



# FY 2017-18 County Manager's Recommended Budget

**Wendell M. Davis, County Manager**  
**May 22, 2017**



# A Refreshed Strategic Plan

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





# 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**

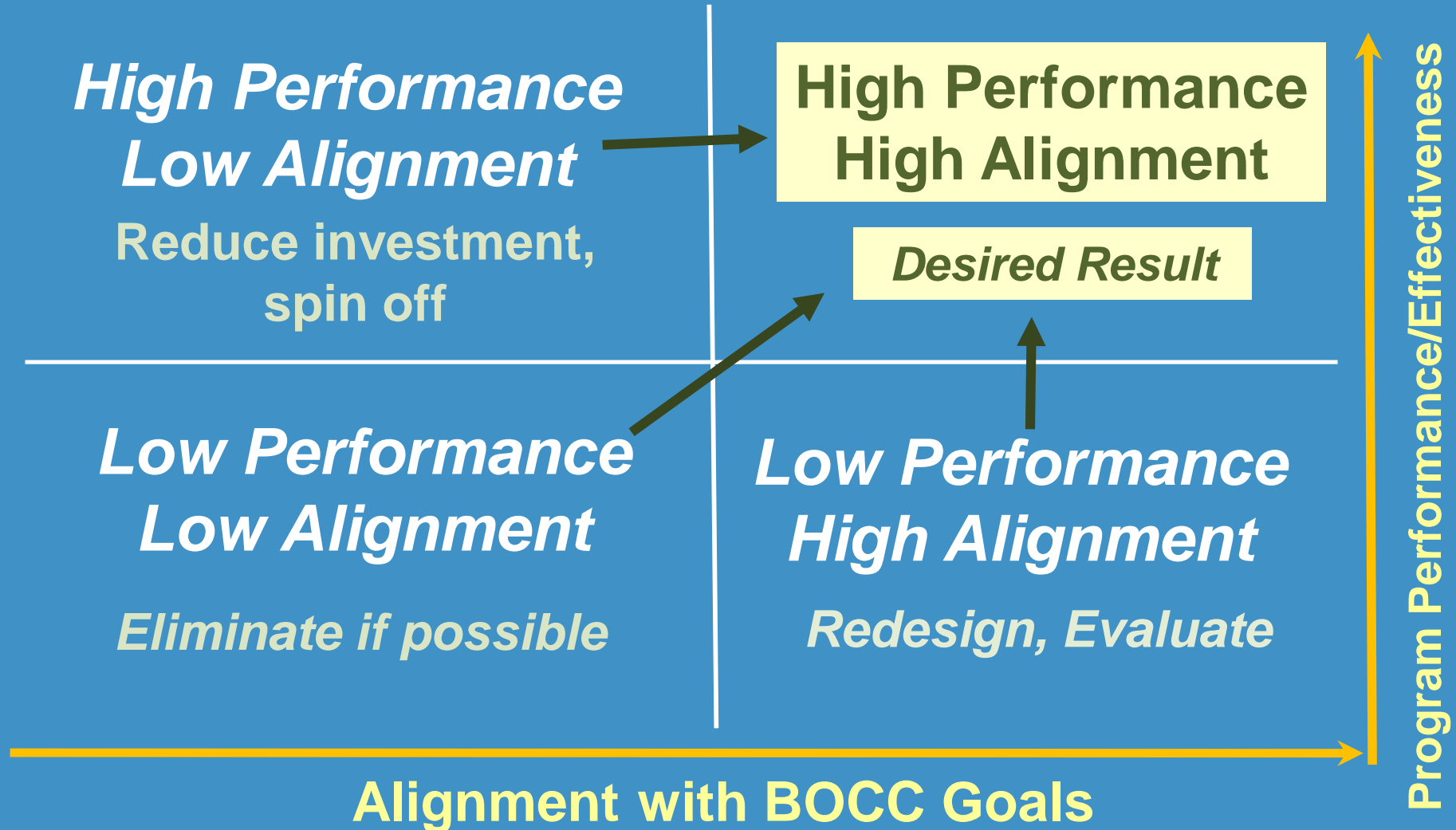
**Effective Partnerships and Collaboration that Add Value**

