



# Fiscal Year 2016-17

## Adopted Budget Budget in Brief





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<i>Kim Connally</i> , Budget Analyst
<i>Andy Miracle</i> , Budget Analyst
<i>David Ades</i> , Budget Analyst



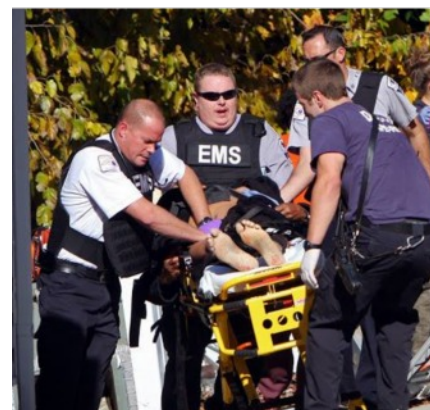
## FISCAL YEAR 2016-17 ADOPTED BUDGET HIGHLIGHTS

Durham County's Fiscal Year (FY) 2016-17 Adopted Budget totals \$587.3 million; a \$22.7 million (4% increase) over last year's adopted budget. Funding priorities were made with the Durham County's strategic goal areas to include:

- Goal 1: Community and Family Prosperity & Enrichment
- Goal 2: Health and Well-being for All
- Goal 3: Safe and Secure Communities
- Goal 4: Environmental Stewardship
- Goal 5: Accountable, Efficient & Visionary Government

Although the FY 2016-17 Adopted Budget was achieved without a property tax increase, the judicious financial plan aligns resources to ensure the County's highest priorities are met, while also protecting its financial standing. Durham County is one of only 69 counties in the United States that the rating agency Standard & Poor's has listed as AAA and one of only six of North Carolina's 100 counties that are AAA rated.

This year's budget included the reappraisal of all real property, which is legislatively required at least once every eight years by the State of North Carolina. Revaluation programs help ensure taxpayers are not paying too much, or too little for real property taxes. The reappraised values are adjusted to align with market value changes.



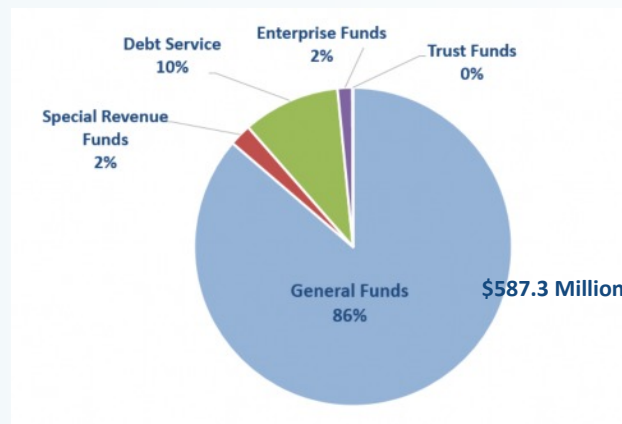
The natural tax base growth and property value changes due to the reappraisal process resulted in a total 9.71% tax value increase from fiscal year 2015-16. Although this increase occurred, the revaluation process requires jurisdictions to establish a revenue neutral tax rate when the reappraisal process occurs. The FY 2016-17 adopted revenue neutral tax rate is 74.04 cents, which translates to a 5.27 cent tax rate decrease from FY 2015-16.

The below section reflects the revenue neutral adjustments, followed by adopted budget graphic highlights.

**Property Tax Rate Change from Revenue Neutral Tax Rate**

Property Tax	FY 2015-16 Tax Rate	FY 2016-17 Rev. Neutral Tax Rate	FY 2016-17 Approved Tax Rate	FY 2016-17 Change from Revenue Neutral
General Funds	70.78	66.08	66.08	0
Capital Financing Fund	8.53	7.96	7.96	0
<b>Total</b>	<b>79.31</b>	<b>74.04</b>	<b>74.04</b>	<b>0</b>

**Fiscal Year 2016-17 Adopted Budget All Funds**



**Summary Budget Changes from FY 2015-16 to FY 2016-17 Adopted Budgets**

Fund	2014-2015 Actual Expenditures	FY 2015-16 Adopted Budget	FY 2016-17 Requested Budget	FY 2016-17 Manager Recommended	FY 2016-17 Adopted Budget
General Funds	\$ 450,838,272	\$ 482,881,556	\$ 529,817,473	\$ 506,929,352	\$ 506,844,461
Special Revenue Funds	\$ 7,777,812	\$ 8,412,987	\$ 13,300,482	\$ 13,134,652	\$ 13,113,407
Debt Service	\$ 62,948,707	\$ 58,217,142	\$ 58,157,563	\$ 59,209,097	\$ 58,165,209
Enterprise Funds	\$ 12,662,484	\$ 8,356,040	\$ 8,804,910	\$ 8,804,910	\$ 8,804,910
Trust Funds	\$ 10,023,051	\$ 6,715,903	\$ 377,734	\$ 377,734	\$ 377,734
<b>Total All Funds</b>	<b>\$ 544,250,326</b>	<b>\$564,583,628</b>	<b>\$ 610,458,162</b>	<b>\$588,455,745</b>	<b>\$587,305,721</b>





