

Recommended Budget

July 1, 2023 – June 30, 2024

FY 2024



wake.gov/budget

Introduction

Good evening, commissioners. I'm here tonight to present to you my Fiscal Year 2024 Recommended Budget. It's a financially sound proposal that addresses the greatest needs in our community and within our organization.

Economic Considerations

Developing this budget was challenging, because of the times we live in. Nationally, inflation averaged 8.6% last year. Thankfully, it's trending down from a 40-year high of more than 9% last June.

I'm sure you feel it. Almost everything you buy costs more. From milk and eggs to childcare and prescription medication, it's all gotten more expensive. Just like you're absorbing those higher prices in your budget, so is Wake County.

Inflation averaged 8.6% last year



Postage is a great example. You wouldn't think a 5-cent postage rate increase would have a big impact. But, it adds up quickly when you consider the thousands of absentee ballots and voter materials our Board of Elections mails. Their postage cost this year will be almost \$32,000 more than last year.

Our security contracts, which cover our courts and libraries, also cost more. They've increased 25%, or more than \$1 million, this year. Wage adjustments, dictated by the market, for security positions are one reason why. We also realigned our security needs across all county buildings.

The cost of medical care is going up, as well. That's causing our contribution towards retiree health insurance to increase 20% from nearly \$11 million to more than \$13 million in FY24. We're seeing this same scenario play out in utility bills, fleet vehicle purchases and many other areas of our business.

At the same time, we're keeping our eye on the Federal Reserve, which is increasing interest rates enough to tame this inflation while trying not to tip the economy into recession. We're also watching to see if the recent bank failures will impact the economy, and we're monitoring key economic indicators like consumer spending and housing stock for signs of growth, which is happening – just at a slower pace than in previous years.

An Environmental Scan

The pandemic illuminated long-standing systemic disparities in our community, making it even harder for many residents to remain housed, fed, financially stable and safe.

In response, we stepped up during those first turbulent years and reimagined how to deliver our services to better meet the evolving needs of our residents.

We recognize that life continues to look different for many people, including children in the foster care system, people experiencing homelessness and housing insecurity, veterans and people living with complex mental health issues.

Many of our residents continue to need enhanced services. We're committed to meeting those needs, which will require additional investments beyond those from before COVID-19.

Population Growth Continues

We must also factor in the population growth we continue to see in Wake County. We're adding 56 people per day, which brings our census to nearly 1.2 million people. The newcomers contribute to our rich culture and our diverse, vibrant community. Some are coming here for great jobs in tech or biotech. Others are coming here to retire.

Wake County's population growth continues



Forty-six percent of our population growth came from people ages 55 and older. That's right in line with state projections, which show that, by 2029, Wake County will have more residents over 60 than children under 18.

We had to consider this data as we built the budget, because it impacts how we deliver our services and the kinds of services we will need to provide now and in the future.

Continuing to Reimagine How We Work

In these uncertain times, the county must be even more responsible stewards of resources. That's why, before we started determining what would go into the budget and what would not, we took several important steps.

First, we advanced the process I started years ago, when I asked staff to seek out areas where we could tighten spending, enhance collaboration and be more efficient. As part of this smart growth mindset, our IT team is optimizing our software contracts. They renegotiated to get the best product for the money, and they're centralizing systems where appropriate to improve workflow and lessen cost.

We also avoided adding more office space to the county's footprint, because half of Team Wake is now working hybrid or remote. This not only saves the county money, but it also attracts high-performing people to our flexible workplace.

Next, we continued reimagining how our organization is structured. We compared the departments’ priorities with their current staffing and got creative. Instead of just adding new positions, we will help them reclassify or repurpose existing positions to meet some of their most pressing needs. I want to share a few examples with you.

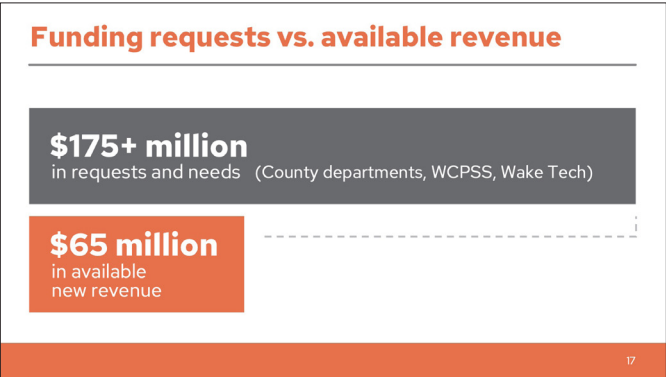
The first one involves EMS. We created system controllers by reclassifying vacant positions. A system controller is important, because it manages the daily deployment of ambulances and provides overall situational awareness to the EMS shift commander. This frees up the shift commander to focus on managing the EMS system and its staff.

