

**WAKE COUNTY BOARD OF COMMISSIONERS**

**Regular Meeting**

**May 19, 2014**

**2:00 P.M.**

**Room 2700, Wake County Justice Center**

Members present were: Chairman Phil Matthews, Vice Chairman Joe Bryan and Commissioners Paul Coble, Rich Gianni, Caroline Sullivan, James West

Absent: Commissioner Betty Lou Ward

Others attending were: Jim Hartmann, County Manager, Scott Warren, County Attorney, Joe Durham, Deputy Manager, Johnna Rogers, Deputy Manager, Denise Hogan, Deputy Clerk, Susan J. Banks, Clerk to the Board

**Meeting Called to Order: Chairman Phil Matthews**

**Pledge of Allegiance**

**Invocation: Commissioner James West**

**Items of Business**

**Approval of Agenda**

Paul Coble motioned, seconded by Caroline Sullivan, to approve the agenda as presented. The motion passed unanimously.

**Approval of the Minutes of the Commissioners' May 5th Regular Meeting and the May 12th Work Session**

Paul Coble motioned, seconded by Joe Bryan, to approve the Minutes of the Commissioners' May 5th Regular Meeting and the Work Session May 12, 2014. The motion passed unanimously.

**Report on the State of the Wake County Emergency Medical Services System and Proclaim May 18-24, 2014 as Wake County Emergency Medical Services (EMS) Week 2014 in Wake County**

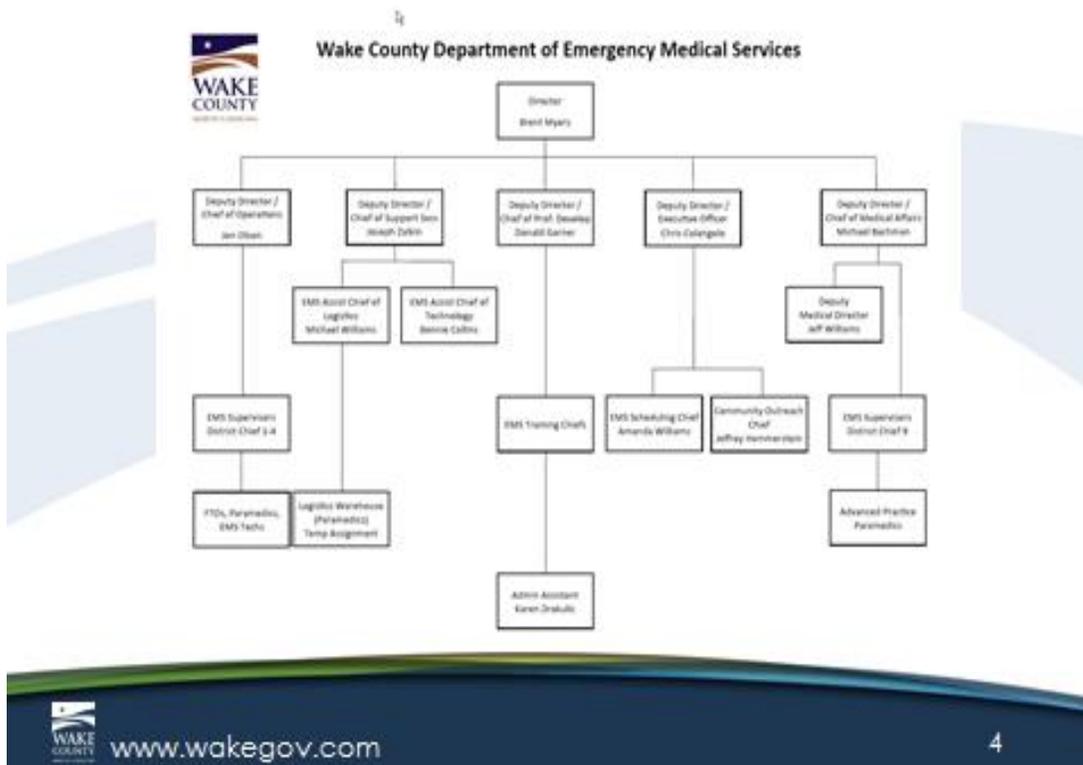
Dr. Brent Myers, Wake County EMS Director, said that each May, one week is set aside nationally for recognition of emergency medical services systems and

EMS responders. The week of May 18-24 has been designated "EMS Week 2014."

Dr. Myers said that he would share a general review of information on Cardiac Arrest, Acute Care and Advanced Practice Paramedic.

Dr. Myers said that there have been departmental changes this past year with the EMS Chief's position vacated. He shared a reorganizational chart showing the department should be more functional but the changes made are budget neutral.

## FY14 Review - Reorganization



Dr. Myers introduced Chief Garland Tant; Eastern Wake EMS, and Chief Randall Heath; Apex EMS. He said that Wake County participates in Operation Heart Rescue Project to improve cardiac arrest that involves multi-states. He introduced Ms. Cathy St. Amand employed by American Medical Response in Spokane, Washington. He said that Ms. St. Amand has worked with support services in hospitals with patients that have suffered cardiac

arrest. He also introduced Mr. Jon Olson; Deputy Director, Chief of Operations, Mr. Joseph Zalkin; Deputy Director, Chief of Support Services, Mr. Chris Colangelo; Deputy Director, Chief Officer, Mr. Mike Bachman; Deputy Director, Chief of Medical Affairs, Mr. Michael Williams; Assistant Chief for Logistics, Mr. Jeff Williams; Deputy Medical Director and Mr. Jeff Hammerstein; Community Outreach Coordinator.

Dr. Myers said that more ambulances are available than last year. He shared the call volume by hour of day with units on duty and safety level. He said there has been tremendous growth in the west Cary area. Patient outcomes have been the focus. WakeMed, Rex, and Duke Raleigh hospitals have access to a computer system that will survey data of patient outcomes.

Bystander CPR

(<http://www.wakegov.com/ems/information/aed/Pages/learncpr.aspx>)

Emergency Medical Dispatchers

Law Enforcement

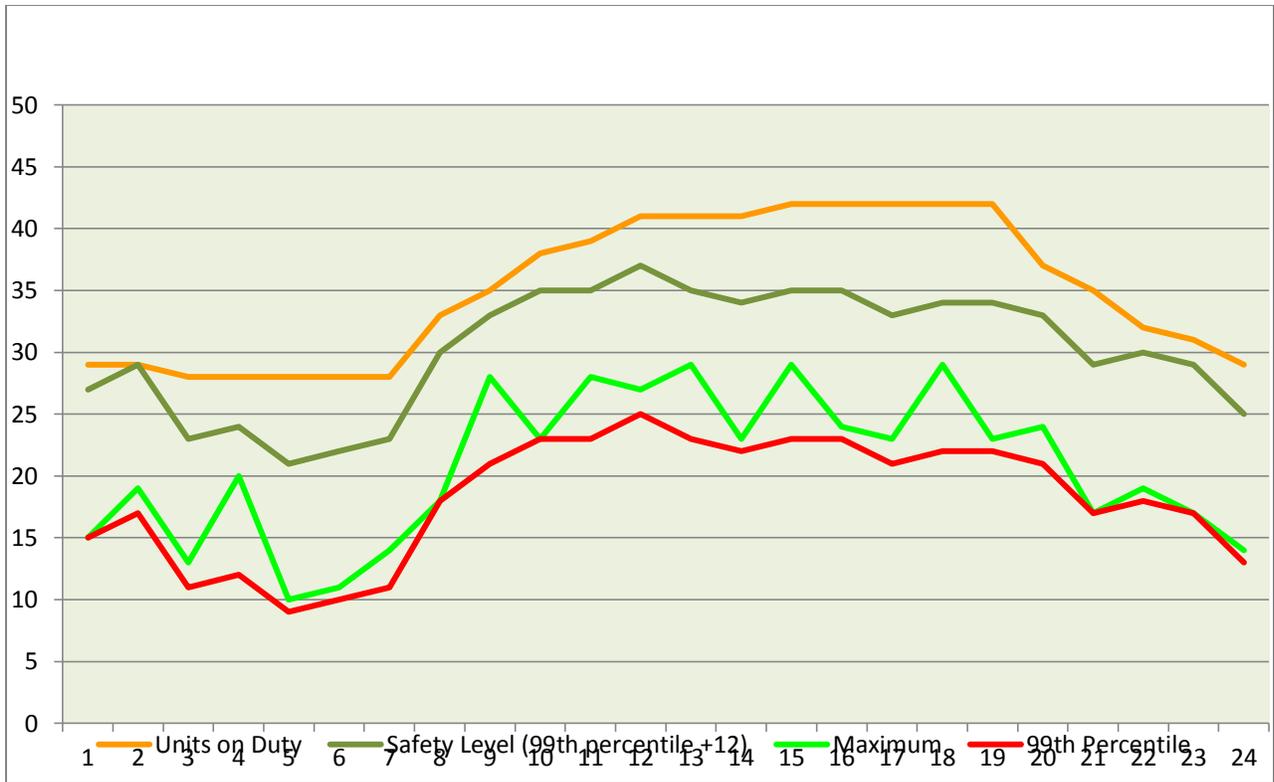
Firefighter First Responders

Advanced Life Support

Coordinated Hospital Care

## **Call Volume by Hour of Day with Units on Duty and Safety Level**

November 2013 - February 2014



Dr. Myers shared the data from "Wake EMS Cares." He said the SAS data was presented to the board in a work session in January. He shared information about bystander CPR and how it works.

- Bystander CPR  
(<http://www.wakegov.com/ems/information/aed/Pages/learncpr.aspx>)
- Emergency Medical Dispatchers
- Law Enforcement
- Firefighter First Responders
- Advanced Life Support
- Coordinated Hospital Care

The following is information on Cardiac Arrest cases.

**Wake EMS CARE: 4/15/11 – 12/31/13**

Data Element	Wake County	NC	Nation

Total Number	1155	8978	69343
Pronounced In Field	550 (48%, 45-50%)	2980 (33%, 32-34%)	18389 (27%, 26-27%)
Pronounced in ED	143 (12%, 11-14%)	1532 (17%, 16-18%)	11608 (17%, 17-17%)
Ongoing Resus in ED	462 (40%, 37-43%)	4466 (50%, 49-51%)	39346 (57%, 56-57%)
<b>Overall Survival to Admit</b>	<b>376 (33%, 30-35%)</b>	<b>2383 (27%, 26-27%)</b>	<b>18973 (27%, 27-28%)</b>
<b>Overall Survival to DC</b>	<b>169 (15%, 13-17%)</b>	<b>985 (11%, 10-12%)</b>	<b>7410 (11%, 10-11%)</b>
<b>Neuro Intact Survival Utstein</b>	<b>159 (14%, 12-16%)</b>	<b>855 (10%, 9-10%)</b>	<b>7410 (11%, 10-11%)</b>
<b>Utstein with Bystander</b>	<b>129 (45%, 37-54%)</b>	<b>1346 (32%, 29-34%)</b>	<b>5745 (8%, 8-9%)</b>
	<b>75 (41%, 31-53%)</b>	<b>745 (33%, 30-36%)</b>	<b>9544 (33%, 32-34%)</b>
			<b>5402 (38%, 37-39%)</b>

### Wake EMS CARES: Jan 1 – Dec 31, 2014

Data Element	Wake County	NC	Nation
Total Number	463	4222	31127
Pronounced In Field	239 (52%, 47-56%)	1558 (37%, 35-38%)	8567 (28%, 27-28%)
Pronounced in ED	50 (11%, 8-14%)	711 (17%, 16-18%)	5215 (17%, 16-17%)
Ongoing Resus in ED	174 (38%, 33-42%)	1953 (46%, 45-48%)	17345 (56%, 55-56%)

Overall Survival to Admit	144 (31%, 27-35%)	1138 (27%, 26-28%)	8558 (28%, 27-28%)
Overall Survival to DC	69 (15%, 12-18%)	452 (11%, 10-12%)	3315 (11%, 10-11%)
Neuro Intact Survival Utstein	63 (14%, 11-17%)	398 (9%, 9-10%)	2588 (8%, 8-9%)
Utstein with Bystander	57 (46%, 40-66%)	617 (32%, 28-36%)	4281 (33%, 32-34%)
	32 (53%, 36-70%)	356 (35%, 30-40%)	2442 (38%, 36-40%)

Dr. Myers shared the following report from a study done in partnership with WakeMed concerning cardiac arrest:



Wake County EMS  
331 South McDowell St.  
Raleigh, NC 27601



WakeMed Health & Hospitals  
3000 New Bern Ave.  
Raleigh, NC 27610

MW Bachman, MHS, EMT-P<sup>1</sup>; JG Williams, MD, MPH<sup>1,2</sup>;  
JB Myers, MD, MPH<sup>1</sup>; K Hart, MA, MSA<sup>2</sup>; J Zalkin BS, EMT-P<sup>1</sup>;  
VJ De Maio, MD, MSc<sup>2</sup>  
<sup>1</sup>Wake County, NC Emergency Medical Services; <sup>2</sup>Clinical Research Unit, Emergency Services Institute, WakeMed Health and Hospitals; <sup>3</sup>SAS Institute, Cary, NC

### Duration of Prehospital Resuscitation For Adult Out-of-Hospital Cardiac Arrest: Neurologically Intact Survival Approaches Overall Survival Despite Extended Efforts

**OBJECTIVE**

- Out-of-hospital cardiac arrest (OHCA) guidelines suggest resuscitation beyond 30 minutes may be futile.
- Few studies address neurologic outcome for survivors of extended duration OHCA.
- The duration of prehospital resuscitation (DOR) that yields a reasonable probability of neurologically intact survival (NIS) is unknown.
- We assess whether DOR affects NIS from OHCA.

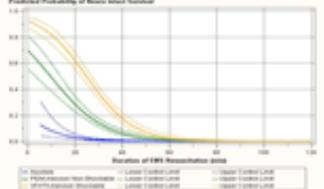
**METHODS**

- We conducted a retrospective cohort study of all OHCA patients in our urban/suburban advanced life support EMS system (pop 950,000) from 2005-2012.
- Excluded were resuscitations not attempted, age < 16, trauma patients, and EMS-witnessed arrests.
- DOR was measured from time of dispatch to end of prehospital resuscitation, defined by first return of spontaneous circulation, en-route hospital, or death.
- Primary outcome was NIS, defined as cerebral performance category (CPC) 1 or 2 at hospital discharge.
- Multivariate logistic regression determined the odds ratios with 95% confidence intervals (CI) for both survival and NIS adjusted for DOR and factors determined to have a significant relationship with NIS at the univariate level.