**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 2017-18 Manager's Recommended Budget

- Maintains sound fiscal standing
- Realigned existing dollars for operating expenditure growth
- Supports ongoing critical program and service delivery needs
- Increases net funding for Durham Public Schools
- Provides operational increases for public safety
  - Replaces and updates vital public safety equipment and vehicles
- Supports Capital Finance Plan needs and annual Debt Service

# FY 2017-18 Property Tax

- Tax base valuation increase of \$547.5 million (budget to budget) or **1.56%**
  - “Natural” growth
- Collection rate remains constant at 99.60%
- Total: an additional **\$4.04 million** due to natural growth for General Fund operating and Capital Finance Fund



# Tax Base Variances

Category	FY 2016-17 Original Budget	FY 2017-18 Budget Estimate	% Change FY18 from FY17 Budget
Real Property	\$28,895,852,694	\$29,398,185,706	1.74%
Auto Value	\$2,094,006,400	\$2,231,898,041	6.59%
Personal Value	\$3,584,452,249	\$3,488,484,093	-2.68%
Public Service	\$562,100,012	\$565,369,921	0.58%
<b>Total</b>	<b>\$35,136,411,355</b>	<b>\$35,683,937,761</b>	<b>1.56%</b>



# FY 2017-18 Property Tax by Fund

Property Tax	FY 2016-17 Original Budget	FY 16-17 Tax Rate	FY 2017-18 Recommended	FY 17-18 Recommended Tax Rate
General Fund	\$231,252,681	66.08	\$238,410,383	<b>67.08</b>
Capital Financing Fund	\$27,856,709	7.96	\$35,399,038	<b>9.96*</b>
<b>Total</b>	<b>\$259,109,390</b>	<b>74.04</b>	<b>\$273,809,421</b>	<b>77.04</b>

**\*Two cent property tax rate increase**

# FY 2017-18 Debt Service

Debt Areas	Debt Service
Durham Public Schools	\$29,586,088
Durham Tech Community College	\$1,183,443
NC Museum of Life and Science	\$2,055,456
County-Related	\$29,461,514
Future Debt	\$6,273,466
<b>Total Debt Service</b>	<b>\$68,559,967</b>



# Special Tax Districts

District	FY 2016-17 Original Tax Rate	FY 2017-18 Requested Tax Rate	FY 2017-18 Recommended Tax Rate	Change from FY 2016-17
Lebanon	0.1056	0.1156	0.1156	0.01
Redwood	0.1344	0.1344	0.1344	-
New Hope*	0.0874	0.0874	0.0874	-
Eno*	0.0778	0.0778	0.0778	-
Bahama	0.0987	0.0987	0.0987	-
Durham County Fire & Rescue Service	0.1251	0.1251	0.1251	-
RTP Special District	.0629	.0679	.0679	0.005

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



# FY 2017-18 Sales Tax

- Current Year sales tax estimates are up 2.95% over the Original budget. Adding next year's growth factor translates to a 5.39% over the FY 2016-17 Original Budget.

Sales Tax Article	FY 2016-17 Original Budget	FY 2016-17 12 Month Estimate	% from FY 2016-17 Budget	FY 2017-18 Manager Recommended	% from FY 2016-17 Budget
Article 39	\$22,979,684	\$22,795,465	-0.80%	\$23,619,039	2.78%
Article 40	\$12,377,711	\$12,865,761	3.94%	\$13,382,478	8.12%
Article 42	\$15,349,556	\$15,635,181	1.86%	\$16,077,164	4.74%
Article 44	\$0	\$1,733	#DIV/0!	\$0	#DIV/0!
Article 46	\$12,600,000	\$13,530,179	7.38%	\$13,300,000	5.56%
Inter-local	\$11,778,580	\$12,475,718	5.92%	\$12,757,106	8.31%
<b>Total</b>	<b>\$75,085,531</b>	<b>\$77,304,036</b>	<b>2.95%</b>	<b>\$79,135,787</b>	<b>5.39%</b>

