



# FY 2016-17 County Manager's Recommended Budget

**Wendell M. Davis, County Manager**  
**May 23, 2016**

# Managing for Results Model

## Strategic Goals

Community and Family Prosperity and Enrichment

Health and Well-being for All

Safe and Secure Community

Environmental Stewardship

Accountable, Efficient and Visionary Government

- Community stakeholder engagement strategy
- Employee stakeholder engagement strategy
- Organizational learning through program reviews
- Benchmarking
- Accountability reporting to Commissioners, public and employees

- Real-time performance measures used to manage operations
- Process improvement
- Culture of innovation, leadership, collaboration and employee empowerment
- Improve processes, standards and accountability for employee performance

Learning, Evaluation and Accountability

Strategic and Operational Planning

- Results-focused strategic planning
- Effective implementation framework with clear departmental integration
- Operational plans align with Strategic Plan
- Comprehensive internal and external communications strategies

Managing Service Delivery

Budgeting for Results

- Investments based on Strategic Plan and key articulated priorities
- Program budgeting
- Performance measures and targets

Building on the foundation of exceptional customer service, driven by:

Effective Communications and Stakeholder Engagement with Clear Roles

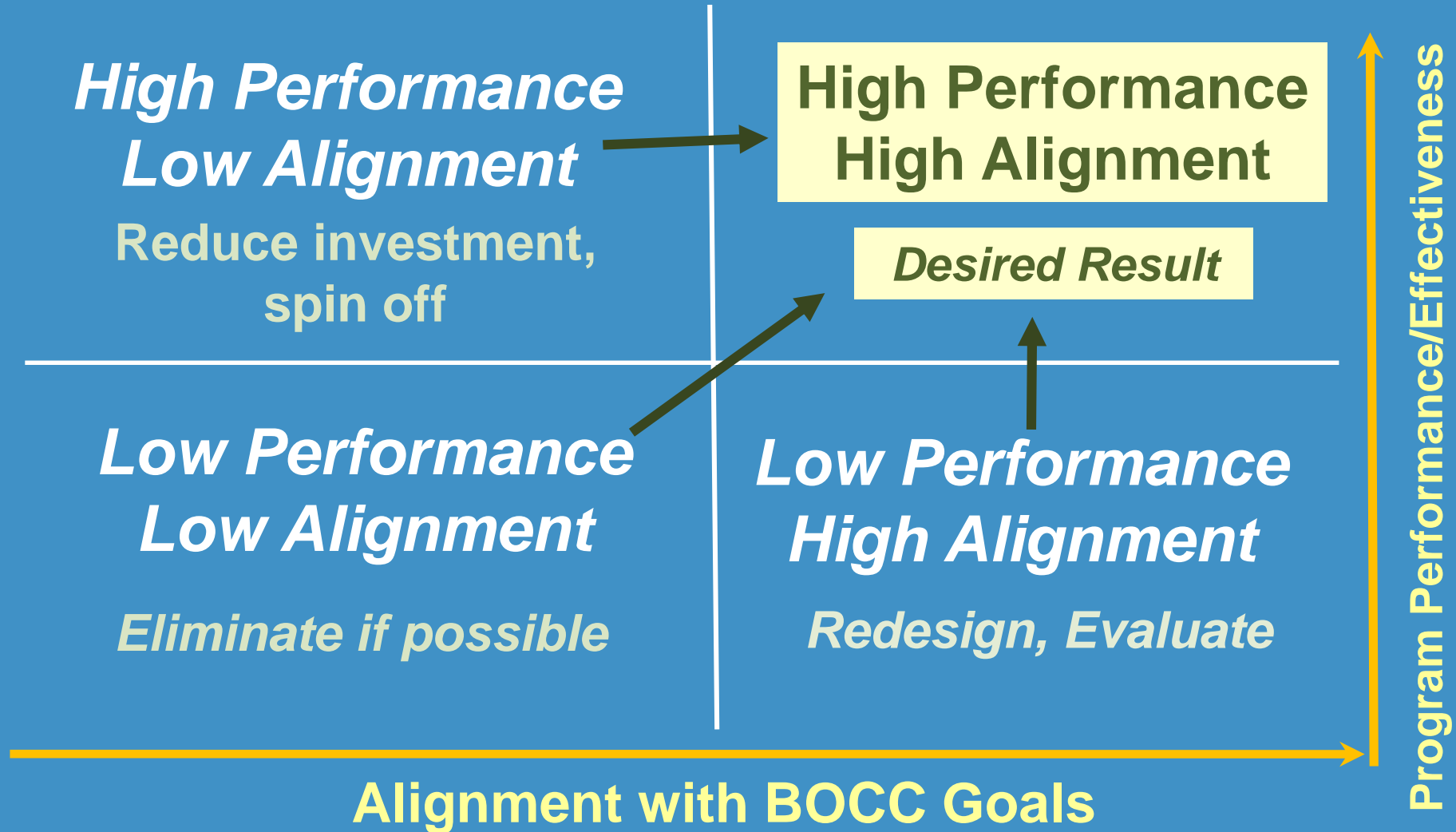
Effective Partnerships and Collaboration that Add Value

