



Recommended Budget

July 1, 2021 – June 30, 2022

Introduction

Good evening, commissioners, and welcome to the folks watching online from home. I'm pleased to stand before you tonight to present our Fiscal Year 2022 budget. It's a financially sound plan and a realistic response to the growing needs within our community.



Reflections on the Past Year

But, before I share it with you, I want to first reflect on the past year. A lot has happened in Wake County, since I stood before you – virtually – last May.

We've seen cases of the coronavirus hit record highs, with the sickest patients on ventilators in local hospitals, while their anxious family members hoped and prayed for healing.

We've seen peaceful protests turn into riots on our streets, the windows of our downtown buildings smashed, and graffiti spray painted on our walls.

And, we've seen families put out of work by the pandemic struggle to keep a roof over their heads and food on their tables.

It's been a heck of a year.

Our Employees Drive Our Resiliency

But, despite all these challenges, Wake County has remained resilient. We have not let a once-in-a-century pandemic crush our spirit or compromise our quality of life.

We have persevered. We have worked hard to bring health and hope back to our community.

And, for that, we must thank our staff and our community partners.



They are the ones who raise the tents at PNC Arena long before the sun rises to provide life-saving vaccines to our residents.

They are the ones who make sure renters on the verge of eviction don't have to sleep on the streets.

And, they are the ones who coordinate COVID-19 testing sites at parks in our most vulnerable communities, where people with – and without – transportation can get swabbed for free.

We are nothing without our employees. And, this year, I want to recognize them and applaud their dedication to public service.

Without Team Wake, we could not have...

507,993	Tests processed
159,575	Vaccines administered
116,718	Responses to calls to our customer service line
251	Outbreaks and clusters investigated
1,226	People transitioned from homelessness to permanent housing
16,484	Families prevented from having their utilities turned off

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Because, without them, we couldn't have:

- Processed more than half a million COVID-19 tests;
- Administered nearly 160,000 vaccines;
- Responded to more than 116,000 calls on our COVID customer service line;
- Investigated more than 250 outbreaks and clusters in assisted living facilities, schools and congregate living centers;
- Transitioned more than 1,200 people experiencing homelessness to permanent housing; and
- Prevented more than 16,000 households from having their utilities turned off, because they couldn't pay the bills.

I'm so proud of Team Wake's relentless commitment to our community. The work they've done – and the work they continue to do – to protect us from the virus is top notch.

While our Public Health and Emergency Management staff led our initial pandemic response, I want to point out that every department

Every department has played a critical role in our pandemic response



Librarians were contact tracers



Board of Elections staffed mass vaccinations



EMS and Fire Services helped lead the EOC

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has played a critical role in this unprecedented effort.

Our librarians served as contact tracers. Our Board of Elections employees staffed the mass vaccination clinic at PNC Arena. And, our EMS and Fire Services teams played leading roles in the Emergency Operations Center.

At the same time, Team Wake was developing new and innovative ways to deliver our programs and services.

When our libraries closed, our librarians began recording regular story time sessions and posting them online for families and toddlers to enjoy. These videos have had almost 500,000 views in Wake County, in other states and even in other countries!

When our Parks staff could no longer safely host in-person programs, they created Wake Parks from Home. The popular program offers virtual field trips, mobile tours and videos that showcase the wildlife at our parks – all from the safety of your home.

And, when the world shifted to remote working, our technology team shifted, too – quickly moving our board meetings and news conferences to virtual platforms while getting thousands of employees the tools they needed to work from home.

2020 has Taken a Toll on Team Wake

This has been a total team effort, and everyone has contributed. But, with that contribution has come sacrifice. They've worked early mornings, late nights and weekends – missing time with family and loved ones. And the stress of launching COVID-19 testing and vaccination for more than 1 million people while continuing to provide services can't be understated.

This past year has taken a toll on Team Wake



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I was scrolling through my Twitter account recently and saw this tweet from one of our employees. In it, she recalls the moment she knew COVID-19 was going to change everything.

She was stressed from the weight of the pandemic workload. The long hours were catching up to her. And the thought of missing another day with her baby boy caused her to break down.

Her story really resonated with me, because – if we're being honest – we've all been Alice at some point over the past year. We've all felt overwhelmed and fallen apart.

I share all this with you – the highs and the lows – to illustrate the intensity of the past year, the impact it's had on our staff and the grit it's taken to make our successes possible. I also use it as an example of why we need to invest in Team Wake in Fiscal Year 2022.

We must invest in Team Wake in Fiscal Year 2022

- Decrease heavy workloads
- Reduce stress
- Provide a better work/life balance
- Retain great staff

GOALS:
Accomplish board goals
and deliver high quality
customer service

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The workload they carry is heavy – even during non-COVID times. And, in many cases, they could leave Wake County for jobs where they would make the same amount of money but work fewer hours and have less stress. It's critical that we improve the work-life balance of our employees, so we retain our amazing workforce and grow our ability to do even more to support our residents.

You'll hear me talk today about why these investments are crucial to accomplishing the goals that you, as a board, set out for us and meeting the customer service levels our residents expect.

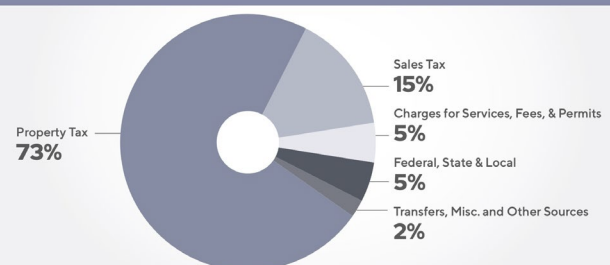
Initial Revenue Projections: Expecting the Worst

Before I share my recommendations, I want to show you what our current revenue picture looks like both for closing FY21 and going into FY22, which runs from July 1 of this year to June 30 of next year.