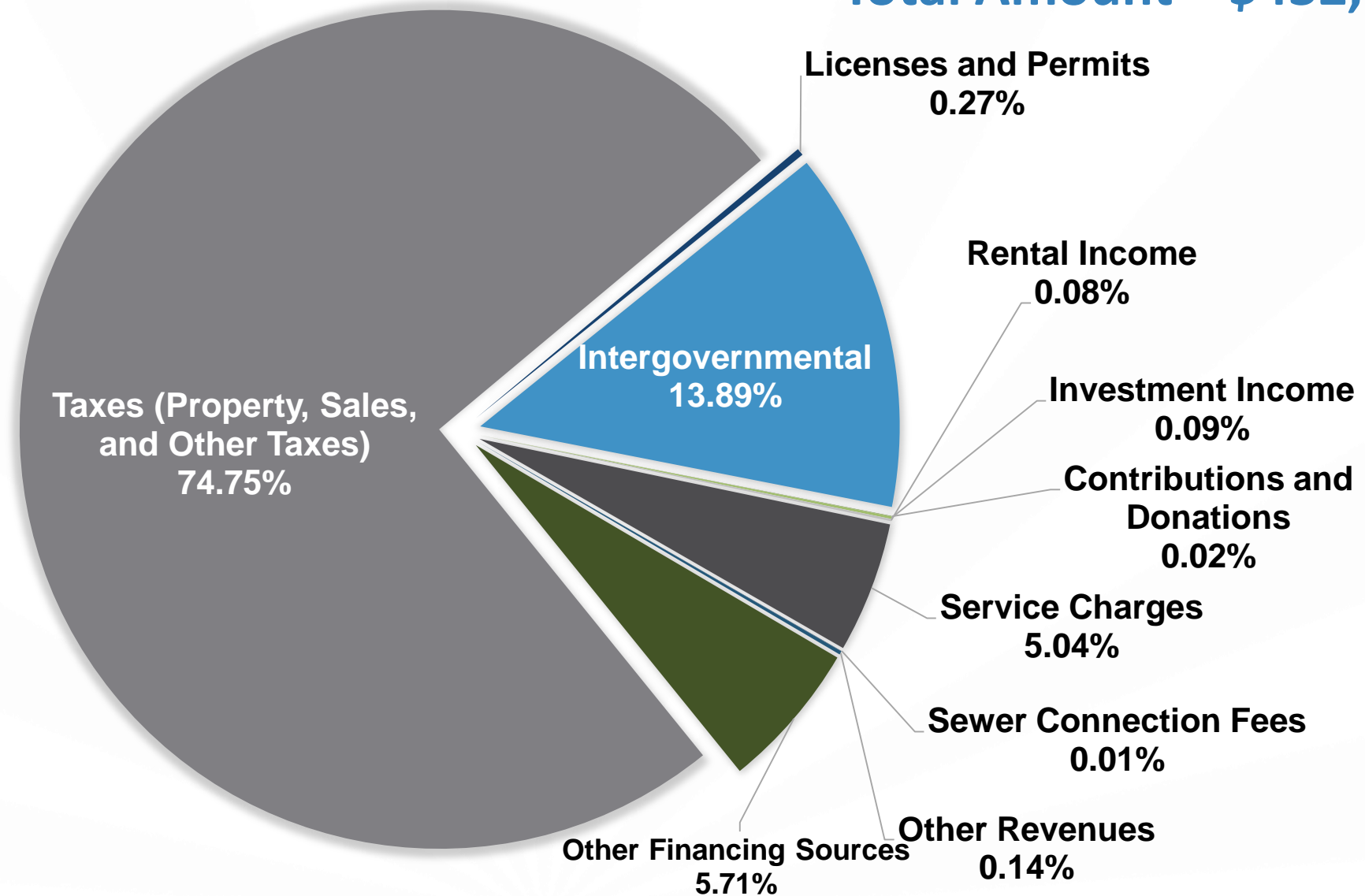


# All Funds Summary

Funds	FY2017 Approved	FY2018 Requested	FY2018 Manager Recommended	18 Manager Rec - 17 Approved	% 18 Man. Rec. v 17 App.
General Fund	\$414,362,524	\$452,361,945	\$432,785,189	\$18,422,665	4.45%
Other General Funds	\$92,481,937	\$104,357,114	\$101,760,055	\$9,278,118	10.03%
Special Revenue Funds	\$13,113,407	\$13,778,146	\$15,450,452	\$2,337,045	17.82%
Debt Service Fund	\$58,165,209	\$70,307,024	\$68,669,065	\$10,503,856	18.06%
Sewer Utility Fund	\$8,778,660	\$10,618,880	\$10,618,880	\$1,840,220	20.96%
Trust Funds	\$377,734	\$669,976	\$637,323	\$259,589	68.72%
<b>Grand Total</b>	<b>\$587,279,471</b>	<b>\$652,093,085</b>	<b>\$629,920,964</b>	<b>\$42,641,493</b>	<b>7.26%</b>