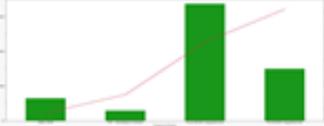
**Fig 1. All Survivors and Neurologically Intact Survivors by DOR, with 90<sup>th</sup> Percentile DOR (40 minutes) Highlighted**



**Fig 2. Predicted Probability of Survival with CPC 1 or 2 across Duration of Resuscitation, by Initial Rhythm (unadjusted)**



**Fig 3. Wake County EMS OHCA cases by protocol phase, with rate of Neurologically Intact Survival**



**RESULTS**

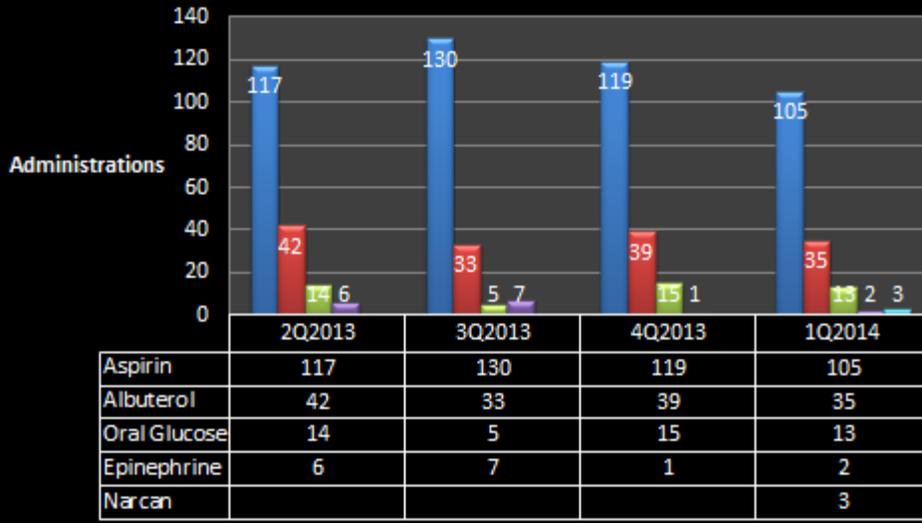
- Of 2905 eligible OHCA, patients were: mean age 64.6 years (sd=17.0) male 60.1%, bystander witnessed 38.9% and had bystander CPR 37.2%. Overall, 362 survived (12.5%) and 300 had NIS (82.9% of survivors). Median defibrillator to scene was 7 minutes (IQR 5-9).
- Overall median DOR was 38 min (IQR 29-48), with median DOR for NIS of 24 min (IQR 18-32). **The 90th percentile for NIS was 40 min.** Beyond 40 min, 2942 survivors (69%, 95% CI 54-81%) were neurologically intact. The longest resuscitation that achieved NIS was 73 min.
- Controlling for OHCA protocol changes over time ("protocol phase"), adjusted OR (95% CI) was 0.91 (0.90-0.92) for both survival and NIS. Other predictors of NIS across models were initial rhythm, age, bystander witness, therapeutic hypothermia, and absence of advanced airway.

**CONCLUSIONS**

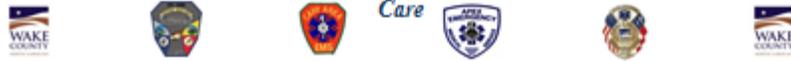
- In a retrospective analysis of OHCA, DOR is associated with declining survival and NIS, with NIS approximating the overall survival curve. DOR was within 40 minutes from time of dispatch for 90% of NIS. A large number of patients survived neurologically intact with DORs greater than previous guidelines would suggest. Further study should examine factors predictive of NIS in longer resuscitations.

Dr. Myers shared information about medications administered by first responders for cardiac arrest patients. As of November 2013, every single firefighter and first responder is certified in administering medications for cardiac arrest.

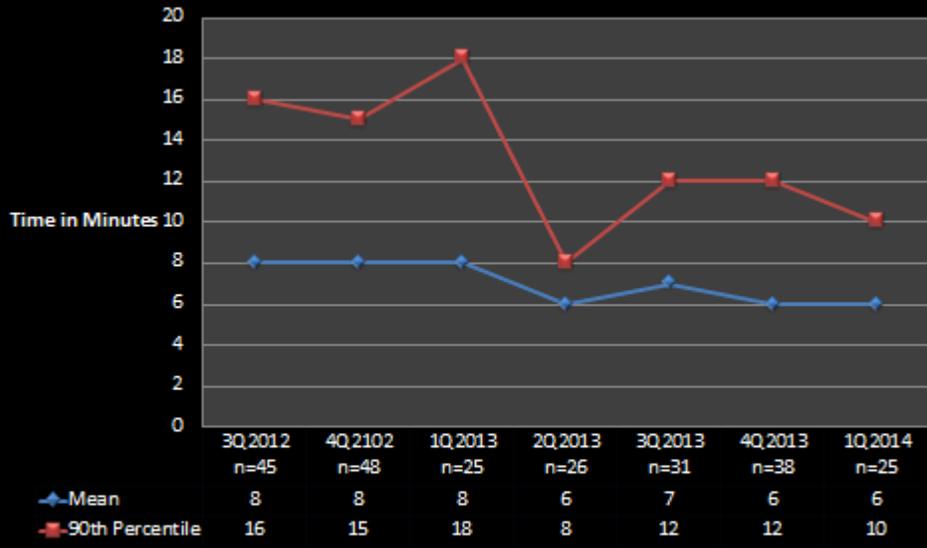
### Medications Administered by First Responders – Derived from EMS Documentation



The Wake County EMS System – Prompt, Compassionate, Clinically Excellent Care



### Wake EMS System Penetrating Trauma Scene Times



The Wake County EMS System – Prompt, Compassionate, Clinically Excellent Care



Dr. Myers said that out of the 84,000 calls last year 246 were sent to alternative destinations and 30 babies were born. He shared that Wake County EMS was in a featured news article in **The New York Times** on Thursday, December 26, 2013.

Dr. Myers shared the external funding sources.

- Kate B Reynolds Foundation
- CMS Innovation Grant
- Restructure of Medicaid Payment Schedule
- Contracts with Providers (e.g, Hospice, Hospitals, etc)

He shared information about the Kate B Reynolds Grant stating it is a partnership between Emergency Medical Services and Community Medicine for improving health and reducing costs for patients with behavioral health emergencies. They have received \$375,000 to support data analysis and research related to the alternative destination program.

Dr. Myers shared data about the program called "Familiar Faces" from 2011-2013. A "familiar face" is defined as an individual who summons EMS more than four times in a rolling 30-day period. EMS helps by providing a documented care plan. Dr. Myers told a story of a caller that EMS helped and as a result is now sober and living with his family.

Time Frame	Number of Familiar Faces	Number of Care Plans
April-June 2013	71	9
July-Sept 2013	48	9
Sept-Dec 2013	28	14

Time Frame	Number of Calls
July 1, 2010 – June 30, 2011	118
July 1, 2011 – June 30, 2012	103
July 1, 2012 – June 30, 2013	30
July 1, 2013 – August 31, 2013	5
September 1, 2013 – Today	0

Chair Matthews said that he was proud of Wake County EMS and the other officers that serve the community.

Commissioner Gianni read aloud the proclamation.

**WAKE COUNTY BOARD OF COMMISSIONERS**  
***Proclamation***

**Designate the Week of May 18-24 as**  
**Wake County Emergency Medical Services Week 2014**

**Whereas,** Wake County's emergency medical services system provides a vital public service; and

**Whereas,** the members of Wake County's emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

**Whereas,** access to quality emergency care in Wake County dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

**Whereas,** Wake County's emergency medical services system consists of emergency physicians, emergency nurses, emergency medical dispatchers, emergency medical technicians, paramedics, firefighters, educators, administrators, and others; including hundreds of volunteers; and

**Whereas,** the members of Wake County's emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

**Whereas,** Wake County residents, workers, and visitors benefit daily from the knowledge and skills of these highly trained individuals; and

**Whereas,** it is appropriate for the Wake County Board of Commissioners to designate the week of May 18-24, 2014 as Emergency Medical Services Week; and

**Now, Therefore, the Wake County Board of Commissioners** does hereby join with other governing bodies across the United States in setting aside the week of May 18-24 in recognition of the value and the accomplishments of emergency medical services teams by proclaiming the week of May 18-24 as

**WAKE COUNTY EMERGENCY MEDICAL SERVICES WEEK 2014**

And encourages the community to observe this week with appropriate programs, ceremonies, and activities.

**Adopted** this the 19<sup>th</sup> day of May 2014.

---

**Phil Matthews, Chairman**

Vice-Chair Bryan restated that Dr. Myers reported that Wake County has moved to the top five in the nation in the Cardiac Arrest Saves. He asked about the measurements for outcomes to improve saving lives for the citizens of Wake County. Dr. Myers said measuring patient satisfaction in a meaningful way is the goal for the next year.

Commissioner Coble thanked Dr. Myers and his staff. He said that citizens that live in Wake County have a better chance of survival if suffering from cardiac arrest. Chairman Matthews said that he would be at an event this evening to celebrate their achievements with the EMS staff.

Paul Coble motioned, seconded by Caroline Sullivan, to approve May 18-24, 2014 as Wake County Emergency Medical Services (EMS) Week 2014 in Wake County after receiving a report on the state of Wake County. The motion passed unanimously.

### **Retiree Recognition**

Ms. Darlene Norris was recognized for her 30 years of service to Wake County. Mr. Jim Hartmann presented her with a plaque for her service.

Ms. Margaret Townes was recognized for her 30 years of service to Wake County. Mr. Jim Hartmann presented her with a plaque for her service.

### **Public Comments:**

Ms. Julia Lee, 115 Old Ridge Lane, Cary, said she has lived in Wake County since 1984. Both of her children graduated from Wake County Schools and colleges in the area. She said their education made them employable. She said county leaders provided for her children to get a quality education. She said that the Board of Education has presented their budget and asked the Board of Commissioners to support it with emphasis on teacher pay. She asked the Board to support the Board of Education's budget request.

Ms. Barbara Vandenburg, 3424 Huckabay, Raleigh, said that she is a retired teacher in Wake County. She said the Board of Commissioners has the power

to give the teachers the deserved salaries. She asked the Board of Commissioners to fund the Board of Education's budget request.

Ms. Megan Rogers, 5105 Herez Place Fuquay-Varina, spoke about her mother who is a teacher. She encouraged the Board of Commissioners to support the Board of Education's budget request with emphasis on teacher pay.

Ms. Rachel Rakestraw, 1002 Azalea Cottage Court, Knightdale, asked the Board of Commissioners to support the Board of Education's budget request with emphasis on teacher pay.

Ms. Doris Justice, 1209 Bishopton Way, Knightdale, asked that the Board of Commissioners support the funding for the Board of Education's request with emphasis on teacher pay.

Ms. Amy Womble, 101 Kings Fork Road, Cary, read aloud a speech from a school teacher asking the Board of Commissioners to support the Board of Education's budget request with emphasis on teacher pay.

Ms. Amy Lee, 1215 Ivy Lane, Raleigh, suggested ways to cut county spending to support school funding. She asked the Board of Commissioners to support funding of the Board of Education's budget request.

Ms. Yvette Holmes, Director of Community Partnerships and Development, shared information about the opening of Water Garden Village Community in northwest Raleigh. She said there will be 88 units of housing for low income families. She invited the board to the dedication and celebration on June 7th from 11:00 a.m. to 2:00 p.m.

Mr. Tom Rhodes, 525 Watauga Street, Raleigh, represents Wake Up Wake County, explained the purpose of Wake Up Wake County. He asked the Board of Commissioners to fund the Board of Education's budget request with emphasis on teacher pay.

Ms. Mary Martorella, retired school teacher, asked the Board of Commissioners to support the Board of Education's budget request with emphasis on teacher pay.

Ms. Margaret Verghese, 5709 Crutchfield Road, Raleigh, asked the Board of Commissioners to fully fund the Board of Education's budget request with emphasis on teacher pay.

Ms. Octavia Rainy, 1516 E Lane Street, Raleigh, said that there are still backlogs in clients receiving their food stamps. She complained that it was difficult getting through to a human being at the Wake County Human Services call center and clients getting answers about their food stamp case. She asked

the Board of Commissioners to find a resolution for the backlogs and client call center responsiveness.

Ms. Ella Royall, 104 Mudden Way, Holly Springs, retired educator, asked the Board of Commissioners to support the Board of Education's budget request with emphasis on teacher pay.

### **Consent Agenda**

James West motioned, seconded by Paul Coble, to approve the Consent Agenda as presented. The motion passed unanimously.

### **Request from Johnston Ambulance Service Inc. for a Non-Emergency Ambulance Franchise (Second Reading)**

James West motioned, seconded by Paul Coble, to grant a non-emergency ambulance franchise to Johnston Ambulance Service Inc. for operation of a medical transportation service in Wake County effective June 1, 2014 for a period of five years. The motion passed unanimously.

#### ORDINANCE RENEWING FRANCHISE TO

Johnston Ambulance Service Inc.

#### FOR OPERATION OF A

#### CONVALESCENT TRANSPORT AMBULANCE SERVICE

WHEREAS, Johnston Ambulance Service Inc., located in Goldsboro, North Carolina, has applied for renewal of its franchise for operation of a convalescent ambulance service in Wake County; and

WHEREAS, Chapter 111 of the Wake County Code of Ordinances authorizes the renewal of such a franchise by the Wake County Board of Commissioners; and

WHEREAS, Johnston Ambulance Service Inc.'s franchise request has been reviewed and given preliminary approval by the Director of the Department of Emergency Medical Services; and

WHEREAS, issuance of the requested franchise will take place only upon a finding of compliance by the Director of the Department of Emergency Medical Services with Chapter 111 of the Wake County Code of Ordinances and all applicable state statutes and regulations.;

NOW, THEREFORE, BE IT ORDAINED THAT Johnston Ambulance Service Inc. be granted a renewal of its franchise of five years' duration for the continued delivery of convalescent ambulance service in Wake County, North Carolina, subject to the following provisions:

1. That such franchise renewal shall be issued by the County Manager only subsequent to a finding of compliance by the Director of the Department of Emergency Medical Services with the provisions of Chapter 111 of the Wake County Code of Ordinances and all other applicable State statutes and regulations governing such ambulance services, a copy of which finding shall be maintained in the permanent files of the Clerk to the Board.
2. That if Johnston Ambulance Service Inc. discontinues the service authorized by this Ordinance during the life of the franchise, or fails to comply with the conditions of this ordinance, then upon thirty (30) days' notice by Wake County, the franchise authorized here shall be declared null and void.

Effective this 19<sup>th</sup> day of May, 2014.

ATTEST:

\_\_\_\_\_  
Phil Matthews  
Chairman

\_\_\_\_\_  
Susan Banks  
Clerk to the Board

**Approval of a \$2,526,200 Five-Year Contract with Waste Industries to Operate Wake County Convenience Centers**

James West motioned, seconded by Paul Coble, to award a five year contract, with up to two one-year extensions, to Waste Industries, LLC to provide operational services at the eleven convenience centers at an anticipated cost of \$2,526,200 per year based upon a unit cost structure and dependent upon the total volumes of waste and recycling received, subject to terms and conditions acceptable to the County Attorney. The motion was approved unanimously.

**Lease Extension and Turn Lane Improvements for Convenience Center #8 (on NC Highway 98) with the State of North Carolina**

James West motioned, seconded by Paul Coble, to authorize the Chairman to execute an amendment of the lease with the State of North Carolina for a twenty (20) year extension, with the provision for the County to construct the turn lanes referenced below by December 31, 2014 and other terms and conditions as acceptable to the County Attorney; and approve the appropriation of \$400,000 of Solid Waste Enterprise funds for the construction of the turn lane project; and accept a grant from NCDOT in the amount of \$40,000 to assist with the construction of the turn lanes. The motion was approved unanimously.

STATE OF NORTH CAROLINA

SUBLEASE AGREEMENT

COUNTY OF WAKE

THIS SUBLEASE AGREEMENT (hereinafter the "Sublease"), made and entered into as of the last date set forth in the notary acknowledgments below by and between the STATE OF NORTH CAROLINA, a body politic and corporate, hereinafter referred to as "Sublessor", and the COUNTY OF WAKE, a body politic and corporate and political subdivision of the State of North Carolina, hereinafter referred to as "Sublessee." Sublessor and Sublessee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

WITNESSETH:

THAT WHEREAS, the United States of America, through the Secretary of Army, leased approximately 38,680 acres of land and water area, known as the Falls Lake Project Area, in Wake, Durham and Granville Counties, North Carolina to Sublessor for a term of fifty (50) years commencing on October 1, 1983 and expiring on September 30, 2033, pursuant to a lease agreement designated as Lease No. DACW21-1-81-2614, dated November 30, 1983 (the "Lease"); and

WHEREAS, this Sublease is subject to the terms and conditions of the Lease and the Lease is incorporated herein by this reference; and

WHEREAS, Sublessee has operated a solid waste container facility on that portion of the Falls Lake Project Area, described herein as the Premises, for approximately twenty-nine years pursuant to a Sublease Agreement dated November 21, 1985; and

WHEREAS, Sublessee desires to continue to operate its solid waste container facility on the Premises and Sublessor has agreed to enter into this new sublease for the Premises for such purpose on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 5 of the Lease, the District Engineer for the United States Army Corp of Engineers has joined in the execution of this Sublease for the purpose of evidencing the approval of the United States Army Corp of Engineers and for such other purpose as indicated in the approval statement; and

WHEREAS, the North Carolina Department of Environment and Natural Resources, Division of Parks and Recreation ("NCDENR"), has requested and approved the execution of this instrument for the purpose herein specified; and

WHEREAS, the execution of this Sublease for and on behalf of the State of North Carolina has been duly approved by the Governor and Council of State at a meeting held in the City of Raleigh, North Carolina, on the 6<sup>th</sup> day of August, 2013; and

WHEREAS, the Parties have mutually agreed to the terms of this Sublease as hereinafter set out.