Register of Deeds Tammy Brunner repurposed existing positions, as well, when she opened the Passport Acceptance Facility in June. Based on its success, we will continue investing in this program in the FY24 budget. I’m excited to say they process more than 600 applications a month on average.

Sheriff Willie Rowe is also reclassifying existing positions to establish five more school resource officers. They will support the 24 SROs who already serve Wake County’s middle schools and East Wake High School. They will help respond to calls for backup, provide additional school patrols and fill in for the other officers when they’re out sick or on vacation.

Commissioners, I would not bring you a budget to consider without taking these critical steps first. We always make the most of what the county already has before we ask you to add new resources. That’s just how good government works at Wake County.

Our approach really resonates when you consider that requests for more funding in FY24 from county departments and education partners like the Wake County Public School System and Wake Tech totaled more than \$175 million. Based on the latest data, we project that we will have about \$65 million available in new revenue, which wouldn’t even cover half of that cost.



Again, that’s why it’s so important that we seek ways to save money, increase efficiency and better utilize our existing resources before we begin building the budget.

The Three Themes

As we decided how to distribute our limited funds in FY24, we kept coming back to three central themes:

- Community safety;
- Continuing to reimagine how we work; and
- A people-first approach.

You’ll hear me talk about them as I walk you through my FY24 recommended budget, which totals \$1,864,435,000.

Public Safety

One of our greatest responsibilities as a county government is to keep our residents safe. It’s our job to protect them from danger, respond to emergencies and support investigations that lead to justice.

Public Safety: Wake County Sheriff’s Office

Sheriff Rowe and the Wake County Sheriff’s Office are committed to serving and protecting our community. Their leadership has an open-door policy to welcome fresh ideas, concerns and suggestions from all stakeholders to improve public safety. The sheriff is also focusing on the wellbeing of his employees by bringing on an interfaith chaplain, as well as a therapy dog, to assist with peer support.

Sheriff Rowe is fostering a culture of fairness, openness and transparency in all day-to-day operations. But, he can’t do that effectively, if he doesn’t have enough staff. When he took office in December, there were more than 200 vacant positions. Filling them has been challenging in this labor market.

To help, we’re increasing the market ranges for deputies and detention officers in this budget. Both will now have the same starting pay of more than \$50,000 a year. I told the sheriff I’d put in a plug for him and encourage anyone who’s watching this evening to consider applying for these positions. It could be the start of a great career!

Wake County Sheriff’s Office



Facing challenges in filling 217 vacant positions

Solutions

- Increased market ranges for deputies and detention officers
- \$50,540 starting salaries

APPLY > wake.gov/careers

Public Safety

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I already mentioned the five positions we’re reclassifying to serve as school resource officers. We’re also adding a position to that team – an investigator who will work specifically on school-related cases. The sheriff hopes expanding security will increase his office’s ability to respond promptly to violence and illegal activity in our schools. The Sheriff’s Office is dedicated to creating positive relationships with school communities, keeping children safe in the classroom, and giving peace of mind to the families and loved ones of Wake County students in these difficult times.

In this budget, I recommend we include Sheriff Rowe’s request for an Accreditation and Quality Assurance Coordinator. This

position will help standardize policies and procedures, based on industry best practices, as well as lead the office's efforts to apply for and achieve state and national accreditation.

Public Safety: City County Bureau of Identification

Another way we're keeping our community safe is by investing in a new, state-of-the-art DNA lab for the City County Bureau of Identification.

Our criminal justice system depends on having timely, reliable information. By operating its own lab, CCBI can quickly analyze the DNA evidence recovered by crime scene specialists, and search DNA profiles in the FBI's database. In addition to county support, CCBI secured \$825,000 in state and federal grant funding for this project.

Construction on the lab is complete. The CCBI team is currently working to acquire the equipment needed, which must undergo a validation process. The lab is projected to open in spring 2024, pending successful completion of an accreditation assessment.

Public Safety: Medical Examiner Responsibilities

Just like lab work is needed to help law enforcement solve cases, so are autopsies. State law requires counties to transport, store and provide examination facilities for those who have passed away in our community.

As we grow, this is becoming more challenging and will require a series of investments to address. In the FY24 budget, I recommend our capital plan include short- and long-term approaches to provide this mandated service.

Public Safety: Emergency Medical Services

Population growth is also impacting Wake County EMS. Calls to 911 for emergency medical care went up 22% from 2017 to 2022. During that same timeframe, the number of EMS units needed to respond to calls increased 26%, because the incidents were more severe and required more providers on scene to render life-saving assistance.