# General Fund Revenues

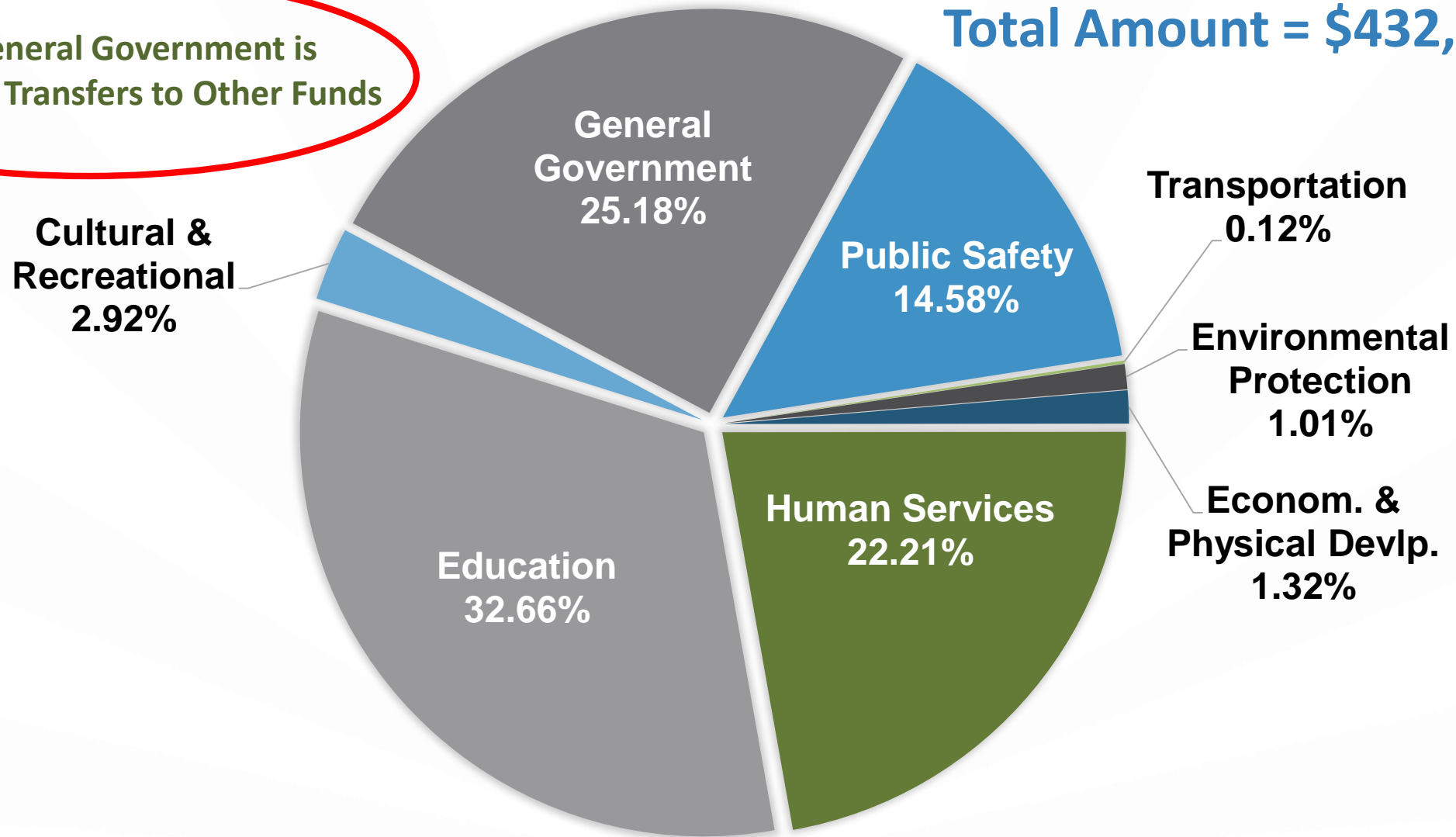
Total Amount = \$432,785,189



# General Fund Expenditures

51.8% of General Government is made up of Transfers to Other Funds

Total Amount = \$432,785,189





# General Fund Revenues

Funding Source	FY 2015-16 Actual Revenues	FY 2016-17 Original Budget	FY 2016-17 12 Month Estimate	FY 2017-18 Manager Recommended	% Change (Budget to Budget)
Taxes	\$ 310,537,935	\$ 311,492,211	\$ 316,549,031	\$ 323,520,170	3.86%
Licenses and Permits	\$ 1,535,093	\$ 1,359,250	\$ 1,260,408	\$ 1,172,500	-13.74%
Intergovernmental	\$ 56,329,681	\$ 57,876,643	\$ 60,775,346	\$ 60,106,634	3.85%
Contributions & Donations	\$ 89,444	\$ 77,476	\$ 71,691	\$ 70,093	-9.53%
Investment Income	\$ 753,588	\$ 140,000	\$ 570,076	\$ 400,000	185.71%
Rental Income	\$ 436,052	\$ 443,156	\$ 395,864	\$ 364,207	-17.82%
Service Charges	\$ 20,355,699	\$ 20,612,487	\$ 20,893,892	\$ 21,811,080	5.81%
Sewer Connection Fees	\$ 98,379	\$ 42,100	\$ 42,520	\$ 43,150	2.49%
Other Revenues	\$ 953,887	\$ 556,962	\$ 718,277	\$ 587,302	5.45%
Other Financing Sources	\$ 8,705,513	\$ 21,762,239	\$ 6,406,120	\$ 24,710,053	13.55%
Total	\$ 399,795,271	\$ 414,362,524	\$ 407,683,225	\$ 432,785,189	4.45%





# General Fund Expenditures

Functional Area	2015-2016 Actual Expenditures	2016-2017 Original Budget	2017-2018 Department Requested	2017-2018 Manager Recommended	% Change (Budget to Budget)