NOW, THEREFORE, in consideration of the rental hereinafter agreed to be paid and in further consideration of the covenants, conditions and provisions hereinafter set forth, Sublessor does hereby rent, sublease and demise unto Sublessee, and Sublessee hereby takes and subleases from Sublessor, for and during the term and under the terms and conditions hereinafter set forth, the Premises, as described herein, with all rights, privileges and appurtenances thereunto belonging.

THE TERMS AND CONDITIONS OF THIS SUBLEASE ARE AS FOLLOWS:

1. Incorporation of Recitals. The foregoing recital of facts is hereby incorporated herein to the same extent as if hereinafter fully set forth.
2. Premises. The “Premises” is defined as that certain parcel or tract of land lying and being in Bartons Creek Township, Wake County, North Carolina, on the southern right of way of NC Highway 98, containing 1.99 acres, more or less, and being more particularly shown and described on a survey dated January 29, 1985, captioned “FALLS LAKE WAKE COUNTY, NC SOLID WASTE CONTAINER SITE NO. 8” attached hereto and incorporated herein as Exhibit A.
3. Term. The term of this Sublease is for a period of twenty (20) years, commencing on the 1<sup>st</sup> day of September, 2013, and ending on the 31<sup>st</sup> day of August, 2033, unless earlier terminated as provided herein (the “Term”).
4. Termination. Either Party in its sole discretion may terminate this Sublease for any reason upon one (1) year written notice to the other Party.
5. Rent. Sublessee shall pay to Sublessor as rental for the Premises the sum of ONE DOLLAR (\$1.00) for the Term.
6. Use of Premises. Sublessee shall use the Premises for the operation of a solid waste container facility and for no other purpose. Sublessee expressly covenants and agrees that should the Premises cease to be used for such purposes, or other uses be made without the express written consent of Sublessor, then Sublessor may terminate this Sublease and reenter and take immediate possession of the Premises.
7. Condition of Premises. Sublessor agrees to deliver the Premises to Sublessee in its present condition. Except as otherwise expressly provided herein, Sublessee acknowledges that the Premises is being delivered “as is”, that Sublessee has performed preliminary investigations and reviews and has concluded on its own

judgment that the Premises are suitable for the purposes intended, without any representations or warranties of any kind (including, without limitation, as applicable, any express or implied warranties of merchantability, fitness or habitability) from Sublessor or any agent of Sublessor. Sublessee's entry into possession shall constitute conclusive evidence that as of the date thereof the Premises were in good order and satisfactory condition.

8. Operation and Maintenance. Sublessee shall bear all costs involved in the construction, operation and maintenance of its solid waste container facility. At all times during the Term, Sublessee shall, at Sublessee's own cost and expense, keep and maintain the Premises in good order and repair and in a reasonably clean and sanitary condition. Such maintenance shall include, at a minimum, the regular emptying of solid waste containers at the Premises, the washing of each container thereafter, the control of vermin, the policing of litter on or about the Premises, the mowing of grass and the maintenance of landscaping, so that the Premises retains a reasonably clean and attractive appearance. Sublessee shall manage the Premises and operate its facilities located thereon in a safe manner. Sublessee, at its sole cost and expense, shall construct and maintain all drives and roadways within the Premises and shall maintain and repair the means of ingress and egress to and from the Premises and adjacent public road(s) in such a manner as to not cause erosion and deterioration of the area.

9. Utility Services. Sublessee agrees to make all arrangements for and to pay, prior to delinquency, directly to the appropriate utility company, all charges for utility services supplied to Sublessee for Sublessee's use on or about the Premises including, but not limited to, gas, electricity, water, telecommunications.

10. Access Improvements. As a condition of this Sublease, Sublessee, at its sole cost and expense, shall make certain turn lane enhancements, driveway realignments and other roadway improvements as required by the North Carolina Department of Transportation in order to improve ingress and egress to and from the Premises. Unless Sublessor consents to a later date of completion in writing, Sublessee shall complete said roadway improvements on or before August 31, 2014. In the event Sublessee fails to complete the roadway improvements by said deadline and Sublessor does not consent to extension of time for completion, Sublessor, may, at its option, terminate this Sublease upon sixty (60) days written notice to SubSublessee.

11. Improvements, Alterations and Changes. Sublessee shall not construct any permanent improvements on the Premises or substantially change or alter the Premises without the prior written consent of Sublessor. Any permanent improvements constructed on the Premises or substantial alterations to the Premises shall be made by Sublessee at its sole cost and expense and shall comply with all applicable governmental laws, rules, ordinances and regulations. Prior to the commencement of the construction of any permanent improvement or substantial alteration to the Premises, Sublessee shall submit plans for the intended work to

Sublessor for written approval by the State Construction Office, a division of the North Carolina Department of Administration, NCDENR and to such other agency or agencies designated by Sublessor. At the expiration of the Term or the earlier termination of this Sublease, any improvements or alterations made to the Premises by Sublessee shall, at Sublessor's option, either remain on the Premises and become the property of Sublessor; or, be removed, even if such improvements are permanently affixed, by Sublessee at its sole expense and the Premises shall be restored by Sublessee to a condition comparable to that prior to the letting of this Sublease or any prior Sublease between the Parties for the Premises.

12. Compliance. Sublessee agrees to comply, at Sublessee's sole cost and expense, with all governmental laws, rules, ordinances and regulations applicable to the Premises or Sublessee's use and occupancy thereof.

13. Prohibited Activities. Sublessee shall not allow the Premises or any portion thereof to be used (i) for any unlawful purpose; (ii) for any purpose that promotes acts of moral turpitude; (iii) in any manner that would bring Sublessor into disrepute; (iv) in a manner that is in violation of public policy; or (v) in a manner detrimental to the legitimate interests of Sublessor.

14. Sublessor's Right to Inspect. Sublessor may at all reasonable times enter upon and inspect the Premises for purpose of insuring Sublessee's compliance with this Sublease and for the additional purpose of fulfilling its obligations. Such entry by Sublessor shall not constitute an eviction of Sublessee or a deprivation of any right of Sublessee and shall not alter the obligations of Sublessee hereunder or create any right in Sublessee adverse to Sublessor.

15. Insurance. Sublessee shall obtain adequate insurance coverage in accordance with all applicable laws for (i) workers' compensation, (ii) automobile liability and (iii) fire and extended coverage with regard to the Sublessee's operations on or about Premises and the improvements located thereon. Sublessee shall require any of its contractors or agents entering the Premises to obtain and keep in place with well rated insurers, authorized to do business in the State of North Carolina, adequate insurance coverage, as applicable, for (i) statutory workers' compensation including, employers' liability; (ii) comprehensive general liability including, personal injury, broad form property damage, independent contractor, XCU (explosion, collapse, underground) and products/completed operations; (iii) automobile liability; and (iv) fire and extended coverage insurance. Notwithstanding the rights of any insurer, nothing herein shall affect the authority of the Attorney General of North Carolina, including but not limited to, the Attorney General's authority to represent Sublessor in any and all litigation.

16. Sublessee's Liability. As between Sublessee and Sublessor, Sublessee, subject to the terms of this Sublease, shall be primarily liable for the negligent or intentional

acts or omissions of its agents, contractors or employees. As to third parties, Sublessee, to the extent covered in accordance with applicable law by any insurance policy or reserve fund, agrees to save Sublessor harmless from and against any and all loss, damage, claim, demand, liability, or expense, including reasonable attorney fees, by reason of damage to person or property on or about the Premises, which may arise or be claimed to have arisen as a result of the use or operation of the Premises by Sublessee, its agents or employees, except where such loss or damage arises from the willful or negligent misconduct of Sublessor, its agents or employees.

17. Casualty. In the event of the damage or, partial or complete destruction of Sublessee's improvements on the Premises, Sublessee may, at its option, cause such improvements to be repaired, at its sole cost and expense, or it may terminate this Sublease in accordance with the terms hereof.

18. HAZARDOUS MATERIALS.

18.1 Definitions. For purposes of this Sublease: (i) "Hazardous Material" or "Hazardous Materials" means and includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, or in any applicable state or local law or regulation, (b) hazardous substances, as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, (d) toxic substances, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute, or regulation may be amended from time to time; (ii) "Release" shall have the meaning given such term, in Environmental Laws, including, without limitation, CERCLA; and (iii) "Environmental Law" or "Environmental Laws" shall mean "Super Fund" or "Super Lien" law or any other federal, state, or local statute, law, ordinance, or code, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be legally in effect, including, without limitation, the following, as same may be amended or replaced from time to time, and all regulations promulgated and officially adopted thereunder or in connection therewith: Super Fund Amendments and Reauthorization Act of 1986 ("SARA"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"); The Clean Air Act ("CAA"); the Clean Water Act ("CWA"); the Toxic Substance Control Act ("TSCA"); the Solid Waste Disposal Act ("SWDA"), as amended by the Resource Conservation and Recovery Act ("RCRA"); the Hazardous Waste Management System; and the Occupational Safety and Health Act of 1970 ("OSHA"). All obligations and liabilities arising under this Paragraph which arise out of events or actions occurring prior to the expiration or termination of this Sublease shall survive the assignment of this Sublease and the expiration, termination, cancellation or release of record of this Sublease.

18.2 Premises Leased “As-Is”. With respect to the condition of the Premises, Sublessor makes no representation concerning the existence of any Hazardous Materials or the state of compliance with Environmental Laws. The Premises is leased on an “as-is”/where-is basis.

18.3 Environmental Laws. Sublessee represents warrants and agrees that it will conduct its activities on the Premises in compliance with all applicable Environmental Laws. Sublessee shall be liable for the existence or discovery of any Hazardous Material on the Premises or for the migration of any Hazardous Material to other properties or for the release of any Hazardous Material into the environment in violation of applicable Environmental Laws, arising solely from Sublessee’s use of the Premises. Sublessee shall be responsible for, and promptly conduct any investigation and remediation as required by any Environmental Law or common law, of all spills or other release of Hazardous Materials, that may occur as result of Sublessee’s use of the Premises. Sublessee agrees to save Sublessor harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expenses (including, without limitation, attorneys’ and experts’ fees) and claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against Sublessor with respect to, or as a direct or indirect result of the violation of any Environmental Laws applicable to the Premises, caused by or within the control of Sublessee, specifically including any cost incurred in connection with the investigation of site conditions or the cleanup, remediation, removal, or restoration work required by any governmental authority.

19. Removal of Improvements. Unless otherwise agreed to in writing by Sublessor, no later than sixty (60) days following the expiration of the Term or the earlier termination of this Sublease, Sublessee shall cause the removal of such buildings or improvements it constructed or installed on the Premises and shall restore the Premises to the condition prior to its entry into and possession of the Premises under this Sublease or any prior sublease.

20. Assignment and Subleasing. Sublessee shall not assign this Sublease or sublet the Premises or any part thereof without the prior written consent of Sublessor. However, Sublessor agrees that it will not unreasonably withhold or delay its consent to any such assignment or subletting.

21. Binding Effect. Subject to the provisions herein, this Sublease shall extend to and bind the Parties, their successors and permitted assigns.

22. Prohibition on Gifts. North Carolina General Statute §133-32 and Executive Order 24, as applicable, prohibit the offer to, or acceptance by, any employee of Sublessor of any gift from anyone with a contract with Sublessor, or from any person seeking to do business with Sublessor. By execution of this Sublease, Sublessee attests, for its entire organization, including its employees or agents, that it is not

aware that any such gift has been offered, accepted, or promised by any employees of its organization.

23. Smoking Restrictions. Sublessee shall enforce within the Premises the smoking regulations established pursuant to North Carolina General Statute §130A-493 and any future legislation which restricts smoking.

24. Applicable Law. This Sublease shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of North Carolina, regardless of conflict of law principles.

25. Complete Agreement. This Sublease (including the Exhibits) contains the entire agreement between the Parties regarding the subject matter hereof and each Party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Sublease not specifically set forth herein.

26. Incorporation by Reference. The attached Exhibit A is incorporated by reference into this Sublease, and deemed a part hereof.

27. Amendment. No amendment, modification, alteration or revision of this Sublease shall be valid and binding unless made in writing and signed by Sublessee and Sublessor.

28. Interpretation. The terms “sublease,” “sublease agreement” or “agreement” shall be inclusive of each other, and also shall include renewals, extensions, or modifications of this Sublease. Words of any gender used in this Sublease shall be held to include any other gender, and words of the singular shall be held to include the plural and the plural to include the singular when the sense requires. The section or paragraph headings and the titles are not a part of this Sublease and shall have no effect upon the construction and interpretation of any part hereof.

29. Terms. Capitalized terms used in this Sublease shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

30. Effect of Waiver or Forbearance. No covenant or condition of this Sublease can be waived except by written consent of the Parties. A waiver of any covenant or condition on one occasion shall not be deemed a waiver of said covenant or condition on any subsequent occasion unless such fact is specifically stated in the waiver. Forbearance or indulgence by Sublessor in any regard whatsoever shall not constitute a waiver of any covenant or condition to be performed by Sublessee, and until Sublessee has completely performed all covenants and conditions of this Sublease, Sublessor shall be entitled to invoke any remedy available to Sublessor under this Sublease or any law or equity despite such forbearance or indulgence.

31. Severability. In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Sublease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

32. Construction. No provision of this Sublease shall be construed against or interpreted to the disadvantage of any Party by any court or other governmental or judicial authority by reason of such Party's having or being deemed to have prepared or imposed such provision.

33. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

34. Memorandum of Sublease for Recording. At the request of either Party, Sublessor and Sublessee shall execute a memorandum of this Sublease for recording in the public records at the requesting Party's sole cost and expense. The memorandum of Sublease shall set forth the Parties, provide a description of the Premises, specify the Term and incorporate this Sublease by reference.

35. Notices. All notices, requests and other communications hereunder shall be deemed to have been fully given, by either Party to the other, when made in writing and either deposited in the United States mail (sent certified, return receipt requested); personally delivered; or transmitted by overnight courier for next business day delivery to the addresses of Sublessor and Sublessee set forth below, or to such other addresses as the Parties may, from time to time, designate by written notice.

To Sublessor: North Carolina Department of Environment and Natural Resources

Attn: Division of Parks and Recreation  
1615 Mail Service Center  
Raleigh, North Carolina 27699-1615

with copy to: State Property Office

Attn: Manager, Leasing and Space Planning Section  
1321 Mail Service Center  
Raleigh, North Carolina 27699-1321

To Sublessee: County of Wake  
Attn: Real Estate Manager  
PO Box 550  
Raleigh, North Carolina 27602

**[Remainder of Page Intentionally Left Blank – Signatures Begin On Follow Page]**

IN TESTIMONY WHEREOF, this Sublease has been executed on behalf of the Parties hereto, in duplicate originals, as of the dates set forth in the notary acknowledgements below.