Core Values and a High-Performance Culture

Results-Focused Leadership and Governance



# Shift Resources toward BOCC Goals







Human Resources

County Manager

Internal Auditor

AGM / CoS

**Goal 1: Community & Family Prosperity**

**Goal 2: Health & Well-being for All**

**Goal 3: Safe & Secure Community**

**Goal 4: Environmental Stewardship**

**Goal 5: Accountable, Efficient & Visionary Government**

General Manager of Strategic Management, Public Affairs, Innovation, & Special Projects

- o Strategic Planning & Innovation
- o Public Information
- o Legislative Services & Advocacy
- o Youth Initiatives
- o Durham Public Schools
- o Housing Programs
- o Management Reporting
- o Board Request & Constituent Services
- o Special Projects

General Manager, of Public Health & Community Well Being

- o Public Health
- o Social Services
- o Cooperative Extension
- o Veteran Services
- o Liaison to Alliance Behavioral Services
- o Libraries

General Manager for Community & Public Safety

- o Sheriff Office & Jail Operations
- o Fire Marshal
- o Emergency Management
- o E-911 & Emergency Communications
- o Forest Protection
- o Youth Detention Home
- o Emergency Medical Services
- o CJRC

General Manager of Environmental Stewardship & Community Prosperity

- o City/County Planning
- o City/County GIS
- o City/County Inspections
- o Economic Development
- o County Engineering
- o Soil & Water Conservation District
- o Register of Deeds

General Manager, Financial Affairs, Process Improvement & Gov. Efficiency

- o Finance
- o Budget and Management Svcs
- o Information Technology & SAP
- o Tax Administration
- o General Services
- o Board of Elections





# **FY 2016-17 Manager's Recommended Budget**

- **Maintains fiscal standing**
- **Supports critical program and service delivery needs**
- **Increases net funding for Durham Public Schools**
- **Provides operational increases for public safety**
- **Supports Capital Finance Plan needs and annual Debt Service**
- **Replaces and updates vital equipment and vehicles**

# FY 2016-17 Property Tax

- Tax base valuation increase of \$3.27 billion (budget to budget) or **10.21%**
  - 1.9% of that was “natural” growth
  - Additional growth was due to Revaluation
- Collection rate remains constant at 99.30%
- Total: an additional **\$4.45 million** due to natural growth for General Fund operating and Capital Finance Fund



# FY 2016-17 Revaluation

- **8 year revaluation**
  - Real property only
- **County has to show a “Revenue Neutral” property tax rate to public**
  - FY 2016-17 Revenue Neutral rate: 73.37 cents
  - FY 2015-16 property tax rate: 79.31 cents
  - Revenue Neutral tax rate change: (5.94 cents)

# Tax Base Variances

Category	FY 2015-16 Original Budget	FY 2016-17 Budget Estimate	% Change FY17 from FY16 Budget
Real Property	\$26,152,065,688	\$29,058,141,023	11.11%
Auto Value	\$1,894,000,000	\$2,094,006,400	10.56%
Personal Value	\$3,440,862,642	\$3,584,452,249	4.17%
Public Service	\$540,732,429	\$562,100,012	3.95%
<b>Total</b>	<b>\$32,027,660,759</b>	<b>\$35,298,699,684</b>	<b>10.21%</b>