I'm happy to say it's better than we thought it might be a year ago. A pandemic like this happens maybe once a century, so no one really knew what to expect. The only data that the Budget team had to base their revenue projections on was the Great Recession. So, they were very conservative in their assumptions about how the virus would impact our funding in FY21 and rightly so.

We estimated that our red-hot housing market would cool down, lowering property tax revenues and real estate fees collected by the Register of Deeds. We thought people would put off home improvement projects, reducing the need for inspections and permits. And, we assumed people would save money rather than spend it, reducing sales tax revenues.

Property tax, sales tax and charges for services comprise 93% of our revenues



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Our property tax, sales tax and the fees we charge for services make up 93% of our county revenues, so you can see why we wanted to be prepared for the worst.

The Worst Didn't Happen

The good news is the worst didn't happen. COVID-19 didn't reduce our revenues as we feared it would. Home sales are still going like gangbusters, the demand for inspections and permits is up and people are making good use of online and curbside shopping, keeping our sales tax revenue strong.

These positive indicators help create a revenue picture that is better than our initial predictions. Thanks to a quick economic rebound, our FY21 projected revenues are coming in at 5% over budget.

We can thank the rounds of stimulus checks from the federal government for fueling some of this. Hundreds of millions of dollars in funding the state and the county received from the federal CARES Act and the American Rescue Plan also helped.

But, while some people were ordering Peloton bikes and had stacks of Amazon boxes at their front doors, others were not so fortunate. Frontline workers at restaurants, barber shops, gyms and other service industries faced layoffs and closures due to the pandemic. Some went months without a paycheck, relying on unemployment to make ends meet.

Our K-Shaped Recovery

Although Gov. Cooper is gradually reopening the state through his "dimmer switch" approach, the service industry hasn't made a complete comeback. The unemployment rate in Wake County still hovers around 5%. That's nearly 2% higher than in February 2020 – what we now refer to as "pre-COVID-19 time."

Economists call this a K-shaped recovery



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Economists call this a "K"-shaped recovery. What that means is the people who are doing well are doing really well, and the folks who are hurting financially are really hurting. Through programs like House Wake! and our food security work, we're focused on helping these vulnerable residents, so they can eventually shift from simply surviving to thriving.

That's going to take time. The economy is recovering, but there's a lot of uncertainty in what the future will bring.

What if we see another surge in COVID cases and businesses have to close again?

What will happen when there are no more stimulus checks?

What if too few people choose to get vaccinated, and we don't reach herd immunity?

We don't have answers to these questions yet. No one does. What

we do have are strong, data-based assumptions about how it will all play out.

Based on this continued uncertainty and our data about long-term growth projections, we're estimating less than 2% growth for our FY22 revenues over current year projections.

Fiscal Year 2022 Recommended Budget

\$1,565,900,000

General Fund Operating Budget

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A \$1.56 Billion FY22 General Fund Budget

We took all this insight into consideration as we built the FY22 Recommended Budget. After many months of analysis and healthy discussion, I present to you today a \$1,565,900,000 General Fund budget for Fiscal Year 2022.

FY2022 Recommended Budget

Does not include a General Fund property tax increase



\$0.60

Per \$100 of property value will remain our rate

42

I'm pleased to say it does not include a property tax increase for our General Fund. Under my proposal, our property tax rate would remain at 60 cents per every \$100 of property value.

Building the Budget: Where We Started

Before we started looking at expanding our budget to meet our growing needs, we first closely scrutinized our base budget – the foundation on which we build our spending plan for the coming year.

We took lots of things into consideration. We looked at removing funding for one-time purchases.

Our departments considered realigning or repurposing their dollars to better meet their business goals.

We looked closely at restoring the funding cuts we made across the organization in FY21 to balance the budget.

We also considered how our work environment is changing in the

face of COVID-19 and what that means for our employees, as well as our customers.



We reviewed your 2021 board goals and discussed how the FY22 budget could help us achieve them.

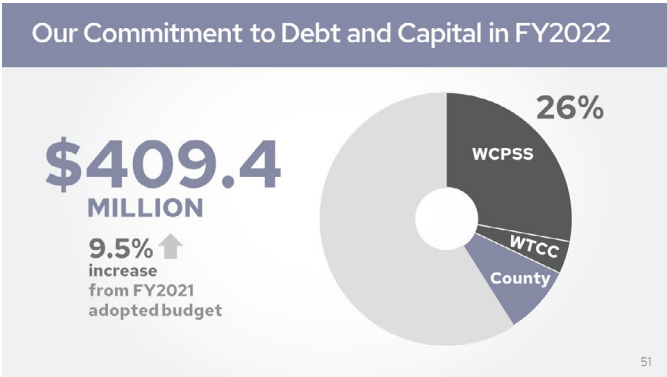


And, finally, we thought about the seven core values we adopted last year. They're the foundation of our organization and serve as the lens through which we evaluate every business decision – especially the budget.

After thinking about those factors, we started focusing on our budget allocations.

Our first step was to set aside the funds needed to pay for the debt we will owe in FY22 on long-term, high-dollar investments and capital projects. This is how we maintain our coveted Triple-Triple-A bond rating – the highest rating given by the leading bond agencies.

In the FY22 budget, we're restoring – and expanding – the .21 cents of the property tax rate that we moved from debt and capital to



operating in the FY21 budget. We're contributing to debt service this additional \$5 million to create future capacity for our county's growing infrastructure and building needs.

Our commitments to debt service and capital total \$409.4 million and make up 26% of the FY22 budget.

Building the Budget: Caring for Our Community

COVID-19 has impacted the way we plan, the way we work and the way we care for our community.

No one knows that more than our Public Health team. For them, the past year has been a marathon filled with sprints, and the race isn't over yet. We expect COVID-19, or viruses like it, will live with us for a long time – much like the measles, mumps or the flu.