**SUBLESSEE:**

COUNTY OF WAKE

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk (Seal)

STATE OF NORTH CAROLINA

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public in and for the aforesaid County and State do hereby certify that \_\_\_\_\_ personally came before me this day and acknowledged that he/she is Clerk of the County of Wake and that by authority duly given and as an act of the County of Wake, the foregoing instrument was signed by \_\_\_\_\_, its \_\_\_\_\_ (title), attested by himself/herself as Clerk and sealed with the common seal.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Print Name: \_\_\_\_\_

**SUBLESSOR:**

STATE OF NORTH CAROLINA

By: \_\_\_\_\_  
Governor

ATTEST:

\_\_\_\_\_  
Secretary of State

APPROVED AS TO FORM:

ROY COOPER, Attorney General

By: \_\_\_\_\_  
Assistant Attorney General

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, \_\_\_\_\_, a Notary Public in and for the County of \_\_\_\_\_ and State of North Carolina, do hereby certify that ELAINE F. MARSHALL, Secretary of State of North Carolina, personally came before me this day and acknowledged that she is Secretary of State of North Carolina, and that by authority duly given and as the act of the State, the foregoing instrument was signed in its name by PAT MCCRORY, Governor of the State of North Carolina, sealed with the Great Seal of the State of North Carolina, and attested by herself as Secretary of State of North Carolina.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ Print Name: \_\_\_\_\_

**APPROVAL OF DISTRICT ENGINEER, UNITED STATES ARMY CORP OF ENGINEERS**

The above Sublease is approved by authority of the District Engineer, Wilmington District, United States Army Corp of Engineers. In the event the Lease is terminated during the Term of this Sublease, the United States Army Corp of Engineers will honor such portions of this Sublease as are necessary for Sublessee to continue its use of the Premises as permitted herein.

This the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Print Name and Rank: \_\_\_\_\_  
District Engineer, United States Army Corp of Engineers

**Transfer and Appropriate Funding for Emergency Medical Services CAD to CAD Interface Between Raleigh-Wake Emergency Communications Center and Cary Emergency Communications Center**

James West motioned, seconded by Paul Coble, to transfer \$100,000 of Emergency Medical Services' General Fund dollars to the County CIP Fund and appropriate \$117,131 in 911 funds within the County CIP Fund for a total of \$217,131 in CIP Funding to interface the RWECC and CECC computer aided dispatch (CAD) systems. The motion was approved unanimously.

**Approval of Agreements with the Town of Garner for Recombining Property Lines at Southeast Regional Library**

The Town of Garner recently purchased the land and a building west of Southeast Regional Library and desires to renovate and expand the same to create a new Garner Police Station. The station design will require that:

1. The entrance, lobby, approach stairways and new parking for the new Police Station encroach upon the present library parcel, with a proposed shift of the property line by a distance of approximately 37 to 40 feet east of the current boundary; and
2. The parking area immediately to north of the library will be expanded to replace any library parking spaces lost by the above encroachment. This new parking area will add 6 more dedicated spaces for library patrons and an additional 8 spaces shared between the Town and Library for a total increase of 14 spaces above the current parking count for Library patrons.
3. Various stormwater easements for associated piping that will need relocation within the parking lot on the west and north sides of the library building.

The Town of Garner has requested that Wake County provide the property rights listed above in exchange for the Town building additional parking space on the north side of Southeast Regional Library as set out in the attached map. Garner Town Council approved a initial resolution (attached) which sets out the proposed agreement between the Town and the County. The attached proposed resolution recommended for approval by the Board is also attached and explains the provisions of the arrangement in more detail.

Wake staff, including the County Attorney, Facilities Design & Construction and Community Services has worked closely with Town of Garner staff to bring about this proposal. Southeast Regional Library will gain needed additional parking in exchange for the conveyance.

James West motioned, seconded by Paul Coble, to adopt a resolution regarding the conveyance of certain property rights to facilitate renovation of a new Garner Police Station adjacent to Southeast Regional Library and authorize the Board Chairman to execute other such documents deemed necessary by the County Attorney to facilitate this transaction. The motion was approved unanimously.

**A RESOLUTION APPROVING THE CONVEYANCE OF  
CERTAIN INTERESTS IN REAL PROPERTY**

WHEREAS, the Town of Garner has recently purchased land and a building to the West of the site of Wake County's Southeast Regional Library and desires to renovate and expand the same to create a new Garner Police Station, the design for which will require that (1) the entrance lobby and approach stairways for the new Police Station will need to encroach upon the present library parcel a distance of approximately 37 to 40 feet, (2) the parking

area will need to be expanded immediately to the North of the library, which most likely will primarily be used by library patrons, and which would not only replace any parking spaces lost, but would create additional parking spaces; and (3) a stormwater easement and the associated pipe will need to be relocated within the parking lot and existing driveway behind the library building; and

WHEREAS, the encroachment and easement relocation can be effectuated by the conveyance of a small parcel consisting of 10,431.03 square feet, more or less, as described hereinafter, and the granting of a permanent easement described hereinafter; and

WHEREAS, a County has authority to grant such a conveyance and easement by virtue of NCGS Sec. 153A-176, NCGS Sec. 160A-274 and NCGS Sec. 160A-275;

NOW, THEREFORE, BE IT RESOLVED BY THE WAKE COUNTY BOARD OF COMMISSIONERS as follows:

1. The Town of Garner may proceed with the design of building additions which would encroach upon the present parking lot of the Southeastern Regional Library in the area described hereinafter, and to design required modifications to the remaining parking lot as described further in this resolution and as shown per Exhibit A (Proposed Site Plan with New Property Alignment);

2. The Chairman of the Board of Commissioners (Chairman) is authorized and directed to execute a special warranty deed in a form approved by the County Attorney, conveying to the Town of Garner, in fee simple, that area of land shown on Exhibit B, Proposed Plat Map, and as described as follows:

BEING that parcel of land situated on the Western side of the Southeast Regional Library site as illustrated on that subdivision plat entitled "Major Subdivision of

GARNER POLICE STATION, by BBM ASSOCIATES, INC., dated 3-19-14 and specifically that parcel enclosed within the following Survey calls (abbreviated herein by reference to the survey table on said plat):

BEGINNING at the Southwest corner of the library site and proceeding in a northeasterly direction along the following courses: L15A, thence the

same course 31.87 feet to a point, thence L1, thence L2, thence L3, thence L7, thence L8, thence L9, thence L10, thence L11, thence L12, thence C1 to the point and place of BEGINNING, consisting of 10,243.63 square feet, more or less.

3. The Chairman is authorized and directed to execute a deed of easement in a form approved by the County Attorney, conveying to the TOWN a permanent drainage easement on that area of land described as follows:

LYING AND BEING along the County's Northern property line as illustrated on the aforesaid subdivision plat and specifically that area shown as Variable width storm easement D, more particularly described as follows:

BEGINNING at the Northeastern corner of the library site and proceeding in a Westerly direction as follows: L37, thence C8, thence L38, thence L39, thence L40, thence L41, thence L42, thence L9, thence L23, thence L24, thence L14, thence C3, thence C4, thence SE 53 07 32, 41.0', thence C5 to the point and place of BEGINNING.

4. The Town of Garner, its agents, employees and contractors, is hereby granted temporary construction easements in those areas described in paragraphs 2 and 3; the duration of said temporary construction easements shall be from the date of this Resolution through the design and construction processes until the same has been replaced with the general warranty deed and deed of easement described above.

5. It is acknowledged that the Wake County Southeast Regional Library property area will be reduced in size by 10,431.03 square feet as a result of this property conveyance. In consideration of this, and the concurrent displacement of library parking spaces, the Town of Garner shall reconstruct a total of 80 new parking spaces on the west and north sides of Southeast Regional Library, with the designated uses as follows: 6 parking spaces for the police station, 66 parking spaces for the library, and 8 spaces shared between the police station and library. It is understood that 55 of these 80 spaces will be constructed on Town property, and the remaining 25 spaces will reside on County property, immediately adjacent to the library.

6. As part of the Town's renovation of the Garner Police Station, the Town shall relocate Fiber service from the newly renovated Police facility to the Wake County Southeast Regional Library through a data pull box to be located

south of the library building, with adequate fiber cable to run from the pull box and into the library facility data room for proper termination in Wake County equipment. Exact route shall subsequently be agreed upon by Town and County staff.

7. The Town agrees and acknowledges that this resolution will not trigger a conversion clause in the original deed for the Wake County Southeast Regional Library property, thus maintaining the use of this property as a library.

8. The Town affirms that the existing Wake County Southeast Regional Library property remains conforming to any and all applicable ordinances and regulations, including local zoning ordinances as a result of this action.

This the 19th day of May, 2014.

WAKE COUNTY

By: \_\_\_\_\_  
Phil Matthews, Chairman  
Wake County Commissioners

(Corporate Seal)

ATTEST:

\_\_\_\_\_  
Clerk

APPROVED AS TO FORM: \_\_\_\_\_

(Asst.) County Attorney

**Approval of Lease Extensions for Probation and Parole Office Space in  
Four Separate Locations**

James West motioned, seconded by James West, to authorize the County Manager to execute the attached lease amendments for: 224 Fayetteville Street, 3006 Industrial Drive, 2027 Garner Road and 825 New Hope Road, on

behalf of Wake County, subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

The terms of the proposed leases would be as follows:

1. Commencement Date: July 1, 2014;
2. Term: 7 months through January 31, 2015;
3. Rental rates: (vary for each location as set out on the attached leases);
4. Tenant reimburses Landlord for Tenant's prorated share of taxes, insurance and common area maintenance; and
5. Landlord provides ten parking spaces adjacent to the 224 Fayetteville Street space as part of that lease.

Funds for this lease are available in the current Criminal Justice CIP under "Justice Facilities Displacements."

### **FIRST AMENDMENT TO LEASE**

3006 Industrial Drive

**THIS FIRST AMENDMENT TO LEASE** (this "First Amendment") is made effective as of the \_\_\_ day of \_\_\_\_\_, 2014, by and between **The Northside Company, LLC**, a North Carolina limited liability company, and **Wake County**, a political subdivision of the State of North Carolina ("Tenant"), with reference to the following:

**A.** Landlord and Tenant entered into that certain Lease dated December 4, 2009 (the "Lease"), for the lease of approximately 7,307 square feet of office space situated at 3006 Industrial Drive, Raleigh, North Carolina, more particularly described as the Premises in the original Lease.

**B.** Landlord and Tenant desire by this First Amendment to amend the Lease in order to extend the Term of the Lease.

**NOW, THEREFORE**, in consideration of the foregoing Recitals (which are incorporated herein by this reference), for the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Term.** Landlord and Tenant acknowledge that the Lease Term is scheduled to expire on June 30, 2014 (the "Scheduled Expiration Date"). Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant hereby agree to extend the Lease Term for a period of seven (7) months beyond the Scheduled Expiration Date to end on January 31, 2015, unless sooner terminated in accordance with the terms of the Lease. (referred to herein as the "Extended Term") In addition, any reference in the Lease to the "Lease Term," "the term of the Lease," "Term" or words of similar import shall mean the Lease Term together with the Extended Term, unless the context clearly indicates otherwise, and any reference in

the Lease to the "Expiration Date" or words of similar import shall mean June 30, 2014, unless the context clearly indicates otherwise.

2. **Minimum Annual Rent for Extended Term.** The Minimum Rent for the Extended Term shall be in the amount of \$47,952.17. The Extended Term rent is calculated based on seven (7) months of annual rent. (Annual rental amount is figured at \$11.25 per square foot times 7,307 rentable square feet, or \$82,203.75) The Extended Term rent shall be payable in equal monthly installments of \$6,850.31, payable in advance on or before the first day of each calendar month during Extended Term.

3. This First Amendment contains the entire agreement and understanding between the parties concerning the subject matter of this First Amendment and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, concerning the matters that are the subject of this First Amendment.

4. Landlord and Tenant hereby ratify and confirm their respective rights and obligations under the Lease. Except as specifically herein amended, the Lease is and shall remain in full force and effect according to the terms thereof. In the event of any conflict between the terms of the Lease and the terms of this First Amendment, the terms of this First Amendment shall control.

5. This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**LANDLORD:**

**The Northside Company, LLC,**  
a North Carolina Limited Liability Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_

**TENANT:**

**WAKE COUNTY,** a political subdivision of the State  
of North Carolina

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_

**FIRST AMENDMENT TO LEASE**

2027 West Garner Road

**THIS FIRST AMENDMENT TO LEASE** (this "First Amendment") is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between **Beau Chene Land & Timber Company, LLC**, a North Carolina limited liability company, and **Wake County**, a political subdivision of the State of North Carolina ("Tenant"), with reference to the following:

**A.** Landlord and Tenant entered into that certain Lease dated December 22, 2009 (the "Lease"), for the lease of approximately 3,600 square feet of office space situated at 2027 West Garner Road, Raleigh, North Carolina, more particularly described as the Premises in the original Lease.

**B.** Landlord and Tenant desire by this First Amendment to amend the Lease in order to extend the Term of the Lease.

**NOW, THEREFORE**, in consideration of the foregoing Recitals (which are incorporated herein by this reference), for the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

6. **Term.** Landlord and Tenant acknowledge that the Lease Term is scheduled to expire on June 30, 2014 (the "Scheduled Expiration Date"). Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant hereby agree to extend the Lease Term for a period of seven (7) months beyond the Scheduled Expiration Date to end on January 31, 2015, unless sooner terminated in accordance with the terms of the Lease. (referred to herein as the "Extended Term") In addition, any reference in the Lease to the "Lease Term," "the term of the Lease," "Term" or words of similar import shall mean the Lease Term together with the Extended Term, unless the context clearly indicates otherwise, and any reference in the Lease to the "Expiration Date" or words of similar import shall mean June 30, 2014, unless the context clearly indicates otherwise.

7. **Minimum Annual Rent for Extended Term.** The Minimum Rent for the Extended Term shall be in the amount of \$30,726.43. The Extended Term rent is calculated based on seven (7) months of annual rent. (Annual rental amount is figured at \$14.63 per square foot times 3,600 rentable square feet, or \$52,673.88) The Extended Term rent shall be payable in equal monthly installments of \$4,389.49, payable in advance on or before the first day of each calendar month during Extended Term.

8. This First Amendment contains the entire agreement and understanding between the parties concerning the subject matter of this First Amendment and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, concerning the matters that are the subject of this First Amendment.

9. Landlord and Tenant hereby ratify and confirm their respective rights and obligations under the Lease. Except as specifically herein amended, the Lease is and shall remain in full force and effect according to the terms thereof. In the event of any conflict between the terms of the Lease and the terms of this First Amendment, the terms of this First Amendment shall control.

10. This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**LANDLORD:**

**Beau Chene Land & Timber Company, LLC,**  
a North Carolina Limited Liability Company

By: \_\_\_\_\_

Witness: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

**WAKE COUNTY,** a political subdivision of the State  
of North Carolina

By: \_\_\_\_\_

Witness: \_\_\_\_\_

Title: \_\_\_\_\_

**FIRST AMENDMENT TO LEASE**

825 New Hope Road

**THIS FIRST AMENDMENT TO LEASE** (this "First Amendment") is made effective as of the \_\_\_ day of \_\_\_\_\_, 2014, by and between **Berkshire Road I, LLC**, a North Carolina limited liability company, and **Wake County**, a political subdivision of the State of North Carolina ("Tenant"), with reference to the following:

**A.** Landlord and Tenant entered into that certain Lease dated December 28, 2009 (the "Lease"), for the lease of approximately 5,172 square feet of office space situated at 825 New Hope Road, Raleigh, North Carolina, more particularly described as the Premises in the original Lease.

**B.** Landlord and Tenant desire by this First Amendment to amend the Lease in order to extend the Term of the Lease.

**NOW, THEREFORE**, in consideration of the foregoing Recitals (which are incorporated herein by this reference), for the mutual promises contained herein, and

for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

11. **Term.** Landlord and Tenant acknowledge that the Lease Term is scheduled to expire on June 30, 2014 (the "Scheduled Expiration Date"). Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant hereby agree to extend the Lease Term for a period of seven (7) months beyond the Scheduled Expiration Date to end on January 31, 2015, unless sooner terminated in accordance with the terms of the Lease. (as referred to herein the "Extended Term"). In addition, any reference in the Lease to the "Lease Term," "the term of the Lease," "Term" or words of similar import shall mean the Lease Term together with the Extended Term, unless the context clearly indicates otherwise, and any reference in the Lease to the "Expiration Date" or words of similar import shall mean June 30, 2014, unless the context clearly indicates otherwise.