# FY 2015-16 Property Tax by Fund

Property Tax	FY 2015-16 Original Budget	FY 15-16 Tax Rate	FY 2016-17 Recommended	FY 16-17 Recommended Tax Rate
General Fund	\$225,104,940	70.78	\$231,982,190	<b>66.18</b>
Capital Financing Fund	\$27,128,357	8.53	\$28,707,268	<b>8.19</b>
<b>Total</b>	<b>\$252,233,298</b>	<b>79.31</b>	<b>\$260,689,457</b>	<b>74.37*</b>

\*One cent increase over Revenue Neutral rate

# FY 2016-17 Property Tax

- One cent property tax rate increase for FY 2016-17

Property Tax	FY 15-16 Tax Rate	FY 16-17 Rev. Neutral Tax Rate	FY 16-17 Rec. Tax Rate	FY 16-17 Change from Rev. Neutral
General Fund	70.78	65.48	66.18	0.7
Capital Financing Fund	8.53	7.89	8.19	0.3
<b>Total</b>	<b>79.31</b>	<b>73.37</b>	<b>74.37</b>	<b>1.0</b>

# FY 2016-17 Debt Service

Debt Areas	Debt Service
Durham Public Schools	\$27,615,196
Durham Tech Community College	\$1,016,224
NC Museum of Life and Science	\$1,926,430
County-Related	\$28,561,247
<b>Total Debt Service</b>	<b>\$59,209,097</b>



# Fire Districts

District	FY 2015-16 Original Tax Rate	FY 2016-17 Rev. Neutral Tax Rate	FY 2016-17 Requested Tax Rate	FY 2016-17 Recommended Tax Rate	Change from FY 2015-16 Rev. Neutral
Lebanon	0.1065	0.1056	0.12035	0.1056	-
Redwood	0.1386	0.1344	0.1344	0.1344	-
New Hope*	0.0995	0.0874	0.0874	0.0874	-
Eno*	0.0799	0.0778	0.0778	0.0778	-
Bahama	0.0987	0.0987	0.0987	0.0987	-
Durham County Fire & Rescue Service	0.1300	0.1251	0.1251	0.1251	-

\*The New Hope and Eno fire tax district rates are established by neighboring Orange County through an inter-local agreement.







# FY 2016-17 Sales Tax

- Current Year sales tax estimates are up 4.63% over the Original budget. Adding next year's growth factor translates to a 7.79% over the FY 2015-16 Original Budget.