General Government	\$ 97,849,450	\$ 103,352,464	\$ 111,556,923	\$ 108,987,833	5.45%
Public Safety	\$ 57,109,769	\$ 60,354,231	\$ 71,363,012	\$ 63,103,429	4.56%
Transportation	\$ 205,873	\$ 12,500	\$ 512,500	\$ 512,500	4000.00%
Environmental Protection	\$ 4,409,758	\$ 4,312,131	\$ 4,373,206	\$ 4,358,542	1.08%
Econ. & Physical Development	\$ 5,931,422	\$ 6,422,486	\$ 5,388,955	\$ 5,709,727	-11.10%
Human Services	\$ 85,730,415	\$ 92,909,937	\$ 97,872,041	\$ 96,122,098	3.46%
Education	\$ 131,291,516	\$ 134,879,723	\$ 148,626,107	\$ 141,353,265	4.80%
Cultural & Recreational	\$ 11,528,145	\$ 12,119,052	\$ 12,669,201	\$ 12,637,795	4.28%
<b>Total</b>	<b>\$ 394,056,348</b>	<b>\$ 414,362,524</b>	<b>\$ 452,361,945</b>	<b>\$ 432,785,189</b>	<b>4.45%</b>





# Budget Highlights



**Goal 1: Community Empowerment and Enrichment**





# Durham Public Schools Funding

Category	FY 2015-16 Actual Expenditures	FY 2016-17 Original Budget	FY 2017-18 Requested	FY 2017-18 Manager Recommended	% Change (Budget to Budget)
Current Expense	\$123,314,356	\$126,605,707	\$139,04,0707	\$131,372,865	3.77%
Capital Outlay	\$1,370,000	\$1,370,000	\$1,370,000	\$1,370,000	0.00%
<b>Total</b>	<b>\$124,684,356</b>	<b>\$127,975,707</b>	<b>\$140,410,707</b>	<b>\$132,742,865</b>	<b>3.73%</b>
School Debt Service	\$30,160,166	\$27,509,713	\$27,509,713	\$29,586,088	7.55%

