



BOCC Budget Worksession

May 23, 2017

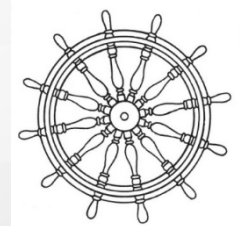


BOCC Worksession

- Financial Trends and Budget Update
- FY 2016-17 Projected Year-end Fund Balance
- Capital Financing Fund and Capital Improvement Plan Update
- Legislative Highlights
- Board Discussion

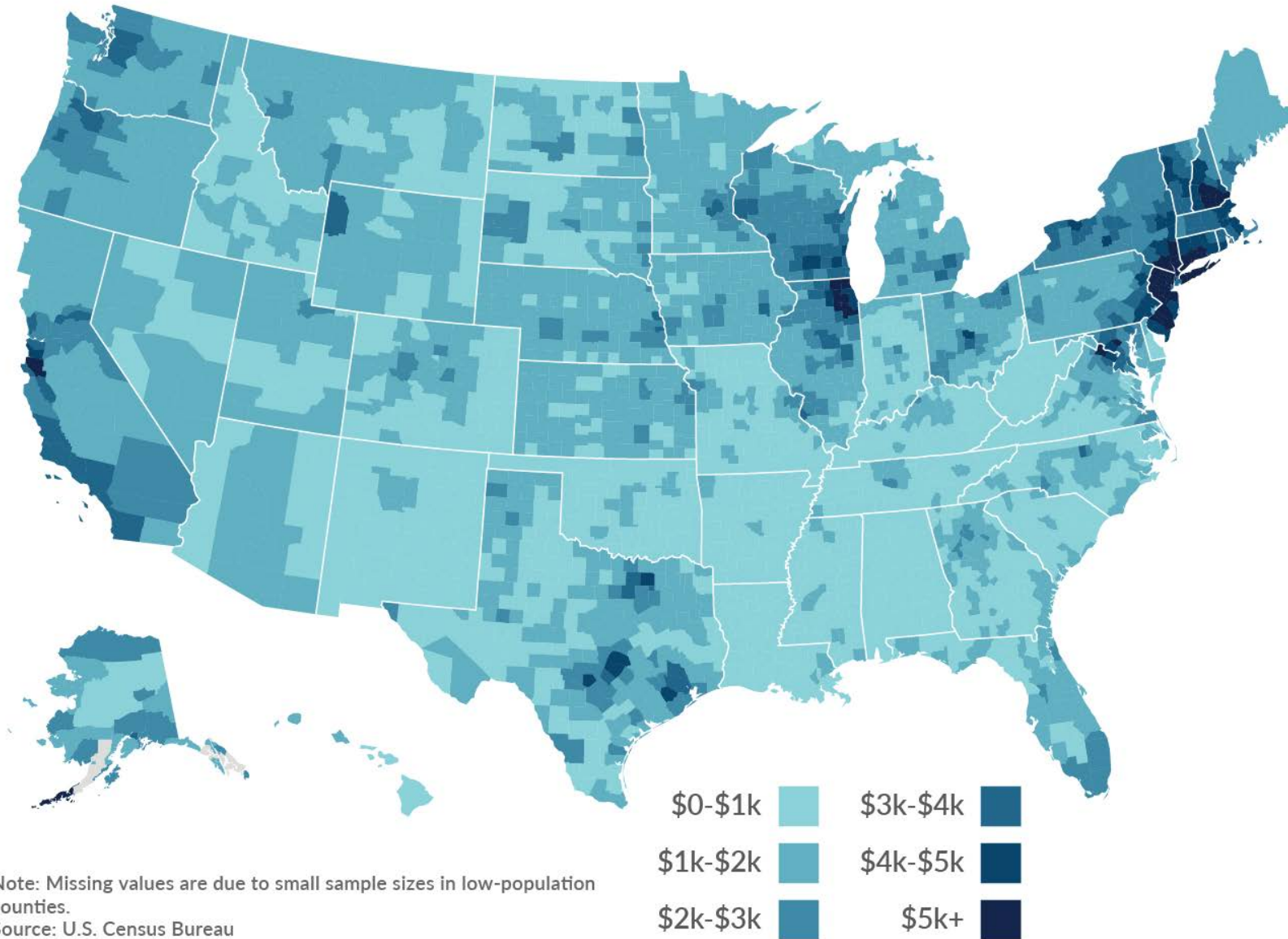
Budgeting and Managing for Results

- ❑ Budgeting is becoming more **strategic**
- ❑ Focuses on making sound **investment decisions**
- ❑ Process can encourage **real change**
- ❑ The BOCC has the role to “**steer**” the course and **define the results it wants at the price the community is willing to pay**



Which Places Pay the Most in Property Taxes?

Median Property Taxes Paid by County (2010-2014)



Note: Missing values are due to small sample sizes in low-population counties.