High demand is not new to EMS, which is why the department launched the Nurse Navigation program last spring, thanks to your support. It addresses non-emergency medical questions and concerns. It's processed more than 5,000 calls and redirected more than 2,000 of them in its first year alone, which is great! But, it's not enough to offset demand. To bring our EMS system into better balance, I recommend adding 20 new positions and buying three ambulances. That's in addition to the five ambulances we're purchasing at the end of FY23, using one-time funding.

To better respond to calls in all parts of the county, we will also invest in opening three EMS stations in FY24 – one in Cary, one in Garner and one in Knightdale.

Public Safety: Fire Services

Calls to 911 are also way up in our Fire Tax District. For those who aren't familiar, the Fire Tax District funds fire services in the unincorporated areas of the county and in the Town of Wendell. The unincorporated areas are neighborhoods and communities that don't fall within a city or town's limits.

911 calls are increasing in the Fire Tax District



It includes people in the unincorporated areas and Town of Wendell

↑ 30%
increase from 2021 to 2022

Public Safety

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Our fire departments saw a 30% increase in calls from 2021 to 2022. That equals more than 11,000 *more* calls for service in a single year, which is the largest uptick we've ever seen.

As crews respond to these calls, we must take every precaution to keep them safe.

A report by the International Fire Chiefs Association lists 11 ways to reduce the risk of cancer among firefighters. We've made progress in every area but one. To date, we have not provided all of our career fire personnel with a second set of protective gear. Each set costs nearly \$4,000, which adds up quickly when you consider that there are nearly 800 full-time employees in the Fire Tax District, but it's an investment well worth making.

As the demand for service is growing, the size of the Fire Tax District is shrinking. More unincorporated communities are getting annexed into nearby municipalities, which reduces the tax base, making it harder for the fire district to fund the needs of the fire departments, especially with inflation. For example, the price of a fire engine has doubled over the past 6 years to \$900,000 dollars!

To address these needs, we recommend increasing the fire tax by two cents in the FY24 budget to 12.27 cents per \$100 of property value for households in the unincorporated areas and the Town of Wendell.

This adjustment will enable our fire departments to purchase the trucks they need to continue serving rural communities during emergencies and purchase another set of turnout gear to protect the firefighters who work so hard to keep us safe.

Affordable Housing

A few weeks ago, we shared with you the results of our community survey. It showed that about 20% of respondents consider affordable housing to be one of the most important issues facing Wake County.

In fact, it was second on the list, coming in just two-tenths of a point behind development and growth. It's not surprising when you consider how closely the two are intertwined. Ensuring affordable housing is available for county residents is critical to promoting sustainable growth and development.

Those results line up nicely with the board's goals. In the FY24 budget, we will invest nearly \$20 million in capital projects to preserve the affordable housing stock that already exists and

develop even more units to support more people in need of safe, stable places to live.

As part of that investment, we propose launching a Major Repair Community Development Program. The more than \$1.3 million initiative would provide home repair assistance to low-income homeowners through low-interest or forgivable loans. The program would benefit people living below the average median income. With a project budget of up to \$90,000 per home, this program could go a long way towards helping local homeowners continue living in their safer, more structurally sound homes for many years to come.

Launch Major Repair Community Development Program

\$1.3 million investment

- Assist low-income homeowners with repairs
- Available to people living below the AMI
- Up to \$90,000 budget per home

Result

Help homeowners continue living in their safer, more structurally sound homes



Affordable Housing 37

Another way we want to make it easier for struggling families to stay in their homes is by providing additional financial support to those who've fallen behind on their utility bills. We already have a utility assistance program in place, which is funded with state and federal dollars. But, due to high demand, those funds ran out in January this year. That's about three months earlier than usual.

To help extend the program, we propose supplementing the existing state and federal funding with county dollars in FY24, so we can help more people keep the lights on and the water running until they can get back on their feet.

Although we anticipate that the state is going to offer some kind of homeowner assistance in the future, we're jumpstarting that effort now by launching the repair program and expanding utility assistance.

Behavioral Health Care

There are so many intersections between housing and behavioral health, because people living with complex behavioral health issues often need support accessing safe, stable housing.

A strong example of this is Cornerstone. It's a Wake County facility that we closed during the pandemic, so we could transform the space to better serve our clients. Renovations are expected to be complete and the facility available to accept residents by early fall. Pending your approval of this budget, it will provide community-based programming and 20 new apartment-like units to people with long histories of housing instability or homelessness.

With a safe and stable place to live, they're primed for Cornerstone to connect them with the right resources and treatment for their behavioral health needs, which could range from serious mental illness to substance use disorders. We estimate this program will provide life-changing support to 40 people every year.