For a while, they were making do with temporary staff. That was a band-aid. The board helped us move toward a sustainable solution when you approved adding six permanent, full-time positions to the Public Health team mid-year to manage the testing and vaccinations that protect Wake County residents from the virus.

To build on that, I recommend setting aside \$1.6 million to address longer-term public health-related needs, so we'll be well prepared to respond to any future disease outbreaks, potential case surges or additional guidance from the state or federal government.

This pandemic has brought to light the need to expand our Communicable Disease Team, as well. They investigate 74 reportable diseases, ranging from rabies to sexually transmitted diseases. Adding more communicable disease staff would enable this team to respond more quickly to disease outbreaks, keeping our community healthy and safe.

When you look at the statistics for communicable diseases in Wake County, you'll see an increase in Hepatitis C patients due to an increased use of heroin and opioids.

Right now, we have two social workers who help Hepatitis C positive patients find the road to recovery by connecting them with medical care, substance abuse counseling and wrap-around services. But, the grant that funds those positions is expiring. We recommend using county dollars in FY22 to fund the positions to ensure their important work continues.

Speaking of important work, we now – more than ever – recognize what a vital resource our school nurses are.


In FY22, we propose maintaining our total investment of almost \$10

million in our school nurse program. That's in addition to the funding we've budgeted for Wake County Public Schools, which I'll talk about shortly. By supporting the team with more nurses in FY22, we can maintain the one-nurse-for-every-two-schools ratio dictated by our model of care.


As you know, COVID-19 didn't just impact our community's health. It hit some sectors of our economy hard. As we recover, we must fund the services that our most vulnerable residents are relying on to meet their most basic needs.

One of them is housing.

House Wake! helps renters on the verge of eviction remain in their homes



Also helps households pay their overdue utility bills



2,626

Approved applications for households in need

Caring for our Community > Affordable Housing 59

Our House Wake! Program is currently helping renters who are at risk of being evicted remain in their homes. It's also helping people who can't afford to pay their utility bills due to COVID-19 keep the lights on and the water running. To date, our partner Telamon has approved more than 2,600 applications for households in need, and we're all very proud of that.

But, there's more work to do in the affordable housing space.

And, to get it done, we must restore the nearly \$1.5 million we cut in FY21 from our housing budget. Traditionally, we use these funds to support affordable housing development. We want to keep the ones that already exist and add more units to increase our stock.

Now that our revenue picture is more robust, we propose reinstating this critical funding, so we can help more lower-income families find safe and comfortable places to live.

We also recommend adding three positions to our housing team to provide additional leadership, manage contracts and help eligible adults who are homeless or at risk of becoming homeless apply for benefits. These positions would also offer some much-needed capacity to the department challenged with overseeing more than

We propose expanding our housing team to do even more to support vulnerable residents

Add 3 positions to:

- Provide additional leadership
- Manage contracts
- Help eligible adults who are homeless or at risk of becoming homeless apply for benefits



Caring for our Community > Affordable Housing 61

\$57 million in federal funds for housing and eviction prevention.

Another basic need we're trying to help our most vulnerable residents meet is food security.

No one should go hungry, especially during a pandemic. From March of last year to March of this year, the Wake County Center of the N.C. Cooperative Extension – along with 55 partners – distributed more than 9 million meals to people in our community.

We need to update our Food Security Plan to give people more access to fresh, healthy food

\$35,000

Investment to create a second comprehensive food security plan
Will build on success of first plan



Caring for our Community > Food Security 64

We want to build on this incredible teamwork by investing \$35,000 in the FY22 budget to create a second comprehensive food security plan. It would capitalize on the lessons learned from the first plan and make recommendations on new policies and innovative action steps to help more folks in Wake County become food secure.


We also propose continued investment in our Food Security AmeriCorps VISTA Program. Each year, it comprises 10 full time members and up to 20 summer associates. They work with partner agencies like the Capital Area Food Network and the Food Bank of Central and Eastern North Carolina, helping to connect the hungry with fresh, healthy food.

When we talk about food security, we must also consider the increased demand that the pandemic has created for Food and Nutrition Services and Medicaid.

With more people struggling to make ends meet, it's no surprise that the need for these supportive services has risen, too. Our FNS active caseload has jumped 25% over the past fiscal year, and our Medicaid caseload has gone from nearly 125,000 cases in FY20 to nearly 140,000 cases in FY21 – as an additional 15,000 people need our help.

COVID-19 has created greater demand for Food and Nutrition Services, Medicaid

Adding 8 positions to provide better, faster access to benefits, while increasing accuracy



Caring for our Community > Economic Benefits 68

To ensure the applications for these critical services are processed in a timely manner, we propose adding seven supervisors to our FNS and Medicaid teams. These staff would monitor workloads, assign cases,

provide guidance and training, and review cases for accuracy and timeliness to improve retention and performance in key county and state metrics.

We also recommend – through a partnership with NeighborHealth – adding a new family and children’s Medicaid caseworker to our team. These positions would ensure access to care for the thousands of patients who rely on food and nutrition and Medicaid benefits.

More people are coming to our Human Services facilities for assistance

Why they're coming:

- Meet with case managers
- Get help accessing economic benefits



Adding 5 positions to help triage the increasing number of applications and provide good customer service

Caring for our Community > Economic Benefits

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As we reopen our Human Services facilities, more people are coming to meet with case managers and get help accessing economic benefits. In the FY22 budget, we propose adding five positions to help triage the growing number of Medicaid and FNS applications submitted at the Somerset and Departure Drive locations and provide good customer service to everyone who enters the doors.

Just like we focus on helping our residents achieve good physical and financial health, we also recognize the importance of supporting good behavioral health in our community.

We held our second Behavioral Health Summit this spring. Even though it was virtual due to COVID-19, it received rave reviews from the participants. The feedback they provided will inform our update to the county’s Behavioral Health Plan.