12. **Minimum Annual Rent for Extended Term.** The Minimum Rent for the Extended Term shall be in the amount of \$44,138.71. The Extended Term rent is calculated based on seven (7) months of annual rent. (Annual rental amount is figured at \$14.63 per square foot times 5,172 rentable square feet, or \$75,666.36) The Extended Term rent shall be payable in equal monthly installments of \$6,205.53, payable in advance on or before the first day of each calendar month during Extended Term.

13. This First Amendment contains the entire agreement and understanding between the parties concerning the subject matter of this First Amendment and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, concerning the matters that are the subject of this First Amendment.

14. Landlord and Tenant hereby ratify and confirm their respective rights and obligations under the Lease. Except as specifically herein amended, the Lease is and shall remain in full force and effect according to the terms thereof. In the event of any conflict between the terms of the Lease and the terms of this First Amendment, the terms of this First Amendment shall control.

15. This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**LANDLORD:**

**BERSHIRE ROAD I, LLC**, a North Carolina  
Limited Liability Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_

**TENANT:**

**WAKE COUNTY**, a political subdivision of the State of North Carolina

By: \_\_\_\_\_

Witness: \_\_\_\_\_

Title: \_\_\_\_\_

SECOND AMENDMENT TO LEASE  
224 Fayetteville Street

**THIS SECOND AMENDMENT TO LEASE ("Second Amendment") is made effective as of the \_\_\_ day of \_\_\_\_\_, 2014, by and between PMC, Inc., a North Carolina corporation, and successor to Broad Reach Investments, LLC, a North Carolina limited liability company ("Landlord"), and Wake County, a political subdivision of the State of North Carolina ("Tenant"), with reference to the following:**

**A.** Landlord obtained the subject property from Broad Reach Investments on September 16, 2013. At that time, Landlord assumed Broad Reach Investments' obligation to Tenant for that certain Lease dated on or about August 24, 2007, as amended on May 3, 2013 (the "Lease"), for the lease of approximately 21,786 square feet of office space situated on the 1<sup>st</sup> 2<sup>nd</sup> and 3<sup>rd</sup> floors of the building located at 224 Fayetteville Street and the second floor of the building located at 226 Fayetteville Street, Raleigh, North Carolina, more particularly described as the Premises in the Lease.

**B.** Landlord and Tenant desire by this Second Amendment to amend the Lease in order to extend the Term of the Lease from June 30, 2014 until January 31, 2015.

**NOW, THEREFORE**, in consideration of the foregoing Recitals (which are incorporated herein by this reference), for the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

**Term.** Landlord and Tenant acknowledge that the Lease Term is scheduled to expire on June 30, 2014 (the "Scheduled Expiration Date"). Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant hereby agree to extend the Lease Term for a period of seven (7) months beyond the Scheduled Expiration Date to end on January 31, 2015, unless sooner terminated in accordance with the terms of the Lease (referred to herein as the "Extended Term"). In addition, any reference in the Lease to the "Lease Term," "the term of the Lease," "Term" or words of similar import shall mean the Lease Term together with the Extended Term, unless the context clearly indicates otherwise, and any reference in the Lease to the "Expiration Date" or

words of similar import shall mean January 31, 2015, unless the context clearly indicates otherwise.

**Minimum Rent for Extended Term.** The Minimum Rent for the Extended Term shall be in the amount of \$221,000.82. The Extended Term rent is calculated based on seven (7) months of annual rent. (Annual rental amount is figured at \$17.39 per square foot times 21,786 rentable square feet, or \$378,858.54) The Extended Term rent shall be payable in equal monthly installments of \$31,571.55, payable in advance on or before the first day of each calendar month during Extended Term.

This Second Amendment contains the entire agreement and understanding between the parties concerning the subject matter of this Second Amendment and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, concerning the matters that are the subject of this First Amendment.

Landlord and Tenant hereby ratify and confirm their respective rights and obligations under the Lease. Except as specifically herein amended, the Lease is and shall remain in full force and effect according to the terms thereof. In the event of any conflict between the terms of the Lease and the terms of this First Amendment, the terms of this First Amendment shall control.

This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**LANDLORD:**

**PMC Inc.**, a North Carolina Corporation

By: \_\_\_\_\_

Witness: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

**WAKE COUNTY**, a political subdivision of the State of North Carolina

By: \_\_\_\_\_

Witness: \_\_\_\_\_

Title: \_\_\_\_\_

**Regular Agenda**

**Presentation of the County Manager's Recommended Budget for Fiscal Year 2014-2015**

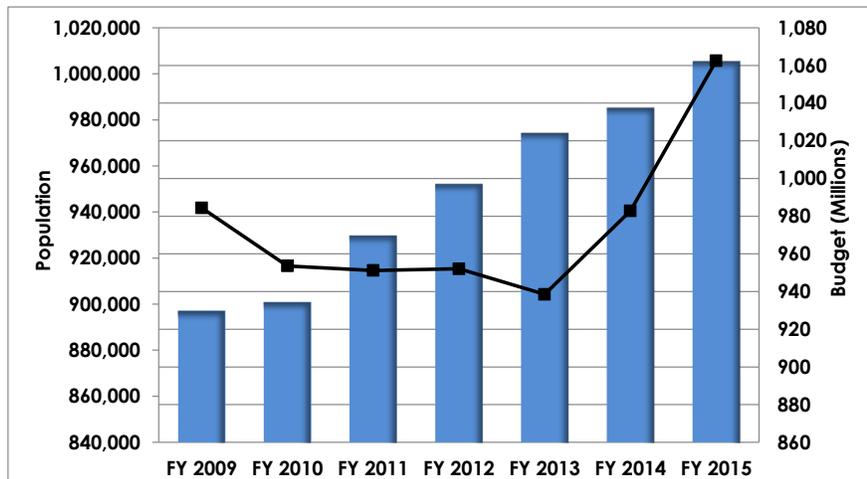
Mr. Jim Hartmann made the following presentation of the Fiscal Year 2015 Recommended Budget for Wake County.

Monday, May 19, 2014

Wake County Board of Commissioners:

Today is the beginning of my sixth week as your new County Manager and it is my privilege and responsibility to present you, the Wake County Board of Commissioners, and our community a recommended budget for fiscal year 2015. As your new County Manager, I have put significant effort into learning about the County and the services we provide. I have worked diligently to study your priorities and goals so that this budget becomes a tool for furthering those goals and providing the services that citizens expect.

Fortunately, my arrival comes as the local and national economy continues to improve: building permits are up, unemployment is down and sales tax continues to recover. All these trends support increased revenues with the fiscal year 2015 General Fund budget exceeding \$1 billion for the first time. At the same time, the population of the County is expected to exceed one million people for the first time.



**Population and Budget Growth**

As I developed my first budget recommendation for Wake County, I likened my role to that of an

Investment Manager expected to generate a sound return to those investing in our community. Over the past year, the County welcomed approximately 20,000 new residents and new businesses, like MetLife. Those individuals and businesses invest in the community through payment of property and local sales taxes, and in return, expect opportunities for education as well as a safe, healthy and vibrant community.

Wake County is consistently rated as one of best places to live in the nation which spurs the new investment and is frankly one of the primary reasons that I was attracted to pursuing the position of County Manager here. The normal revenue growth can be likened to interest earnings – return on the revenue base yields some new dollars. While a property tax could be viewed as needing an additional infusion of capital to bolster the investment. The last six years

of moving through the recession required a delicate balance of not seeking additional investment through property tax increases despite stagnant or declining revenues while we continue to provide services to a community that grew by more than 100,000 people during that same period of time.

My budget recommendation to you today is able to accommodate many requests through the normal “return on investment” but also includes a request for an increase in the base community investment.

As I provide an overview of the initiatives included in the budget recommendation, it is shaped around the board’s focus areas established at your retreat in February. The focus area goals and objectives serve as a prospectus as to what the taxpayers, the investors, can expect from their investment.

### **FISCAL STRENGTH AND STEWARDSHIP**

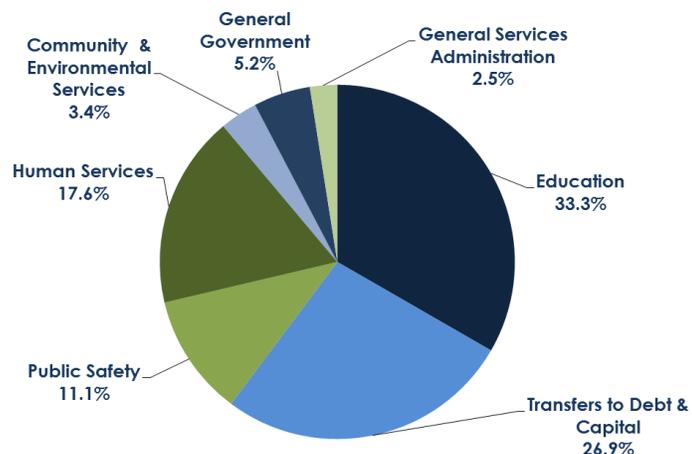
I will begin with the focus area of Fiscal Strength and Stewardship as the budget is the primary tool for communicating our financial plan for the upcoming year. The goal is *“Continue to exercise sound financial management and ensure Wake County’s long-term fiscal strength.”*

#### Recommended Budget

The recommended budget is \$1.063 billion and proposes to increase the property tax rate to 57.8 cents, a 4.4 cent increased investment to support the \$983.8 million School’s 2013 Capital Improvement Program (CIP).

Last fall, the voters were asked to authorize the use of the County’s general obligation pledge to issue

\$810 million in bonds for the School System’s capital program. The voters approved the referendum with the knowledge that as much as a 4.86 cent tax increase, and new investment, would be necessary to fund the total program. At the Board of Commissioners’ work session last Monday, we reviewed the County’s debt and capital planning assumptions, which have improved since the original estimate for the bond. With these revisions, it is possible to fulfill our funding commitment with a 4.4 cent property tax increase, which is 0.46 cents less than the original forecast. This tax increase will allow the County to finance the building program (as we promised the public we would do) and adhere to our strong financial policy of having full funding in place prior to the issuance of any debt.



**FY 2015 Recommended General Fund**

Looking at the total budget by areas of investment; education, transfers for debt and capital, human services and public safety represent 89 percent of the total budget. The '15 budget will grow by \$79.8 million, an 8.1 percent increase over the 2014 adopted budget. Of that amount \$55.7 million is associated with the tax increase necessary for the school's CIP 2013, and all other sources grew by \$24.0 million or 2.4 percent. As the budget must be balanced within available revenue sources, my goal was to evaluate the more than \$61 million in requests and strive to fund the highest priorities first within the available new growth.

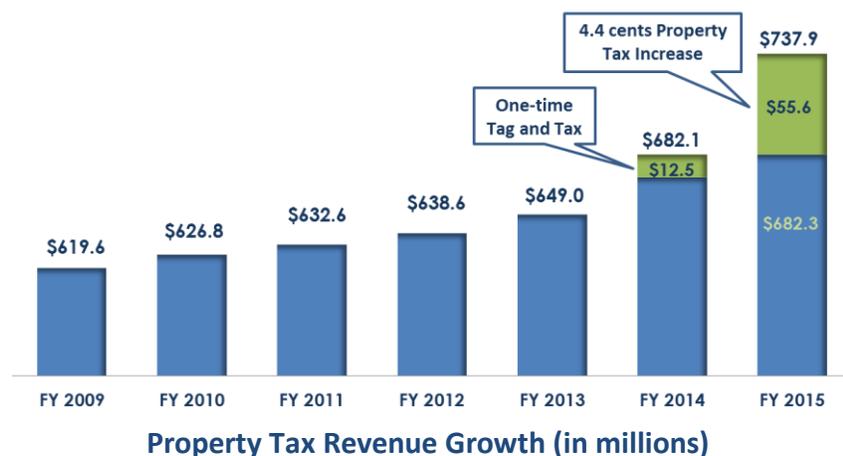
Revenue Category	FY 2014 Adopted	FY 2015 Recommended	Dollar Change	Percent Change
<b>Taxes</b>				
Property Taxes	682,085,000	737,930,000	55,845,000	8.2%
Sales Tax	132,481,000	147,883,570	15,402,570	11.6%
Other Taxes	10,740,421	13,224,685	2,484,264	23.1%
<b>Taxes Total</b>	<b>825,306,421</b>	<b>899,038,255</b>	<b>73,731,834</b>	<b>8.9%</b>
<b>Intergovernmental (Fed, State &amp; Local)</b>	<b>87,813,713</b>	<b>90,089,164</b>	<b>2,275,451</b>	<b>2.6%</b>
Charges For Services	61,400,880	62,009,128	608,248	1.0%
Licenses & Permits	3,624,386	4,716,459	1,092,073	30.1%
Miscellaneous	1,370,460	1,769,245	398,785	29.1%
Transfers & Other Sources	3,284,140	4,912,749	1,628,609	49.6%
<b>Total Revenues</b>	<b>982,800,000</b>	<b>1,062,535,000</b>	<b>79,735,000</b>	<b>8.1%</b>
<b>Property Tax Increase</b>		<b>55,700,000</b>	<b>55,700,000</b>	<b>-</b>
<b>Normal Revenue Growth</b>	<b>982,800,000</b>	<b>1,006,835,000</b>	<b>24,035,000</b>	<b>2.4%</b>

### General Fund Revenues

Allow me to provide a brief overview of where the majority of the 2.4 percent normal revenue growth is generated.

### Property Tax

Property tax assessed values grew by \$2.2 billion, a 1.8 percent increase over the prior year. Real, business personal and public service values will increase in total by approximately 4 percent, while motor vehicle property values are estimated to decline by 2.6 percent.

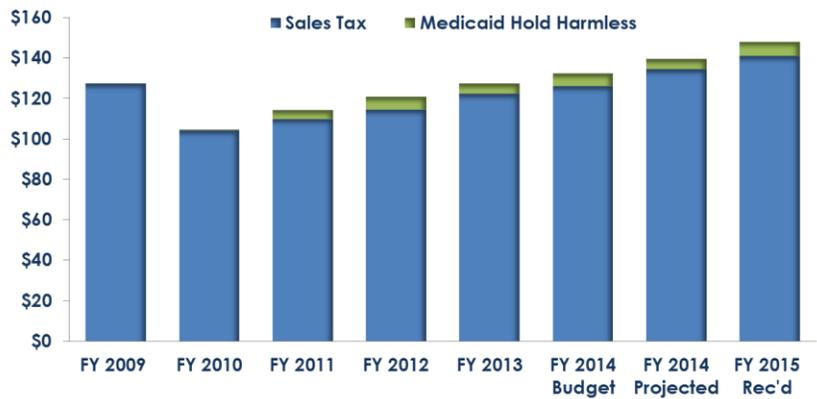


Beginning in July of 2013, the State began assessing and collecting taxes on vehicles – the Tag and Tax program. Since the inception of the program, vehicle registrations have consistently lagged behind prior years. It is expected that 2015 will establish a new baseline for vehicles with normal growth resuming in 2016.

The recurring revenues generated from this property tax growth are approximately \$12.7 million. The increase is offset by the loss of one-time Tag and Tax revenues that will be collected in 2014 as a result of transitioning to the new program.

**Sales Tax**

Sales tax is the second largest revenue source. During the recession, the County lost more than \$50 million in sales tax revenue. After better than anticipated growth in 2014, the recommended budget will mark the first year that the sales tax estimate will exceed prerecession levels. Base sales tax growth over '14 projections is 5 percent.