In this budget, we also want to increase support for our "familiar faces." These are folks who have frequent interactions with crisis systems, like EMS and behavioral health care, and may spend time in our jail. Allotting additional funds to this initiative will help provide more short-term housing assistance for our familiar faces, as well as intensive care management to ensure better long-term health outcomes.

To further that effort, we want to create a data integration program for our familiar faces. Each organization they interact with – from housing services and the hospitals to law enforcement and the courts – has a piece of their story. But, currently, there is no single place where the partners can see the whole picture. We think there is great value in organizing the bits of our familiar faces' stories into one system. That's why we're moving forward with purchasing a technology solution to make that possible, and funding a program director and two IT positions to oversee its implementation.

In the FY24 budget, we also recommend investing in crisis services and ongoing support for the estimated 17% of our community grappling with behavioral health issues. From national research, we know one in three young adults ages 18 to 25 had a mental illness in the past year.

WakeBrook is one of our area's core crisis response facilities. It's not surprising that in this post-pandemic environment, WakeBrook is seeing a 25% increase in patients seeking help. The facility has 72 beds, and they're typically between 85% and 100% full.


WakeBrook is a core crisis response facility

Post-pandemic statistics

- 25% increase in patients
- Beds remain 85% – 100% full

Recommendation

- Increase investment by **39% to \$20 million**



Behavioral Health 44

We're committed to supporting this critically important service, which is why we propose elevating our investment to nearly \$20 million. That's a 39% increase over last year. The additional funds will support 24/7 crisis stabilization, non-hospital detox and inpatient treatment. They will also help us bridge the gap until we receive the results of a study analyzing crisis services in Wake County and determine how to implement its findings.

Sometimes, people in crisis need help to come to them. That's why we have a mobile crisis response program. We're in the process of bringing on a new provider, which will enable us to serve those who need urgent care wherever they are – at home, work or anywhere across our community.

In the FY24 budget, we want to level the playing field and ensure all residents who are not in crisis but need ongoing support have access to it.

We propose expanding substance use treatment programs – particularly those for folks who also need medical care or have been involved with the justice system. Roughly 6% of people booked into our jails have a known substance dependence diagnosis. Helping them access the proper medications and peer support will advance their recovery and improve their health, while reducing the ongoing costs of re-entry to the justice system.

In addition, we’re currently hiring a program manager for the Opioid Settlement Fund. This position will develop and support new programs, expand existing programs where appropriate and coordinate with stakeholders. Our goal is to support evidence-based addiction treatment, recovery, housing access and early intervention.

Human Services

Last year, as we were coming out of the pandemic, we invested heavily in expanding public health services, especially at our regional clinics. This year, we propose increasing our investment in our Child Welfare Program by nearly \$1.4 million.

COVID-19 dramatically reduced community reports of child abuse and neglect, because the top reporter of these issues – the schools – went virtual. The pandemic also affected our ability to place children who need protection with caring, stable foster families, because foster homes across the nation were grappling with the virus.

This new reality has required us to reimagine how we care for children in the child welfare system. We have looked at the process with fresh eyes and found places where we can mitigate gaps and improve service continuity. This insight informed an internal realignment, but to make it happen, we will need to add 15 positions to our Child Welfare Program in the FY24 budget.

The 15 positions proposed will integrate into teams focused on each facet of the child welfare system, with the ultimate goal of placing children in permanent, supportive homes. Studies show the faster that happens, the better the outcomes are for the kids. And that’s all we want – what’s best for the kids.

15 proposed positions would integrate into Child Welfare teams



Goal

Children in permanent, supportive homes

- The faster that happens, the better the outcomes for the children

Human Services50

In FY19, there were almost 200 foster families, but by FY23, there were only about 90 foster families for the 500 foster children in our county. That’s about a 5-to-1 ratio. We desperately need more foster families in Wake County. We know there are loving people out there who could open their hearts and their homes to these kids who need a stable and supportive family. If you’re interested, please reach out to us.

Because we lost about half of our foster families during the pandemic, we’re devoting additional resources in this budget to recruit great foster parents, so we can expand our pool. We understand signing up for this responsibility can seem daunting. To help ease any concerns and inspire confidence in potential foster parents, we propose adding a foster home trainer and parent recruiters to the Child Welfare Program. These positions will help ensure that foster families can effectively meet the needs of the kids in their care.

Sometimes, surrounding counties or states ask our child welfare team to help them assess allegations of abuse and neglect involving children who are residents of other jurisdictions but staying in Wake County. These requests for assistance are on the rise. They went up 6% from FY20 to FY22. Protecting the safety of children is paramount. That’s why we recommend expanding the team that responds to these requests, so they can regularly and routinely check on the health and safety of these children.

Of course, reunification is always the first goal. But, when we can’t safely reunify children with their families, we look to other strategies like placing children with their relatives or adoption.

