

**Wake County Board of Commissioners  
Work Session  
April 10, 2017  
2:00 p.m.  
Wake County Justice Center, Room 2800**

**Commissioners Present:** Sig Hutchinson, Chairman; Matt Calabria, Vice-Chair; Jessica Holmes, James West, Greg Ford, and Erv Portman

**Absent:** Commissioner John Burns

**Staff Present:** Jim Hartmann, County Manager; Johnna Rogers, Deputy County Manager; David Ellis, Deputy County Manager; Denise Foreman, Asst. to County Manager; Scott Warren, County Attorney; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk; Andy Kuhn, Executive Assistant to the Board; Chris Dillon, Intergovernmental Relations Manager; Meagan Honnold, Budget and Management Services Analyst; Michelle Venditto, Budget and Management Services Director; Dara Demi, Communications Director; Heather Drennan, Budget Manager.

Chairman Sig Hutchinson called the meeting to order at 2:00p.m.

**Community Capital Overview**

Ms. Meagan Honnold, Budget and Management Services Analyst, said that in FY 2002, the Board of Commissioners established a Community Capital Projects account to support capital investments in projects that address critical community issues. She said the Community Capital Projects account is intended to accomplish the following goals: develop an increased capacity in Wake County for partnerships between public, nonprofit and for-profit sectors; address critical countywide needs in a way that is financially-sustainable and effective; and encourage sustainable financial plans that address countywide problems.

She said that staff will provide an overview of projects that received funding in the past, the approach by which projects were selected during the last process, and anticipated funding for the upcoming 7 year program window.

She shared the presentation overview.

- Community Capital History
- Project Funding FY 02 -14
- FY 14 Process
- Project Criteria
- FY 14 Process Funding
- Current & Future Requests
- Next Steps

She shared the history and purpose of the project.

- Established in FY 2002 to support capital investments in projects implemented by community organizations that address critical community issues
- Develop an increased capacity in Wake Co. for partnerships between public, non-profit and for profit sectors
- Address critical countywide needs in a way that is financially sustainable and effective
- Projects should complement existing and future county-wide initiatives

She shared the process prior to FY 2014.

- Starting in FY 2002, \$500,000 appropriated each year in CIP
- Funds allocated to projects throughout the year, not always in line with budget process
- Broad focus on addressing critical community problems but selections were made case by case basis as funding was available
- Set of criteria was considered in funding organizations but was not a formal process

Ms. Honnold said that in the summer of 2013/FY14, Budget and Management Services developed a Request for Proposals to solicit interest and receive proposals from organizations that had ideas for where and how they could use this type of Capital Funding to enhance the services of their organization and further the mission. She said that Ms. Nicole Kreiser, Financial Services Manager, led the process and an evaluation committee was formed with Wake County staff from departments that would have both expertise in large scale construction or renovation projects and those that would have knowledge and understanding of the problems these organizations address, not to mention, even familiarity with some of them because of previous or existing partnerships.

She said that it was important to include staff from organizations that regularly fund these types of projects and participate on committees frequently. There were three members of the committee from large foundations.

She said that an RFP (request for proposals) process forced the need to actually score the projects in order to rank projects against one another to make final funding decisions and establish a multiyear funding plan. She said proposals were scored and five finalists were invited to present their projects to staff. After presentations were made and reviewed, the projects were recommended and approved for funding.

She shared the project funding criteria.



She said that the proposals and presentations needed to address and document how the proposed projects would fulfill each of the criteria requirements because proposals would be scored. She said that some of the criteria had more weight than others - for instance the criteria for needs were weighted heavily.

She shared examples from funded projects.

- County-wide unmet need - One of the best examples of this is the first Hospice, now Transitions Lifecare project because it was the first freestanding hospice care facility in Wake County, called Hospice Home - 20 beds at first and with the project submitted for 2014 process increased capacity by 10 beds to reach 300 more patients a year. One of a kind facility in Wake County.
- Analysis of alternative strategies to solve the problem – Advance Community Health had a commercial real estate firm search for rentable medical office space inside the beltline where much of their patient base is located, even though many of the hospitals are increasing their capacity for primary care services, their focus is on commercially insured patients, not uninsured or homeless population that Advance serves, therefore because they owned a lot next to their Rock Quarry location in SE Raleigh, the best strategy was to build a new facility there.
- Clear Link - Teen Center – proposal included a lot of data developed at the national level for the organization that shows that club attendance in Teen Centers is directly tied to higher levels of community service, increased academic success and confidence, decreased aggression, decreased likelihood of carry weapons, drug and alcohol use and teen pregnancy

- Clearly need funding – the Hospice Home is the only inpatient hospice facility in Wake County, with the funding support from the county will be supporting the most vulnerable residents and the rapid increase in this population in the county. Mix of funding showed other municipalities contributing Holly Springs, Cary, Apex, FV, Raleigh
- Each organization was required to provide detailed operating plans for the new facility, along with financial statements, tax returns and audits to insure their financial sustainability and ability to increase operating capacity to meet the costs of new staff and utilities in new or expanded facilities.
- Proposals needed to document the mix of funding that was contributing to the project - often times, these projects were being funded through capital campaigns – such as the Teen Center “Be the One Campaign” and HOWA campaign which included individual donors, other local governments in Wake Co, corporate gifts and foundation grants.
- Partnerships – Collaboration is a hallmark of Interfaith Food Shuttle as an organization and they clearly demonstrated their plans for multiple collaborations and partnerships on this project, including programming partnerships with Urban Ministries and Alliance Medical Ministry and even the non-profit, Building Together of the Triangle was going to act as the Project Management Team for this renovation project
- Hospice scored high in the project management category and showed a clear project schedule on the 10 bed expansion and since we had funded the original project, it was known that they could manage a large construction project.
- Measures of success- Boys and Girls had clear and specific outcomes for their teen center project such as ADD THESE like 100 youth will complete drug and alcohol resistance training and that 95% of youth who attend this programming will graduate high school, goal to reach 500 youth per year, other examples on report.

Other scoring criteria related to proposal: Quality of written proposal, Finalist presentation (not scored)

She shared the Funding History for FY2002-FY2013.

