

**Item Title:** Adopt Fiscal Year 2022 Operating Budgets, Capital Improvement Projects, Special Revenue Projects, and Personnel Authorization Ordinances

**Specific Action Requested:**

**That the Board of Commissioners adopts the following FY 2022 budget-related ordinances:**

**Operating Budgets Funds Ordinances**

- General Fund Annual Operating Budget
- Debt Service Fund Annual Operating Budget
- Fire Tax District Fund Annual Operating Budget
- Major Facilities Fund Annual Operating Budget
- Solid Waste Operating Fund Annual Operating Budget
- South Wake Landfill Partnership Fund Annual Operating Budget
- Corporate Fleet Fund Annual Operating Budget
- Human Services Transportation Fund Annual Operating Budget
- Wake County Public School System Fines and Forfeitures Fund Operating Budget
- Human Services Client Trust Fund Annual Operating Budget

**Capital Improvement Projects Funds Ordinance, inclusive of:**

- County Capital Projects Fund
- Fire Tax District Capital Projects Fund
- Major Facilities Capital Projects Fund
- Solid Waste Capital Projects Fund
- Housing Capital Projects Fund
- Wake Technical Community College Capital Projects Fund
- Wake County Public School System Capital Projects Fund

**Special Revenue Project Ordinances**

- Housing Affordability and Community Revitalization Fund Project Ordinance
- Capital Area Workforce Development Fund Project Ordinance
- Grants and Donations Fund Project Ordinance

**Personnel Authorization Ordinance**

**Item Summary:**

**Purpose:** In compliance with the *North Carolina Local Government Budget and Fiscal Control Act* (G.S. 159, Article 3) the Board of Commissioners adopts an annual balanced budget ordinance covering a fiscal year beginning July 1 and ending June 30 for all governmental and proprietary funds except funds authorized by project ordinances.

**Background:** On May 3<sup>rd</sup>, 2021, the County Manager presented a recommended FY 2022 General Fund budget totaling \$1,565,900,000 to the Board of Commissioners. This recommended budget is balanced as required by and defined in the North Carolina Local Government Budget and Fiscal Control Act. Public comments were submitted through the Wake County website beginning May 3<sup>rd</sup>. A public hearing was held during the May 17<sup>th</sup> board meeting, with public comments collected through May 18<sup>th</sup>.

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

**Fiscal Impact:** The FY 2022 General Fund budget presented for adoption totals \$1,568,178,000 and reflects a property tax rate of 60.00 cents per \$100 property valuation. The budget reflects an increase to the Fire Tax District tax rate of 1.17 cents for a final property tax rate of 10.27 cents per \$100 property valuation and maintains the household disposal fee at \$20 per household per year.

**Additional Information:**

**Changes to Recommended Budget**

*General Fund*

	<b>FTE</b>	<b>Revenues</b>	<b>Expenditures</b>
<b>Recommended</b>	<b>4,376.080</b>	<b>\$1,565,900,000</b>	<b>\$1,565,900,000</b>
Non-Departmental – Fund Balance		2,500,000	
Behavioral Health – Data Sharing Pilot			2,000,000
Non-Departmental – WCSO Medical Study			500,000
Human Services – Public Health & Admin	14.165		
Soil and Water – NextGen Farm			70,900
Human Services – Economic Self Sufficiency	1.000	64,000	64,000
Sheriff – Estimate Correction			(356,900)
Non-Departmental – Sales Tax		(286,000)	
Wake County Public School System Operating			5,050,000
Transfers to Debt Service Fund			(5,050,000)
<b>Proposed Adopted</b>	<b>4,391.245</b>	<b>\$1,568,178,000</b>	<b>\$1,568,178,000</b>

At the May 17<sup>th</sup>, 2021 board meeting, the Board of Commissioners approved a one-time use of \$2,500,000 in fund balance to fund two one-time consultant studies using FY 2021 sales tax variance. \$2,000,000 is dedicated to Behavior Health Data Sharing Pilot that will develop a cross-agency database to help front-line responders encountering persons with behavioral health issues. \$500,000 is dedicated to a Wake County Sheriff Office Detention Medical Study to review the current medical/dental services offered to detention center residents and evaluate best operating practices. This use of fund balance has been incorporated into the Revised FY 2022 Recommended Budget.

The FY 2022 Recommended Budget included \$1,600,000 in reserve funding for Wake County Human Services to enhance capacity to effectively investigate, diagnose, and address current and future public health issues. The Revised FY 2022 Recommended Budget creates a plan for that reserve funding by establishing 14.165 FTE, including 9.165 school health nursing staff, 2.000 communicable disease personnel, 2.000 epidemiologists, and 1.000 position to support Human Services' recruitment and retention needs.

At the May 24<sup>th</sup>, 2021 budget work session, staff identified that the NextGen Farm pilot funded in FY 2019-2021 would continue to be funded in FY 2022. The Revised Recommended Budget includes \$70,900 in one-time funding for the Soil and Water Conservation District to extend the pilot.

At the May 24<sup>th</sup>, 2021 budget work session, staff identified a correction to the cost of two drug and vice investigator positions added to the Wake County Sheriff's Office (WCSO) with the FY 2022 Recommended Budget. The costs in the Revised FY 2022 Recommended Budget have been reduced to reflect the correct technology and equipment costs of these two positions. To coincide with the decrease in expenditures, sales tax revenues have also been reduced as the revenue is not required to support these costs.

At the May 24<sup>th</sup>, 2021 budget work session, staff identified the following mid-year position transfers that do not have funding impacts as technical corrections. These mid-year position transfers were not accounted for in the FY 2022 Recommended Budget and have been incorporated into the Revised FY 2022 Recommended Budget:

(1) At the October 19<sup>th</sup>, 2020 Board of Commissioners meeting, the Board approved the transfer of two identification specialists from County-City Bureau of Investigation to the WCSO for fingerprinting services.