**Sales Tax Growth (in millions)**

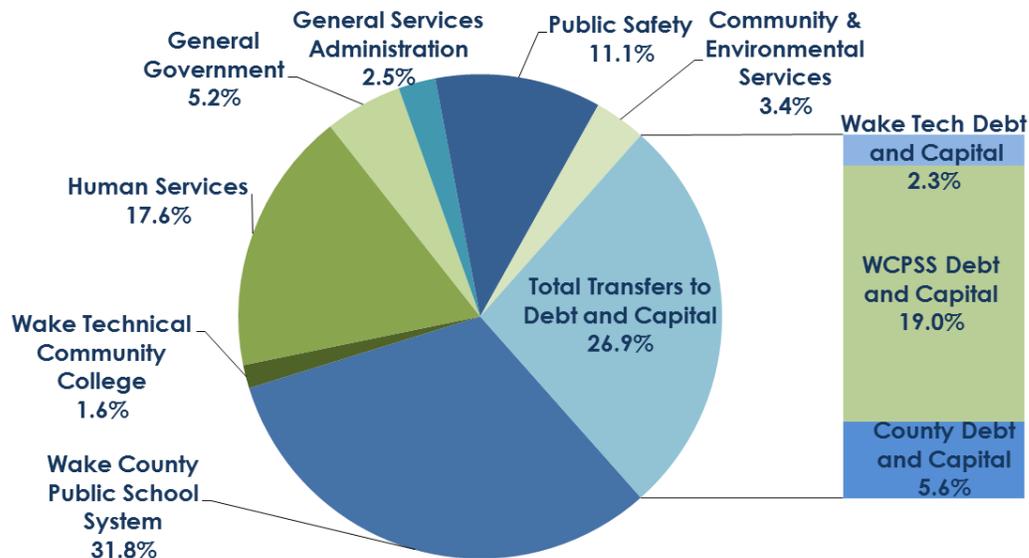
After adjusting for an increased estimate for Medicaid Hold Harmless, the total sales tax revenue is \$147.9 million.

**Other General Fund Revenues**

All other revenues total \$176.6 million and are projected to grow by \$8.4 million.

**EDUCATION**

Education represents the largest category of the County budget. Including direct operating support and funding for debt and capital, the School System and Wake Tech represent 54.7 percent of the recommended budget. Appropriately, Education is a key board focus area with the goal being to *“Support an educated and skilled community through responsible funding of the Wake County Public School System and Wake Technical Community College.”*



**FY 2015 Budget by Use**

Wake County Public School System

Funding of public education is a shared responsibility between the State of North Carolina and its counties. The State’s responsibility is school operating instructional expenses and the counties’ primary responsibilities are building, equipping and maintaining school facilities and supplementing State funding when consistent with fiscal policies and within financial resources.

This year, Superintendent Merrill requested a significant increase in the school appropriation to address operating program enhancements and a 3.5 percent pay increase for all School System employees. After considerable discussion with staff and stakeholders, I have chosen to contemplate these separately, since one is much more closely aligned to State funding.

In this regard, my recommended budget includes a 3.1 percent increase, or \$10.2 million for the Superintendent’s request, but does not recommend funding for the 3.5 percent across the board pay increase for all School System employees.

As we all know, the North Carolina Governor has proposed his budget that included more funding for teacher salaries and State employee compensation. This is appropriate as the State bears that fundamental responsibility. Once the State resolves this, we will be in a much better position to understand future funding and decide how much to fund our school salary supplements, which is already the second highest in the State at an average \$6,200 per teacher.

Great schools with great teachers and support staff are fundamental to a community’s quality of life. They are a critical part of the foundation of a solid economic plan. For these reasons, I am committed to working with the Superintendent to understand the impact of the State’s actions and will continue evaluating options to increase teachers’ salaries and student achievement.

### Wake Technical Community College

Wake County also has a commitment to funding our Community College. The growth at Wake Tech is critical to the educational development of Wake County citizens as they strive to enter into and advance within the workforce. The College educates nearly 70,000 students per year for both full-time enrollment and continuing education. Wake Tech serves as a vital instrument for economic growth and job creation within the county.

The '15 operating budget includes an increase of \$287,000 based on the 1.77 percent property tax growth. These dollars will be used to support the opening of new facilities which includes funding of start-up costs for educational positions at the new Vernon Malone College and Career Academy.

### Malone College and Career Academy

As a new member of the Wake County team, I was thrilled to learn of the significant partnership between Wake Tech, the School System and the County in constructing and developing programming for the Vernon Malone College and Career Academy. Much work and collaboration has gone into a fall 2014 opening, and I am pleased Wake County is one of the three organizations supporting an educational program that can direct high school and Wake Tech students towards high demand jobs. Partnerships like this are clearly our future.

## **COMMUNITY HEALTH AND VITALITY**

The third focus area for the Board of Commissioners is Community Health and Vitality. The goal in this focus area is short, but complex, *"Promote and protect the public health of the community."*

A number of departments provide services that promote and protect the health of our community. Investments in these areas have been included in this budget.

Environmental Health inspectors work to ensure that restaurants and food vendors are safe and inspected regularly and that our hotels, childcare facilities and nursing homes meet sanitation guidelines. The investment of \$140,000 for additional health inspectors is recommended as a result of growth in the number of inspected facilities, an increase of 12.5 percent since 2008, as well as an increase in the complexity of inspection rules.

The County also serves the community in promoting the public health and welfare of vulnerable populations through programs in the Human Services Department. This budget includes an additional \$660,000 for maintaining core services and priority initiatives; including:

- the addition of six child protective service workers;
- increased capacity for managing adult guardianship cases; and
- program enhancement to reduce the prevalence of sexually transmitted diseases, in support of the Healthiest Capital County goal.

We will also be adding 10 new school health nurses to provide essential health services in underserved areas which represent an additional investment of \$600,000 in the schools. These nurses are funded in the County's operating budget, but will increase the number of school nurses working with students with acute needs. This program expansion also helps in our efforts to become the Healthiest Capital County.

## **COMMUNITY PARTNERSHIPS AND ECONOMIC DEVELOPMENT**

Your next focus area is Community Partnerships and Economic Development. The goal in this area is to, *" Increase collaboration among community partners and units of government to develop long range plans for land use, economic development, infrastructure and environmental programs to improve the prosperity, health and diversity of the community. We plan to develop and implement ongoing, long range planning initiatives to enhance the quality of life."*

### Open Space

An objective in this goal area is to continue implementation of the Open Space program to maximize opportunities for public access and identify greenway partnerships. At the Board's October 2013 work session, staff presented a proposal for providing public access to three Open Space properties for low impact use. Over the next few months, you will be asked to approve the schematic designs for the properties and their specific public uses:

- Turnipseed for trail hiking,
- Robertson's Mill Pond for canoeing and kayaking, and
- the Procter Property for horseback riding.

To provide this access and to continue to be good stewards of open space, one position and temporary staffing is included in this budget at a first year cost of \$50,000.

## **PUBLIC SAFETY**

The next focus area is Public Safety with the goal to, *"Provide a safe and secure community through coordinated efficient and effective, professional, public safety services."*

The Fire Services Department, Sheriff's Office, Emergency Medical Services (EMS) and our public safety communications infrastructure have a direct impact on the safety of our residents. A large portion of the expansions in the FY 15 budget are in the area of public safety.

### EMS

The Wake County EMS System is known for prompt, compassionate and excellent care. This recommended budget provides an additional \$950,000 to the EMS System to support this work.

EMS services are delivered in Wake County by staff at Wake EMS and three contract agencies: Apex, Eastern Wake and Cary EMS.

Increases in EMS call volume, require equipment and staff to keep pace with the demands of providing services in a growing county. Addressing this need requires a new peak-load unit in Western Cary to operate during the busiest times of day and the conversion of two 24-hour shifts to 12-hour shifts. The conversion will add four additional positions to Wake EMS. A new supervisor district including four new supervisors will also be created to ensure quality services.

EMS will replace equipment for a mobile simulation training program. This highly effective program allows for more dynamic training exercises in the field which enhance the skills of our responders.

Contract agencies will receive funding for new emergency response personnel and replacement vehicles in '15.

### Fire Services

The Fire Services' budget will increase by \$200,000 with the addition of two new positions to support the Fire Commission and the 19 municipal and not-for-profit departments providing services within the Fire Tax District. Enhanced County staff support to the Fire Commission is important to promote sustainability of the Fire Tax District as the Commission pursues long-term cost control measures that address challenges identified in their Long Range Business Plan. These positions represent a responsible investment in the County's goals of sound fiscal management and strategic resource allocation.

### CCBI

From safety, we turn to law enforcement. This year, twelve dedicated DWI law enforcement officers have been added in our community. The City-County Bureau of Investigation (CCBI) is experiencing increased workload in their blood and alcohol analysis lab as a result of these new dedicated officers. To handle the volume, CCBI will receive analysis equipment and two chemists which will help them to process cases in a timely manner.

### Sheriff

The past two years have been extremely busy for the Sheriff's Office with the opening of the Hammond Road Detention Center and the Justice Center. The request from the Sheriff this year supports the fine-tuning of operations. Included in the overall \$947,000 increase are:

- \$500,000 in additional funding for hospitalization and safekeeping of inmates in State facilities, as well as additional food costs for the inmate population.
- An additional courthouse deputy is requested due to the expanded courtrooms utilized by the 10<sup>th</sup> Judicial District; and
- Two positions and increased operational funds are added to support critical technology infrastructure, which is the primary source that enables officers to find records and conduct investigations in the field.

### Public Safety Support

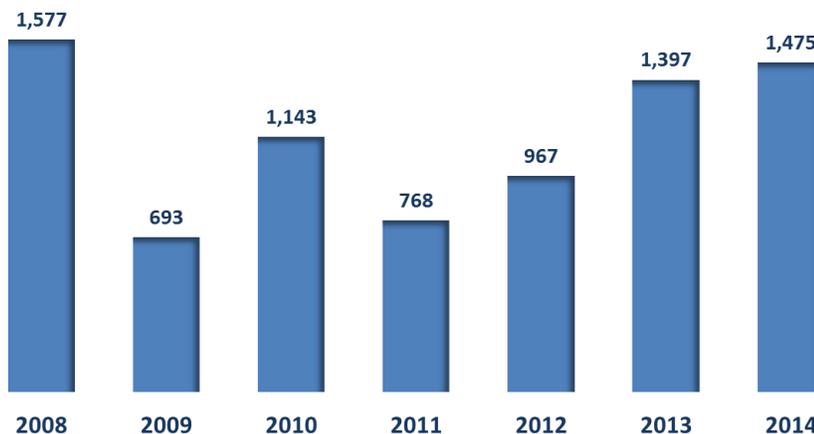
The '15 budget recommends a high priority CAD Administrator position within the Information Services Department to prepare for the replacement of the current CAD system, which supports the Raleigh-Wake Communications Center and law enforcement, fire and (EMS) responders across the County. The current CAD will no longer be supported by Motorola beyond 2018, and the County portion of the replacement cost is included in the 2015 to 2021 Capital Improvement Program. Once CAD implementation is complete in 2018, the position will continue to serve as the technical liaison between Wake County public safety agencies and the Raleigh-Wake Communications Center. This position will play a leadership role in future CAD-related projects designed to improve County public safety service, and maximize the return on this significant investment.

### **EFFECTIVE AND EFFICIENT GOVERNMENT OPERATIONS**

The Board of Commissioners focus areas are all encompassing. The next one is Effective and Efficient Government Operations with the goal, *“Support management initiatives to continually improve the quality, responsiveness, efficiency and cost-effectiveness of county services.”*

### Development Related Activities

Let's begin with development related activities. Emerging from the recession has led to increased building in both the commercial and residential sectors. In order to remain responsive to the development community and facilitate continued growth, five positions for inspections and permitting are included in the '15 budget for the Community Services Department.



***New Residential Permits (January – March)***

With the increased development seen over the past two years, there has also been higher demand for septic permits. As a result, two positions are added in Environmental Services to increase capacity to review plans, issue permits and inspect these systems. This expansion of personnel will provide for timelier permit issuance as well as environmental protection.

Funding for these initiatives total \$425,000 in Environmental and Community Services.

#### NCFAST

For a number of months, the County has been working through the implementation of NC FAST. This has been a challenging implementation but progress has occurred. In February, the commitment was made to reduce backlog and to improve the utilization of the electronic case management program for clients in Food and Nutrition as well as Medicaid Services and 36 positions were added.

An additional \$2.5 million is included in the budget to maintain these positions and to provide more training and temporary staffing to assist Human Services. Our mission is to serve the people of Wake County, especially during this time of transition, and to make sure that we meet their needs, even when faced with technological challenges. In an effort to overcome these challenges, we have also strengthened our Customer Call Center with the addition of five Customer Service Representatives.

#### Revaluation

The '15 and '16 budgets will increase for the Revenue Department as they prepare for the upcoming Property Revaluation in 2016. Funding has been contributed annually over the past eight years towards the Revaluation Reserve, and this year's budget reflects use of \$1.5 million from that Reserve to conduct the process.

#### Pay and Benefits

In the few weeks that I have been here, one of the things I have been most impressed by is the caliber of our employees. Wake County is fortunate to have such fantastic people who have a passion for public service. Although we have significant competing needs, we have been able to provide for an average merit increase of 2.75 percent effective October 1.

The budget also includes an increase of \$750,000 in the employer cost of health insurance.

#### General Fund Summary

The items highlighted from the recommend budget are the areas with notable funding increases or where service enhancements are proposed. In summary, the total General Fund increases by almost \$80 million; eight percent from last year's adopted budget. We have added 54.5 positions to the General Fund to meet growth and workload demands, augment staff resources that will allow for operational efficiencies and maintain public safety service delivery levels.

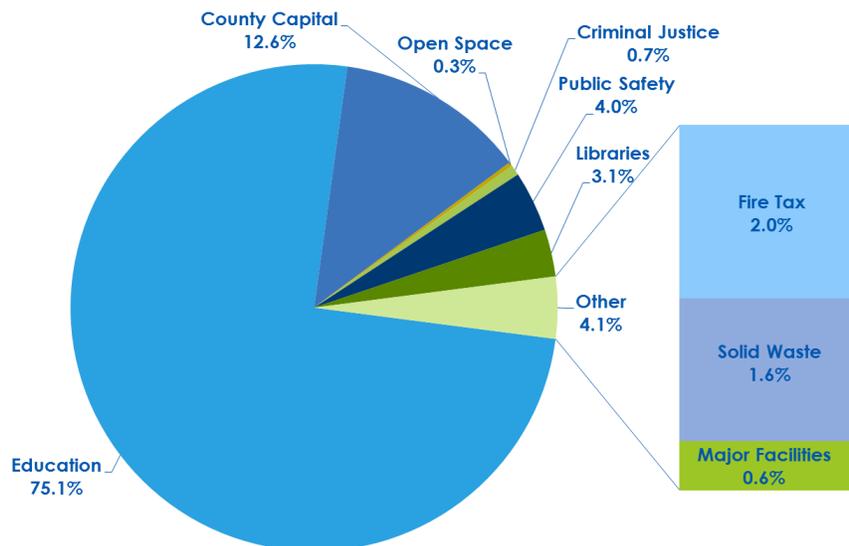
With an overview of General Fund complete, I would like to briefly touch on a few of our other fund budgets.

Revenue Category	FY 2014 Adopted	FY 2015 Recommended	Dollar Change	Percent Change
Transfers to Debt and Capital	232,443,000	286,531,000	54,088,000	23.3%
Wake County Public School System	327,496,020	337,676,400	10,180,380	3.1%
Pay and Benefits		5,050,000	5,050,000	-
Human Services	183,151,824	186,881,070	3,729,246	2.0%
Public Safety	115,327,092	117,873,859	2,546,767	2.2%
Revenue Department / Revaluation	7,309,892	8,692,480	1,382,588	18.9%
General Government	39,519,800	40,425,522	905,722	2.3%
General Services Administration	25,656,059	26,381,521	725,462	2.8%
Community & Environmental Services	35,705,375	36,545,148	839,773	2.4%
Wake Technical Community College	16,190,938	16,478,000	287,062	1.8%
<b>Total Expenditures</b>	<b>982,800,000</b>	<b>1,062,535,000</b>	<b>79,735,000</b>	<b>8.1%</b>
<i>Property Tax Increase for Transfers</i>		55,700,000	55,700,000	-
<b>Expenditures Excluding Tax Increase</b>	<b>982,800,000</b>	<b>1,006,835,000</b>	<b>24,035,000</b>	<b>2.4%</b>

### Capital Improvement Plan

At your work session last Monday, we reviewed the recommended Capital Improvement Plan. The CIP is funded through a portion of the 19.9 cents of the property tax rate that will be dedicated to debt and capital. The \$1.4 billion seven-year CIP includes the \$983.4 million Wake County Public Schools CIP 2013, the \$210 million Wake Tech CIP 2012 and \$290 million for County projects. The County CIP allocates dollars for high priority items for public safety such as EMS Stations, 800 MHz and CAD upgrades. It also allows the County to maintain its investment in its buildings and technology infrastructure assets.