This budget focuses on both of those areas for many of the kids in our care. Younger children are usually easier to place. But, the teens – especially those close to aging out of the system – are more challenging to place and often re-enter foster care. By committing more resources to this part of the process, we hope to help more foster children find their forever families.

The realignment will also pair social workers with nurses to support foster children with complex medical needs. We’ve piloted this process using grant funding, and we found that when both were involved, reports of repeat medical neglect decreased by 75%. This paired social worker and nurse intervention works, which is why – now that the grant has expired – we recommend continuing this team approach to care in the FY24 budget.

Child welfare isn’t the only program in our human services portfolio that we’re focused on in this budget. We’re also reimagining how we support the nearly 50,000 veterans living in Wake County. We’ve moved this team under our housing department and hired a director to lead it. To build on those efforts, we recommend adding a Veteran Service Officer to help veterans and their families access the federal and state benefits they’ve earned.

Support for veterans and their families

Add a Veteran Service Officer to help them access the benefits they’ve earned



Human Services56

As the COVID-19 emergency winds down, we're also seeing changes to other benefit programs. For example, the higher monthly SNAP benefit that many low-income residents received over the past three years to buy food has ended.

These federal changes – coupled with higher food prices – mean residents could face increased food insecurity. Wake County has more than 100,000 residents who have limited access to nutritious, culturally relevant food. To combat this, we've updated our Food Security Plan, which you saw recently at a work session. It builds on our existing efforts to ensure every family has food on the table.

We continue to partner with the school system to provide universal breakfast and support school pantries. We're leveraging ARPA funding to expand food hub capacity in Wake County. Food hubs connect suppliers and distributors of food. They also provide emergency food relief to families without reliable access, while benefitting small farms by linking them with local buyers.

The state restarted the recertification process for those receiving Medicaid benefits. Without going through a recertification process, our residents will lose access to preventive medical care, medical treatment and behavioral health support.

The combination of these food and medical benefit changes is expected to affect more than 100,000 Wake County residents. To meet the increased caseload demand on all sides, we propose adding six benefits eligibility team leads. These positions will also help prepare us for Medicaid expansion in the future.

Protecting the Environment

When we talk about the future, we must also consider the environment.

We can't have a high quality of life, if we don't have safe, abundant drinking water for everyone. And, that requires a long-term plan. Unlike most communities across the country, we have one. It's called One Water. We launched it five years ago, because even though Wake County is not legally responsible for drinking water protections, we believe we should step up for the health of current and future residents.

In the FY24 budget, we recommend continuing funding for One Water, so we can keep using the U.S. Geological Survey's groundwater monitoring network. It helps us understand and project groundwater levels, and model and inform future water conservation approaches.

Another way we keep our environment safe is by following the state's mandate to require anyone installing or expanding a septic system on a residential lot to get a permit. This ensures wastewater does not flow untreated into the lakes and streams, which serve as our drinking water sources. With our continued population growth and increasing density, we project we'll receive nearly 1,100 applications for wastewater permits in FY24.

To help manage their workload, our inspectors used automation to reimagine how they could collect the information needed for the permitting process. They bought mobile GPS units to collect geographically accurate drawings and export them directly into drawings for septic permitting, inspections and repairs. This

new technology saves them about two hours per permit and is equivalent to adding one new position.

Water isn't the only part of the environment we're protecting. We also want to preserve farmland. Over the past nine years, Wake County has lost nearly 20% of its farm and forestland. If we continue growing at our current rate, all unprotected land will be developed in the next 25 to 50 years.

We're focused on protecting farmland

- Lost 20% of farm and forestland over the past 9 years
- Must balance growth with preservation

To help, we've **dedicated a revenue stream** from our property tax for agricultural conservation easements.



Protecting the Environment

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It's important for us to balance growth with the preservation of the family farms and forestland that are part of Wake County's unique history. To support that effort, we've dedicated a revenue stream from our property tax, at your direction, for agricultural conservation easements in our Open Space program for preservation.

We feel the impacts of development daily as we inspect more and more restaurants, daycare centers, hotels and nursing homes. Our projections show we'll need to conduct more than 14,000 inspections in FY24 – a 3% increase over last year. We recommend adding another inspector to the team to meet state inspection mandates and help keep our residents and visitors healthy and safe at these places.

Equitable Access

We partner frequently with businesses across many industries as we do the work of the county. We also join forces with other government agencies and non-profits to help bridge service gaps and improve outcomes for our residents.

Last year, we put more than 100 projects out for bid and signed more than 1,800 contracts for services. As we looked at the purchasing power of the county through an equity lens, we knew we needed to learn more about our internal practices and opportunities to build capacity externally. We weren't sure if businesses owned by minorities and women were getting a proportionate share of county contracts. To find out, we launched a disparity study last year. We just got the final report back from the consultant team last month.