# FY 2016-17 Adopted Budget

## General Funds Revenue Budget

The General Funds are comprised of five sub-funds including the General operating fund, Risk Management Fund, SWAP fund, Capital Financing Fund and Benefits Plan fund. The fiscal year 2016-17 General Funds budget increased 4.3%, or \$18.8 million over the prior fiscal year. The following tables highlight summary revenue and expenditure categories.

General Funds Budget Revenues		Funds: 101, 102, 103, 125, 150		
Source of Revenue	2015-2016 Original Budget	2016-2017 Department Requested	2016-2017 Commissioner Approved	% Change from Budget to Budget
Taxes	\$ 299,621,383	\$ 309,603,107	\$ 311,492,211	4.0%
Licenses and Permits	\$ 976,000	\$ 1,234,250	\$ 1,359,250	39.3%
Intergovernmental	\$ 57,510,044	\$ 58,203,382	\$ 57,876,643	0.6%
Contributions and Donations	\$ 138,133	\$ 77,476	\$ 77,476	-43.9%
Investment Income	\$ 140,000	\$ 140,000	\$ 140,000	0.0%
Rental Income	\$ 460,074	\$ 443,156	\$ 443,156	-3.7%
Service Charges	\$ 17,785,041	\$ 20,896,884	\$ 20,612,487	15.9%
Sewer Connection Fees	\$ 1,000	\$ 2,100	\$ 42,100	4110.0%
Other Revenues	\$ 506,991	\$ 556,962	\$ 556,962	9.9%
Other Financing Sources	\$ 19,344,393	\$ 20,222,604	\$ 21,762,239	12.5%
<b>General Operating Fund Total</b>	<b>\$396,483,059</b>	<b>\$411,379,921</b>	<b>\$414,362,524</b>	<b>4.5%</b>
Risk Management Fund	\$ 2,777,234	\$ 3,178,879	\$ 3,178,879	14.5%
SWAP Fund	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	0.0%
Capital Financing Fund	\$ 59,165,312	\$ 63,771,693	\$ 63,115,728	6.7%
Benefits Plan Fund	\$ 21,705,951	\$ 23,373,320	\$ 23,437,330	8.0%
<b>Total General Funds Revenue</b>	<b>\$482,881,556</b>	<b>\$504,453,813</b>	<b>\$506,844,461</b>	<b>5.0%</b>
Transfers	-\$ 49,443,284	-\$ 54,391,137	-\$ 54,620,147	10.5%
<b>Total General Funds Revenue</b>	<b>\$433,438,272</b>	<b>\$450,062,676</b>	<b>\$452,224,314</b>	<b>4.3%</b>



## FY 2016-17 Adopted Budget General Funds Expenditure Budget

### General Funds Budget Expenditures

Funds: 101, 102, 103, 125, 150

Source of Expenditures	2015-2016 Original Budget	2016-2017 Department Requested	2016-2017 Commissioner Approved	% Change from Budget to Budget
General Government	\$ 97,731,644	\$ 111,214,062	\$ 103,352,464	5.8%
Public Safety	\$ 57,309,107	\$ 68,828,629	\$ 60,354,231	5.3%
Transportation	\$ 12,500	\$ 12,500	\$ 12,500	0.0%
Environmental Protection	\$ 3,886,750	\$ 4,486,983	\$ 4,312,131	10.9%
Econom. & Physical Devlp.	\$ 6,082,940	\$ 6,411,216	\$ 6,422,486	5.6%
Human Services	\$ 89,258,669	\$ 98,363,548	\$ 92,909,937	4.1%
Education	\$ 130,191,507	\$ 134,964,723	\$ 134,879,723	3.6%
Cultural & Recreational	\$ 12,009,942	\$ 12,461,920	\$ 12,119,052	0.9%
<b>General Operating Fund Total</b>	<b>\$396,483,059</b>	<b>\$436,743,581</b>	<b>\$414,362,524</b>	<b>4.5%</b>
Risk Management Fund	\$ 2,777,234	\$ 3,178,879	\$ 3,178,879	14.5%
Swap Fund	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	0.0%
Capital Financing Fund	\$ 59,165,312	\$ 63,771,693	\$ 63,115,728	6.7%
Benefits Plan Fund	\$ 21,705,951	\$ 23,373,320	\$ 23,437,330	8.0%
<b>General Funds Total</b>	<b>\$482,881,556</b>	<b>\$529,817,473</b>	<b>\$506,844,461</b>	<b>5.0%</b>
Transfers	-\$ 49,443,284	-\$ 55,607,450	-\$ 54,620,147	10.5%
<b>General Funds Total</b>	<b>\$433,438,272</b>	<b>\$474,210,023</b>	<b>\$452,224,314</b>	<b>4.3%</b>

# FISCAL YEAR 2016-17 ADOPTED BUDGET HIGHLIGHTS

## Goal 1: Community and Family Prosperity and Enrichment

- **Durham Public Schools**

\$4,391,351 added to support enrollment growth, salary supplements, and continuation funds for the teacher-mentoring program.