Source: U.S. Census Bureau

Tax Valuation Review

Kim Simpson
Tax Administrator

2017-18 Tax Base Variances

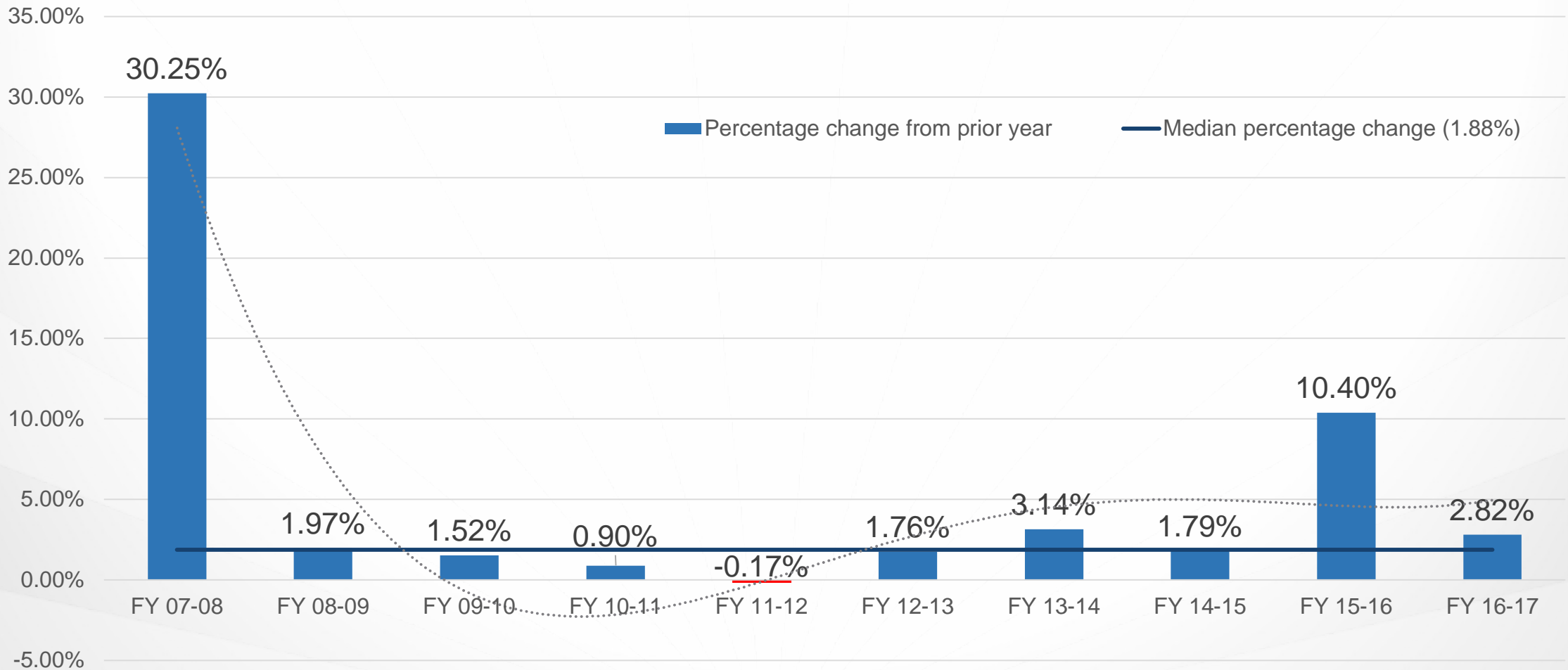
Category	FY 2016-17 Adopted Budget	FY 2017-18 Projected	% Change FY18 from FY17 Budget
Real Property	\$28,895,852,694	\$29,398,185,706	1.74%
Auto Value	\$2,094,006,400	\$2,231,898,041	6.59%
Personal Value	\$3,584,452,249	\$3,488,484,093	-2.68%
Public Service	\$562,100,012	\$565,369,921	0.58%
Total	\$35,136,411,355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

County Valuation Holdback

\$ 29,763,841,138	2017-18 as of January 1, 2017 Database Review
(\$ 114,245,829)	2016 PTC appeal loss (potential)
(\$ 74,409,603)	Reduction for Builders Inventory
(\$ 62,000,000)	Potential loss from Veterans Exemption at 100%
(\$ 115,000,000)	2017 Appeals, Exemptions (potential loss) Buffer
\$ 29,398,185,706	Net Projected Real Property Value

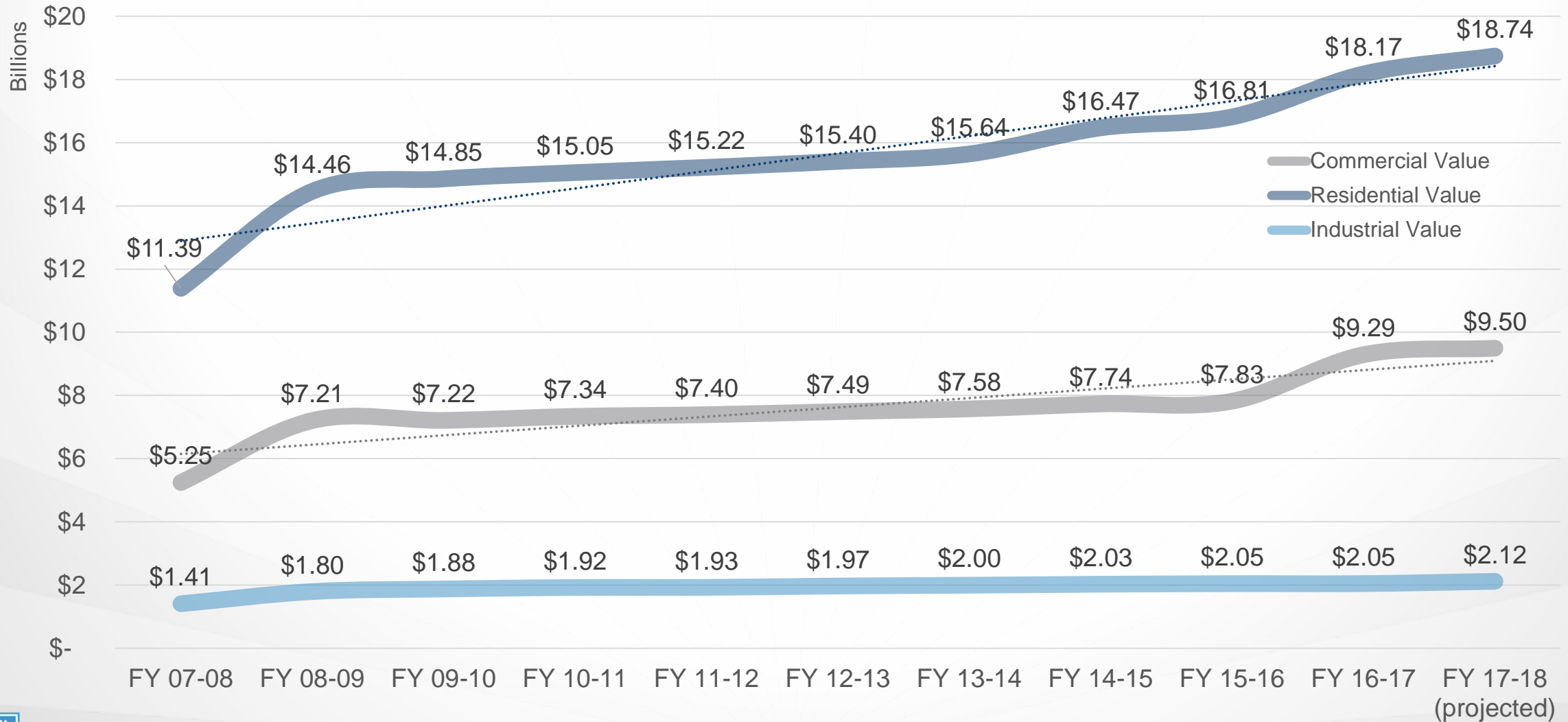
Last year, overall real property values increased, but the rate of increase has remained fairly steady since the market recovery

