

OPERATING BUDGET ORDINANCE FOR FISCAL YEAR 2019

BE IT ORDAINED by the Board of County Commissioners of Wake County, North Carolina, that the following budget ordinance for the General Fund is hereby adopted:

Section 1: TAX LEVY. There is hereby levied a tax at the rate of sixty-five and forty-four hundredths cents (65.44¢) per one hundred dollars (\$100) valuation of property that is located within Wake County and listed for taxes as of January 1, 2018. The revenue from this source is included in real, personal and public service property in "Ad Valorem Taxes" in Section 2 of this Ordinance.

This rate is based on estimated valuation of property, for the purpose of taxation of: (1) 100% of total assessed property tax value of real, personal and public service valuation of one hundred thirty-six billion, seven hundred twenty-five million (\$136,725,000,000) and an estimated collection rate of 99.65%; and (2) 100% of total assessed property tax value of vehicle valuation of eleven billion (\$11,000,000,000) and an estimated collection rate of 99.50%.

The Revenue Director of Wake County is hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the office of the Wake County Revenue Department in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Wake, and this order shall be a full and sufficient authority to direct, require, and enable the Revenue Director to levy on and sell any real or personal property of such taxpayers, with or without the assistance of the Wake County Sheriff, for and on account thereof, in accordance with law.

Section 2: GENERAL FUND REVENUES. (A) It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Ad Valorem Taxes	\$ 964,988,120
Sales Tax	200,303,874
Lease/Rental Vehicle Tax	2,550,000
Payment in Lieu of Taxes	1,222,003
Real Property Transfer (Excise) Tax	13,000,000
Federal Shared Revenues	12,629,224
State Shared Revenues	50,482,819
Local Shared Revenues	4,075,850
Licenses and Permits	5,611,504
Charges for Services	63,110,927
Investment Earnings	1,220
Miscellaneous	361,097
Transfers from Other Funds	2,759,362
Intra-fund Transfers	1,000,000
Appropriated Fund Balance	
Appropriation of Behavioral Health Reserves	3,517,140
Appropriation of ABC Reserves for Housing	2,054,000
Appropriation of ABC Reserves for Integrated Program for Prevention of Drug Overdose & Tobacco	633,562
Appropriation of One-time General Fund Fund Balance	1,000,000
Appropriation of Reappraisal Reserve	1,340,000
Restricted for Future Appropriations of Register of Deeds	393,298
Automation Funds	
TOTAL GENERAL FUND REVENUES	\$1,331,034,000

Section 2(B): Thirty percent (30%) of the proceeds from the local half-cent sales and use tax authorized July 1, 1984 under authority of Article 40 of the North Carolina General Statutes and sixty percent (60%) of the local half-cent sales and use tax authorized October 1, 1986 under the authority of Article 42 of the North Carolina General Statutes are hereby declared to be included in the appropriation for school capital outlay, capital projects, and/or school debt service.

Section 3: GENERAL FUND EXPENDITURES. The following amounts are hereby appropriated in the General Fund for the operation of the County government and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

General Government

Board of Commissioners	\$ 611,920
County Manager	1,944,731
County Attorney	2,887,280
Communications Office	1,047,798
Board of Elections	4,727,211
Budget and Management Services	1,019,524
Facilities, Design, and Construction	1,637,728
Finance	3,083,541
Human Resources	3,169,202
Information Services	17,597,519
Register of Deeds	3,599,780
Revenue	10,145,885
Community Services	37,370,054
Environmental Services	13,068,309
General Services	29,510,086
Human Services	149,512,318
Housing	22,812,005
Behavioral Health	30,565,104
Emergency Medical Services	44,843,647
Fire Services	2,768,319
Emergency Communications	1,748,634
City-County Bureau of Identification	6,629,309
Sheriff	92,543,343
Quasi-Governmental	787,059