The study offered us data-driven recommendations. So, we're reimagining how we do this work. In the FY24 budget, we propose adding a coordinator who will facilitate outreach to educate and build minority and women-owned business capacity. They will lead improvements to make all stages of doing business with Wake County more inclusive and welcoming and help ensure all businesses have an accessible playing field.

The results of the disparity study



There is more we can do to ensure inclusive and equitable access to our business

- Adding a coordinator to help all companies have an accessible playing field

Equitable Access

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As a board, you told us to help our residents get equitable access to legal support. To meet that directive, we supported the court system in partnering with several nonprofits to open the Legal Support Center in January.

We provided the funding to renovate the space and operate the center for half-days during the work week. To annualize what we started and enhance some services, we recommend investing a total of more than \$290,000 in the center in the FY24 budget. Enhancements include Spanish-language support, along with expanded hours for residents to access free programming.

Parks, Recreation and Open Space

We hear all the time from residents and visitors who love exploring the parks, nature preserves and open spaces we have today, and hope we'll fund more of them in the future.

In this budget, we plan to invest in the staff and resources needed to open Beech Bluff County Park – our first new county park since 2006. It spans 240 acres in the southeast corner of Wake County. It's the perfect location, because right now, the area doesn't have many options for recreation. This park will expand access for residents who enjoy the outdoors when it opens later next year.

Staff continue to work on the design and planning for the next phase of park and open space projects. In the coming years, we will add Kellam-Wyatt Farm, a 60-acre property with community gardens, agricultural demonstration areas and education services; Lake Myra County Park, a 300-acre area in Eastern Wake County near Wendell; and three nature preserves in the areas of Swift Creek, Buffalo Creek and Little River.

Planning continues on our next projects



Future Kellam-Wyatt Farm



Future Lake Myra County Park



Three future nature preserves

Parks, Recreation and Open Space

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Not only will these facilities have amenities for visitors, but they will also include features to benefit the environment like solar panels, rain gardens and use of recycled materials.

We're also designing the Swift Creek Greenway and the Triangle Bikeway to increase recreation and transportation opportunities. Future community input and design workshops related to these projects will help shape the community's vision for these spaces.

Parks are not only great places for people to exercise, spend time with loved ones or learn about the environment around them for free. They also help us preserve green space in the midst of significant population growth. That's why we'll continue investing in future parks, preserves and open space projects.

Facilities, Fleet and Digital Infrastructure

Next, I want to focus on the health of our county infrastructure – both brick and mortar and digital.

Wake County currently has more than 5-million square feet of buildings in its portfolio, and it's our responsibility to take good care of them, so they last as long as possible. Under your guidance, we've worked diligently to conserve energy in our buildings by adding solar panels and reducing consumption.

Despite these efforts, energy costs remain high. Just like our residents have seen their utility bills increase, so has the county. We've added more than \$640,000 to the budget to address the large increases in natural gas rates alone. We've also included an additional \$575,000 in FY24 to address rate increases for our electricity, trash and recycling contracts.

The cost of keeping our buildings safe and secure is on the rise, too. We're paying more for our electronic security system and more to post security guards at our facilities. We must increase our investments in all these areas to protect the employees and residents who come to our buildings.

At the same time, we'll need to account for the increased cost of buying and maintaining our fleet vehicles. Wake County owns more than 1,100 vehicles, ranging from ambulances and sheriff pursuit vehicles to cars that get our inspectors and social workers from site to site. The average price of a new vehicle is up about 45% since the pandemic – and that's if you can even find one to buy. The market is tight right now, and this budget proposal reflects it.

Buying and maintaining our fleet vehicles costs more, too

We own 1,100+ vehicles. Prices are **up 45%** since the pandemic.



Facilities, Fleet and Digital Infrastructure

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As we turn to our digital infrastructure, we’re continually updating our technology to the current, most secure version. Tech makes us more efficient, and to maximize its benefits, we need to use the most up-to-date systems. In this budget, we recommend adding a position to review contracts with software vendors to ensure that we get the best possible terms.

We’ll also invest in more resources for data-driven decision making, which better positions us to develop your strategic plan. Our goal is to help our departments avoid assumptions and, instead, use data to prove correlations and make statistically significant predictions on outcomes.

As you know, your board meetings and work sessions are livestreamed on our website, making it easy for anyone to watch their county government at work in real time. In this budget, we’ll work towards making this coverage even more accessible to residents who are deaf, hard of hearing or speak other languages.


Investing in Our Employees

I’ve talked for at least half an hour at this point about all the work we want to continue or do more of. But, none of that will happen in FY24 without Team Wake. Our current workforce of more than 4,400 employees is the engine that powers this incredible organization and helps us achieve success time and time again.