Real Property Year to Year Value Change

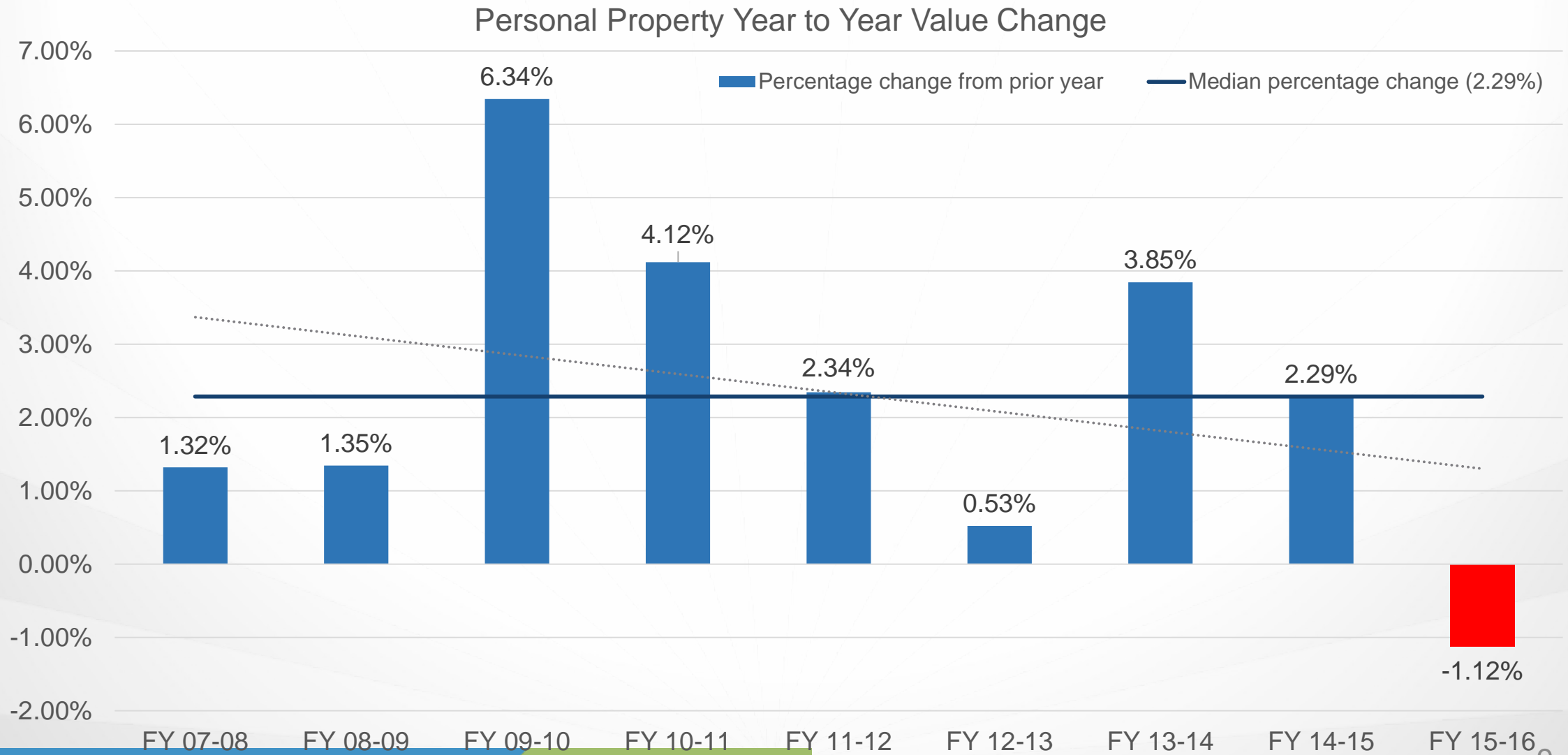


Residential growth has outpaced commercial growth. There has been relatively little growth in industrial value.