The pandemic has turned life upside-down for many folks. The isolation, stress and grief they’ve experienced have real-life impacts. Locally, mental health professionals are seeing a rise in depression among our youngest residents – kids who never thought they’d spend a year of their lives going to school on a screen. And, nationally, the CDC reports 13% of adults struggling to cope with COVID-19 last summer said they turned to drugs or alcohol to deal with their emotions.

COVID-19 has turned life upside down for many



Depression is on the rise among children

13%

of adults turned to alcohol or drugs to cope

Caring for our Community > Behavioral Health

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We want to help them. That’s why we recommend providing transition funding to support operations at the WakeBrook facility, which provides a 24-hour crisis and assessment center, a substance

use and addiction detox unit and an inpatient unit. The county, UNC, WakeMed, Duke Health and Alliance Behavioral Healthcare are partnering to develop a sustainable funding model for the program.

We also propose transitioning our successful Mobile Crisis Services and Behavioral Health Urgent Care pilot programs to permanent services. We’ve seen the value they bring to our community – especially for residents who don’t know where to turn when they or a loved one is having an episode. That’s why we want to make them a permanent resource that’s accessible to everyone.

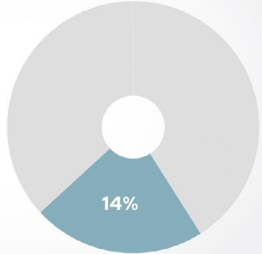
I’ve already mentioned our Departure Drive location. As we expand our range of services there to meet the growing customer base, we also want to add behavioral health outpatient services for adults. It just makes sense.

And, finally, we recommend providing funding in the FY22 budget for a pilot project to expand substance use treatment options in Wake County, focusing specifically on services for people who are in jail or have a criminal record.

Our Investment in Caring for our Community

\$221.1 MILLION

4.1% ↑
increase
from FY2021
adopted budget



14%

76

As you can see, there’s a lot we want to do to make life better for everyone in Wake County. In all, our proposed investments in public health, human services, housing, food security, economic benefits and behavioral health total \$221.1 million and make up 14% of the FY22 budget.

Building the Budget: Protecting the Public

The next area I want to focus on is public safety.

If the past year has taught us anything, it’s that we must be prepared for the emergencies we expect and the ones we don’t. The pandemic has also reinforced how vital partnerships are to protecting the public and keeping them informed during a crisis.

Pandemic lesson: We must always be prepared



Public Safety > Emergency Management

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In the FY22 budget, we propose adding a new position to our Emergency Management team that would focus on community outreach and engagement. By coordinating even more closely with the municipalities, key stakeholders and our residents, we'll be better prepared to handle any kind of crisis.

Our Emergency Medical Services team has seen interesting changes throughout the pandemic in demand for its services.

In the spring of 2020, 911 medical calls dropped when businesses closed and the "safer at home" order went into effect. But, those calls rebounded during the summer and fall of last year when the restrictions were lifted.

With demand resurging, Wake EMS needs to maintain sufficient coverage across the county to provide a timely response. During the busiest times, they experience instances when the number of ambulances available to cover all the calls dips below the system standard. They call this "E-STAT."

From July to December 2020, the number of times Wake EMS went into E-STAT increased by 25% from the year before.

To alleviate the growing stress on our EMS system, we propose restoring two significant cuts made in the FY21 budget. We want to bring back two peak load ambulances and the eight EMT and paramedic positions needed to run them.



These investments would ensure that when our residents call 911 and ask for emergency medical help, Wake EMS will be there quickly – ready to provide life-saving care.

Similarly, we have to make sure there are enough fire trucks and personnel to respond quickly to fires and other emergencies in the unincorporated areas of the county and the Town of Wendell.

The unincorporated areas are neighborhoods and communities that don't fall within a city or town's limits, and therefore, don't receive municipal fire services.

A fire tax is levied on those who live in the unincorporated areas and Wendell to pay for the firefighters' salaries, their safety gear and the equipment they need to do their jobs in these more rural areas. It's currently 9.10 cents per \$100 of property value.

The reality is the cost of providing this service is becoming more expensive, and as municipalities in Wake County annex more and more of the unincorporated areas, the tax base for the fire tax special district is shrinking.

Solution: Increase the Fire Tax in FY2022

10.27¢

Per \$100 of property value in the Fire Tax Special District

Benefits:

- Continued prompt response
- Retain great firefighters
- Safe, functional equipment



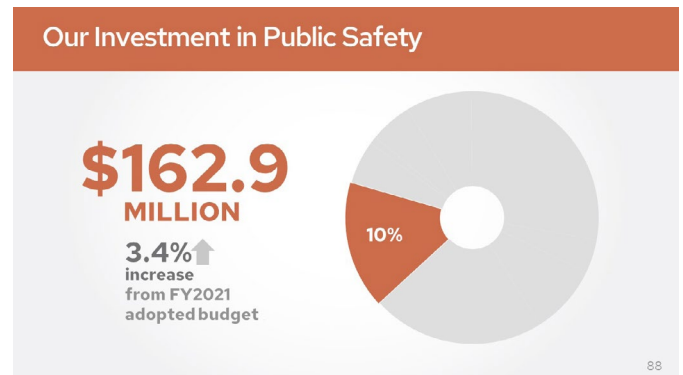
Public Safety > Fire Services

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Our solution to this financial challenge is to raise the fire tax in the FY22 budget to 10.27 cents per \$100 of property value for households in the unincorporated areas. We believe this recommendation will not only continue to ensure a prompt response in our rural communities during emergencies, but it will also help us retain great firefighters and provide them with equipment that works well and keeps them safe.

Recruiting and retaining great employees is a goal that the Sheriff and I share. Attracting people to work as detention officers in the jail isn't easy. That's why the FY22 budget includes restoring the requested funding for the Sheriff's Office to enhance his recruitment and outreach efforts.