# Durham Public Schools Funding

## DPS student projections

- DPS: 32,785 (669 expected decrease)
- Charter: 7,116 (507 expected growth)
- Total: 39,901 (162 expected decrease)

Per pupil funding: **\$3,280 per pupil**

- \$133 increase





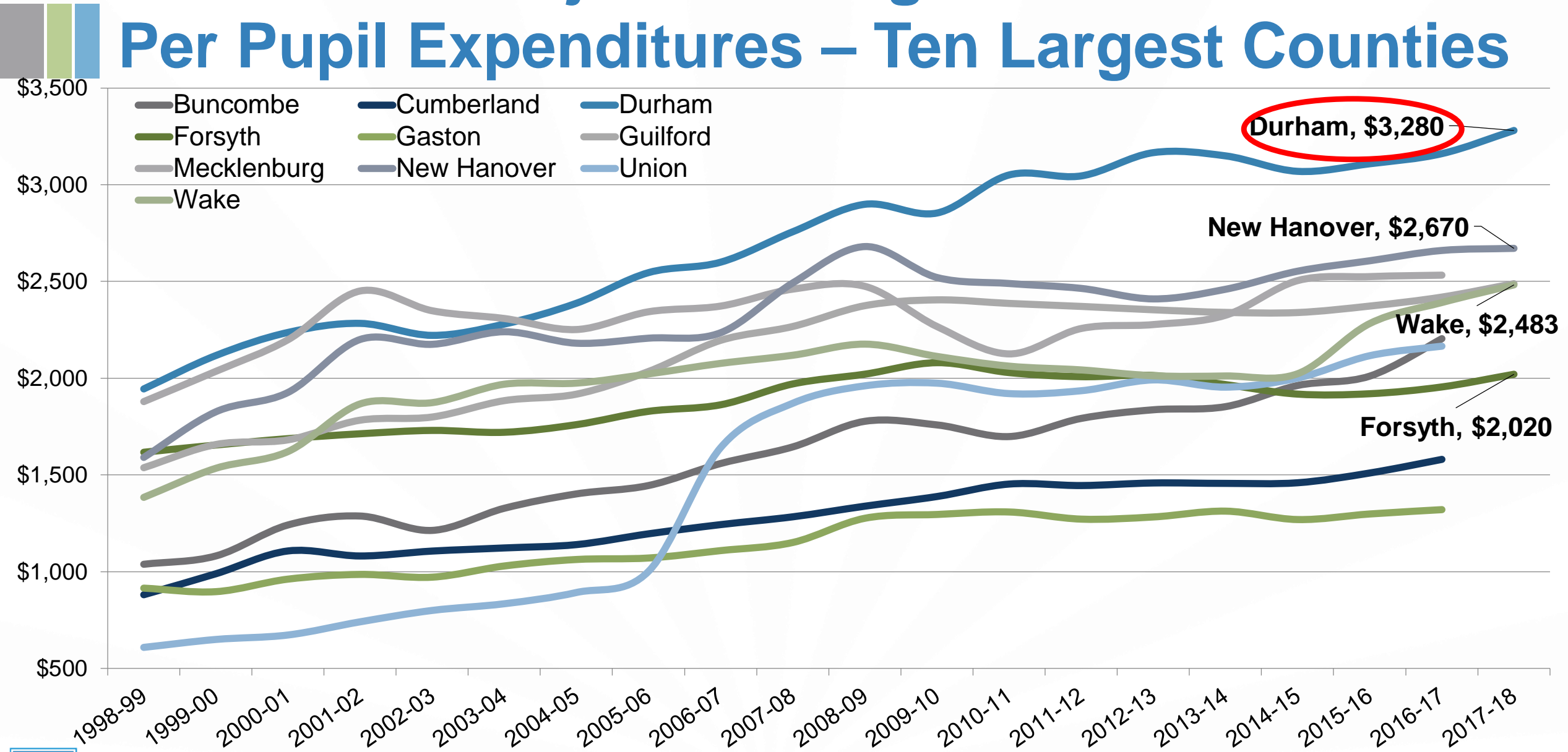
# Durham Public Schools Funding

Salary, supplement and benefit increases related to State raises	\$2,300,000
Contracted services inflation increases	\$550,000
Reduce payment for 8 School Resource Officers	(\$570,539)
Clerical support for Durham County dedicated School Nurses	(\$143,248)
Net decrease in Article 46 support for DPS and Pre-K	(\$34,645)
Additional funding support (0.75 Cent Prop. Tax Increase)	\$2,665,590
Total Manager Recommended additional funding for DPS	<b>\$4,767,158</b>



# FY 2017-18 Projected Budget

## Per Pupil Expenditures – Ten Largest Counties





# Goal 1: Community Empowerment and Enrichment

- **Durham Technical Community College**
  - Funding increases by 2.99% or \$206,384