Prior to FY 2014 Process					
Organization	Project	Total Commitment	FY 2002 - 2007	FY 2008 - 2013	FY 2014
Food Runners Collaborative	Commercial Kitchen	\$1,250,000	\$1,250,000	\$0	
Alice Aycock Poe Health Ed Center	Parking Lot & Learning Playground	\$500,000	\$500,000	\$0	
Healing Place for Women	New Facility	\$1,000,000	\$1,000,000	\$0	
Urban Ministries	New Offices	\$600,000	\$200,000	\$400,000	
Transitions LifeCare	Hospice facility & Palliative Care Center	\$1,750,000	\$0	\$1,500,000	\$250,000
Alliance Medical Ministry	Purchase & Renovation of new facility	\$745,000	\$100,000	\$645,000	
Tammy Lynn Center	Repairs & Renovations for aging facility	\$150,000	\$0	\$150,000	
Garner Veterans Memorial	Memorial & Interactive Educational Park	\$50,000	\$0	\$50,000	
Interact	Expand Shelter	\$750,000	\$0	\$750,000	
<b>TOTAL</b>		<b>\$6,795,000</b>	<b>\$3,050,000</b>	<b>\$3,495,000</b>	<b>\$250,000</b>

Ms. Honnold said that it included the total funding that includes a mix of organizations. These projects were funded until 2014.

She shared the funding history for 2002-2013.

## Funding History – 2002 to 2013

Prior to FY 2014 Process					
Organization	Project	Total Commitment	FY 2002 - 2007	FY 2008 - 2013	FY 2014
Food Runners Collaborative	Commercial Kitchen	\$1,250,000	\$1,250,000	\$0	
Alice Aycock Poe Health Ed Center	Parking Lot & Learning Playground	\$500,000	\$500,000	\$0	
Healing Place for Women	New Facility	\$1,000,000	\$1,000,000	\$0	
Urban Ministries	New Offices	\$600,000	\$200,000	\$400,000	
Transitions LifeCare	Hospice facility & Palliative Care Center	\$1,750,000	\$0	\$1,500,000	\$250,000
Alliance Medical Ministry	Purchase & Renovation of new facility	\$745,000	\$100,000	\$645,000	
Tammy Lynn Center	Repairs & Renovations for aging facility	\$150,000	\$0	\$150,000	
Garner Veterans Memorial	Memorial & Interactive Educational Park	\$50,000	\$0	\$50,000	
Interact	Expand Shelter	\$750,000	\$0	\$750,000	
<b>TOTAL</b>		<b>\$6,795,000</b>	<b>\$3,050,000</b>	<b>\$3,495,000</b>	<b>\$250,000</b>

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She shared the Fiscal Year 2014 RFP process because there were many organizations vying for funds. She said that it was important to have community foundations involved.

- Increased interest in funding led to establishing a more formal Request for Proposals process
- Formed an evaluation committee comprised of Wake Co. staff and external community foundation leaders to review proposals, conduct interviews and score projects
  - Departments represented on Committee: County Manager's Office, Budget, Facilities Design & Construction, GSA, Finance, Human Services, Affordable Housing
  - External participants: ABC Board, John Rex Endowment, Triangle United Way
- Scored project proposals using forced choice matrix and weighted **criteria**, 5 finalists made presentations to committee to determine funding and timing recommendations

Ms. Honnold said that there were nine agency responses and five agencies who presented their projects to staff.

Commissioner West asked if she knew who the five agencies were that presented their projects and were funded. She said that the information was forthcoming.

She said that it was important to have mixed funding to include individual donors to show collaboration.

She shared the Fiscal Year 14 Process Proposals which included the initial request of each agency.

Recommended for Funding	
Boys and Girls Clubs	\$1 million towards Teen Center totaling \$1.3 million
Hospice of Wake County	\$750,000 towards \$6 million 20-room expansion, start-up costs, endowment for building maintenance, and balance from first capital campaign
Interfaith Food Shuttle	\$200,000 for construction repairs and Phase I improvements to facility for urban agriculture training center, Growing Room, and Community Room. Total cost \$1.2 million for Phase 1 improvements and purchase of facility.
Southlight Healthcare	\$1 million towards Integrated Care Facility totaling \$5 million, and Homeless Respite and Resource Center totaling \$1 million
Wake Health Services	\$1 million towards new medical, dental, and pharmacy Health Services Building totaling \$9.96 million
Not Recommended for Funding	
Dorcas Ministries	\$1 million to pay off interim financing from 2011 acquisition and renovation of Cary Plaza. <b>Not a Capital Project</b>
Nessie Foundation	\$525,000 towards Dual Purpose Community Safe Room totaling \$1.5 million. Scored lower in addressing <u>county-wide unmet need</u> & <u>Clear link to resolving county-wide problem</u>
Alliance Medical Ministry	\$110,000 towards \$255,000 cost to reconfigure patient intake and renovate existing space for professional and community meetings and health and wellness programs; Scored lower in addressing a <u>county-wide unmet need</u>
YMCA of the Triangle	\$665,977 towards \$1.9 million cost for construction of YMCA Shelter and Aquatic Center; Scored lower in addressing a <u>county-wide unmet need</u>
(reason not funded in bold)	

She shared the Funding Commitments Fiscal Year 2014 to Fiscal Year 2017.

FY 2014 Process Approved Projects									
Organization	Project	Total Commitment	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Boys & Girls Club	Teen Center	\$815,000	\$415,000	\$200,000	\$150,000	\$50,000			
Transitions LifeCare	10 bed expansion	\$450,000			\$100,000	\$150,000	\$200,000		
Advance Community Health	New Health Services Building	\$450,000	\$50,000	\$200,000	\$150,000	\$50,000			
Interfaith Food Shuttle (Note 1)	Urban Agricultural Training Center	\$140,000	\$140,000			(\$140,000)			
Southlight Healthcare (Note 2)	Integrated Care Clinic & Respite Center	\$750,000					\$200,000	\$250,000	\$200,000
FY 2017 Budget process									
Food Bank	Food Distribution Warehouse	\$500,000				\$500,000			
Dorcas Ministries	Health Clinic upfit	\$50,000				\$50,000			
<b>TOTAL</b>		<b>\$3,155,000</b>	<b>\$605,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$660,000</b>	<b>\$500,000</b>	<b>\$250,000</b>	<b>\$200,000</b>

- Note 1: Interfaith Food Shuttle withdrew project FY 17
- Note 2: As of 2017, Southlight Project was delayed and determination made to push out funding to start in FY 18 – enabling funding capacity for Food Bank & Dorcas in FY 17

She said that some of the projects scored low in some areas, so a few were required to provide contingency items prior to their first disbursement of funds. For instance, Advance, did not have a very diverse mix of funding sources aside for a new market tax credit and loans; therefore, staff required them to match the county's \$450K with other community funding which was the impetus for them to engage in a capital campaign which they said really helped them feel like they had the support from the community and built partnership capacity for the future.