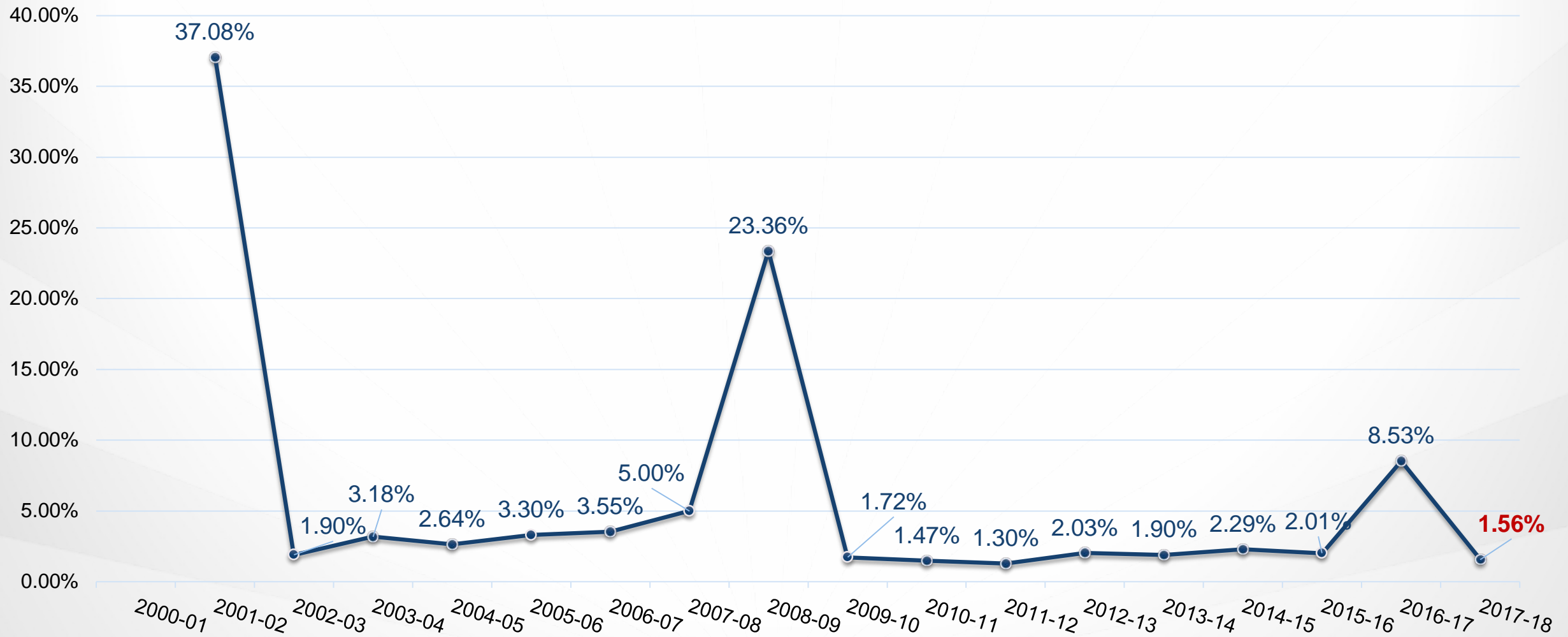
Real Property Value Change by Property Type (Billions)



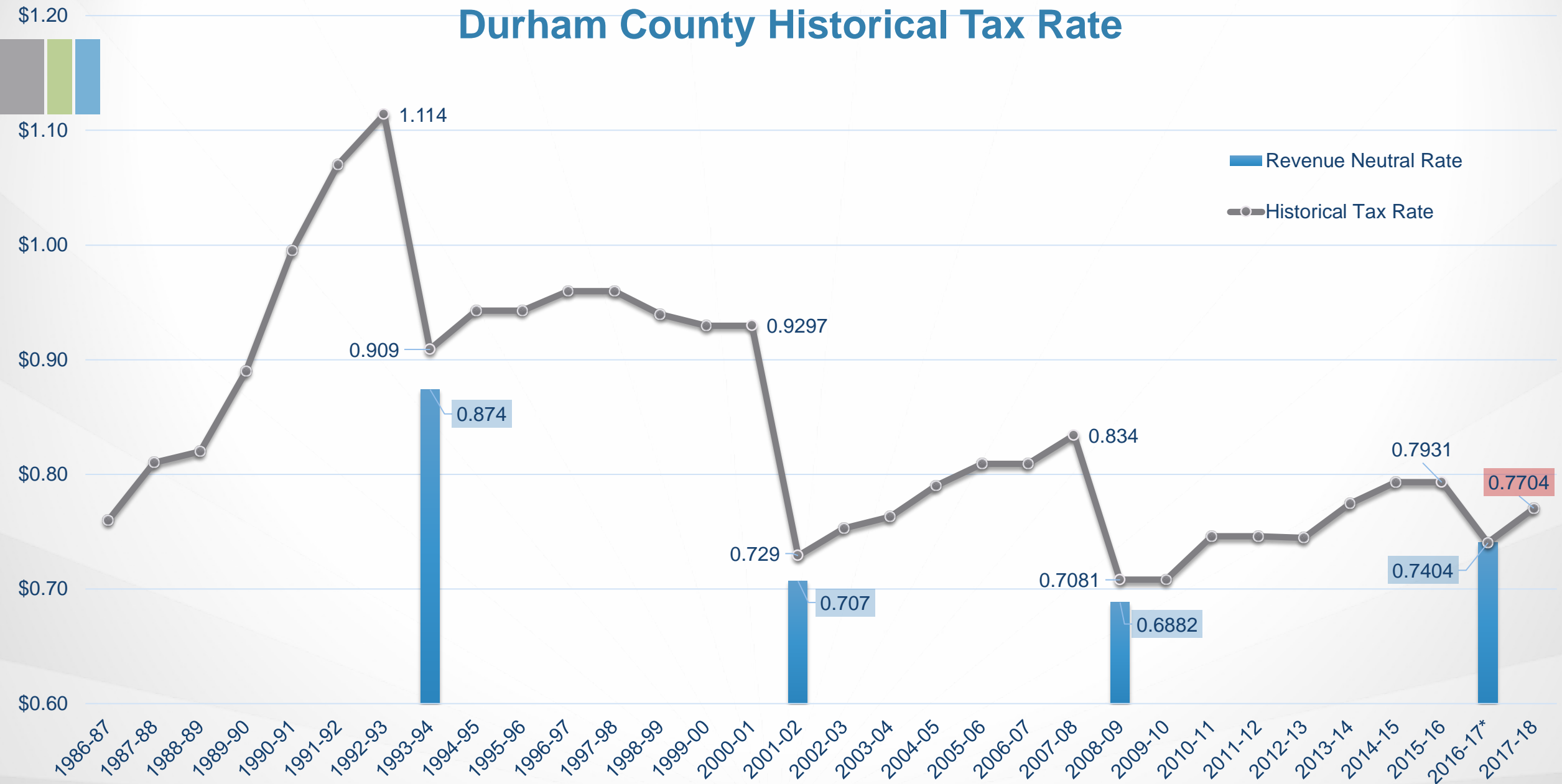
There appears to be a decline in the rate of annual growth for taxable personal property. 2016 was unusually low, but value was almost \$40 million less than the 2015 value, and since we had expected to see growth again, value was over \$100 million less than expected.