Non-Departmental

Health and Dental Benefits	8,396,000
Risk Management Cost of Claims	1,360,398
Public Agencies	3,107,592
Memberships	539,044
Non-Departmental Services	1,393,299
Economic Development	490,000
Jail Alternative Programs	1,006,723

Salary and Benefit Reserve	6,098,638
WCPSS Actual Enrollment Reserve (4(B))	5,404,578
<u>WCPSS Social Emotional Learning Reserve (4(C))</u>	<u>2,000,000</u>
Subtotal Non-Departmental	29,796,272
Education	
Wake County Public Schools (Section 4(A-C))	468,506,422
Wake Technical Community College	25,400,000
Transfers	
Transfer to County Capital Projects Fund	31,259,000
Transfer to Schools Capital Projects Fund	22,023,000
Transfer to Debt Service Fund (Ad Valorem)	223,219,000
Transfer to Debt Service Fund (Sales Tax)	46,200,000
<u>Intra-fund Transfer to Revaluation Reserve</u>	<u>1,000,000</u>
Subtotal Transfers	323,701,000
TOTAL GENERAL FUND EXPENDITURES	\$1,331,034,000

Section 4: WCPSS APPROPRIATION. (A) Purpose and Function. The appropriation to the Wake County Public Schools System (WCPSS) is hereby allocated by purpose and function as defined by NCGS 115C-426 and as authorized by NCGS 115C-429(b).

Section 4(B): ACTUAL ENROLLMENT RESERVE. A reserve is hereby established in Non-Departmental of \$5,404,578 to hold back an appropriation amount equal to \$2,702.29 per pupil times 2,000 students. The per pupil funding is based upon an estimated appropriation of \$438,654,536 which excludes estimated payments to charter schools of \$37,256,464, divided by projected WCPSS enrollment of 162,327. Upon determination of the actual 40th day WCPSS enrollment numbers reported to the state and the Charter enrollment as of the same period, the WCPSS appropriation will be recalculated based on the actual enrollment counts and an item brought forward to the Board of Commissioners for purposes of determining of setting the final FY 2019 appropriation for WCPSS.

Section 4(C): SOCIAL EMOTIONAL LEARNING RESERVE. A reserve is hereby established of \$2,000,000 in Non-Departmental as a hold back of WCPSS appropriation. Appropriation of the reserve is contingent upon the Board of Education taking formal action to utilize the \$2,000,000 to increase the funding for school support for social emotional learning of students as described on page 150 of the Board of Education Proposed Budget. Following an action taken by the Board of Education, the County, by action of the Board of Commissioners, will appropriate the \$2,000,000 as a recurring increase in WCPSS appropriation.

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WCPSS Purpose and Function:

	<u>Amount Before Reserves</u>	<u>Reserves in Section 4(B) and 4(C)</u>	<u>FY 2019 Appropriation</u>
Instructional Services			
Regular Instructional Services	\$118,421,781	(\$2,786,955)	\$115,634,826
Special Populations Services	71,677,540		71,677,540
Alternative Programs and Services	17,540,718		17,540,718
School Leadership Services	26,279,012		26,279,012
Co-Curricular Services	14,392,721		14,392,721
School-Based Support Services	28,763,110	(2,000,000)	26,763,110
	<u>277,074,882</u>	<u>(4,786,955)</u>	<u>272,287,927</u>
System-wide Support Services			
Support and Developmental Services	9,267,437		9,267,437
Special Populations Support and Development Services	4,772,118		4,772,118
Alternative Programs and Services Support and Development Services	1,520,471		1,520,471
Technology Support Services	14,867,272		14,867,272
Operational Support Services (WCPSS Fund 02)	104,619,125		104,619,125
Operational Support Services (WCPSS Fund 04)	141,961		141,961
Operational Support Services (WCPSS Fund 08)	909,362		909,362
Financial and Human Resource Services	13,188,557		13,188,557
Accountability Services	2,622,737		2,622,737
System-wide Pupil Support Services	4,913,031		4,913,031
Policy, Leadership, and Public Relations Services	8,405,310		8,405,310
	<u>165,227,381</u>		<u>165,227,381</u>
Non-Programmed Charges			
Payments to Other Governmental Units	33,608,737	(2,617,623)	30,991,115
TOTAL WAKE COUNTY PUBLIC SCHOOLS EXPENDITURES	<u>\$475,911,000</u>	<u>(\$7,404,578)</u>	<u>\$468,506,422</u>