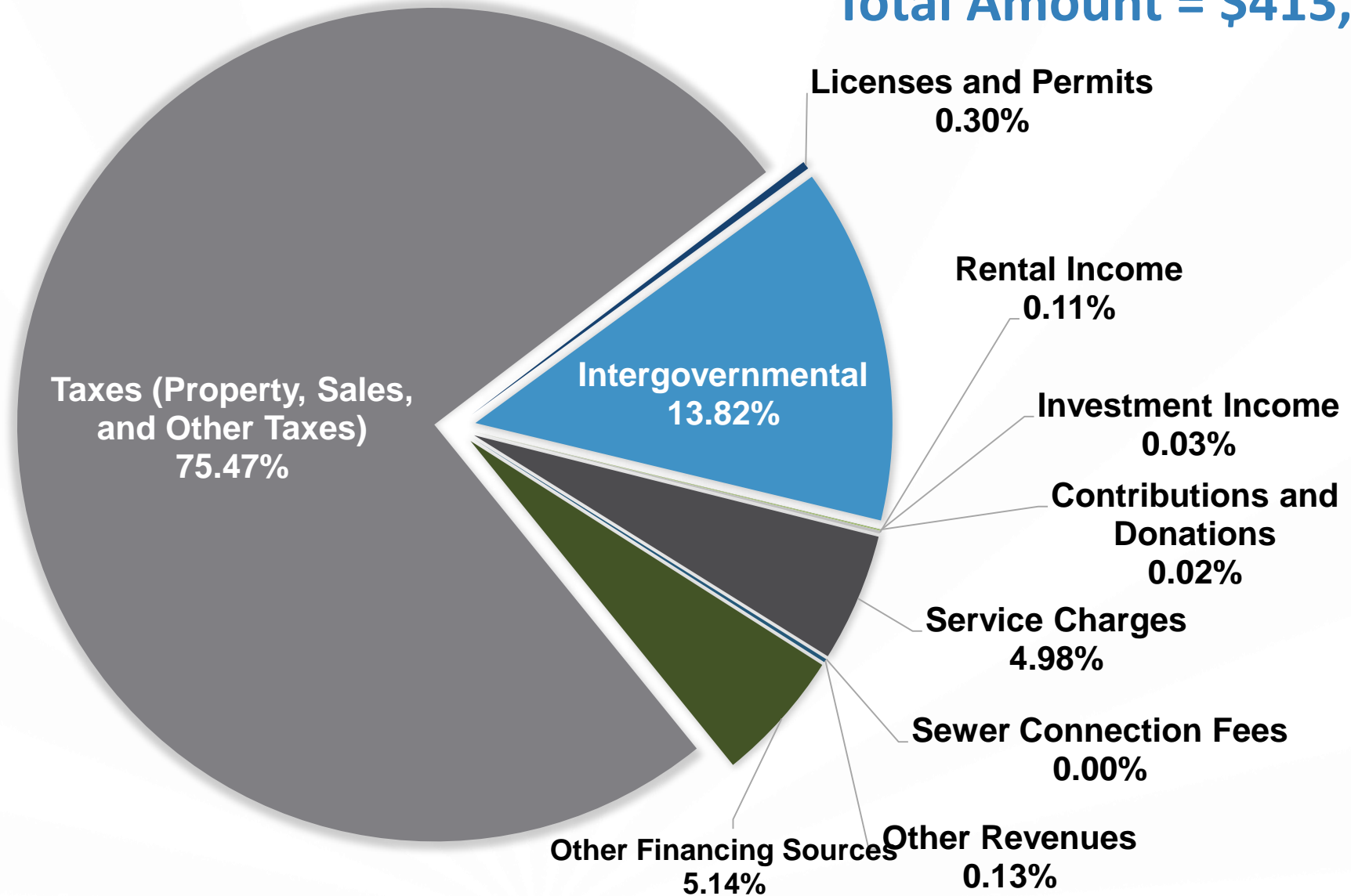
A	B	C	D	E	F
Sales Tax Article	FY 2015-16 Original Budget	FY 2015-16 12 Month Estimate	% from FY 2015-16 Budget	FY 2016-17 Manager Recommended	% from FY 2015-16 Budget
Article 39	\$21,357,953	\$22,209,399	3.99%	\$22,979,684	7.59%
Article 40	\$11,375,429	\$11,945,059	5.01%	\$12,377,711	8.81%
Article 42	\$14,233,465	\$14,881,882	4.56%	\$15,349,556	7.84%
Article 44	\$0	\$5,173	N/A	\$0	N/A
Article 46	\$11,800,000	\$12,539,317	6.27%	\$12,600,000	6.78%
Inter-local	\$10,894,599	\$11,305,048	3.77%	\$11,778,580	8.11%
<b>Total</b>	<b>\$69,661,446</b>	<b>\$72,885,878</b>	<b>4.63%</b>	<b>\$75,085,530</b>	<b>7.79%</b>

# All Funds Summary

<b>Fund</b>	<b>FY 2014-15 Actual Expenditures</b>	<b>FY 2015-16 Original Budget</b>	<b>FY 2015-16 12 Month Estimate</b>	<b>FY 2016-17 Manager Recommended</b>	<b>% Difference (Budget to Budget)</b>
<b>General</b>	<b>\$366,204,650</b>	<b>\$396,483,059</b>	<b>\$389,534,128</b>	<b>\$ 413,599,916</b>	<b>4.32%</b>
<b>Total All Funds</b>	<b>\$544,250,326</b>	<b>\$564,583,628</b>	<b>\$590,178,223</b>	<b>\$588,455,745</b>	<b>4.23%</b>