(2) The administrative transfer of one Plans and Permits Technician from Environmental Services Administration to Environmental Services Water Quality.

(3) The administrative transfer of one position from Human Services Public Health to Administration and Operations to support increased demand in the call center.

At the May 24<sup>th</sup>, 2021 budget work session, staff identified one mid-year position change with funding impacts as a technical correction. At the February 15<sup>th</sup>, 2021 Board of Commissioners meeting, the board approved the addition of one FTE to conduct eligibility determination for Medicaid benefits. The funds and FTE authorization were not included in the FY 2022 Recommended Budget and have been incorporated into the Revised FY 2022 Recommended Budget.

At the May 24<sup>th</sup>, 2021 budget work session, the Board of Commissioners directed staff to increase the FY 2022 appropriation to the Wake County Public School System to fund the full Board of Education's request of the County. The operating appropriation will be increased from the recommended \$539,155,101 by \$5,050,000 to \$544,205,101. The transfer to the Debt Service Fund (Ad Valorem) will be reduced from the recommended \$234,586,554 by \$5,050,000 to \$229,536,554.

*Debt Service Fund*

	Revenues	Expenditures
<b>Recommended</b>	<b>\$336,113,000</b>	<b>\$336,113,000</b>
Transfer from the General Fund	(5,050,000)	
Debt Service		(5,050,000)
<b>Proposed Adopted</b>	<b>\$331,063,000</b>	<b>\$331,063,000</b>

The Debt Service Fund will decrease from \$336,113,000 to \$331,063,000 because of the reduction of \$5,050,000 in the Transfer to Debt Service in the General Fund to increase the Wake County Public School System appropriation by \$5,050,000. Based on current projections in the debt and capital model, positive variances such as sales tax growth and low interest rates allow for current debt programs to be appropriately funded with the 18.57 cent allocation. Staff will monitor economic conditions to determine if tax rate increases associated with future debt programs remain appropriate.

*Housing Affordability and Community Revitalization Special Revenue Fund*

	Revenues	Expenditures
<b>Recommended</b>	<b>\$9,813,000</b>	<b>\$9,813,000</b>
Community Development Block Grant	32,000	32,000
<b>Proposed Adopted</b>	<b>\$9,845,000</b>	<b>\$9,845,000</b>

At the May 24<sup>th</sup>, 2021 budget work session, County staff identified one revision to the Housing Affordability and Community Revitalization Special Revenue Fund. On May 13<sup>th</sup>, 2021, Housing and Urban Development Office of Community Planning and Development announced revised allocations for Community Development Block Grants (CDBG). The revision increases housing appropriations in FY 2022 by \$32,000 to a new total of \$9,845,000. CDBG provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

REMAINDER OF PAGE INTENTIONALLY BLANK

### Budget Ordinances

The attachments include all ordinances necessary to implement the FY 2022 operating, capital, and project budgets.

The totals of each budget (displayed by fund), as recommended by the County Manager on May 3<sup>rd</sup>, 2021, revised by staff and presented at the Work Session on May 24<sup>th</sup>, 2021 and further revised at the direction of the Board of Commissioners, are:

### **Fund**

#### **Operating Budgets**

General Fund	1,568,178,000
Debt Service Fund	331,063,000
Fire Tax District Fund	33,989,000
Major Facilities Fund	47,681,000
Solid Waste Operating Fund	18,116,000
South Wake Landfill Partnership Fund	21,277,000
Corporate Fleet Fund	11,263,000
Human Services Transportation Fund	12,888,000
Wake County Public School System Fines and Forfeitures Fund	2,750,000
Human Services Client Trust Fund	2,750,000

#### **Capital Improvement Projects**

County Capital Projects Fund	58,098,000
Fire Tax District Capital Projects Fund	6,155,000
Major Facilities Capital Projects Fund	3,176,700
Solid Waste Capital Projects Fund	2,485,000
Housing Capital Projects Fund	10,995,000
Wake Tech Community College Capital Projects Fund	7,500,000
Wake County Public School System Capital Projects Fund	59,118,050

#### **Special Revenue Projects**

Housing Affordability and Community Revitalization Fund	9,845,000
Capital Area Workforce Development Fund	5,603,000
Grants and Donations Fund	2,758,000

### **Personnel Authorization Ordinance**

In addition to budget and project ordinances, attached is the Personnel Authorization Ordinance. This ordinance establishes the Board approved staffing levels (by full-time equivalent or FTE) for every County department and fund during FY 2022. A personnel authorization ordinance is not required by State statute but is included to formally adopt authorized positions.

The personnel authorization ordinance also includes pay band adjustments resulting from market comparisons and adjustments to reflect the County's living wage policy. The salary of individual employees in the affected bands are unchanged unless the current salary is below the minimum of the new band or it is impacted by the Human Resources Department recommended adjustments.

**Attachments:**

1. Presentation
2. General Fund Operating Budget Ordinance
3. Debt Service Fund Ordinance
4. Fire Tax District Fund Ordinance
5. Major Facilities Fund Ordinance
6. Solid Waste Operating Fund Ordinance
7. South Wake Landfill Partnership Fund Ordinance
8. Corporate Fleet Fund Ordinance
9. Human Services Transportation Fund Ordinance
10. Wake County Public School Fines and Forfeiture Fund Ordinance
11. Human Service Client Trust Fund Ordinance
12. Capital Improvement Projects Funds Ordinance
13. Housing Affordability and Community Revitalization Fund Project Ordinance
14. Capital Area Workforce Development Fund Project Ordinance
15. Grants and Donations Fund Project Ordinance
16. Personnel Authorization Ordinance