DURHAM COUNTY ACTUAL VALUATION GROWTH FROM THE PREVIOUS YEAR



Durham County Historical Tax Rate





Preliminary FY 2016-17 Year-End Fund Balance Projections

George K. Quick
Chief Financial Officer



Draft FY 2016-17 Year-End Fund Balance Projections as of 5/18/17

Total Fund Balance

Less:

Non-spendable:

Inventories	899,445	925,000	25,555
Prepaid expenditures	73,190	74,000	810

Restricted:

Stabilization by State Statute	35,472,644	35,472,644	-
Museum	644,053	1,044,053	400,000
Tax technology	280,135	280,135	-
Sheriff	134,069	257,408	123,339
Fire Marshal	177,536	179,300	1,764
Cooperative Extension programs	24,701	25,000	299
Public Health programs	233,893	250,000	16,107
Social Services programs	287,391	300,000	12,609
Library programs	-	-	-
Criminal justice programs	578	-	(578)
Environmental Protection programs	92,838	93,476	638
Register of Deeds	758,641	662,861	(95,780)
Capital purchases	-	-	-
Special Butner	8,703	8,703	-

FY2016 Actual	FY2017 Projected	Anticipated Change
\$ 182,746,576	\$ 190,148,112	\$ 7,401,536

\$ 143,658,759	\$ 150,575,532	\$ 6,916,773
----------------	----------------	--------------

Committed:

Social services	-	-	-
Public health	151	151	-
Risk management	5,453,529	7,899,218	2,445,689
Debt service	12,033,111	15,229,694	3,196,583
OPEB	45,256,319	47,537,028	2,280,709
Sheriff inmate	312,818	369,720	56,902
Education; Article 46	1,319,837	1,200,016	(119,821)
Self-insured benefits	1,036,294	1,446,250	409,956
Leo special separation allowance	1,721,300	1,956,347	235,047

Assigned:

Subsequent years	13,289,584	13,758,432	468,848
------------------	------------	------------	---------

Unassigned:

63,235,816	61,178,676	(2,057,140)
------------	------------	-------------

Fund balance available for appropriation

34.15%	34.65%	0.50%
--------	--------	-------

14.76%	13.79%
--------	--------

Please refer to handout

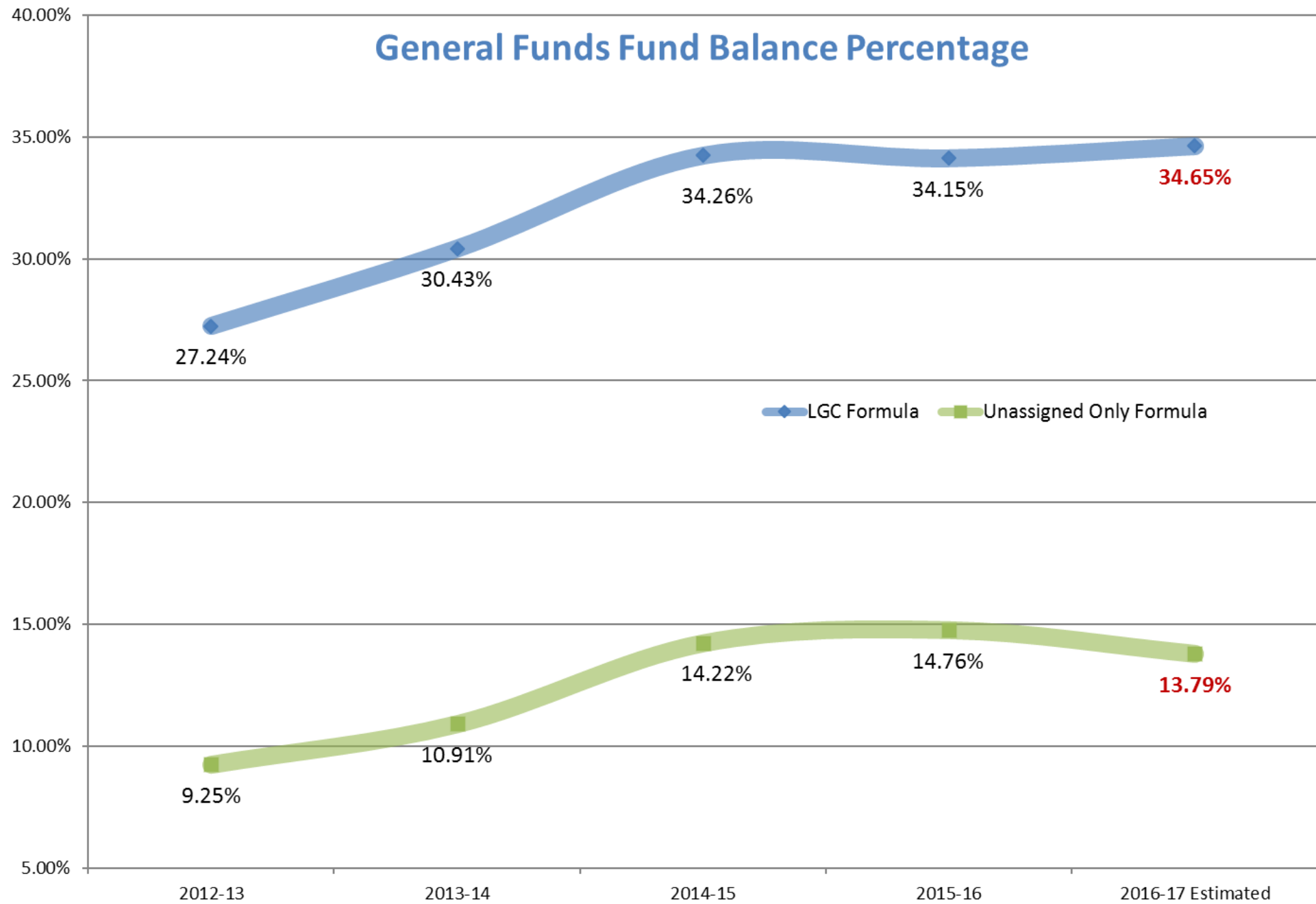


Draft FY 2016-17 Year–End Fund Balance Highlights

- Fund balance ratio has started to stabilize
- The unassigned ratio is impacted by growth in the committed and restricted categories
- Stable support provided to the balancing of the budget