We have great people here, and we want to keep them. Retention is a challenge across all industries these days. The unemployment rate in Wake County is 3%. That’s half a percent lower than the national rate. There are more jobs available right now than people to fill them. It’s a jobseeker’s market. To compete successfully, we must continue investing in the employees we have now and the ones we’re trying to recruit.

One way we’re doing that is by addressing compression. That’s an HR term for when new employees are hired at a higher salary than current employees with similar skills. We initiated a study in 2021 to find out where our issues were, and we implemented the results this spring. About half of Team Wake received salary adjustments. The remaining 49% were already getting competitive salaries for our market. In the FY24 budget, we’re annualizing those costs to keep salaries at appropriate levels.

Adjusting salaries for compression



- Launched a study in 2021
- Implemented the results this spring

Employee impact

- **51%** received salary adjustments

Investing In Our Employees86

Another way we’re maintaining competitive salaries is by shifting our market ranges up 2.5% in this budget. This is not a pay increase for most current employees, but it will expand their future earning potential. It will also give hiring managers the

ability to make more competitive offers to future employees. This proactive move will prevent the county from lagging behind the changing labor market and having to make a significant investment to catch up in the future.

Establishing a living wage for our employees was a hallmark decision by the commissioners in 2015, and every year since then, we’ve set the figure to reflect the current labor market demands and cost of living. In FY24, we propose increasing the living wage to \$19.64 an hour, or nearly \$41,000 annually, for regular county positions. This additional funding will help us recruit and retain top frontline staff.

Merit pay is another excellent tool to support strong recruitment and retention. If we want to be a performance-driven organization – and I assure you we do – then we must reward those who do great work every day for the residents of Wake County. I recommend investing in merit pay for Team Wake.

Successful contributors would be eligible for a raise ranging from 2% to 4.5%. Outstanding contributors could earn up to 6.5% for their excellent performance. This recognition is meaningful to our employees, which is why it was important for me to include it in this proposal.

Investing in merit pay to support a performance-driven organization



Important recruitment and retention tool

- **2% to 4.5% increase** for successful contributors
- **Up to 6.5% increase** for outstanding contributors

Investing In Our Employees89

Beyond pay, we’re reimagining how we conduct business, so we can make our workloads more manageable and improve our employees’ work/life balance. We offer hybrid and remote work schedules to provide flexibility and remain competitive in the labor market.

In addition, we’re reinstating the county’s rewards and recognition program. It was cut during the Great Recession to save money, but we continue to hear in exit interviews that employees want additional recognition when they reach major milestones or big achievements. We’ve added funding for this effort in this budget.

A valuable information tool for FY24 will be the results of the employee organizational assessment. The survey just wrapped up on Friday. We’ll use the insights we gleaned to help us learn what our employees think we’re doing well and where we have opportunities to do things differently – and better!

All of these initiatives will help us retain the great staff we have now and attract top talent in FY24. Our vacancy rate is currently 10%. That’s incredible, considering the challenges of the labor market right now. But, if you continue to fund these investments

in our workforce, you'll give us the tools we need to fill those open positions more quickly and lower that vacancy rate even further.

I would not be doing my job if I didn't take this opportunity to encourage everyone to consider a career with the county. If you're interested in joining Team Wake, we urge you to apply today!

Education

Education is another area in the FY24 budget where we're putting people first. Investments in education help position our residents for success in life.

Nowhere is that more apparent than in Wake County Smart Start. Studies show 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.

In FY22, you launched Wake ThreeSchool – a free preschool program for income-eligible 3-year-olds. In FY23, you funded seats for 100 students. The response was so great that Smart Start had a long waiting list of families wanting to get their children into the program. To meet that demand, we recommend investing an additional \$750,000 in Wake ThreeSchool to open 100 more seats to children who otherwise could not afford this important early educational opportunity.

Wake County Smart Start

Total recommended county investment:
\$5,173,828

Wake ThreeSchool

- Serves income-eligible 3-year-olds
- Created **100 seats** in FY2023
- Propose adding **100 more seats** in FY2024

NC Pre-K

- Prepares income-eligible 4-year-olds for kindergarten

Education

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In the FY24 budget, we'll continue providing funding for NC Pre-K, which helps prepare income-eligible 4-year-olds in Wake County for success in kindergarten. This brings our total proposed investment in Smart Start to more than \$5 million. It complements investments from the state, the federal government and other fundraising partners.

The next step in our education continuum is the Wake County Public School System. It currently provides K-12 learning for 159,000 students at nearly 200 different facilities across the county.

To support the growing needs of the school district and to help offset the gap left by the state, we recommend increasing our investment by \$40 million in FY24. That would bring our total contribution to the school's operating budget to more than \$634 million.