**FY 2015-21 Capital Improvement Plan: \$1.4 Billion**



Over the past week, we revisited one project that had been listed as a future horizon project: a new emergency operations center. That project is now being recommended for funding in fiscal years 2019 to 2021. Over the next year, we will continue to seek partners and fully evaluate all options.

### Solid Waste

Now to our Solid Waste fund. At your April Work Session the Solid Waste Director presented the results of their comprehensive financial plan. The \$13.5 million recommended budget maintains the household disposal fee of \$20 to fund convenience centers, household hazardous waste disposal, environmental education programs and the county's litter control program.

Wake County also administers the South Wake Landfill in partnership with 11 municipalities. The recommended budget maintains the tipping fees for South Wake Landfill at \$30 per ton. The fee at the East Wake Transfer Station is recommended to be increased by \$3 to a total fee of \$39 per ton. The necessity for an increase in the tipping fee has been thoroughly evaluated and vetted by both staff and our municipal partners.

### Fire Tax

The Wake County Fire Tax District Budget is \$21 million and maintains the existing tax rate at e cents. This rate provides funding to 19 municipal and not-for-profit fire departments, as well as funding for Fire Debt and Capital. One of the goals of the Board of Commissioners and our citizen-led Fire Commission is long-term financial sustainability without relying on tax rate increases to fund fire services.

Staff will continue to work with several fire departments in evaluating potential consolidation opportunities, while also working to identify efficiencies across the Fire Services system. The recommended Fire Tax budget reflects that approved by the Fire Commission.

## **SUMMARY**

In summary, the recommended budget of \$1 billion and \$63 million represents continued investments in education, human services and public safety. The '15 budget aligns with the Board of Commissioners' goals for the upcoming year and will keep Wake County on a path that supports growth and meets increased service needs. While this budget is not able to fund all requests—either from County departments or the school system—it invests additional resources in the Board of Commissioners' highest priority areas and funds the school building program that was approved by voters. The budget includes a request for an increased community investment of a 4.4 cents property tax increase in support of the \$983.8 million school building program, increasing the property tax rate to 57.8 cents.

I have prepared a recommended budget as a plan based on our best assumptions about the future. As always, we will continue to monitor action by the legislature that may impact the County or School System budget.

Finally, it is great to be in Wake County. The County continues to be recognized as one of the best places in the country to live, work and start and grow businesses, and we will continue to make responsible investments as a community that provide quality services to our residents and maintains and enhances quality of life.

## **NEXT STEPS**

We always invite and encourage feedback and input on the budget. There are a number of ways in which citizens can be involved. Immediately following the conclusion of the budget presentation, the budget will be posted online at [www.wakegov.com](http://www.wakegov.com).

The public can visit WakeGov.com to learn about the budget process. People can also email comments to [budget@wakegov.com](mailto:budget@wakegov.com) or speak at one of the two public hearings.

The next step will be for you to hold the public hearings on Monday, June 2, 2014, at 2 p.m. here in the boardroom, and at 7 p.m. at the Wake County Commons. As in past years, you will hold a work session dedicated to the budget on Monday, June 9 at 9 a.m. And, on Monday, June 16, 2014, you will be asked to adopt the FY 2015 budget during your normally scheduled 2 p.m. business meeting.

Your manager and staff look forward to working with you on the adoption of fiscal year 2015 Budget.

Respectfully submitted,



Jim Hartmann  
County Manager

Vice-Chair Bryan complimented the County Manager and staff for the professional and prioritized budget.

Joe Bryan motioned, seconded by Paul Coble, to hold a public hearing on the budget during the Board of Commissioners' regular meeting on Monday, June 2, at 2:00 p.m. in the Board Room of the Justice Center, and also at 7:00 p.m. on that day at the Commons Building; and hold a budget work session on Monday, June 9, at 9:00 a.m.; and consider the budget for adoption on Monday, June 16, during the Board of Commissioners' regular meeting, which begins at 2:00 p.m. The motion passed unanimously.

**Award a \$1,335,000 Construction Contract for Brier Creek EMS Substation**

Mr. David Rutherford, Wake County Project Manager, Wake County Facilities Design and Construction, said that that on January 6, 2014 the Board of Commissioners approved schematic design for a new EMS station located at 690q Mt. Herman Road on property owned by the Raleigh-Durham Airport Authority. The board also authorized the County Manager to negotiate a ground lease with the Airport Authority for this new station.

The EMS station will be located in approximately the same location as the existing building. The new station will be 4,084 square feet. Mr. Rutherford shared drawings of the new building. He said that on April 22, 2014 bids were received from single prime contractors. This was a conventional Single Prime bid process, and does not include prequalification. Therefore, the project is not affected by proposed legislation and is in complete compliance with statutes, in both current and proposed form.

Mr. Rutherford said that construction of the project is anticipated to commence in June 2014, and is expected to be completed by late Spring 2015. When the existing facility closes for demolition and reconstruction, the ambulance unit that has the RDU/Brier Creek area as their primary response zone will be staged primarily from the WakeMed Brier Creek Healthplex during its 12-hour shift from 6 am to 6 pm. Another ambulance unit will stage from this location to serve the RDU/Brier Creek area from 6-10 pm. Both of these ambulances and an Advanced Practice Paramedic unit will be relocated from the current site to the Six Forks Main Station (Lynn Road, formerly Bay Leaf Fire Station #3), as their home base until construction is complete in 2015.

Commissioner Coble asked about the differences in the existing and new building. Mr. Forestieri said that the project has a single contractor (Racanelli Construction South, Inc.) and there is one extra bay than the existing substation.

Joe Bryan motioned, seconded by Paul Coble, to award a construction contract to Racanelli Construction South, Inc., of Apex, NC in the amount of \$1,335,000 for the Brier Creek EMS Substation. The motion passed unanimously.

**BRIER CREEK EMS STATION  
BUDGETARY SUMMARY OF PROJECT COST**

May 19, 2014

**A. Construction**

Building Construction Contract (includes	\$1,335,000
--	-------------

landscaping & signage)	
Roof Truss Package (purchased separately)	\$34,080
Other Building Demolition Cost (Abatement)	\$2,000
Bid Advertisement	\$1,000
Subtotal - Construction Contract Award	\$1,372,080
<b>B. Furniture Fixtures &amp; Equipment (FF+E)</b>	\$27,370
<b>C. Automation/RF Communications Equipment</b>	\$22,463
(includes computers, data network, security router, radio equipment)	
<b>D. Professional Services</b>	\$169,860
(includes surveying, geotechnical, architectural, engineering, material testing and third party special inspections)	
Subtotal - FF&E/Automation/Professional Services	\$219,693
Project Contingency	\$49,227
<b>Total Project Development Cost</b>	<b>\$1,641,000</b>
<b>Capital Improvement Funding</b>	<b>\$1,641,000</b>
Capital Funds in Reserve	\$0

**Approve Schematic Design for Expansion of 111 Sunnybrook Road Building**

Mr. Mark Forestieri, Director, Wake County Facilities Design and Construction, said that in January 2013, Wake County entered into a lease with the University of North Carolina (UNC) Health Care System for the provision of behavioral health services at the WakeBrook Mental Health Campus at 107 and 111 Sunnybrook Road. A First Amendment to the Lease Agreement was executed in December 2013 for the provision of Primary Care Services at the same location.

The WakeBrook Campus was completed and dedicated by Wake County on November 1, 2010. The campus consists of two buildings: 1) Crisis Services Center at 107 Sunnybrook Road (39,776 SF) and 2) Recovery Center (19,175) at 111 Sunnybrook Road. The County initially provided behavioral health services from this facility before divesting of behavioral health services in 2013, and turning over operation to UNC Health Care Systems per the aforementioned Lease Agreement. UNC Healthcare has proposed the addition of a 12 inpatient psychiatric beds to the WakeBrook Campus, specifically to the Recovery Center. Wake County and UNC Health Care entered into a

Memorandum of Understanding in January 2014, which provided for programming and schematic design studies for this expansion.

Wake County will manage the design and construct this expansion for a cost to be reimbursed by UNC Health Care. Total cost proposed to be reimbursed to Wake County is \$4,000,000.

Mr. Forestieri shared design information and photographs of the site. He said staff has worked closely with UNC Healthcare staff on the expansion and design. UNC Healthcare supports the design of this expansion.

Mr. Forestieri introduced Dr. Brian Scheitman, Medical Director, UNC WakeBrook, and Ms. Paula Bird, Administrator, WakeBrook Campus from UNC.

Dr. Scheitman said staff is happy with the 12-bed expansion. Chairman Matthews asked about the future expansion capability of the building. Mr. Forestieri said there are plans for another building on the site.

Commissioner Sullivan asked about adolescents and children's care at the facility. Dr. Scheitman said in the crisis and assessment area there is ongoing discussion about adding capacity, but this facility serves adults.

Chairman Matthews asked about the facility in Garner that serves children. Dr. Scheitman said the facility is currently at capacity.

Commissioner Coble asked when additional expansion would be needed in the future. Dr. Scheitman said that goals may need to be redefined for future expansion and there is a need for more crisis beds.

Vice-Chair Bryan asked if there is an advantage to moving towards a two-story building. Mr. Forestieri said discussion has been made, but funds were limited to expand further. The architect said that patient functionality may not be allowed for the facility, and there are safety concerns. Mr. Forestieri said that the additional property will be an advantage to expand in the future.

Chairman Matthews asked if further thought was needed toward the project before the Board of Commissioners approves this expansion. Dr. Scheitman said that a second floor may not work and staff is satisfied with the current proposal.

Commissioner West asked if a space study has been performed. Mr. Forestieri said the expansion project was brought forward based on UNC Healthcare's request.

Commissioner Coble said that he understands that UNC is willing to pay for this facility with the available funding and safety may be an issue in constructing a second level.

**WAKEBROOK CAMPUS  
12-BED EXPANSION - 111 BLDG/RECOVERY CENTER  
BUDGETARY SUMMARY OF PROJECT COST**  
May 19, 2014

**A. Professional Services**

Advanced Planning, Programming, Preliminary Design & Soil Report	\$50,000
Design, Engineering, Surveying, Construction Materials Testing & Inspections	\$320,000

**Subtotal - Professional Services** **\$370,000**

**B. Construction**

Building Construction/Renovations	\$3,203,943
Municipal Impact & Stormwater Fees	\$26,057

**Subtotal - Construction Budget** **\$3,230,000**

**SUBTOTAL** **\$3,600,000**

**Contingency** \$400,000

**TOTAL PROJECT DEVELOPMENT COST - APPROPRIATED BY COUNTY** **\$4,000,000**  
(to be reimbursed in entirety by UNC Health Care)

**Other Estimated Costs to be Paid Directly by UNC Health Care** 605,000

(Includes Furniture, Fixtures, Equipment, Nurse Call System, Telcom, Wireless, Automation, Security and DHSR Fees)

**Notes**

1. Professional Services costs consist of architectural/engineering design, construction administration, quality control inspections and material testing for the project.
2. Construction budget based on cost estimate prepared by original building contractor, in coordination with the architect.
3. Requested appropriation is for cost shown above as "Total Project Cost - Appropriated by Wake County"
4. UNC Health Care shall provide the direct costs shown below the line. This cost shown for reference only.

Paul Coble motioned, seconded by Caroline Sullivan, to approve Schematic Design for Expansion of the Recovery Center (111 Sunnybrook Road) at WakeBrook Campus. The motion passed unanimously.

**Accept and Appropriate to the Grants and Donations Fund a Four-Year Grant from North Carolina State University Totaling \$180,032 and Establish a .80 FTE**

Ms. Gina Garcia-Somuk, Wake County Deputy Human Services Supervisor, said that Wake County 4-H Youth Development was invited and awarded funding through the NCSU and North Carolina Cooperative Extension to implement a four-year Together for a Better Education (TBE) grant. The grant equips Wake County youth and their families with tools to support them in the attainment of a high school diploma, preparing for post-secondary education, and developing work readiness skills. The program provides a variety of intentional strategies to include: academic coaching, technological application, and leadership development opportunities for targeted adolescents (8th graders).

The five major components of the Together for a Better Education Model include:

- One-on-one and group success coaching (include weekly academic tutorials)
- A six weeks series of TBE Family and Youth workshops (to navigate the academic system and assist family members in advocating for their youth)
- 4-H Club involvement focused on videography, technology, and life skills
- On line college preparation course
- TBE Summer Academy experience

She said the project aligns with the Board of Commissioners' 2014 goals for an educated and skilled community and working to make Wake County the Healthiest Capital County in the United States.

Ms. Garcia-Somuk said that activities will be evaluated for success and sustained through partnerships in the community including NCSU and Wake County Public School System. The initiative will be implemented at Garner Magnet High and East Garner Magnet Middle School as determined by Wake County Public Schools.

These funds will be appropriated in the grants and donations fund. No county dollars are required and the .8 FTE position will be abolished when the grant ends unless additional funding is identified and program effectiveness has been established.

**Projected Budget**

June – September 2014
-----------------------

(October 2014 – September 2018)
---------------------------------

		Four Consecutive Years @ 42,433 per year	
Budget Category	Amount	Budget Category	Amount
Salary	\$6,550	Salary	\$26,200
Fringe	\$2,534	Fringe	\$10,137
Supplies	\$250	Supplies	\$1,400
Travel	\$200	Travel	\$800
Training: to include curricula and catered food for family nights	\$200	Training: to include curricula and catered food for family nights	\$850
Contracted Services: to include tutorial services, healthy snacks, and printing	\$566	Contracted Services: to include tutorial services, healthy snacks, and printing	\$3,046
Total Year 1 Allocation	\$10,300	Total Yearly Allocation	\$42,433

Commissioner West asked how this innovative idea for helping youth was formed. Ms. Garcia-Somuk said North Carolina State University has the ability to share research based information. Wake County Human Services has collaborated with North Carolina State University on the idea.

Commissioner West said that he serves as a liaison to the Juvenile Crime Prevention Council and this is the kind of program that helps to fill the gap for youth.

James West motioned, seconded by Paul Coble, to accept and appropriate a Four-Year Grant from North Carolina State University totaling \$180,032 in revenues and expenditures to the Grants and Donations Fund and to establish a .80 FTE Public Health Educator position. The motion passed unanimously.

**[Amend County's Fund Balance Policy and Debt Service Guidelines](#)**

Ms. Nicole Kreiser, Debt and Financial Manager, presented the amendment to the County's Fund Balance Policy and Debt Service Guidelines. She stated the need to amend the policy was presented at the February 28<sup>th</sup> board retreat and a detailed presentation was provided to the board at the May 12<sup>th</sup> work session. Vice-Chair Bryan named her the best Debt and Financial Manager in America. Ms. Kreiser stated that one of the Board of Commissioners' 2014 goals was to continue to exercise sound financial management and ensure Wake County's long-term fiscal strength. In order to meet this goal, the objectives include implementing financial policies and guidelines to address changing criteria from the rating agencies regarding requirements for achieving AAA credit rating and to implement the tax increase necessary to carry out voter-approved WCPSS school bond program.

She shared the financial benefit of the county retaining the AAA/AAA/Aaa rating which allows the lowest financing cost available in the market. Wake County is one of 39 counties in the United States rated by all three rating agencies as a Triple-A. The additional 1% interest cost on \$2 billion debt would cost the county \$20 million per year or 1.58 cents on today's tax rate. She shared the county's financial policies. Also, an additional 1% interest cost CIP 2013 bonds would cost an additional \$90 million in net interest over the life of the debt.

Ms. Kreiser gave an update from the Rating Agencies.

