated in the East Wake Landfill project. These funds have been identified as sources for Solid Waste Capital projects in FY 2019 including the reconstruction of Convenience Center Site 3 in Morrisville.

<b>FROM:</b>				
<b>Element</b>	<b>Program</b>	<b>Current Appropriation</b>	<b>Reallocation/ Appropriation</b>	<b>Revised Appropriation</b>
Solid Waste Capital	North Wake Landfill Gas to Energy	\$1,030,000	(\$500,000)	\$530,000
Solid Waste Capital	East Wake Landfill	\$2,100,000	(\$109,000)	\$1,991,000
<b>TO:</b>				
<b>Element</b>	<b>Program</b>	<b>Current Revenue Balance</b>	<b>Reallocation</b>	<b>Revised Revenue Balance</b>
Solid Waste Capital	Reserve for Future Projects	\$2,249,035	\$609,000	\$2,858,035

**FIRE TAX DISTRICT CAPITAL PROJECTS FUND**

Transfer \$110,587.25 from FY 2017 Large Apparatus to Fire Tax Capital Projects Uncommitted Funds. This amendment aligns funding with the County's share of debt service payments for a Garner Fire engine. The engine was initially planned to be purchased with cash, but is being financed and this amendment aligns the budgeted funding with the amortization schedule.

<b>FROM:</b>				
<b>Element</b>	<b>Program</b>	<b>Current Appropriation</b>	<b>Reallocation/ Appropriation</b>	<b>Revised Appropriation</b>
Fire Capital	FY 2017 Large Apparatus – Municipal	\$301,316.00	(\$110,587.25)	\$190,728.75
<b>TO:</b>				
<b>Element</b>	<b>Program</b>	<b>Current Revenue Balance</b>	<b>Reallocation</b>	<b>Revised Revenue Balance</b>
Fire Capital	Fire Capital Uncommitted	\$1,678,638.07	\$110,587.25	\$1,789,225.32

## COUNTY CAPITAL PROJECTS FUND

### Element: Automation

- A. Appropriate \$750,000 of Human Services funding to be transferred from the General Fund prior to the end of the year in the CIP Automation element for projects related to North Carolina Medicaid Transformation and NC FAST Document Management System. Automation funds will ensure compliance with State mandates, increase operational efficiencies, and improve client access to affordable care and service.

	Revenues	Expenditures
Increase to Human Services Automation Projects	750,000	750,000

- B. Reduce the revenue and expenditure appropriation of the Major Systems – Property Tax project by \$265,000. This budget was appropriated in FY 2018 for contracted staffing for the rewrite of the revenue system. It was determined that it was more cost-effective to fund the staff out of the General Fund through time-limited FTE positions. The positions were funded in FY 2018 through Information Services salaries savings. On-going funding for these positions are included in the FY 2019 Information Services General Fund budget.

FROM:				
Element	Project	Current Appropriation	Reallocation/ Appropriation	Revised Appropriation
Automation	Major Systems – Property Tax	\$1,475,000	(\$265,000)	\$1,210,000
TO:				
Element	Project	Current Uncommitted	Reallocation	Revised Uncommitted
Program-wide	Uncommitted Funds - Revenue Sub fund	\$3,118,399	\$265,000	\$3,383,399

## PERSONNEL ADJUSTMENTS – HUMAN SERVICES

		FY18 Amended Authorized Positions	Adjustments	FY18 Amended as of June 18th, 2018
<b>Human Services</b>				
<b>A</b>	Social Services	567.000		567.000
	Child Welfare	292.200	0.250	292.450
	Public Health	338.622		338.622
	Health Clinics	172.200		172.200
	Administration and Operations	238.350		238.350
	<b>Total General Fund</b>	<b>1,608.372</b>		<b>1,608.622</b>
<b>A/B/C</b>	Grants and Donations Fund	17.000	(2.250)	14.750
	Housing and Community Revitalization Fund	11.000		11.000
	Transportation Fund	3.000		3.000
	<b>Human Services Total</b>	<b>1,639.372</b>	<b>(2.000)</b>	<b>1,637.372</b>

- A. Casey Family Program:** The Casey Family Program in the Grants Fund will receive reduced federal funding. Therefore, the program can no longer fund 0.25 FTE in the Grants Fund. The 0.25 FTE will move to Title IV-B Family Reunification Program in the General Fund where it will continue to provide services related to safety, permanency and well-being. The Family Reunification program is 100% federally funded.
- B. Juntos 4-H Program:** The Juntos 4-H Program in the Grants Fund is a four-year sub-contract due to expire in September 2018; 1.00 FTE will be abolished.
- C. Ryan White Title III Program:** The Ryan White Title III Program in the Grants Fund experienced federal and state reductions; 1.00 FTE will be abolished.

**Attachments:**

1. Budget Memo: Non-Departmental
2. Budget Memo: Sheriff's Office
3. Budget Memo: Human Services
4. Budget Memo: Grants and Donations Fund
5. Budget Memo: Solid Waste Capital Projects Fund
6. Budget Memo: Solid Waste Capital Uncommitted Funds
7. Budget Memo: Fire Tax Capital Projects Fund
8. Budget Memo: Fire Tax Capital Uncommitted Funds
9. Budget Memo: County Capital Automation
10. Budget Memo: County Capital Uncommitted Funds