Ms. Honnold said that staff was responsible for project monitoring. This meant that prior to any disbursement; staff would review financial statements, audits and obtain project status reports, along with site visits before that year's disbursement.

She said that Fiscal Year 2017 freed up funding due to Interfaith withdrawing their project because they were unable to raise funding.

Chairman Hutchinson asked if the \$300,000, \$250,000 and \$200,000 met the Southlight funding. She said that it meets the funding.

Commissioner West asked if Wake Health had a name change. She said that it was a name change.

She shared the Fiscal Year 2018-2024 CIP Capacity.

Current Requests FY 18 beyond								
Organization	Project	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Transitions LifeCare	20 Bed Expansion	\$200,000						
Southlight Healthcare	Integrated Care Clinic & Respite Center	\$300,000	\$250,000	\$200,000				
* Reserve for Future Projects		\$0	\$250,000	\$300,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>TOTAL</b>		<b>\$1,300,000</b>	<b>\$550,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>

\* Current Available in Reserve for Future = \$40,000

She said that projects from the FY14 process are nearing the end of their funding cycle except for Southlight due to delays, therefore funding is available for new projects in FY19.

She shared the FY18 Unsolicited Requests.

Current Requests		
Organization	Project	Total Request
Southeast Raleigh YMCA	New 35,000 sf facility	\$1,500,000
Freedom Park	African American Memorial/Cultural Park	\$500,000
<b>TOTAL</b>		<b>\$2,000,000</b>

She said that the State of North Carolina has contributed a valuable one acre site for the public park (located near the Legislative Building) and \$200,000 in planning and development funds.

She shared discussion points.

*Capacity at current funding levels available beginning in FY19  
Suggest conducting an RFP process similar to that of FY14 to:*

- Broadly solicit community needs for consideration
- Actual requests / needs would inform if current level of funding is appropriate

Commissioner Portman complimented the work that was implemented by staff. He asked if there was a score card on accomplishments.

Ms. Honnold said that there is a more formal monitoring process and agencies had to submit status reports that show how they measure their progress and the outcomes of the projects. The county staff reviews the project status and audits for drawdowns of funding. She said that there is a checklist that supports the process.



Commissioner Portman asked if the commercial kitchen was still in operation. Ms. Rogers shared information about the threshold of the funds for the community kitchen.

Commissioner West said that during that period of time, there was not a formal process.

Vice Chair Calabria said that because this is a 35 percent cap project, is there a way in practical terms to monitor or evaluate the construction project on the front end.

Ms. Honnold said that staff tracks the project budget and that if there were changes or substantial savings, staff would be aware.

Mr. Jim Hartmann, County Manager, said the county would likely not see the 35 percent cap. He said that the results would be the improvements that have been made. He said that all of the funds have been leveraged.

Ms. Johnna Rogers, Deputy County Manager, shared information about the 35 percent cap. She said that one of the things that staff looks at is if the projects have good operational plans.

Commissioner Portman asked about Interfaith Food Shuttle and the \$140,000 takeaway. He asked if any of the project was funded. Ms. Rogers said that none of the projects had been funded.

Commissioner West said that this indicates that the process works.

Mr. Hartmann said that the money was not distributed to the Interfaith Food Shuttle.

Commissioner Ford asked if staff could ask for annual updates to ensure that agencies are in compliance.

Chairman Hutchinson asked Ms. Honnold to clarify the request from the commissioners.

Ms. Honnold said that the request is that the Board of Commissioners receive the information from staff and advise on the future process and funding direction.

Commissioner Holmes asked if all the new agencies were seeking funds and if pre-existing agencies could continue to receive funding.

Ms. Rogers said that all agencies would be evaluated and pre-existing agencies would be eligible for funds if they met the funding criteria.

Chairman Hutchinson asked if this was a possibility for ABC funding. He said that there is \$5,000,000 in the ABC fund and asked if other projects could be funded.

Ms. Rogers said that other programs could possibly be funded using the ABC funds.

Chairman Hutchinson said that he was interested in moving forward with the RFP process based on the decision of all the commissioners. The board agreed to move forward with the RFP process.

Commissioner Holmes said that since there is \$5,000,000 in ABC funds, there is still a need for women shelters and that she would like to see some of the funds spent for shelters.

Mr. Hartmann said that the County would research partnering agencies for the shelter due to the project being an unmet need. This would include finding another non-profit and builders for the project.

Ms. Rogers said that it is contingent on considering applications and once the number of agency applications are submitted then other agencies would be asked to participate and submit a formal proposal for consideration.

Mr. David Ellis, Deputy County Manager, said that there is due diligence in finding a shelter for women.

Commissioner West said that he agrees with Commissioner Holmes as it relates to using ABC funds for the women shelters.

There was conversation about the unmet needs of the women's shelter.

### **Hospitality Revenue Small Projects Funding Process**

In the 20th Amendment to the Interlocal Agreements governing Room Occupancy and Prepared Food and Beverage Tax Revenues approved by the Wake County Commissioners and Raleigh City Council in September 2016, it was identified that Wake County would receive \$2 million in funding each fiscal year. The purpose of these funds is to provide capital support for community projects that support tourism related investments in arts, sports, cultural, or convention facilities. To assist with budget planning and communication with interested stakeholders, the Board of Commissioners was asked to consider process options for conducting a competitive approach to selection of projects and funding awards.

Ms. Denise Foreman, Assistant to County Manager, shared an overview of the hospitality revenue.

- Per the enabling legislation authorizing the collection of 6% occupancy and 1% prepared food and beverage tax revenues, Wake County and the City Raleigh must jointly authorize uses of the revenues.

- In September 2016, after a stakeholder review of the financial models, Wake County and the City approved the 20<sup>th</sup> Amendment to the ILA.
- Section 7 of the 20<sup>th</sup> Amendment established a “Reserve for Competitive Projects.”
  - Beginning in FY2017, Wake County to receive \$2 million annually.
  - Wake County to conduct competitive process to support community projects that meet sports, arts, culture and convention related needs.
- Wake County has the authority to establishing the timing, process and award decisions related to this funding.
- In conducting Phase II of the stakeholder review, interest has been raised regarding the County’s intentions for this process.
- Today, we’ll outline two scenarios for the process.
  - Based on your feedback, we will further refine the process and bring to you in May/June for process approval.