Section 4(D): WCPSS AMENDMENT NOTIFICATION. The Wake County Board of Education will notify the Board of Commissioners of amendments to the WCPSS budget. For amendments which would increase or decrease the amount of the County appropriation allocated to a purpose and function by more than fifteen percent (15%) of the adopted appropriation the WCPSS will notify the Board of Commissioners at a public meeting of the Board of Commissioners.

Section 5: RESEARCH TRIANGLE PARK. There is hereby levied a tax at the rate shown below, per one hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2018, located within the Wake County portion of the Durham-Wake Counties Research Triangle Park Research and Production Service District for the raising of revenue for said district. The estimated total of valuation of property for the special district for the purpose of taxation is as follows:

	Assessed Value	Tax Rate
Research and Production Service District	\$ 1,893,680,000	6.29 cents

There is hereby appropriated to the Durham-Wake Counties Research Triangle Park Research and Production Service District from the net proceeds of this tax the amount for use by said district in such manner and for such expenditures as is permitted by law from the net proceeds of this tax, including a tax collection rate of two-tenths of one percent to be paid to Wake County for collecting the tax. The anticipated revenue from this tax rate is \$1,187,675. The actual net proceeds from the tax shall constitute the appropriation from said tax levy.

Section 6: AUTHORITY TO TRANSFER APPROPRIATION. The County Manager, or his designee, is hereby authorized to transfer appropriations within a Fund as contained herein under the following conditions:

- A) He may transfer amounts between appropriations within the same Fund. For transfers exceeding \$75,000 he shall make a report of the transfer to the Board of Commissioners at the next regularly scheduled meeting of the Board following the transfer.
- B) He may transfer amounts from the salary and benefits reserve to individual departmental appropriations following adoption of the budget in order to properly fund salary and benefit amounts within departments.

Section 7: AUTHORITY TO EXECUTE CONTRACTS. The County Manager, or his designee, is hereby authorized to execute contractual documents under the following conditions:

- A) He may execute contracts for construction or repair projects that do not require formal competitive bid procedures.
- B) He may execute contracts for: (1) purchases of apparatus, supplies, and materials, or equipment which are within budgeted appropriations; (2) leases of personal property for a duration of one year or less and within departmental appropriations; (3) lease of personal property for more than 12 months if the annual expense is less than \$50,000; and (4) service contracts within appropriations or contracts for 12 months or less.
- C) He may execute grant agreements to or from governmental units and other public, private, and non-profit organizations that are within budgeted appropriations, unless a grantor requires approval and execution by the Board of Commissioners.
- D) He may execute contracts, as the lessor or lessee of buildings, land, equipment, vehicles, heavy equipment and other property provided that such leases are of one-year duration or less and that funds therefore are within budgeted appropriations.
- E) He may, within budgeted appropriations, approve all change orders and amendments to contracts previously approved by the Board of Commissioners.

Section 8: AUTHORITY TO SETTLE CLAIMS. The County Manager, or his designee, may authorize payment in an amount not to exceed \$100,000 in settlement of any liability claims against the County or against any of its officers or employees as provided by Resolution of May 20, 1985 and Resolutions of October 6, 2003. The County Manager shall make quarterly reports to the Board of Commissioners of any such payments.

Section 9: ENCUMBRANCES AT YEAR END. Operating funds encumbered by the County as of June 30, 2018 are hereby appropriated to this budget. Multiple year grants unexpended by the County as of June 30, 2018 are hereby appropriated to this budget.