# General Fund Revenues

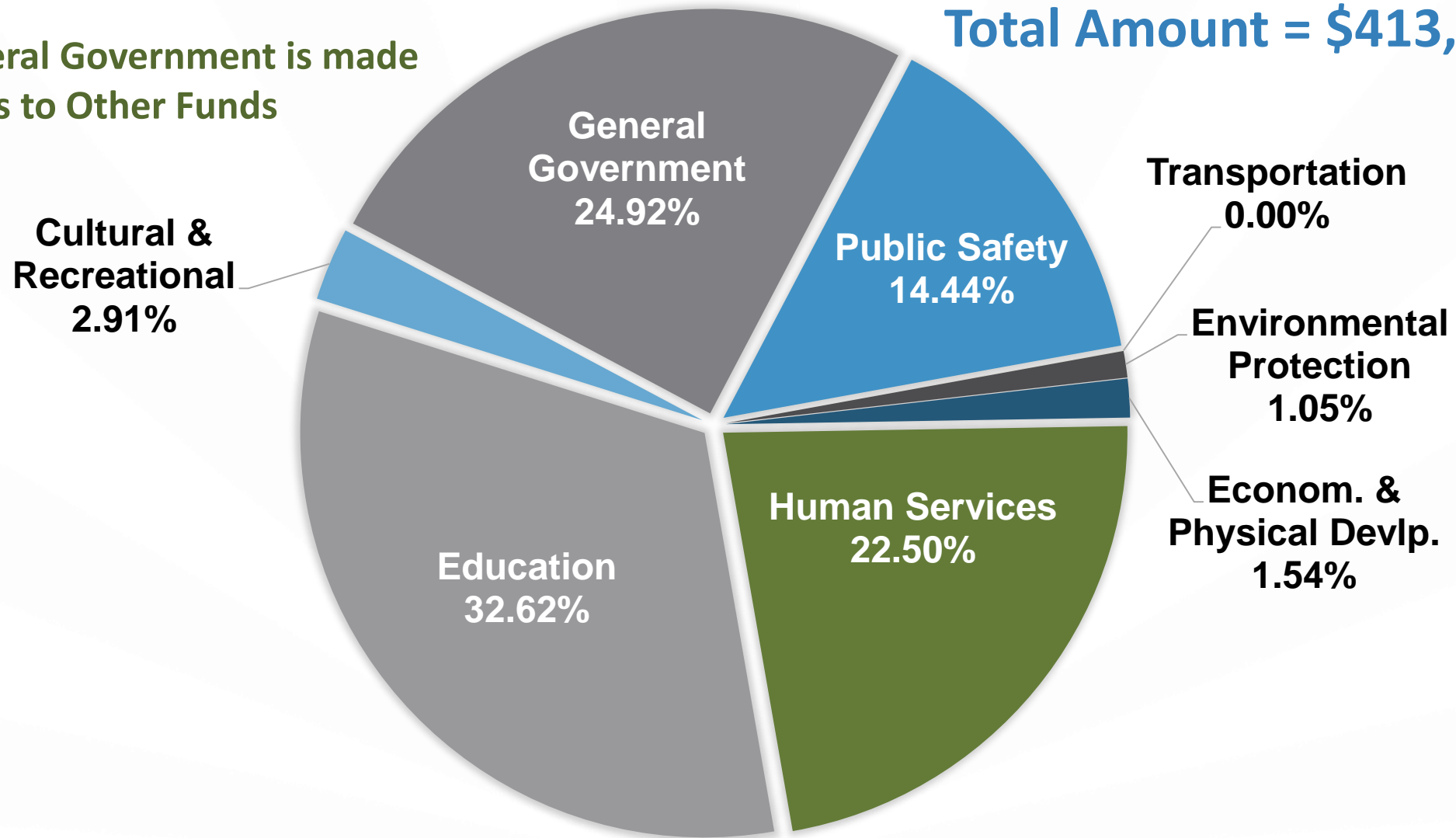
Total Amount = \$413,459,916



# General Fund Expenditures

52.8% of General Government is made up of Transfers to Other Funds

Total Amount = \$413,459,916







# General Fund Revenues

Funding Source	FY 2014-15 Actual Revenues	FY 2015-16 Original Budget	FY 2015-16 12 Month Estimate	FY 2016-17 Manager Recommended	% Change (Budget to Budget)
Taxes	\$ 296,561,042	\$ 299,621,383	\$ 305,909,489	\$ 312,056,720	4.15%
Licenses and Permits	\$ 1,119,887	\$ 976,000	\$ 1,228,249	\$ 1,234,250	26.46%
Intergovernmental	\$ 58,236,457	\$ 57,510,044	\$ 54,126,011	\$ 57,223,484	-0.50%
Contributions and Donations	\$ 42,438	\$ 138,133	\$ 94,131	\$ 77,476	-43.91%
Investment Income	\$ 245,718	\$ 140,000	\$ 142,949	\$ 140,000	0.00%
Rental Income	\$ 536,237	\$ 460,074	\$ 437,843	\$ 443,156	-3.68%
Service Charges	\$ 20,944,914	\$ 17,785,041	\$ 19,169,295	\$ 20,576,884	15.70%
Sewer Connection Fees	\$ 143,773	\$ 1,000	\$ 59,849	\$ 42,100	4,210.00%
Other Revenues	\$ 1,276,758	\$ 506,991	\$ 701,387	\$ 556,962	9.86%
Other Financing Sources	\$ 10,264,686	\$ 19,344,393	\$ 8,818,381	\$ 21,248,884	9.85%
<b>Total</b>	<b>\$ 389,371,910</b>	<b>\$ 396,483,059</b>	<b>\$ 390,687,584</b>	<b>\$ 413,599,916</b>	<b>4.32%</b>



# General Fund Expenditures

Functional Area	FY 2014-15 Actual Expenditures	FY 2015-16 Original Budget	FY 2016-17 Requested	FY 2016-17 Manager Recommended	% Change (Budget to Budget)