We're also adding 16 positions to Sheriff Baker's team at his request to support drug investigations, collect and manage evidence, and safely transport people to behavioral health facilities for treatment.



Overall, our commitment to public safety within the General Fund represents \$162.9 million or 10% of the FY22 budget.

Building the Budget: Safe and Secure Elections

Another area that we must continue to safeguard is our election process.

During the 2020 General Election in November, we saw record-setting turnout with 80% of registered voters in Wake County casting their ballots. Requests for absentee-by-mail ballots increased by 500% last year. And, our 20 early voting sites saw a 24% rise in turnout over the previous presidential election.

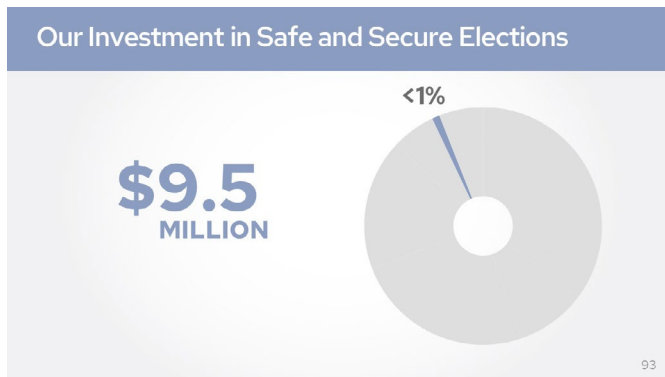
These are impressive and exciting statistics, and they show that – even during a global pandemic – people want to participate in this democracy. But, we can't expect our Board of Elections team to manage growing interest in the electoral process without giving them

more resources.

In the FY22 budget, we recommend adding four positions to:

- Support expanded early voting hours;
- Make sure our nearly 550 voting machines work well; and
- Manage our active precinct officials, which have grown from almost 6,000 in 2017 to more than 15,000 in 2020.

We also propose including more than \$700,000 for early voting in the March primary election and increasing the stipend for early voting and election day workers to \$15 an hour. In addition, we want to invest more funding in absentee-by-mail voting to meet the skyrocketing demand.



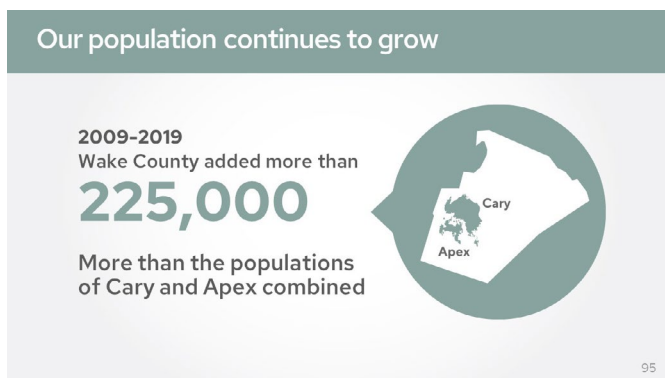
These investments to make sure our elections are safe and secure total \$9.5 million.

Building the Budget: Sustainable Growth and Quality of Life

The next area I'd like to address is sustainable growth and quality of life in Wake County.

Our relatively low cost of living and high quality of life are key reasons why we're the third fastest growing county of more than 1 million people in the country. From 2009 to 2019, we grew by 225,000 people. That's more than the populations of Apex and Cary combined. And, it's not projected to slow down any time soon.

This growth is spurring lots of development.



To meet the increasing demand from developers for planning and permitting assistance, we must expand our Environmental Services team in the FY22 budget.

Right now, it takes us about 25 days to review and issue construction authorization permits for septic systems. Our goal is 10 days. Adding another position to our Water Quality team would help us reduce that turnaround time.



Timing is also an issue when it comes to reviewing stormwater, floodplain management and sediment and erosion control plans due to sheer volume. The number of plans we received from FY19 to FY20 more than doubled, and they're on track to exceed that figure in FY21. By adding another engineer, we could reduce the time it takes to review the plans and get them back to the developers more efficiently.

The same goes for permit application checks. Our goal is to complete these checks in two days or less. To maintain that turnaround time, we need to add another technician to tackle the growing number of requests.

Improving timeliness is part of good customer service, which we want to provide to facility owners. That's why we propose adding a position that would create training materials to educate our customers about how the permit application process works. This position would also help us collaborate even more closely with our municipal partners to make each step in the process easier for our customers.

With the rise in development comes more restaurants, hotels, daycares and assisted living facilities. That translates into more state-mandated health inspections for our Environmental Services team. From FY19 to FY20, we've seen the demand increase by nearly 700 required inspections.

Even though COVID-19 shut down some businesses early in the pandemic, many restaurants quickly pivoted to a curbside or outdoor dining business model. And, our Environmental Services team pivoted, too, conducting inspections at these reimagined locations.

In the FY22 budget, we propose adding an inspector to better meet the demand and to keep our residents and visitors safe.



We also need to protect our four-legged residents – the dogs, cats and sometimes, even hamsters and horses, who come to our animal shelter.

With the shelter now fully reopened, we want to restore the funding cuts that we made in FY21 to ensure that shelter staff can work overtime – if necessary – to care for the animals and they have the right supplies to keep the animals healthy and happy until they find forever homes.

Over the past year, thousands of folks explored our amazing parks and nature preserves.