She said that Wake County and the City of Raleigh have worked together to approve the 20<sup>th</sup> Amendment.

Commissioner West asked if there was a time limitation for funding. Ms. Foreman said the decision is made by the county.

She shared the current funding capacity.

Current Funding Capacity				
	FY 2017	FY 2018	FY 2019	FY 2020
Committed: Capital Athletic Pavilion	\$323,680			
Uncommitted Allocation	\$1,676,320	\$2,000,000	\$2,000,000	\$2,000,000
<b>Uncommitted Cumulative Total</b>	<b>\$1,676,320</b>	<b>\$3,676,320</b>	<b>\$5,676,320</b>	<b>\$7,676,320</b>

\*On November 7, 2016, the Board committed a total of \$350,000 to the Capital Athletic Pavilion as part of the 2-for-1 Competitive Process. \$26,320 was available through 2 for 1 funds with the remaining \$323,680 to be funded through the Small Projects Fund.

She shared two scenarios for funding cycles.

	Scenario 1	Scenario 2
Funding Period	FY2017 and FY2018	FY2017–FY2019
Funds Available	\$3,676,320	\$5,676,320
RFP Period	Summer/Fall 2017	Winter/Spring 2018
Project Funding Cap	\$1,500,000	\$1,500,000
Cost Share	Max 35% County	Max 35% County

Commissioner Ford asked what would be a reasonable time if Scenario 1 was selected. Ms. Foreman said that it gives staff more time to prepare.

Commissioner Portman asked if there was a written criteria. Ms. Foreman said there is a written process that would be presented at a later date.

Commissioner West said that some entities said that it was difficult for them to be a part of the process. He said that St. Augustine's College was one of the agencies that applied for funds and did not meet the criteria. He asked how St. Augustine's could be a part of the process or get the needed information to be included in the process.

Chairman Hutchinson acknowledged Mr. Denny Edwards, President, Greater Raleigh Convention and Visitors Bureau. Mr. Edwards said that it is a great process and commended staff on their efforts.

Chairman Hutchinson asked Ms. Foreman to share about the larger revenues from the occupancy food and beverage funds and how they are allocated. She said that there is discretion of how the funds are spent and meet the target for the fiscal year. She said that the biggest change will occur in 2020. She said that the county is working with the City of Raleigh on phase II. She said some of the projects include: Tourism, Hospitality, PNC arena and the expansion of the convention center. She said that Marbles Museum has a master plan and that other agencies are competing for future funding. She said that the county is aware of the needs and gaps in the community.

Commissioner Holmes said that she is interested in the quality of projects and would like to slow the process of the proposal cycle in an effort to allow partners time to complete applications.

Commissioner Ford said that he agrees with comments from his colleagues and that agencies should be given an opportunity to present quality proposals.

Ms. Rogers said that the proposals could be distributed to get feedback. Ms. Foreman said that there is flexibility in determining the time.

Commissioner Calabria said that more frequent time would be better than less frequent time for the funding. He suggested a rolling process.

Commissioner Portman said he likes the idea of setting the frequency for funding. He said that it should be put in adhoc. He says that the money came along to present an objective. He said that the tax was the enabling mechanism.

Ms. Rogers said that the initial phases were complete and capacity for the future would have to be built. She said that this would occur in the next few years.

Commissioner Portman asked if the level of funding requires build up and that he wanted to be objective when selecting agencies for programming.

Ms. Foreman said that the way that the 20<sup>th</sup> amendment was set up is for Fiscal Year 2020, some of the commitments would roll off and this would be an opportunity for staff to see what capacity looks like. She said that there is outstanding debt continuing for the convention center so the county must ensure that all funds are committed.

Chairman Hutchinson asked when the process would be re-addressed. Ms. Foreman said that rather than a fall and summer, it could be fall and winter cycle, or it could be every two years. She said that this would allow agencies to prepare their proposals.

Commissioner Ford said that he would like to offer the Arts in an effort for transparency.

## **Public Agency Funding**

Wake County contributes annual funding to not-for-profit organizations that provide services to the public. Staff will provide an overview of historical funding and current requests.

Ms. Michelle Venditto, Budget Management Services Director, shared the funding overview.

- Agencies have been identified for funding by previous boards
- Funded agencies submit annual requests to support maintaining funding
- Funding process among agencies is not competitive
- Recommended funding levels included with the County Manager's Recommended Budget
- Previous Community Agency competitive process ended in FY11

She shared the funding history.

Agency	FY09 Actuals	FY10 Actuals	FY11 Actuals	FY12 Actuals	FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Adopted Budget
North Carolina Symphony	34,000	30,600	28,458	27,604	27,604	27,604	30,000	80,000	100,000
Wake County Arts Council	350,000	315,000	292,950	284,161	296,161	296,161	284,161	345,000	411,364
East Wake Education Foundation	50,000	45,000	41,850	40,594	40,594	40,594	40,000	45,000	50,000
Communities in Schools	75,000	67,500	62,775	60,892	60,892	60,892	60,892	65,000	65,000
Healing Transitions	500,000	450,000	418,500	406,000	406,000	406,000	406,000	600,000	600,000
Marbles	1,000,000	900,000	837,000	750,000	700,000	650,000	650,000	650,000	650,000
Wake County SmartStart	-	-	-	-	-	-	-	325,718	488,592
Universal Breakfast	-	-	-	-	-	-	-	90,000	193,000
Interfaith Food Shuttle	-	-	-	-	-	-	-	-	20,000
InterAct	-	-	-	-	-	-	-	-	-
Aid To Community Agencies*	600,000	550,000	365,000	-	-	-	-	-	-
<b>Total</b>	<b>2,609,000</b>	<b>2,338,100</b>	<b>2,183,533</b>	<b>1,934,251</b>	<b>1,551,251</b>	<b>1,481,251</b>	<b>1,491,052</b>	<b>2,200,728</b>	<b>2,577,956</b>

\* Aid to Community Agencies process eliminated during recession.

Prior to 2008 was a Human Services process.

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She shared the public agencies that are currently included in annual budget.