- **Museum of Life and Science**
  - \$65,105 increase for annual operating support (4%)



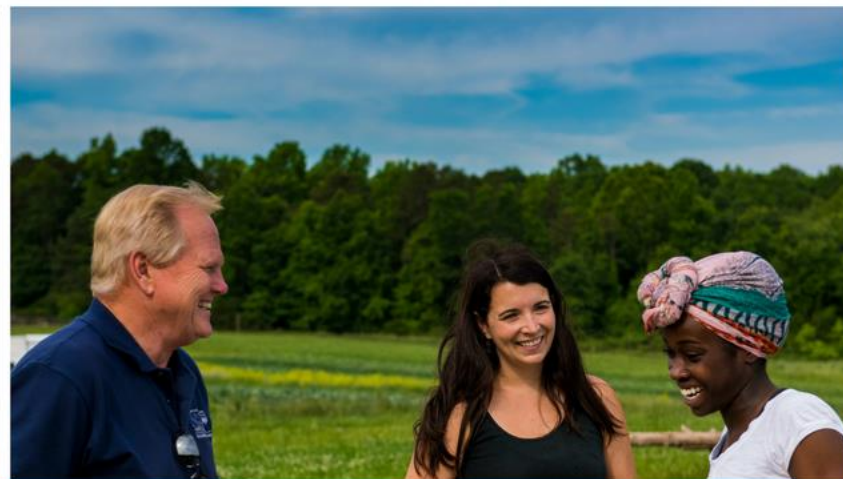
# Pre-K Support at Whitted School

- \$1,500,000 Annual Operating Support
  - 8 Classrooms at Whitted School
  - 144 additional “seats”
- Universal Pre-K
  - Next Steps





# 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
- 2 new vehicles
- 2 replacement vehicles
- Support for NCFAST





# Goal 2: Health and Well-being for All

## ■ Public Health

- School Nurses – 1.68 FTEs (2 positions)

## ■ Cooperative Extension Services

- Bilingual Associate Extension Agent– 0.6 FTE
- ACCESS Transportation Program

## ■ Library

- Opening Day Collection funding for Main Library







# Budget Highlights



**Goal 3: Safe Community**



# Goal 3: Safe Community



## ■ Emergency Medical Services

- Community Paramedicine Program – 3 FTEs
- Replacement equipment and vehicles
- First Watch software
- Medical Supply costs
- Fee Recovery