General Funds Fund Balance Percentage



**FY16 General Fund
Fund Balance Comparison with
Forsyth, Guilford, Mecklenburg and Wake Counties**

	<u>Durham</u>	<u>Forsyth</u>	<u>Guilford</u>	<u>Mecklenburg</u>	<u>Wake</u>
Nonspendable	\$ 972,635	\$ 122,250	\$ 1,172,718	\$ -	\$ 1,087,851
Restricted:					
Stabilization by state statute	35,472,644	30,330,791	46,163,819	110,500,260	73,286,772
Restricted for other purposes	2,642,538	1,344,021	5,773,754	-	556,512
Committed	67,133,359	37,544,316	16,630	24,867,389	200,494,326
Assigned	13,289,584	18,603,884	26,979,256	-	1,134,000
Unassigned	63,235,816	59,187,664	85,287,999	366,169,614	-
	<u>182,746,576</u>	<u>147,132,926</u>	<u>165,394,176</u>	<u>501,537,263</u>	<u>276,559,461</u>
Total expenditures and transfers out	<u>428,380,680</u>	<u>397,003,926</u>	<u>572,492,878</u>	<u>1,179,526,642</u>	<u>1,140,128,275</u>
Fund balance expressed as a % of expenditures	<u>34.15%</u>	<u>29.39%</u>	<u>20.62%</u>	<u>33.15%</u>	<u>17.73%</u>
Unassigned fund balance expressed as a % of expenditures	<u>14.76%</u>	<u>14.91%</u>	<u>14.90%</u>	<u>31.04%</u>	<u>0.00%</u>



FY 2017-18



Overview

FY 2017-18 Budget Environment Issues

Revenue Issues

- Slowed Economic Growth
- Flat Sales Tax Growth
- Reduction of annual Community Health Trust Fund revenue starting in FY 2018-19
- Potential continuing sales tax reallocation changes by the State legislature

Expenditure Issues

- 2.5 cents for debt service (**Recommended increase of 2.0 cents**)
- Federal and/or State policies that may shift local service burden
- Deferred Maintenance
- Pre-K growth (Whitted School)



County Manager Charge to Departments

Before requesting additional dollars

- **Evaluate the Return on Investment (ROI)**
 - Are there opportunities to decrease, realign, or merge efforts?
 - Use of existing dollars to support inflationary increases
 - Increased scrutiny of historical budget trends
 - Identify operational efficiencies



Department Realigned Dollars

Department	Reallocated Funds
Budget	\$262,464
CJRC	\$27,080
County Attorney	\$40,000
EMS	\$195,000
Engineering	\$41,600
Fire Marshal	\$35,550
General Services	\$670,000
Human Resources	\$12,660
IST	\$121,495
Library	\$269,875
Public Health	\$94,023
Register of Deeds	\$5,000
Tax	\$100,000
Veteran Services	\$2,500
Clerk to the Board	\$1,140
Grand Total	\$1,878,387