- North Carolina Symphony
- Wake County Arts Council
- East Wake Education Foundation
- Communities in Schools
- Healing Transitions
- Marbles
- Wake County SmartStart
- Universal Breakfast
- Interfaith Food Shuttle

She shared NC Symphony information.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
North Carolina Symphony	34,000	50,000	80,000	100,000	100,000
Increase from Prior Year	-	-	30,000	20,000	-
Percent Increase from 2017					0%

- Perform minimum of 15 concerts for approximately 15,400 students.
- **FY18 Request:** Continuation of support at FY17 level.
- Funding has increased \$66,000 since FY09
- During recession received average of \$29,312

She shared United Arts Council information.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Wake County Arts Council	350,000	284,161	345,000	411,364	581,364
Increase from Prior Year			60,839	66,364	170,000
Percent Increase from FY17					41%

- Build better communities through support of and advocacy for the arts. Currently reaches \$85,000 students.
- **FY18 Request:** Total increase of \$170,000. \$10,000 for increase in program grants awarded, \$50,000 for "Wheels on the Bus" program offering transportation assistance. \$50,000 for Visiting Artist Program, \$15,000 for Municipal Murals Project, and \$45,000 for a full-time program coordinator.
- 105% growth since FY15

She shared East Wake Education Foundation information.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
East Wake Education Foundation	50,000	40,000	45,000	50,000	60,000
Increase from Prior Year			5,000	5,000	10,000
Percent Increase from FY17					20%

- Provide funding for Family and Children Services, an initiative which provides school preparation sessions for children ages 0-5 and their parents. Reached 2,000 families and children in 2016.
- **FY18 Request:** \$10,000 increase to continue services, assist with recruitment, and provide wellness programming.

She shared the Communities in Schools information.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Communities in Schools	75,000	60,892	65,000	65,000	100,000
Increase from Prior Year			4,108	-	35,000
Percent Increase from FY17					54%

- SMART Academy afterschool programming for students battling high absenteeism, negative behavior choices, and failing grades summercamp. Served ,2920 students in FY16.
- **FY18 Request:** \$35,000 increase in funding to offer 50 scholarships for weekend school and 50 scholarships for summer camp.

Ms. Venditto said the current rates are \$700 per student or roughly \$50 per week per student for Summer Camp and \$20 per weekend for Weekend School/EOG Camp.

She shared the Healing Transitions proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Healing Transitions	500,000	406,000	600,000	600,000	700,000
Increase from Prior Year			194,000	-	100,000
Percent Increase from FY17					17%

- Offers peer-based recovery oriented services to homeless and underserved individuals with alcoholism and other drug addictions.
- **FY18 Request:** \$100,000 requested increase primarily due to Healing Transitions becoming a living wage organization. All employees are now paid at least \$13.50 per hour.
- Being considered as part of the FY18 Behavioral Health budget request

She shared the Marbles Kids Museum proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Marbles	1,000,000	650,000	650,000	650,000	650,000
Increase from Prior Year			-	-	-
Percent Increase from FY17					0%

- Funding for innovative variety of play-based activities – including hands-on exhibits and programs, summer camps, community outreach, parent-child workshops, field trips and family events – with a significant focus on serving at-risk populations.
- **FY18 Request:** Continuation of support at FY17 level.

She shared the Marbles/IMAX FY2016 budget.

Utilities               \$339,584  
Security               \$ 32,469



Janitorial \$258,379  
 Facility Mgt., Life Safety and Maintenance \$198,523  
**Grand Total** \$828,955  
**Square Feet** \$111,219

She shared the Smart Start proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Wake County SmartStart	-	-	325,728	488,592	655,200
Increase from Prior Year			325,728	162,864	166,608
Percent Increase from FY 17					34%

- Provide high quality Pre-Kindergarten programming to help prepare at risk children for Kindergarten. Wake County provides funding for 36 slots.
- **FY18 Request:** \$166,608 increase to help maintain 36 additional slots funded in FY17. Funding increase may be contingent on matching outside contribution.

She shared the Universal Breakfast proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Universal Breakfast	-	-	90,000	193,000	254,000
Increase from Prior Year			90,000	103,000	61,000
Percent Increase from FY17					34%

- Provide Universal Breakfast in 13 schools. Averaging 46.54% participation in FY17.
- **FY18 Preliminary Request:** \$61,000 increase. \$6,000 to maintain traditional programming. Breakfast in Classroom program proposed to increase free eligible participation. Estimated cost of \$55,000.

She shared the Interfaith Food Shuttle proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
Interfaith Food Shuttle	-	-	-	10,000	11,150
Increase from Prior Year					(8,750)
Percent Increase from FY17					-44%

- Operation of five WCPSS School Pantries.
- **FY18 Preliminary Request:** Reduction of \$8,750 due to removal of one-time program start up expenses.

She shared the Interact proposal.

Agency	FY09 Actuals	FY15 Actuals	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Request from Agency
<u>InterAct</u>	-	-	-	-	75,000
Increase from Prior Year					N/A
Percent Increase from FY17					N/A

- Provides safety, support, and awareness to victims and survivors of domestic violence and rape/sexual assault.
- **FY18 Request:** Support of Wake County's eFiling initiative. Allows victims to electronically file a domestic violence protective order and be heard by a judge through videoconference.

Vice Chair Calabria asked if the cost for Interact was a one-time amount. Mr. Hartmann said that the cost for Interact is continuous funding.

Commissioner Holmes shared information on Interact and the programs that are available. She said that Interact is one of three agencies in North Carolina that provides this service and that the county should provide more funding.

She shared the Fiscal Year 2018 funding requests.

## Next Steps

- Staff following up with agencies if questions on requests
- County Manager will make recommendation as part of the budget
- Note: Healing Transitions being considered as part of developing the Behavioral Health budget

Agency	FY17 Adopted Budget	FY18 Request	Change from FY17
North Carolina Symphony	100,000	100,000	-
Wake County Arts Council	411,364	581,364	170,000
East Wake Education Foundation	50,000	60,000	10,000
Communities in Schools	65,000	100,000	35,000
Marbles	650,000	650,000	-
Wake County <u>SmartStart</u>	488,591	655,100	166,608
Universal Breakfast	193,000	254,000	61,000
Interfaith Food Shuttle	10,000	11,150	(8,750)
<u>InterAct</u>	-	75,000	75,000
Total	1,977,956	2,411,814	508,858

Commissioner Ford asked if there are implicit or explicit recommendations from agencies that have previously received funds and is it the expectation that they receive continued funding.

Manager Hartmann said that most agencies rely on county for funding and that funds are leveraged.

Commissioner Portman asked if this is the third category. He said that the county likely benefit from agreeing to a percentage of what would be given to the agencies. He said that there should be a hard objective number. He asked how community capital is different from this funding request.

Commissioner Holmes said that there are many nonprofits performing great work. She asked the county to further the initiatives and asked if services were an extension of programs already being provided by the county to Interact, and if not, could they be considered.