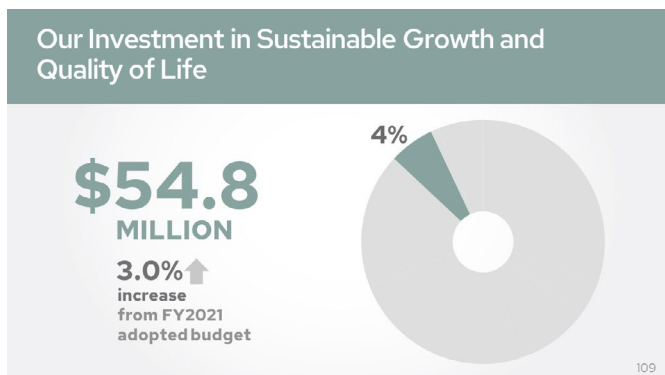
In fact, visitation has increased nearly 30% since the pandemic began. With the outdoors serving as a safer place for people to gather, exercise and simply relax during COVID-19, we expect those numbers to hold steady for the foreseeable future.

Even before the pandemic sent demand skyrocketing, we'd planned to purchase an additional 2,000 acres of open space by June 2022 with funds from the Parks, Greenways, Recreation and Open Space bond.

And, now that interest in parks is at an all-time high, we propose adding more positions to our Parks team to care for our nature preserves and maintain our newly purchased open space.

It's also the perfect time to open Sandy Pines Preserve – a 563-acre former farm in Eastern Wake County that features natural forests, fields and wetlands. We envision offering hiking, horseback riding, fishing and more on this beautiful property.

Right now, our nature preserves are open seven days a week from May through August. We'd like to extend those operating hours through September to meet the increased demand for access from our residents.



In all, our investments in the departments that support our sustainable

approach to growth and our quality of life total \$54.8 million and comprise 4% of the FY22 recommended budget.

Building the Budget: Infrastructure Growth

As we talk about growth, we must also consider its impact on our own infrastructure – both our brick and mortar infrastructure and our digital infrastructure.

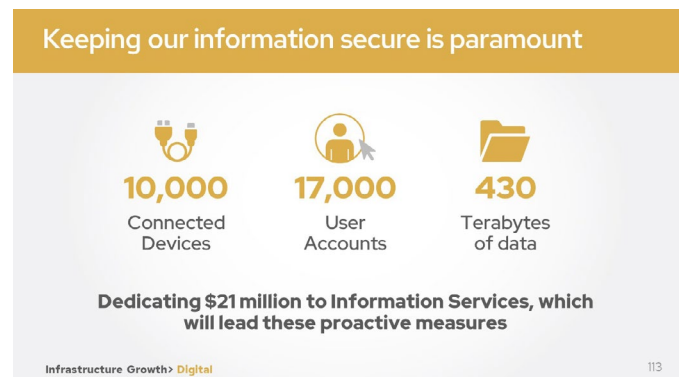
Wake County currently has more than 5 million square feet of buildings in its portfolio, and it's our responsibility to continue to take good care of them, so they last as long as possible.

Preventative maintenance is important. It's like getting the oil changed regularly in your car. If you do it every 3,000 miles, you'll dramatically increase the lifespan of your car. If you don't, your car will break down far sooner. We want to be the good car owner. That's why we recommend investing \$33.6 million in the FY22 budget to protect and preserve our county assets.

As we maintain our facilities, we're also looking for ways to conserve energy – at your direction.

As a board, you've told us that you want to continue your commitment to reducing our energy consumption while relying more on renewable energy sources. To accomplish those important objectives, we recommend adding a position to our newly reorganized General Services energy team.

We also want to dedicate funds in the FY22 budget to purchase facility management software, so we can gather better analytics on the effectiveness of our systems and facilities and use them to make data-driven conservation and efficiency decisions.

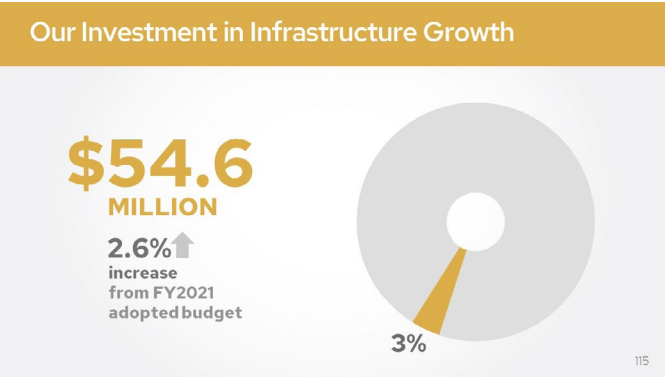


When we think about our digital infrastructure, one of the first things we focus on is security. We want to do everything we can to reduce our risk and protect our 10,000 connected devices, 17,000 user accounts and 430 terabytes of online information. Investing in new technology solutions and risk management insurance are two effective ways to do it. In the FY22 budget, we propose dedicating \$21 million to our Information Services team, which will lead these proactive measures.

We're also looking at tools to help our employees do their jobs in this new, virtual environment created by the pandemic. We need software to enable digital document signing and an additional IT technician to help employees working remotely solve computer issues in a timely manner. We recommend investing in these resources in the FY22 budget.

Continuing to build and organize our digital infrastructure is important, as well. It's the backbone of how we operate in this modern

world. To support it, we propose adding four positions to standardize how our data is used across the organization, analyze our business practices and modernize our mass appraisal system for our Tax Administration Office.



Overall, our recommended investment in the departments that maintain our facilities, technology and infrastructure totals \$54.6 million or 3% of our FY22 budget.

Building the Budget: Organizational Strength

Next, let’s talk about our organization and how we’ll work to strengthen it in FY22.

As I mentioned at the beginning of my remarks, that starts with investing in our employees. They need more resources and more bandwidth to meet our customers’ expectations and your goals.

With these investments, we can hit the targets you’ve set and be true to our core values, especially “Make it better” and “Embrace diversity.”

I’ve always believed that the key to a strong organization is a strong support structure. It’s like construction. You can’t build a skyscraper on a wobbly foundation and expect it to stand. So, why are we trying to build a great county government on a framework that’s not robust enough to fully support it?