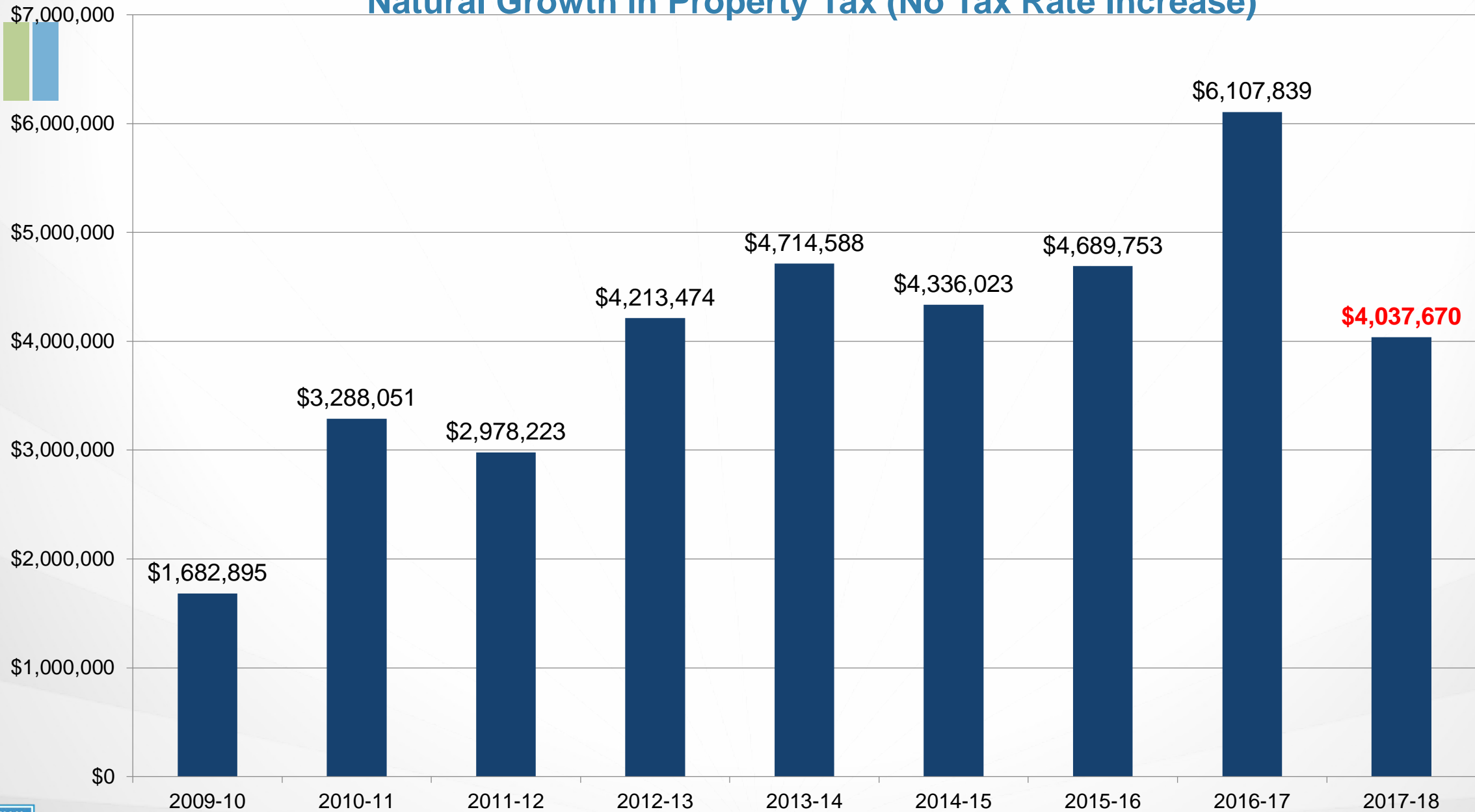
Budget Expansion Drivers

Trended Growth and Projected Increase

- 2%-3% Pay for Performance
 - **\$2.7million**
- Public Safety Compensation Changes
 - **\$900,000**
- Benefits
 - **\$0 million**
- Durham Public Schools
 - **Request totaled = \$12.4 million**
 - Includes Whitted School Pre-K expansion
- **\$16 Million in Requests from General Fund Departments**

\$32.1 Million – Requested Growth

Natural Growth in Property Tax (No Tax Rate Increase)