- Since January 2014, S&P and Moody's have begun to use new rating methodology
- S&P continues to focus on governmental funds. Rating reports adhere to language in formulaic calculation (very strong, strong, adequate, weak, very weak)
- Moody's has paid particular attention to fund balance and pensions

She shared the County's current fund balance policy.

- Management will maintain a total General Fund balance of at least 15% and amount committed for working capital of at least ten percent of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income.
- Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the County's amount committed for working capital. If a catastrophic economic event occurs that results in a deviation of five percent or more from total budgeted revenue or expenditures, the amount committed for working capital can be reduced by board action. At that time, the Board will also adopt a plan on how to return committed for working capital back to the required level for fiscal health.
- When it is appropriate for fund balance to be assigned, the Board of Commissioners delegates authority to the County Manager.

*Adopted May 16, 2011;  
Revised June 17, 2013*

She shared the recommended fund balance policy.

- General Fund

- Management will maintain a total General Fund balance of at least 15% and amount committed for working capital of at least ten percent of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income.
- Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the County's amount committed for working capital. If a catastrophic economic event occurs that results in a deviation of five percent or more from total budgeted revenue or expenditures, the amount committed for working capital can be reduced by board action. At that time, the Board will also adopt a plan on how to return committed for working capital back to the required level for fiscal health.
- When it is appropriate for fund balance to be assigned, the Board of Commissioners delegates authority to the County Manager.

Operating Funds

- *The County will maintain a combined general fund and debt service fund total fund balance of at least 30% of general fund and debt service fund combined revenues.*

A chart was provided of the Projected Fund Balance with a comparison of the Current versus Recommended Policies.

<b>Projected Fund Balance Before Recommended Fund Balance Policy</b>											
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Debt Service Fund Balance Percentage of Subsequent Year Debt Service	56.1%	49.4%	34.9%	24.9%	21.3%	19.0%	20.9%	22.9%	27.3%	30.7%	35.7%
Combined General Fund and Debt Service Fund Balance as % of Current Year Revenues	34.5%	32.5%	30.5%	28.3%	27.5%	26.8%	27.1%	28.1%	29.6%	30.5%	32.0%
<b>Projected Fund Balance After Recommended Fund Balance Policy</b>											
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Debt Service Fund Balance Percentage of Subsequent Year Debt Service	56.1%	52.3%	40.2%	32.8%	31.9%	33.0%	38.6%	42.2%	49.2%	55.7%	63.4%
Combined General Fund and Debt Service Fund Balance as % of Current Year Revenues	34.5%	33.0%	31.7%	30.2%	30.1%	30.0%	31.0%	32.6%	34.8%	36.4%	38.4%

Ms. Kreiser recommended changing the guideline to: “The County will monitor annual debt service expenditures as a percent of total governmental expenditures and strive not to exceed twenty percent.” Governmental expenditures include: General Fund, Affordable Housing, Major Facilities, Debt Service, Capital Projects (County, School, Wake Tech and Nonmajor Funds).

FY 2013 Debt Service Expenditures (Principal and Interest)	\$ 235,176,550
FY 2013 Total Governmental Funds Expenditures	\$ 1,196,533,206
Debt Service Expenditures as a Percent of Governmental Funds Expenditures	19.65%

Ms. Kreiser shared the action requested:

- BOC Adopts Revised Fund Balance Policy and Debt Service Expenditure Guidelines
- Will allow the County to demonstrate to rating agencies commitment to County's triple-A credit rating and County's due consideration of revised rating criteria
- Strengthens County's position for future ratings.

Vice-Chair Bryan asked why the wording was "strive not to exceed 20%" rather than say "we will not exceed." Ms. Kreiser said Wake County is unique in that the county funds school construction which may have some impact.

Commissioner West said there may be flexibility in exceeding 20%. Ms. Kreiser said the county has remained over 20%. The proposal is considering the county's long-term financial management and fiscal strength.

Caroline Sullivan motioned, seconded by Paul Coble, to amend the County's Fund Balance Policy and Debt Service Guidelines, such that:

1. The County will maintain a combined general fund and debt service fund total fund balance of at least 30% of general fund and debt service fund combined revenues; and
2. The County's debt service as an expenditure guideline will be modified to state "The County will monitor annual debt service expenditures as a percent of total governmental expenditures and strive to not exceed twenty percent."

The motion passed unanimously.

**[Approve Wake County's 2014 State Legislative Agenda and Endorse North Carolina Association of County Commissioners Key Issues for Advocacy in 2014 Session](#)**

Ms. Denise Foreman, Assistant the County Manager, presented a proposed Legislative Agenda for the Board to consider submitting to the NC General Assembly. There are four local legislative goals and the North Carolina

Association of County Commissioners is requesting support for five of their key issues.

**Wake County Legislative Goals**

1. Relinquishment of Municipal ETJ - Local Bill
2. Support for Emergency Medical Transportation Reimbursement to Alternative Facilities
3. Prequalification in Public Construction Contracting
4. Support State-Funded Teacher Pay Increases

**North Carolina Association of County Commissioners Key Issues:**

1. Reinstate lottery funds for school construction (Proposed House Bill 1107)
2. Oppose shift of state transportation responsibilities to counties
3. Oppose unfunded mandates and shifts of state responsibilities to counties
4. Ensure adequate mental health funding
5. Preserve the existing local revenue base

Commissioner West asked Commissioner Coble for some background on the Prequalification in public construction contracting since Commissioner Coble served on the Joint Legislative Committee.

Commissioner Coble said HB 857 was in response to public entities to put in place some new types of design or construction methods. He said in the past Prime, Prime Plus and Multi-prime were used for public construction projects which were competitive bidding processes. Design Building, Public Private Partnerships, Construction Manager At-Risk (CMR) and Design Bridging have been added to the process. CMR has been approved by the Legislature for some time. The proposed legislation 1043 was designed to make a clarification. The clarification says that if a contract is going to go out on a competitive bid basis, like a fire station which is a comparatively low dollar construction project, and the Design Building, Public Private Partnerships, Construction Manager At-Risk (CMAR) are not going to be used, then there should be a pre-qualification that is written out in advance. This would be done so that anyone planning to bid on the contract would know what is expected upfront. There needs to be transparency and clarity. Another aspect of the legislation is there is an appeal process for anyone denied the opportunity to bid. The third part is that in Bill 857, if you used the process, at the completion of the process, there is a requirement to present information about the reason for using the process and advantages. The Study Committee said the aspect of sharing the process and advantages should be shown prior to the building process instead of after the process.

Commissioner Coble stated the construction project for the Wake County Justice Center process was handled this way with Mr. Phil Stout providing all the information ahead of time on why it would be beneficial to use CMAR. The construction process should provide transparency and show some justification

for the chosen process. He said the law states that the legislature believes that open competition provides the best value for the taxpayer. The Legislature seeks to provide transparent, fair and equitable construction procedures for the use of public funds. Commissioner Coble said the prepared plan will help people know if they are qualified to do the job. He said that was why he asked Mr. Forestieri how much the fire station construction was going to cost and what process would be used. He said that information should be shared in a public meeting. He said an example is how the Wake County Public School System uses CMAR for building schools. He said the schools say they use the CMAR approach because they have a deadline for opening the school. This process would require them to publicly state they will use CMAR and the reason behind it. It also requires them to publicly state the cost.

Commissioner West said he had concerns about how this bill would affect the school system since they frequently use the CMAR. He said that based on limited feedback and discussions with the County Attorney, the county has not had many issues with the process. He spoke about a protest petition about this could slow things down somewhat. He spoke with some people about the minority participation and those individuals were in opposition to the legislation because of the way the packages are broken down in the CMAR process. He said they have worked hard over the years to increase minority participation in the process. Creating opportunities is the goal. He has concerns about the unintended impact of the draft bill on minority participation. Commissioner West stated inclusion for one may be exclusion for another so they need to find a balance.

Mr. Mark Forestieri, Facilities Construction and Design Director, said he understood the logic behind the protest petition process. He said the concept was good but his concern was in the details and how it would be applied. He said he understood the need for someone who did not qualify, the opportunity to understand why they did not qualify. He said when Wake County has used the pre-qualification process they have used many of the processes the bill suggests such as provide a transparent process, clear instructions, clearly state the criteria, scoring but not as part of the application. He reviewed some of the details of the prequalification process. He said that the process history is encouraged. An open ended protest process is not preferred. He said that he has not disqualified many but feels the county should have the opportunity to have the final word on the decision. He said they try to encourage participation.

Commissioner West asked if the bill would help the county do a better job. Mr. Forestieri said that it is possible that some other organizations need the guidelines that are in this bill but Wake County has been following these guidelines. Commissioner Coble said that this is a state-wide bill and this is a clarification. He said the County does a good job and is a model for this process. He said he believed that the written prequalification process will

protect minority bidders. He said that existing companies already in business should be fine but new startup businesses could easily be excluded. The bill will help with openness and transparency. He added that there were committee members from across the state. They agreed that any public entity that is spending taxpayers' money, taxpayer should have an opportunity to know what the entity is doing and why they are doing it. Commissioner Coble also stated that the governing board must make the decision in a public meeting and may not delegate that authority. He said if there was a complaint then the board would know about it upfront. Commissioner West said that he was concerned about the minority participation and Wake County is a model for the process. He said there hasn't been any discussion with the school system during this process was concerned about the school system and would not support the bill.

Commissioner Sullivan expressed her concern about supporting this bill. She said it had been determined that Wake County staff was already following this process and when a bill is introduced it may change and some effects on Wake County's process. She said that Mr. Forestieri had some reservations about some of the details of the bill. She said not knowing what the end result would be on the county's processes so she would not support this bill. She said she did not understand why the request for support of this statewide bill would be on Wake County's legislative agenda when Wake County did not need the bill.

Commissioner Coble said the county is supporting increased pay for teachers' which is a statewide issue. Commissioner Sullivan agreed but stated that Mr. Hartmann directly addressed that situation in his budget presentation stating that the county is not including pay raises for teachers because the state has that responsibility. Commissioner Coble said this is a statewide law also but it was appropriate for the county to support this law agreeing that other public entities should also be following the process. Commissioner Sullivan said this bill was new to her and she had not heard any staff concerns. Commissioner Coble said this bill came from the state and he was asked to sit on the committee representing commissioners statewide. He said once the committee finished with the bill, he brought it to the county to be put on the board's legislative agenda.

Commissioner West said that supporting teachers' pay is a state responsibility. He said he has heard different interpretations on whose responsibility teachers' pay is as well as different data and different proposals. He said the county's process for recommendation of goals to be submitted to the Legislature needs to be worked on. He expressed his concern over consistency in this process. He said the meeting with Wake Delegation was scheduled but did not occur so maybe the meeting did not have a lot of value. The Board is sending mixed and ambiguous messages with this process of goals being added and removed from the agenda and how the goals are being communicated. He said some of the

commissioners do not seem to be receiving the same information and it is hard to make decisions without the same information.

Vice-Chair Bryan offered a motion to approve Wake County's 2014 State Legislative Agenda and endorse the North Carolina Association of County Commissioners key issues for advocacy during the 2014 session except with a rearrangement of the priorities. He stated that for Wake County, Commissioner Bryan wanted to show support for State Funded Teacher Pay Increase by making it the Number One Priority. The next local goals would be in the following order:

2. Support for Emergency Medical Transportation Reimbursement to Alternative Facilities
3. Prequalification in Public Construction Contracting
4. Relinquishment of Municipal ETJ - Local Bill

Commissioner Bryan then stated that the priority goals for the NCACC Legislative Agenda be in the following order:

1. Oppose unfunded mandates and shifts of state responsibilities to counties
2. Preserve the existing local revenue base
3. Ensure adequate mental health funding
4. Reinstate lottery funds for school construction
5. Oppose shift of state transportation responsibilities to counties.

He said the goals with the highest priorities should be very clearly stated so that when the public looks at the ranking, they will see Wake County's number one goal is to support teacher pay increases and the state goals are listed with consideration of the board's expectations from what has been communicated by the state.

Commissioner West said that he supports all the goals except Prequalification In Public Construction Contracting.

Commissioner Bryan said it was important that people see these goals as ranked in priority order by the Board.

Commissioner West stated that in the past the commissioners have had an opportunity to address a goal that they did not agree with on an individual basis so they could show their opposition. He said he supports all of the goals but the goal on Prequalification in Public Construction Contracting. He asked Mr. Warren to comment on the process.

Mr. Scott Warren said Commissioner West was asking to divide a complex motion and address it by paragraph. He said that is a procedural motion

which takes precedence over the substantive motion. Chairman Matthews asked if there was still a motion and second to the motion on the table to be considered. Mr. Warren said Commissioner West request to divide the motion on the agenda item should be done first which is the way the Board has historically handled a request. He said procedurally the item of concern in the motion should be divided. He said if that was a motion and there's a second, then the board would need to act on that motion to divide the action, if that's the board's choice.

Commissioner Coble suggested the board vote separately on item #3, Prequalification in Public Construction Contracting and then vote on the comprehensive Legislative Agenda.

Chairman Matthews asked Commissioner Bryan if his motion could address approval of the full Legislative Agenda, except item #3 and then the Board would come back and vote on item #3 individually. Commissioner Bryan agreed.

Joe Bryan motioned, seconded by Rich Gianni, to approve Commissioner West's request to divide the motion. The motion passed unanimously.

Paul Coble motioned, seconded by Joe Bryan, to approve the Legislative Goal of Prequalification in Public Construction Contracting.

Vice-Chair Bryan said that the core of the Prequalification in Public Construction Contracting legislation is transparency and openness, each methodology is treated the same and that is the expectation from this board to the state and the bill sponsors.

The motion to approve the Legislative Goal of Prequalification in Public Construction Contracting was approved with a 4-2 vote.

AYES: Joe Bryan, Paul Coble, Rich Gianni, Phil Matthews  
NOES: Caroline Sullivan, James West

Joe Bryan then restated his motion, seconded by Paul Coble, to approve Wake County's 2014 State Legislative Agenda and endorse the North Carolina Association of County Commissioners key issues for advocacy during the 2014 session with the priorities as ranked by this Board be the following order:

**Wake County**

1. Support State-Funded Teacher Pay
2. Support for Emergency Medical Transportation Reimbursement to Alternative Facilities
3. Prequalification in Public Construction Contracting
4. Relinquishment of Municipal ETJ - Local Bill

**North Carolina Association of County Commissioners**

1. Oppose unfunded mandates and shifts of state responsibilities to counties
2. Preserve the existing local revenue base
3. Ensure adequate mental health funding
4. Reinstate lottery funds for school construction
5. Oppose shift of state transportation responsibilities to counties

Commissioners Sullivan and West questioned the process expressing concerns that having to vote on the full Legislative Agenda would give the appearance that they supported all of the legislative items including the Prequalification in Public Construction Contracting, which they opposed.

Mr. Warren said the record was clear showing two commissioners opposed the Prequalification in Public Construction Contracting legislation.

The motion passed unanimously to adopt Wake County's 2014 State Legislative Agenda and endorse the North Carolina Association of County Commissioners key issues for advocacy during the 2014 session with the priorities as ranked by this Board in the following order:

**Wake County**

1. Support State-Funded Teacher Pay
2. Support for Emergency Medical Transportation Reimbursement to Alternative Facilities
3. Prequalification in Public Construction Contracting
4. Relinquishment of Municipal ETJ - Local Bill

**North Carolina Association of County Commissioners**

1. Oppose unfunded mandates and shifts of state responsibilities to counties
2. Preserve the existing local revenue base
3. Ensure adequate mental health funding
4. Reinstate lottery funds for school construction
5. Oppose shift of state transportation responsibilities to counties

**Other Items**

**Committee Reports**

No Committee Reports were shared.

**Other Business**

Informational Items for the Board of Commissioners

1. WCPSS Project Status Report for Period Ending April 30 2014

**Adjourn**

Paul Coble motioned, seconded by Rich Gianni, to adjourn meeting at 5:15 p.m. The motion passed unanimously.

Respectfully submitted,

Susan J. Banks, NCCCC  
Clerk to the Board  
Wake County Board of Commissioners