We’ve done the benchmarking, and compared to many counties of our size, we’re very lean. Over the years, we haven’t added enough staff and resources to the departments that support us internally, and now, we’re feeling the pinch.

The key to a strong organization is a strong support structure

- 1. Compared to other counties of our size, we’re very lean.**
- 2. We haven’t added enough staff or resources to departments that support us internally.**
- 3. Work/life balance is a priority.**

Organizational Strength > Internal Support 117

Providing all of our employees with a good work/life balance is a priority for me. As the county grows, we can’t keep asking Team Wake to take on more work without risking burn-out and their eventual departure.

Our Human Resources team is stretched thin, and without additional staffing, they won’t be able to effectively support Team Wake. That’s why we recommend giving them eight new positions to focus on important areas such as employee relations, centralized onboarding, salary administration and succession planning.

Our Communications Office is another team with lean staffing that serves our entire organization. They do a lot with just 10 employees currently. But, to meet the needs of the community, we have to increase their capacity. We propose adding four positions to enhance communication with residents and our employees. They will enable us to more proactively tell the Wake County story while enhancing our community outreach efforts.

Providing support to other internal departments

Adding positions to:

- Tax Administration
- Budget and Management Services
- Internal Audit
- Finance
- Register of Deeds Office
- Board of Commissioners
- County Attorney’s Office

Organizational Strength > Internal Support 120

We also recommend restoring and adding 13 positions in other departments such as Tax Administration, Internal Audit and the County Attorney’s Office to meet increased demand and better support our organization.

As you’ve seen in our recent goal-setting retreats, we’re a data-driven organization. We use the analytics we collect countywide to measure our performance and help us achieve even greater results for our residents. This directly connects with our “being accountable” core value.

We want to take the work we’re already doing in this space to a higher level. That’s why we recommend in the FY22 budget expanding the team that focuses on performance, strategy and innovation.

We also propose investing in a software system that would enable the team to build out the county’s performance management framework and track progress on board goals. We believe this is the right approach to ensure the county uses the best solutions and services to get to the outcomes we want with the most efficient use of taxpayer dollars.

Another priority for me is to sharpen our focus as an organization on diversity, equity and inclusion.

“Embrace diversity” is another one of Wake County’s core values. We believe that different backgrounds and experiences make our work better and, ultimately, make us better. We value inclusion across race, color, national origin, gender identity, age, religion, sex, disability and experience. Our goal is to better reflect the community we serve.

Last month, we officially launched a new diversity, equity and inclusion program called WakeUP! It actively demonstrates the county’s commitment to advancing these ideals across all functions and levels of our organization.

Launched new DEI program called WakeUP!

Demonstrates our commitment to advancing these ideals

- Adding a Diversity and Inclusion Director to lead this effort
- Investing in DEI contracted services to identify and implement strategies



Organizational Strength > Diversity, Equity & Inclusion

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To guide this important work, we recommend creating a new position for a Diversity and Inclusion director in the County Manager's Office. We also propose investing in DEI contracted services to help this position – and our organization as a whole – identify strategies to encourage equity and develop a plan to implement them.

Our Investment in Strengthening Team Wake

\$59.7 million

Total funding in FY2022 for the departments and programs that support our organization

124

Investments in the departments and programs that support and strengthen Team Wake total nearly \$59.7 million in the FY22 budget.

As a board, you've told us that you're committed to providing a living wage to all of our employees. And, for the past 5 years, we have. We want to continue being a role model for other businesses, which is why we recommend adjusting the living wage to \$17.33 an hour in the FY22 budget. This increase is necessary to reflect the growing cost of living in Wake County.

Speaking of wages, in FY21, we chose not to fund performance pay increases for our more than 4,200 employees as a cost-cutting measure. Based on a better revenue picture in FY22, we propose funding a performance pay increase of 4% to help Team Wake catch up financially. We would also like to give up to an additional 3% raise to our highest performers – roughly 20% of our workforce.

Competitive pay is critical to retaining current employees and attracting new ones

4%
Increase in performance pay

+

3%
Additional increase for highest performers

If we don't pay employees what they're worth, we will lose top talent

Organizational Strength > Performance Pay

126

These pay increases are critical to retaining our current employees and attracting new ones. If we want to remain competitive in the marketplace, we have to pay our employees what they're worth. Otherwise, we will lose top talent to other government agencies or other sectors that offer higher salaries and require a lighter workload.

Another facet of the pay conversation is fairness. In addition to making sure Team Wake has ample opportunities to increase their earning potential, we must also make sure staff get appropriate market-rate wages based on qualifications and years of experience.

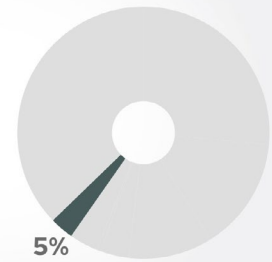
You'll remember that in FY19 we embarked on a study to develop modern job classifications and job descriptions for our workforce. We knew after we did that there would be pay discrepancies to reconcile. That's why, in the FY22 budget, we recommend conducting a compression study for the organization to look at our pay disparities, and develop and implement a strategy to address them.

Our Investment in Organizational Strength

\$83.6 MILLION

↑ Making our salary and benefits competitive

↑ \$4.6 million increase in departments that support Team Wake from FY2021 adopted budget



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Making our salary and benefits competitive, as well as investing in the departments that support our organization and the county as a whole, would cost \$83.6 million and represent 5% of our FY22 budget.

Building the Budget: Community Organizations

Each year, the Board invests funds in local community organizations that bolster our important work in areas like housing, food security and early childhood education. With our help, they are able to serve more residents. The FY22 Recommended Budget includes \$2.1 million, a 4% increase over the prior year, for the commissioners to continue this support.

Building the Budget: Education

The final area I want to address today is education.

We know a strong education is a key pathway to a successful life. And, it starts when children are young.