General Government	\$ 84,643,170	\$ 97,731,644	\$ 111,214,062	\$ 103,187,464	5.58%
Public Safety	\$ 53,086,514	\$ 57,309,107	\$ 68,828,629	\$ 59,686,214	4.15%
Transportation	\$ 309,017	\$ 12,500	\$ 12,500	\$ 12,500	0.00%
Environmental Protection	\$ 3,987,369	\$ 3,886,750	\$ 4,486,983	\$ 4,359,892	12.17%
Econ. & Physical Development	\$ 3,684,157	\$ 6,082,940	\$ 6,411,216	\$ 6,378,413	4.86%
Human Services	\$ 82,941,271	\$ 89,258,669	\$ 98,363,548	\$ 93,053,127	4.25%
Education	\$ 126,454,722	\$ 130,191,507	\$ 134,964,723	\$ 134,879,723	3.60%
Cultural & Recreational	\$ 11,098,430	\$ 12,009,942	\$ 12,461,920	\$ 12,042,583	0.27%
<b>Total</b>	<b>\$ 366,204,650</b>	<b>\$ 396,483,059</b>	<b>\$ 436,743,581</b>	<b>\$ 413,599,916</b>	<b>4.32%</b>





# Budget Highlights



Goal 1: Community and Family Prosperity  
and Enrichment



# Durham Public Schools Funding

Category	FY 2014-15 Actual Expenditures	FY 2015-16 Original Budget	FY 2016-17 Requested	FY 2016-17 Manager Recommended	% Change (Budget to Budget)
Current Expense	\$118,863,146	\$122,214,356	\$126,605,707	\$126,605,707	3.59%
Capital Outlay	\$1,370,000	\$1,370,000	\$1,370,000	\$1,370,000	0.00%
<b>Total</b>	<b>\$120,233,146</b>	<b>\$123,584,356</b>	<b>\$127,975,707</b>	<b>\$127,975,707</b>	<b>3.55%</b>
School Debt Service	\$30,114,672	\$30,160,166	\$27,509,713	\$27,509,713	(8.79%)



# Durham Public Schools Funding

## DPS student projections

- DPS: 33,454 (446 expected decrease)
- Charter: 6,609 (1,185 expected growth)
- Total: 40,063 (739 expected growth)