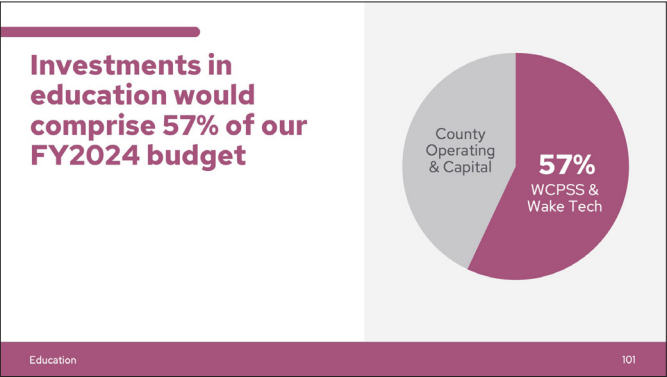
The last step in our education continuum is Wake Tech. It's one of the largest community colleges in the country, with more than 70,000 students at 10 campuses and online. Our community

relies on Wake Tech to provide excellent and affordable education to students after they graduate from high school, as well as training for adults who are embarking on a new career or trying to advance in their current roles.

In this budget, we propose elevating our investment in Wake Tech by \$2.4 million in FY24. This increase would bring our total contribution to its operating budget to \$32.5 million.

The additional funds would enable Wake Tech to open its new eastern campus in Wendell and provide market-rate adjustments for its IT and facilities staff, which are among the most in-demand positions today. The budget would also continue to fund programs that are important to the board, like Wake Invests in Women and the Wake Works apprenticeships.

We believe this budget proposal shows a strong commitment to education across the continuum to students of all ages. Our recommended investment in operating and capital projects for Wake County Public Schools and Wake Tech reflects your priorities and is so large that it comprises 57% of our entire FY24 budget.



As a reminder, the voters went to the polls in November and passed education bonds, totaling nearly \$900 million. That results in a 1-cent tax increase, which will fund the construction and renovation of public school and Wake Tech facilities to meet the needs of our growing community.

The FY24 Financial Picture

Let's talk through our overarching financial picture for the next fiscal year. I shared earlier that the amount of new revenue available in FY24 is not nearly enough to meet the rising demand for and costs of county services, as well as the funding requests of our education partners. Therefore, I propose a property tax increase of 2.25 cents for the General Fund operating budget in the upcoming fiscal year.

That, combined with the penny for education facilities, will bring the total property tax increase to 3.25 cents. It would generate a total of \$65 million in additional revenue and set our tax rate at 65.2 cents. For a resident living in a \$300,000 home, which is the median assessed value for Wake County, their property tax bill would increase by \$98.

Proposed property tax increase would generate \$65 million in new revenue

65.2¢

FY2024 tax rate



The owner of a \$300,000 home would pay **\$98** more in property taxes

Our FY2024 Financial Picture

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I believe this \$1,864,435,000 budget is a responsible reflection of the needs of our community. It addresses the challenges created by continued population growth, as well as the lingering effects of COVID-19. This proposal also enhances our ability to keep our residents safe, reimagines how we do business, provides equitable access to our programs and services, and ensures we always put the people of Wake County first.

At this time, I'd like to thank my executive leadership team and the budget office for their hard work and dedication over many months to help develop this budget. They have reviewed, questioned and evaluated every single request, and their diligence has made sure this process is data driven and fair. I'm proud of your work and grateful to have you on Team Wake!

I also want to thank the department heads – many of whom are here tonight. They, along with their staff, worked hard to submit thoughtful, data-based requests for this budget.

Next Steps

The next steps in the budget process are important, because we want all residents to have the opportunity to read through this recommendation and provide feedback.

Starting tonight, residents can submit their comments on our website: wake.gov/budget.

On May 8, we'll hold the first board work session dedicated to the budget. On May 9, 15 and 16, we'll hold our budget public hearings. In addition to public hearings traditionally held here in the Justice Center and the Wake County Commons Building, we're adding opportunities for public feedback throughout the county.

The public can submit comments until Friday, May 19. All feedback will be publicly available for viewing on our website. On May 22, we'll hold a second work session to consider public feedback and identify any changes to the recommended budget for consideration on June 5. On that day, I will bring the proposed budget to the board for a vote during the board meeting.

FY2024 Recommended Budget schedule

MAY
8

First
board work
session on
budget

MAY
9

Budget public hearings

MAY
15

MAY
16

MAY
22

Second
board work
session on
budget

JUNE
5

Board
votes on
proposed
budget

Our FY2024 Financial Picture

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As always, you can find the materials that explain what's in the FY24 recommended budget on our website, wake.gov/budget. They're available 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.



wake.gov/budget