Children who attend high quality early education arrive at kindergarten more ready to learn, less likely to need special education, and ultimately, better prepared to achieve higher reading scores and graduation rates.

Currently, we provide almost \$1.7 million to Wake County Smart Start to support pre-K for income-eligible 4-year-olds. In the FY22 budget, we propose expanding our investment to \$2 million for Smart Start to create a new pre-K curriculum for income-eligible 3-year-olds called "Wake ThreeSchool."

High quality early education prepares children for success in school

\$2 million

Provided to Wake County Smart Start



Expanding our investment to create a new Pre-K curriculum for 3-year-olds

Education > Smart Start

131

With up to two years of Pre-K under their belts before they go to kindergarten, these children will be far better prepared to participate in the classroom and meet educational milestones.

We look at our investments in education as a continuum. The next step after Pre-K is the Wake County Public School System. It's the 16th largest school district in the country with more than 160,000 students.

Like the county, the Wake County Public School System has experienced unprecedented challenges caused by COVID-19. Through it all, as Superintendent Cathy Moore said, school system staff have worked to create, revise and adjust academic routines to make sure that students have access to the rigorous and meaningful learning they need.

WCPSS is the next step in our education continuum



Propose allocating
\$539.2 million
to WCPSS

- Makes one-time funding of **\$12 million** recurring
- Increases our support for the district's operating budget by **\$11 million**

Education > Wake County Public School System

132

We propose allocating \$539.2 million to the Wake County Public School System, which would make last year's one-time funding of \$12 million recurring and enhance our support for the schools operating by an additional \$11 million. This investment meets our statutory obligations for facility operations and maintenance and continues our support for K-12 education in our county.

The final step in our education continuum is college, and investing in Wake Tech remains a priority. It's the largest community college in the state, serving about 70,000 students each year. It provides great opportunities for skills training to help students of any age prepare for their first – or next – career.

In the FY22 budget, we recommend investing nearly \$29 million in Wake Tech, an increase of \$4 million from FY21. This will fund our commitments to the college's nine current locations, as well as:

- Invest in the new Center for Automotive Excellence at the Scott Northern Wake Campus;
- Provide additional space to support the partnership with

Amazon at the Beltline Education Center; and

- Plan for the new Eastern Wake Campus.

This funding would also expand the college's information technology team to better support virtual learning and cybersecurity.

This funding includes our continued commitment to the Wake Works program. The apprenticeship program provides scholarships for students, so they can earn a degree while getting practical work experience. It also supports local businesses by creating a pipeline of talent in skilled trades, manufacturing and healthcare.

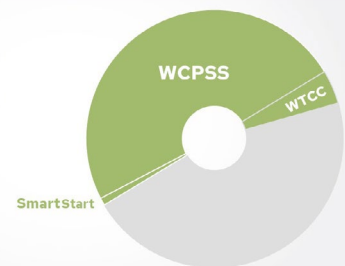
With COVID-19 impacting parts of the workforce, Wake Tech will undoubtedly play a key role in helping people make a career comeback. We're proud to be part of it.

Our Operating and Capital Investment in Education

\$890.1
MILLION

57% of total budget

\$34.3 million increase over FY2021



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Altogether, our proposed operating and capital investments in education – from cradle to college – total \$890.1 million and make up 57% of our FY22 budget.

Conclusion

Today, we bring before you a financially sound plan for the upcoming fiscal year. It not only invests funding in the services we're required by the state and federal governments to provide, but it also supports the areas within our organization where we want – and need – to grow.

During the pandemic, we've seen our employees give their all to help protect our community from the virus. This challenging time has revealed some areas where Team Wake has been too lean for too long. Our healthier revenue picture for FY22 gives us the opportunity to add staff and resources where we need them most. These critical investments will provide our employees with a better work/life balance and help us retain the top talent that makes Wake great.

FY2022 Recommended Budget

\$1,565,900,000

No property tax increase in the General Fund

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Our recommended budget for FY22 totals \$1,565,900,000 and does not include a property tax increase in the General Fund. It focuses on serving the multi-faceted needs of our residents – especially those living on the margins.

I want to thank the folks from every department who worked on this budget proposal, because I know it wasn't easy – particularly in the midst of a global pandemic. I want to give a special shout out to the Budget team and CFO Emily Lucas for their leadership and dedication to this process. You've done great work.

Next Steps

But, we're not done yet. Let's talk about the next steps in this process.

Next steps

FY2022 Recommended Budget Schedule

Starting tonight, you can submit comments on the budget via wakegov.com/budget.

MAY 10	MAY 17	MAY 18	MAY 24	JUNE 7
2 p.m. First board work session on budget	2 p.m. Hold public hearing on budget during board meeting	5 p.m. Public comment period on budget closes	9 a.m. Second board work session on budget	5 p.m. Board votes on proposed budget

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Starting today, residents can submit comments on this budget through our website, wakegov.com/budget.

On Monday, May 10, at 2 p.m., we'll hold the first board work session dedicated to the budget.

On Monday, May 17, we'll hold a public hearing on the budget during the 2 p.m. board meeting. As soon as the meeting starts, all feedback will become publicly available for viewing on the county website. Staff will then provide the commission with a summary of public hearing comments received through that morning.

The public can continue submitting comments until May 18 at 5 p.m. A summary of all comments will be delivered to the board at that point.

On Monday, May 24, we'll have a second work session at 9 a.m. to discuss public hearing comments and identify any changes to the recommended budget for consideration on June 7.

We'll bring the proposed budget to the board on that day for a vote during the 5 p.m. board meeting.

As always, you can find the materials that explain what's in the FY22 Recommended Budget on our website, wakegov.com/budget. They're online now, and we encourage you to read through them to gain a better understanding of our priorities for the year ahead.

Thank you for your time and consideration.



wakegov.com/budget