Section 10: WHITE GOODS. Funds provided by the State of North Carolina for disposal of white goods that are not spent as of June 30, 2018, are designated for future year expenditures on white goods programs and are hereby appropriated to the Solid Waste Enterprise Fund budget.

Section 11: FEE CHANGES. As authorized in Section 153(A)-102 of the North Carolina General Statutes, the following fees are hereby established or amended, effective on July 1, 2018.

Name	Description	Current Fee	Proposed Fee
Public Programs for Individual Registers	Individual registration fee for parks, recreation, and open space programs	\$1-5	\$0
Group Programs (Basic)	Registration fee for parks, recreation, and open space basic group programs	\$15	\$0
Group Programs (Moderate)	Registration fee for parks, recreation, and open space moderate group programs	\$60	\$0
Group Programs (Intensive)	Registration fee for parks, recreation, and open space intensive group programs	\$80	\$0
Off-Duty Vehicle User Fee - Hourly	WCSO fee for use of vehicle during Off-Duty services	\$3	\$5
Off-Duty Administrative Fee - Hourly	WCSO fee for administration and oversight of Off-Duty services program	\$0	\$4
Firing Range Facility Rental - Hourly	Fee for the administration and management of public programs at the Firearms Education Training Center	\$15	\$20
Firing Range League Users - Hourly	Fee for the administration and management of public programs at the Firearms Education Training Center	\$15	\$20
Firing Range Guest Fee	Fee for the administration and management of public programs at the Firearms Education Training Center	\$0	\$5
Firing Range Lane Sharing Fee	Fee for the administration and management of public programs at the Firearms Education Training Center	\$0	\$5
Firing Range Target Sales	Fee for the administration and management of public programs at the Firearms Education Training Center	\$0.25	\$0.50
Firing Range Wake County Resident - Hourly	Fee for the administration and management of public programs at the Firearms Education Training Center	\$10	\$12
Firing Range Non-Wake County Resident - Hourly	Fee for the administration and management of public programs at the Firearms Education Training Center	\$15	\$17

Section 12: Copies of this ordinance shall be filed with the County Manager and Finance Director.

ADOPTED this the 4th day of June 2018.

BUDGET BY PURPOSE AND FUNCTION (UNIFORM BUDGET FORMAT)

NCGS EXCERPT

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

(a) Upon receiving the budget from the superintendent and following the public hearing authorized by G.S. 115C-428(b), if one is held, the board of education shall consider the budget, make such changes therein as it deems advisable, and submit the entire budget as approved by the board of education to the board of county commissioners not later than May 15, or such later date as may be fixed by the board of county commissioners.

(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.

(c) The board of county commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of county commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

(d) Nothing in this Article shall be construed to place a duty on the board of commissioners to fund a deficit incurred by a local school administrative unit through failure of the unit to comply with the provisions of this Article or rules and regulations issued pursuant hereto, or to provide moneys lost through misapplication of moneys by a bonded officer, employee or agent of the local school administrative unit when the amount of the fidelity bond required by the board of education was manifestly insufficient. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

AUTHORITY:

- G.S. 115C-429(b) allows the board of County Commissioners to allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.
- G.S. 115C-426 directs the State Board of Education, in cooperation with the Local Government Commission, to prepare and promulgate a standard budget format for use by local school administrative units throughout the State.

PURPOSE: The State Board of Education's Uniform Budget Format (Budget by Purpose and Function) contains the following purposes:

5000: Instructional Services
6000: Systemwide Support Services
7000: Ancillary Services
8000: Non Programmed Charges
9000: Capital Outlay

FUNCTION: The "purpose dimension" is further broken down into function levels. For example, 5000 (Instructional Services) includes 5100 (Regular Instructional Services), 5200 (Special Populations Services), 5400 (School Leadership Services), etc. Another example, 6000 (Systemwide Support Services), includes 6100 (Support and Development Services), 6500 (Operational Support Services), 6900 (Policy, Leadership and Public Relations Services), etc.