# Goal 3: Safe Community

- **Sheriff's Office**

- Software Upgrades
- Replacement equipment and vehicles – 31 vehicles

- **Youth Home**

- Facility Masterplan study

- **Emergency Management**

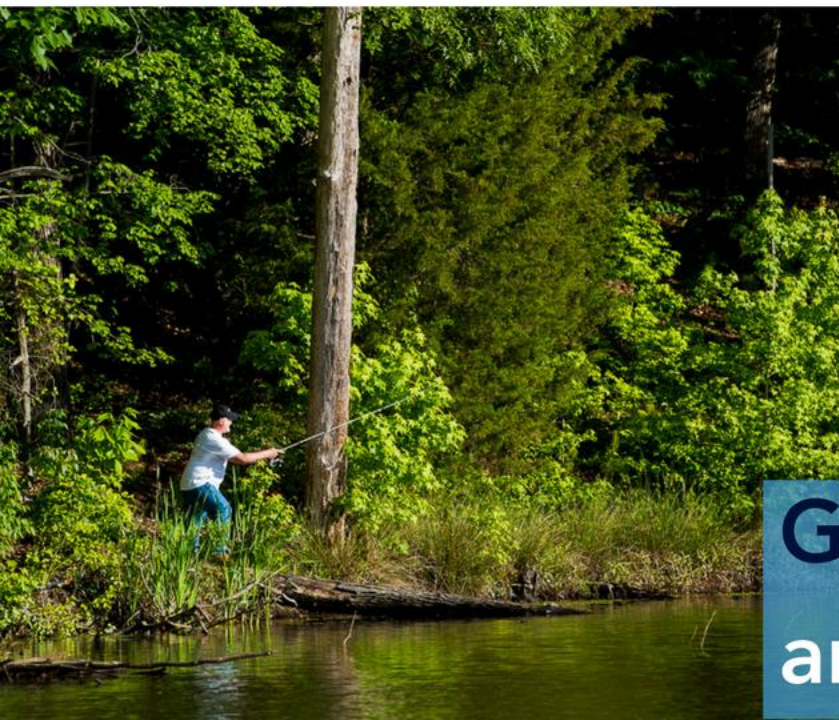
- Replacement equipment and vehicles







# Budget Highlights



**Goal 4: Environmental Stewardship  
and Community Prosperity**





## **Goal 4: Environmental Stewardship & Community Prosperity**

- **Engineering – Open Space and Real Estate Division**
  - Real Estate Manager- 1 FTE
- **General Services – Solid Waste – New Vehicle**
  - Solid Waste Sticker Fee stays flat for FY 2017-18
- **Enterprise Fund - (Utility Division)**
  - Assistant Utility Division Manager



# Budget Highlights



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





# Goal 5: Accountable, Efficient, and Visionary Government

- Employees

- Continuation of Merit Pay Plan at 2-3% plan.
  - Will conduct pay plan review in FY 2017-18 for BOCC recommendation
    - » Will include ongoing Public Safety compensation changes
- Better Benefits offerings at lower cost growth by changing providers
  - FY 2017-18 No benefits cost increase



## **Goal 5: Accountable, Efficient, and Visionary Government**

- **Finance – Payroll Clerk (1 FTE)**
- **General Services – (6 FTEs)**
  - Administrative Officer
  - Building Maintenance Crew Leader
  - Maintenance Technician (3FTE)
  - HVAC Technician
- **Information Services & Technology**
  - Senior Business Analyst- (0.5 FTE)
  - Annual Office365 Payments



# Goal 5: Accountable, Efficient, and Visionary Government

## Performance and Management Analysis

- **MFR Performance Analysts** – 2 FTEs (Realign 2 vacant County positions)
- **Graphic Designer/Trainer** –1 FTE (Realign 1 vacant County position)
- **Management Analyst** – 1 FTE (Realign 1 vacant County position)

# Position Highlights

## ■ General Fund

- 6 new FTEs supported with realigned existing funds
- 4 new FTEs supported with realigned existing vacant positions
- County supported new FTEs – 7.78

## ■ Other Funds

- Enterprise Fund (Revenue Supported) – 1.0 FTE



# Goal 5: Accountable, Efficient, and Visionary Government

## Capital Finance Fund

- **Recommended 2.0 Cent Tax Rate Increase for Future Debt Service**
  - Property tax dedicated for Capital Project Financing and Debt Service Increases from 7.96 cents to 9.96 cents





# Conclusion





# **FY 2017-18 Budget Process**

<b>May 23, 25, 30</b>	<b>Budget Worksessions</b>
<b>June 12</b>	<b>Public Hearing for FY 2017-18 Budget</b>
<b>June 13 &amp; 14</b>	<b>Budget Work Sessions</b>
<b>June 26, 2017</b>	<b>FY 2017-18 BOCC Budget approval</b>



# Budget Document Locations

## Durham County Website

- <http://dconc.gov>

## Clerk to the BOCC Office

Second Floor, Administrative Complex

## Durham County Regional Libraries