**Per pupil funding: \$3,160 per pupil**



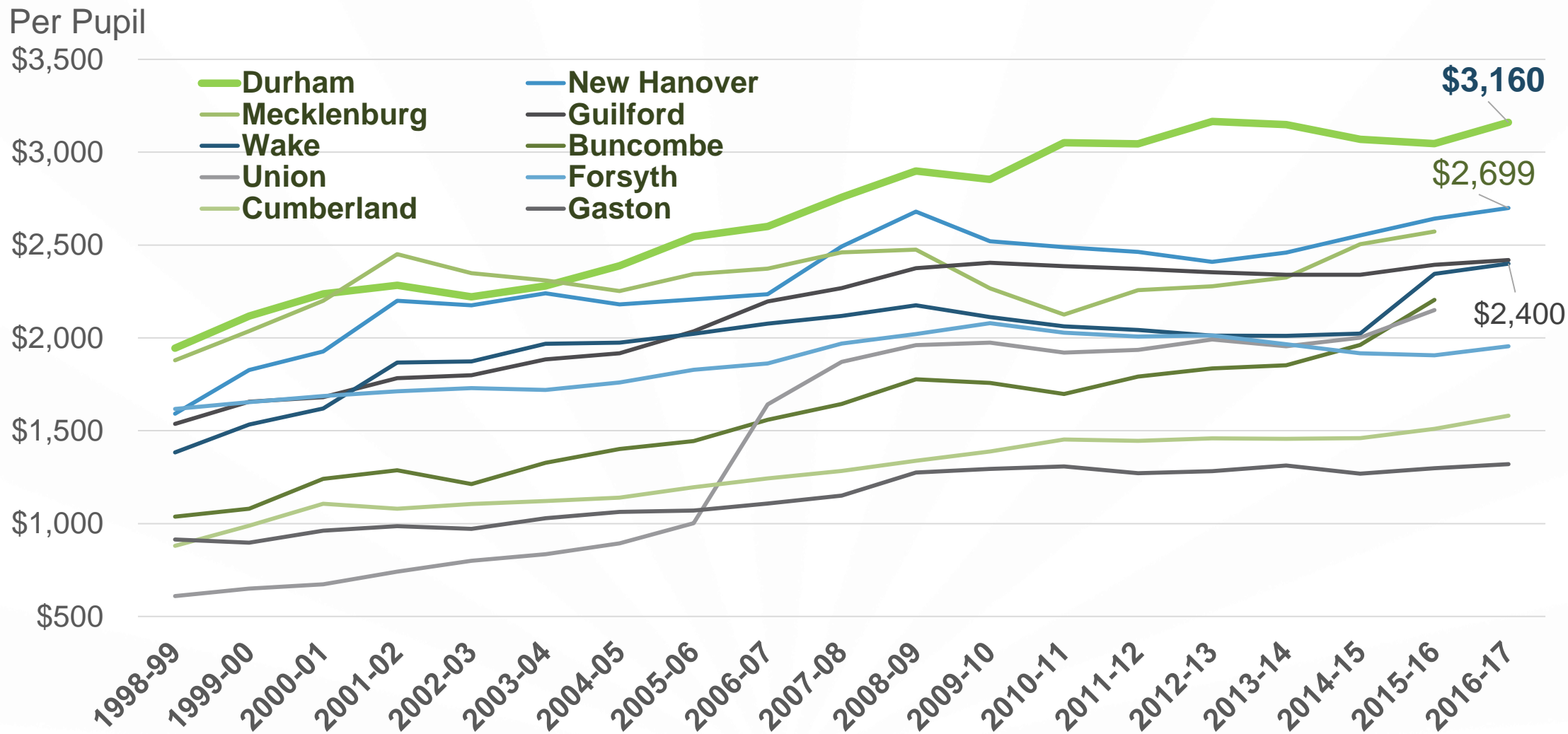
# Durham Public Schools Funding

- **Current expense increase: \$4,391,351**
  - \$1,320,380 of County increased support is additional Article 46 sales tax revenue
  - \$1.1 million was mid year addition of general County funds for salary supplements
  - \$1,970,971 is from general County property tax revenue.