Vice Chair Calabria said that food securities is an outgrowth of the food securities natural outgrowth of the universal breakfast program.

Commissioner Holmes said that she will follow up with Interfaith in reference to the cost of the refrigerator. She said that she would like additional funds to support additional food pantries. She said that there is a waiting list of schools to receive food pantries. She said that this is a resource that Interact values.

Chairman Hutchinson asked the Manager Hartmann to share his thoughts on the \$500,000 budget increase. Manager Hartmann said that the budget is currently under review and he is currently receiving recommendations from staff. He said that the number may change from \$500,000, and it could be higher or it may be lower. Manager Hartmann said that he is in favor of using nonprofits in our communities versus direct grants. He said that agencies have submitted solid proposals.

Commissioner Holmes said that she is in support of funding Healing Transitions in an effort to reduce recidivism.

### **WCPSS Operating Budget Discussion**

Ms. Johnna Rogers, Deputy County Manager, shared Wake County Public School System (WCPSS) funding summaries.

# WCPSS Funding Summaries

FY18 WCPSS FUNDING SUMMARY - COUNTY APPROPRIATION						
	2015-16	2016-17	2016-17	2017-18	FY17 Adopted to FY18 Change	
	Budget	Board of Ed	County Adopted	Superintendent	Amount	Percent
County Funding						
Current Expense	\$383,874,618	\$419,710,057	\$407,871,457	\$464,451,138	\$56,579,681	13.9%
Capital Outlay	\$1,247,327	\$1,150,969	\$1,150,969	\$1,191,668	\$40,700	3.5%
Crossroads Lease	\$878,055	\$888,574	\$888,574	\$899,014	\$10,440	1.2%
Total County Funding	\$386,000,000	\$421,749,600	\$409,911,000	\$466,541,821	\$56,630,821	13.8%
Student Membership						
WCPSS	157,352	159,250	159,250	161,757	2,507	1.6%
Charter Schools	9,833	11,026	11,026	13,349	2,323	21.1%
Total Student Membership	167,185	170,276	170,276	175,106	4,830	2.8%
Per Pupil Funding						
WCPSS Only	\$2,453	\$2,648	\$2,574	\$2,884	\$121	4.7%
Total Student Membership	\$2,309	\$2,477	\$2,407	\$2,664	\$99	4.1%

2017-18 charter membership assumes estimated 11,286 Wake students in existing charter schools plus 1,063 students in two new charter schools opening in 2017-18

FY17 WCPSS FUNDING SUMMARY - TOTAL OPERATING						
	2014-15	2015-16	2016-17	2017-18	FY17 Adopted to FY18 Change	
	Actual	Final Budget	Final Budget	Superintendent	Amount	Percent
State Sources	\$808,317,504	\$845,103,167	\$873,867,529	\$922,271,164	\$48,403,635	5.5%
Local Sources	\$383,305,196	\$478,229,359	\$482,352,849	\$530,118,049	\$47,765,200	9.9%
Federal Sources	\$66,031,320	\$127,368,952	\$114,887,312	\$110,716,836	(\$4,170,476)	-3.6%
Total Operating Budget	\$1,257,654,020	\$1,450,701,478	\$1,471,107,690	\$1,563,106,049	\$91,998,359	6.3%

Mr. Hartmann said that the county has received a large request from the school system in the amount of \$56 million but the county will remain very high level in the process and that there a lot of questions that need to be answered as they review the Superintendents budget which will be evaluated by the school board. He said that his decision would be forth coming after the school board adopts their budget. He said that he will then present to the commissions for their input.

Ms. Rogers said that this is a \$1.5 Billion budget with state, local and federal resources. She said that this equates to a \$91 million increase for all sources.

Commissioner Portman asked what percentage this compares to. Ms. Rogers said that this is a six percent increase and includes the \$56 million request. She said that Chairman Hutchinson had asked what was the increase to the schools from the last two years and the increase was \$68.4 Million which equates to a 20 percent increase in funding which includes a \$369 per pupil increase.

Commissioner Portman asked if this was state and local funding and Ms. Rogers said that this is local funding only. He asked if there was a shift in the state, federal and local funding. Ms. Rogers said yes there is a shift.

She shared the WCPSS FY18 request.

## WCPSS FY18 Request

COUNTY FUNDING INCREASES BY CATEGORY			
WCPSS Budget Request		County Funding Considerations	
		County Responsibilities	
<b>A. GROWTH TOTAL</b>	<b>\$8,870,908</b>	<b>A. GROWTH TOTAL</b>	<b>\$7,959,502</b>
Increase in student membership, cost of opening new schools including square footage, and acreage	\$8,870,908	Per Pupil: 2,206 new students times \$2,574 (FY17 Budget PP)	\$5,678,244
		County's Responsibility for Opening New Schools/Renovation Impacts	\$2,281,258
<b>B. PROGRAM CONTINUITY TOTAL</b>	<b>\$5,177,654</b>	<b>B. PROGRAM CONTINUITY TOTAL</b>	<b>\$2,660,704</b>
Extra Duty Salary Increase	\$2,559,618	Extra Duty Salary Increase	\$2,559,618
Positions/programs previously funded through federal sources	\$1,531,176		
North Wake College and Career Academy Positions (Student Electives and Support)	\$387,300		
Customer Service Software Contract (current year cost covered with a fund balance appropriation)	\$200,000		
Real Estate Leases (Crossroads Mall)	\$101,086	Crossroads Leases	\$101,086
Intranet Platform (current year cost covered with onetime fund balance appropriation)	\$179,940		
Other	\$118,517		
<b>C. INFLATION</b>	<b>\$237,405</b>	<b>C. INFLATION</b>	<b>\$234,605</b>
Athletics Swimming Pool Rentals	\$2,800		
Utilities Increase	\$234,605	Utilities Increase	\$234,605
<b>D. LEGISLATIVE IMPACT</b>	<b>\$28,257,771</b>	<b>D. LEGISLATIVE IMPACT</b>	<b>\$7,120,940</b>
Legislative Salary Increase	\$7,131,060		
Charter Schools	\$6,800,000	Charter Schools	\$6,800,000
Class Size Reduction	\$13,174,000		
Maintenance and Operations Tax Law Change	\$320,940	Maintenance and Operations Tax Law Change	\$320,940
Employer Matching Rate Increases	\$792,262		
Final Exam Materials/Supplies	\$39,500		
<b>E. NEW OR EXPANDING PROGRAM</b> (See details on following slide)	<b>\$20,119,793</b>	<b>E. NEW OR EXPANDING PROGRAMS</b>	<b>\$153,586</b>
Costs to increase the level of service from the prior year	\$20,119,793	Facility Technician and Pest Management Master Craftsmen Excluded	\$153,586
<b>F. Other Reductions, Cost Adjustments Not Specifically Identified</b>	<b>(\$6,032,712)</b>	<b>F. Other Reductions, Cost Adjustments Not Specifically Identified</b>	<b>(\$6,032,712)</b>
<b>Requested Increase in County Funding</b>	<b>\$56,630,822</b>	<b>County Responsibility</b>	<b>\$12,096,625</b>