TRANSFERS BETWEEN PURPOSE AND FUNCTIONS

- G.S. 115 C-433(b) requires that if Board of County Commissioners allocates part or all of its appropriation by purpose and function, that the Board of Education must obtain approval of the Board of County Commissioners for an amendment to the budget that increases or decreases the amount of the county appropriation to a purpose or function by 25 percent or more from the amount contained in the budgeted ordinance adopted by the Board of Commissioners.
- G.S. 115C-433(b) also specifies that the Board of Commissioners can specify in its ordinance a lower percentage threshold as long as that lower percentage is not less than ten percent.

PURPOSE AND FUNCTION DESCRIPTIONS

Function Category	Function Description
Purpose: Instructional Services (5000)	
Regular Instructional Services (5100)	Regular K-12 Instruction. - Teachers, teacher assistants, as well as classroom supplies and materials. - Personnel that develop and coordinate curriculum.
Special Populations Services (5200)	- Special Education, Limited English Proficiency, Academically Gifted, and other Special Populations Services. - Includes costs of teachers, teacher assistants, classroom supplies and materials, and other staff like audiologists, speech therapists, etc
Alternative Programs and Services (5300)	- Alternative school teachers, teacher assistants, classroom supplies and materials. - Also includes summer school, remediation, alcohol and drug prevention, intersession. - For example: early intervention funds, in school suspension teachers, local literacy funds
School Leadership Services (5400)	- Principal and assistant principals - School based clerical staff
Co-Curricular Services (5500)	- Teachers, personnel, and supplies and materials for items such as: band, chorus, choir, speech, debate, athletics, and student financed and managed activities such as clubs and proms.
School-Based Support Services (5800)	- Includes media, guidance, health, instructional technology, etc. Includes materials, teachers, and other staff such as media assistants or guidance assistants.
Systemwide Support Services (6000)	
Support and Developmental Services (6100)	- Staff development and administrative program costs for teachers and teacher assistants in regular K-12 instruction.
Special Populations Support and Development Services (6200)	- Staff development and administrative program costs for special education, gifted, and limited English proficiency
Alternative Programs and Services Support and Developmental Services (6300)	- Staff development and administrative program costs for alternative schools and alternative programs.
Technology Support Services (6400)	- Costs of central based activities for implementing, supporting, and maintaining the computer hardware, software, peripherals, and technical infrastructure.

Function Category	Function Description
Operational Support Services (6500)	- Operational support of the school system such as printing and copying services, telephone/communications services, utility services, transportation, facilities planning and construction, custodial and housekeeping, maintenance, and warehouse and delivery services.
Financial and Human Resource Services (6600)	- WCPSS Finance Department and Human Resources
Accountability Services (6700)	- Testing and reporting for student accountability such as end of grade and end of course testing.
Systemwide Pupil Support Services (6800)	- Staff development and administrative program costs for media, guidance, health, instructional technology, etc.
Policy, Leadership and Public Relations Services (6900)	-Leadership Services (Including Superintendent's Office, Deputy Associate and Assistant Superintendent's) - Board of Education, Legal Services, Audit Services, and Public Relations and Marketing
Ancillary Services (7000)	
Community Services (7100)	- WCPSS allocates no County dollars in this category: - Includes community recreation activities, civic activities, activities of custody and care of children, and community welfare activities provided by the LEA.
Nutrition Services (7200)	- WCPSS allocates no County dollars in this category - Costs of activities concerned with providing food service to students and staff.
Adult Services (7300)	- Includes adult education services
Non-Programmed Charges (8000)	
Payments to Other Governmental Units (8100)	- Charter School Payments
Unbudgeted Funds (8200)	- WCPSS Over/Under Account; Funds cannot be expended unless re-appropriated by the Board of Education
Interfund Transfers (8400)	- Transfer from one fund to another fund (for example, a portion of a person's salary paid by the building program)
Capital Outlay (9000)	
Capital Outlay	- Expenditures for acquiring fixed assets. Does not include costs which could be coded to one or more specific purpose functions.