# FY 2016-17 Projected Budget

## Per Pupil Expenditures – Ten Largest Counties





# Goal 1: Community and Family Prosperity and Enrichment

- **Durham Technical Community College**
  - Funding increases by 5.62% or \$367,425
- **Museum of Life and Science**
  - \$40,000 increase for annual capital outlay support





# Budget Highlights



Goal 2: Health and Well-being for All

# Goal 2: Health and Well-being for All

## ■ Department of Social Services

- Foster Care Support increase - \$450,000
  - Paralegal (Legal) – 1 FTE
- 3 replacement vehicles
- Software and Hardware replacements
- Increased local support for program services



# Goal 2: Health and Well-being for All

## ■ Public Health

- School Nurses – 3.32 FTEs (4 positions)
- Local support for Diabetes Coalition - (\$119,548)
- Health Education Specialist promotes the Board of Health's Smoking Rule – 1FTE





## Goal 2: Health and Well-being for All

- Public Health, continued
  - Cure Violence Program – 5 FTEs
- Cooperative Extension Services
  - Project Build Support – 2 FTEs
  - Extension Agent expansion - .33 FTE
- Veterans Services
  - Additional Officer position – 1FTE







# Budget Highlights



Goal 3: Safe and Secure Community



# Goal 3: Safe and Secure Community

## ■ Emergency Medical Services

- Funds five (5) positions, equipment and vehicles for new “peak time” ambulance deployment shift
- Replacement equipment and vehicles



# Goal 3: Safe and Secure Community

## ■ Sheriff's Office

- Funds 3 LEO positions for dedicated inmate transport
- Replacement equipment and vehicles



# Goal 3: Safe and Secure Community

## ■ Emergency Management

- 2 New FTEs to better align division with emergency and disaster preparation and risk avoidance
- Replacement equipment and vehicles

## ■ Durham County Fire & Rescue District

- 7 new FTEs
- No increase of Special District property tax rate

# Goal 3: Safe and Secure Community

## ■ Criminal Justice Resource Center

**Expand court diversion program for persons with Mental Health Challenges**

- Substance Abuse/Mental Health Clinician – 1 FTE
- Peer Support Specialist – 2 FTEs
- Pretrial Specialist – 0.6 FTE
- Program Coordinator – 1 FTE

# Goal 3: Safe and Secure Community

## ■ Courts

- Continued funding for an Assistant District Attorney (ADA) for Jail Population Management
- New funding for an Assistant Public Defender (APD) for first appearances for inmates to assist in identifying lower bonds





# Budget Highlights



Goal 4: Environmental Stewardship





## Goal 4: Environmental Stewardship

- **Engineering - Environmental Engineering (Soil & Erosion)**
  - Inspections Supervisor - 1 FTE
- **General Services – Solid Waste – 2 FTEs**
  - Solid Waste Sticker Fee increase of \$29.95 to support program cost (14,000 households)



# Budget Highlights

LEADERSHIP  
ACADEMY  
YOU CAN LEAD FROM  
ANYWHERE!



Goal 5: Accountable, Efficient, and  
Visionary Government



# Goal 5: Accountable, Efficient, and Visionary Government

## Mitigating Risk

- Risk Management – 1 FTE (Risk and Safety Coordinator)
- IS & T – 1 FTE (Information Security Officer)
- General Services – 1 FTE (Compliance/Quality Control)



# Goal 5: Accountable, Efficient, and Visionary Government

- **Employees**

- Continuation of Merit Pay Plan at 2-3% plan.
  - Will conduct pay plan review in FY 2016-17 for BOCC recommendation
- Better Benefits offerings at lower cost growth by reviewing and changing providers
- Increased contribution % to retirement system per state requirement
- Discounted Fitbits to support “culture of health”





# Goal 5: Accountable, Efficient, and Visionary Government

- **Public Safety Compensation Review Support**
  - Public Safety positions
- **Federal Legislative Changes**
  - Overtime rules



# Position Highlights

## ■ General Fund

- 12.00 FTEs supported with new revenue
- County supported new FTEs – 28.67
- Elimination of 2.00 FTEs

## ■ Other Funds

- Risk Management Fund – 1.00 FTE
- Enterprise Fund (Revenue Supported) – 3.00 FTEs



# **FY 2016-17 Budget Process**

**May 26**

**Budget Work Session**

**May 31, 2016**

**Public Hearing for FY 2016-17 Budget**

**June 1, 2, 15, 16**

**Budget Work Sessions**

**June 27, 2016**

**FY 2016-17 BOCC Budget approval**



# Budget Document Locations

## Durham County Website

- <http://dconc.gov>

## Clerk to the BOCC Office

Second Floor, Administrative Complex

## Durham County Main Library