Vice-Chair Calabria said that there was an issue last year with new schools impact. He said that the expenses were local and not county but were not subtracted. He asked Ms. Rogers if the numbers had been validated. Ms. Rogers said that the numbers have been fixed and items that are not county local funded have been removed.

Commissioner Portman said that the recap is useful and that there is not a gap in growth enrollment. He said that the real disconnect is the legislative impact.

Commissioner Holmes asked about the rationale for the \$13 million. She said that House Bill 13 and the \$13 million is not practical due to the unfunded mandate. She said that it is an investment from the county that will result in no better services to the students. She spoke about the General Assembly and \$1 million tax cut.

Ms. Rogers said that the county is evaluating how the schools arrived at the numbers that were proposed. She said that staff received a list of questions from the school board and that staff is currently preparing answers. She said that it appears that the school system is using the numbers from Fiscal Year 2016 instead of Fiscal Year 2015.

Chairman Hutchinson asked the commissioners to email any questions that they have in reference to the school budget to Ms. Rogers.

Vice-Chair Calabria said that there are budget surpluses and extended services and that citizens need to understand the consequences moving forward. He asked Ms.

Rogers to explain the \$7.1million salary increase. He asked if it was required or preferred.

Ms. Rogers said that the \$7.1million is a match from the schools and the Board of Education makes the determination. He said that it is an assumption and the state legislature could increase the number to \$14 million. Ms. Rogers said that the state legislature could but it is state policy question.

Commissioner Portman said that the budget assumes that the State will fund growth. He said that many dollars are at risk. He said that Wake County is in need of 462 teachers. He said that practicality should be considered in where they will teach.

Commissioner Holmes said that there should be corresponding efforts moving forward because there is no space to house 462 teachers. She said that the expectation is to be more creative with space.

Commissioner Portman asked about the state numbers for schools. He said that the 462 classrooms are not in the Capital Improvement Plan (CIP). Ms. Rogers said that the plan could be modified.

Chairman Hutchison said that some of the schools are not at capacity but have capacity and that this could lead to reassignment and busing.

Commissioner Ford thanked Ms. Rogers for outlining the proposed school budget. He said that Wake County will continue to do its part support schools. He said that the State legislature continues to place the burden on the county. He said that he would echo everyone's comments about the House Bill 13 issue to be cut in half to \$13 million. He said that he would like a snapshot of how funds are being allocated.

Ms. Rogers shared the details of new or expanding programs.

## Detail of New or Expanding Programs

<b>System-wide</b>	
Market Responsive Compensation	\$2,250,000
Retirement Employer Contribution Match	\$213,000
<b>Academics</b>	
Assessing Math Concepts	\$15,289
Elementary Literacy Instruction	\$119,584
Districtwide Professional Learning	\$271,354
Elementary Ed Coordinating Teacher	\$37,493
Magnet New and Revised Themes	\$2,023,083
Middle School Iready	\$156,101
Subs for Professional Learning	\$11,611
Professional Learning Management System	\$240,000
<b>Special Education</b>	
Special Ed Teachers Previously Funded Through Federal Grant	\$3,527,825
<b>Student Services</b>	
Connections Alternative Middle School	\$488,132
Counselors/Social Workers / Other Instructional Support	\$9,996,975
SCORE Reduction	(\$709,319)
<b>Chief of Staff and Strategic Planning</b>	
Digital Portfolio Software Solutions	\$400,000
District Wide Performance Assessment	\$90,000
Office of Equity Affairs Expansion	\$487,813
<b>Maintenance and Operations</b>	
Facility Maintenance Technician	\$77,861
Pest Management Master Craftsmen	\$75,725
<b>Technology</b>	
Device Repair Services	\$146,000
Hardware and Software Management Software	\$201,264
<b>Total New/Expanding Programs</b>	<b>\$20,119,793</b>

Vice-Chair Calabria said that janitorial staff services were an issue and asked if the issues had been resolved for this year. He said that increase on the left hand side of the chart are proposed numbers from last year's numbers and are they the actual budget numbers.

Commissioner Holmes said that she participated on a panel concerning resource officers in schools. She said that she supports the line item for school counselors and social workers but only in high risk schools.

Commissioner Portman asked about the process by which the Board of Education allocates county funding.

Ms. Rogers said that based on how the statutes are written; the county has made funding contingent and not an initial appropriation.

Commissioner Portman shared information about his meeting with the school system. He said that it was a productive meeting.

Commissioner Ford said that he too was looking for the alignment of values and how it aligns with the county's budget. He said that on page 7 of the school budget book, there are items that must be considered in the budget.

Vice-Chair Calabria asked if the MOU (Memorandum of Understanding) model is a viable option.

Mr. Scott Warren, County Attorney, said the MOU is a viable option if in line with statutory rights.