- **Durham Technical Community College**

At DTCC, an additional \$367,425 funds scholarships, inflationary operating expenses and increased costs associated with additional leased space to address new and expanded programs.

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

- **Department of Social Services**

\$450,000 allocated for increased foster care program cost to provide direct care. Further, an additional Paralegal position now supports the County Attorney's Office due to the foster care program workload.

- **Public Health Department**

Four (4) School Nurse positions added to decrease the high number of schools assigned to each School Nurse (\$229,626).

- The Cure Violence Initiative received \$434,537, to reach those at highest risk of gun violence. The evidence-based model has shown success in other communities for interrupting violent conflicts, identifying those at highest risk for violence and mobilizing the community to secure safer environments.

- **Veteran Services Department**

One additional Program Officer position added to support increase in client cases (\$47,508).



### Goal 3: Safe and Secure Communities

- **Criminal Justice Resource Center**

Expanded court diversion program for persons with Mental Health Challenges, which includes two (2) Peer Support Specialists, a Substance Abuse/Mental Health Clinician, a Pretrial Specialist and a part-time Program Coordinator position (\$147,270).

- **District Attorney's Office**

New funding for an Assistant Public Defender (APD) for first appearances for inmates to assist in identifying lower bonds (\$61,817).

- **Emergency Management**

Two (2) New FTEs to better align division with emergency and disaster preparation and risk avoidance (\$161,052). Replacement equipment and vehicles.

- **Emergency Medical Services**

Funds five (5) positions, equipment and a new vehicle to address peak time ambulance deployment (\$87,097 – half year funding). Replacement equipment and vehicles added to department.

- **Fire Districts**

Seven (7) new FTEs in the Durham Fire and Rescue Tax District (\$318,085). No increase of Special District property tax rate.

- **Sheriff's Office**

Funds three (3) LEO positions for dedicated inmate transport (\$138,207). Further, ten (10) positions added to open a specialized pod to address inmates with mental health challenges (\$230,345 – half year funding). Replacement equipment and vehicles funded.

### Goal 4: Environmental Stewardship

- **Environmental Engineering**

A new Inspections Supervisor position added to support increased demand for services in the Soil and Erosion area (\$83,979). The position is offset by fee revenue.

- **General Services (Solid Waste)**

Two (2) new Maintenance Technician positions added to provide recycling support for county solid waste facilities (\$71,982).



## Goal 5: Accountable, Efficient and Visionary Government

- **Risk Mitigation**

As the County becomes more aware of the potential costs of security, safety, and compliance risks, it is clear that preventative planning and review will better prepare the County when such issues arise, and in the long term, save the County significant costs that can come from unprepared.

Three positions added to support these efforts including a Risk and Safety Coordinator in Risk Management, a Compliance/ Quality Control Office for General Services and an Information Security Officer located in the Information Services and Technology department (\$178,727).

- **Durham County Employees**

Continuation of Merit Pay Plan at 2-3% plan. Staff will conduct a pay-plan review in FY 2016-17 for BOCC recommendation.

Better benefits offerings at a lower cost achieved from recent review and change in benefits providers.

- **Public Safety Compensation Review Support**

Funds budgeted to review compensation of hard to hire and retain Public Safety positions in the EMS and Sheriff's Office.

- **Federal Overtime Rule Changes**

Funds are budgeted in reserve for costs that will arise from Federal mandates related to updated overtime rules changes

- **Capital Improvement Plan Review**

The Board of County Commissioners received an overview of the FY 2016-17 to FY 2026-27, ten-year capital project needs. The Capital Improvement Plan (CIP) update identified over \$1 billion of capital needs for Durham County Government, Durham Public Schools, Durham Technical Community College and NC Museum of Life and Science.

In order to stay within a recommended debt range of \$250 million to 300 million over the first four years, discussions focused on the most pressing capital projects needed from FY 2016-17 to FY 2019-20. The Board of County Commissioners supported moving forward with a bond referendum to address capital needs for Durham Public Schools (\$90.8 Million), Durham County Public Library (\$44.7 Million), Durham Technical Community College (\$20.1 Million) and the NC Museum of Life and Science (\$14.2 Million).

The \$170 million bond referendum vote occurs during the November 8, 2016 general election.