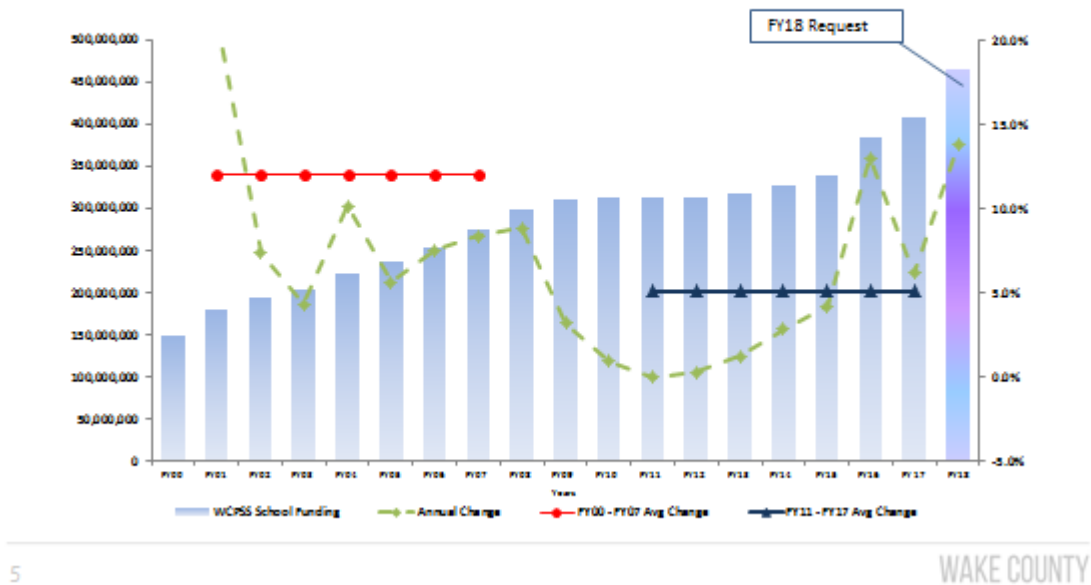
Mr. Warren said that there are limits of how the money can be spent but authority cannot be escalated how the county wants to.

Commissioner Portman discussed the issues that he had with the Board of Education budget.

Commissioner West talked about the controversies that occurred with the school board in 2010. He said that the transparency is not there. He said that it takes more time to get people on the same page. He said that the statutes have to be followed but the community must be considered. He said that people will fight the system when they don't get answers and that the Commissioners should have trust and move in the same direction.

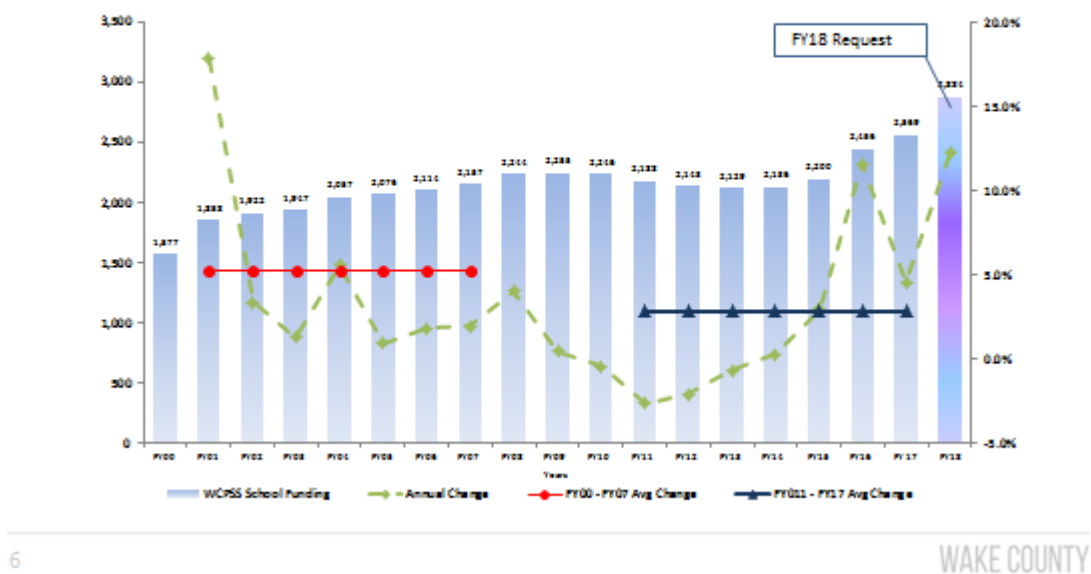
Ms. Rogers shared the WCPSS Historical Funding & Fiscal Year 2018 request.

## WCPSS Historical Funding & 18 Request



She shared the WCPSS historical per pupil & Fiscal Year 2018 request.

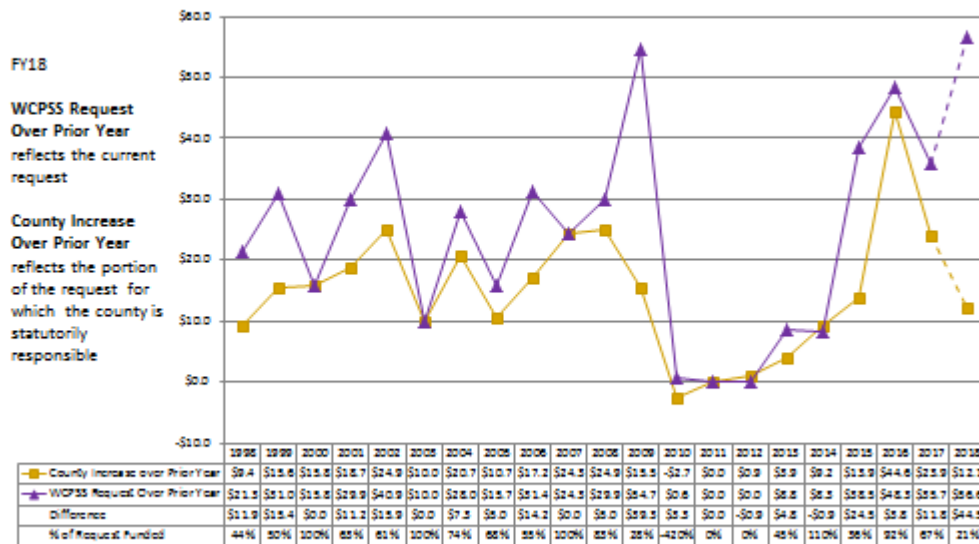
## WCPSS Historical Per Pupil & 18 Request



She shared the WCPSS request compared to county funded.



## WCPSS Request Compared to County Funded



7

WAKE COUNTY

There was open discussion concerning the Board of Education's budget.

Chairman Hutchison thanked staff for their work. He thanked Commissioner Ford for his support on the Public Education committee. He said that he is perplexed with the \$13 million from House Bill 13.

Commissioner Ford said that the Board of Education should assist with the explanation of their budget document.

Commissioner West asked if this impact is just with the Wake County Board of Education and can the General Assembly assist with answers.

Ms. Rogers said that issues are not just with Wake County Public Schools but schools in other counties as well.

Mr. Chris Dillon, Intergovernmental Relations Manager, said that the Board of Education is working hard, and the Local Education Authorities (LEA's) have been involved in the process.

### Adjourn

Meeting adjourned at 4:35 p.m.

Respectfully submitted,

Yvonne Gilyard  
Deputy Clerk