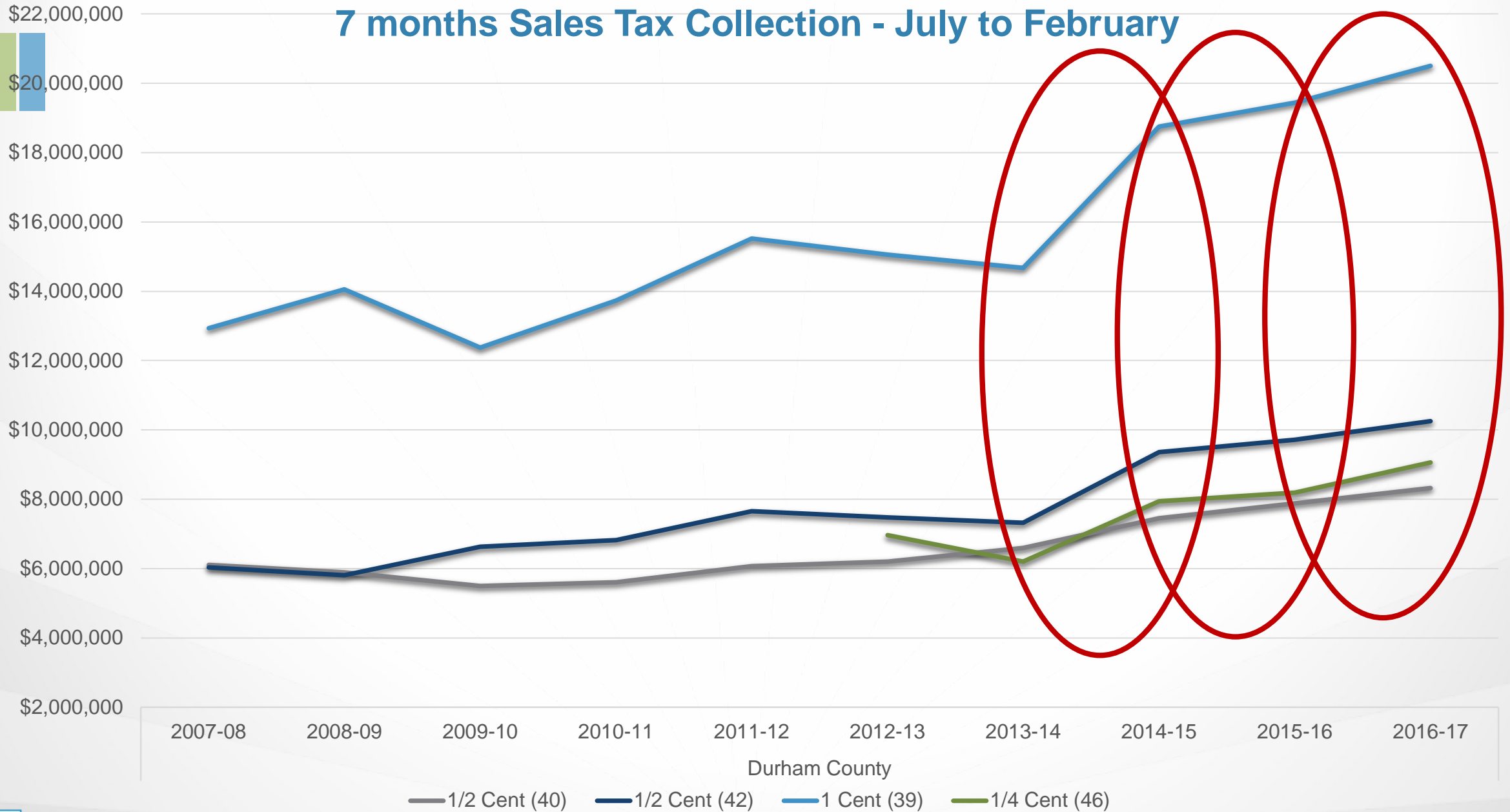


Property Tax Collection – One Cent



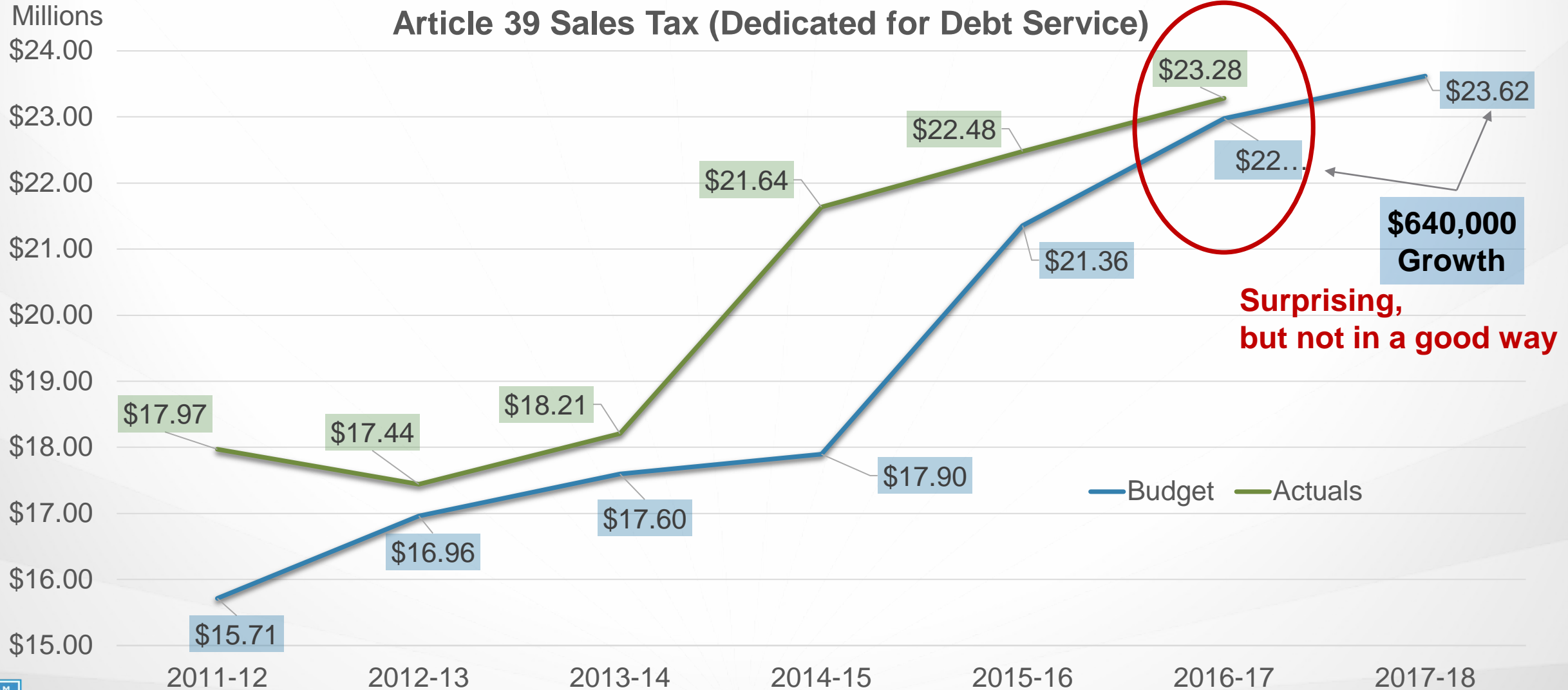
= \$3,554,120

7 months Sales Tax Collection - July to February



Sales Tax Historical - Budget to Actuals

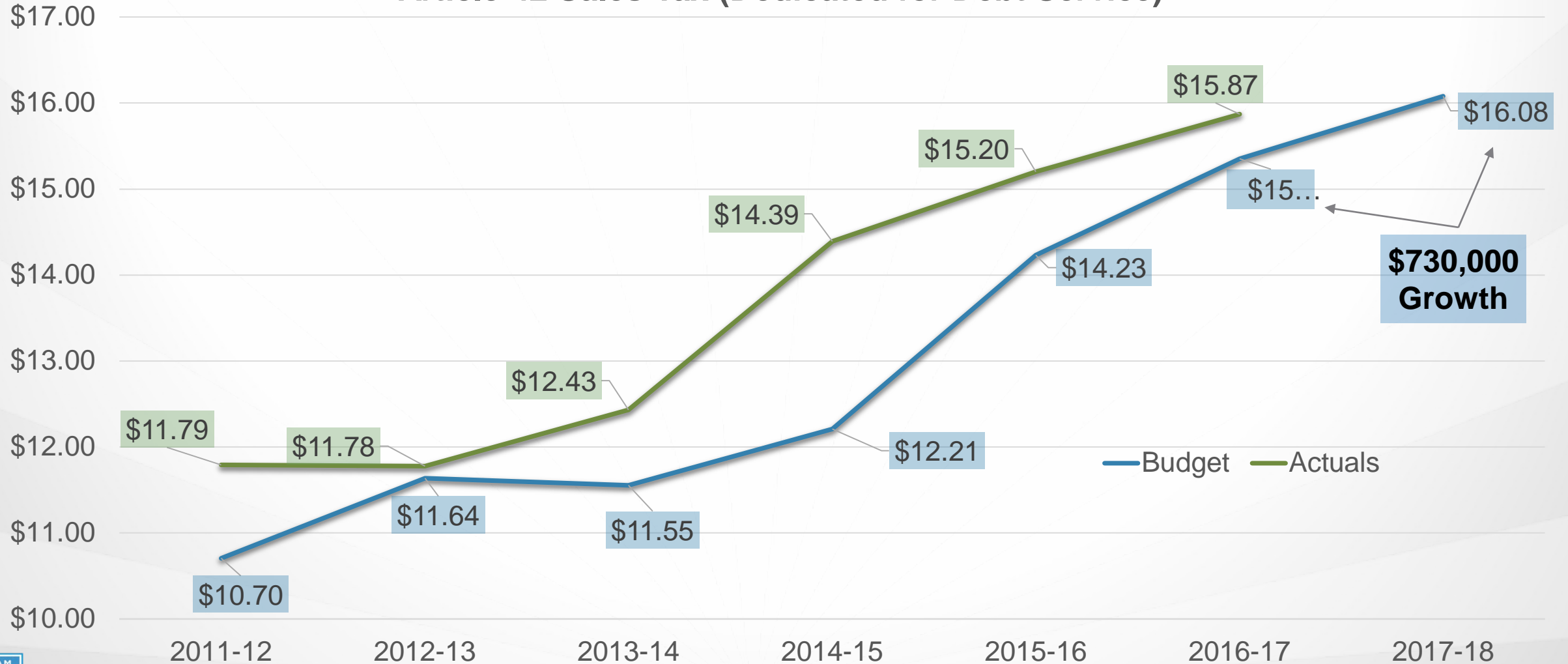
Article 39 Sales Tax (Dedicated for Debt Service)



Sales Tax Historical - Budget to Actuals

Article 42 Sales Tax (Dedicated for Debt Service)

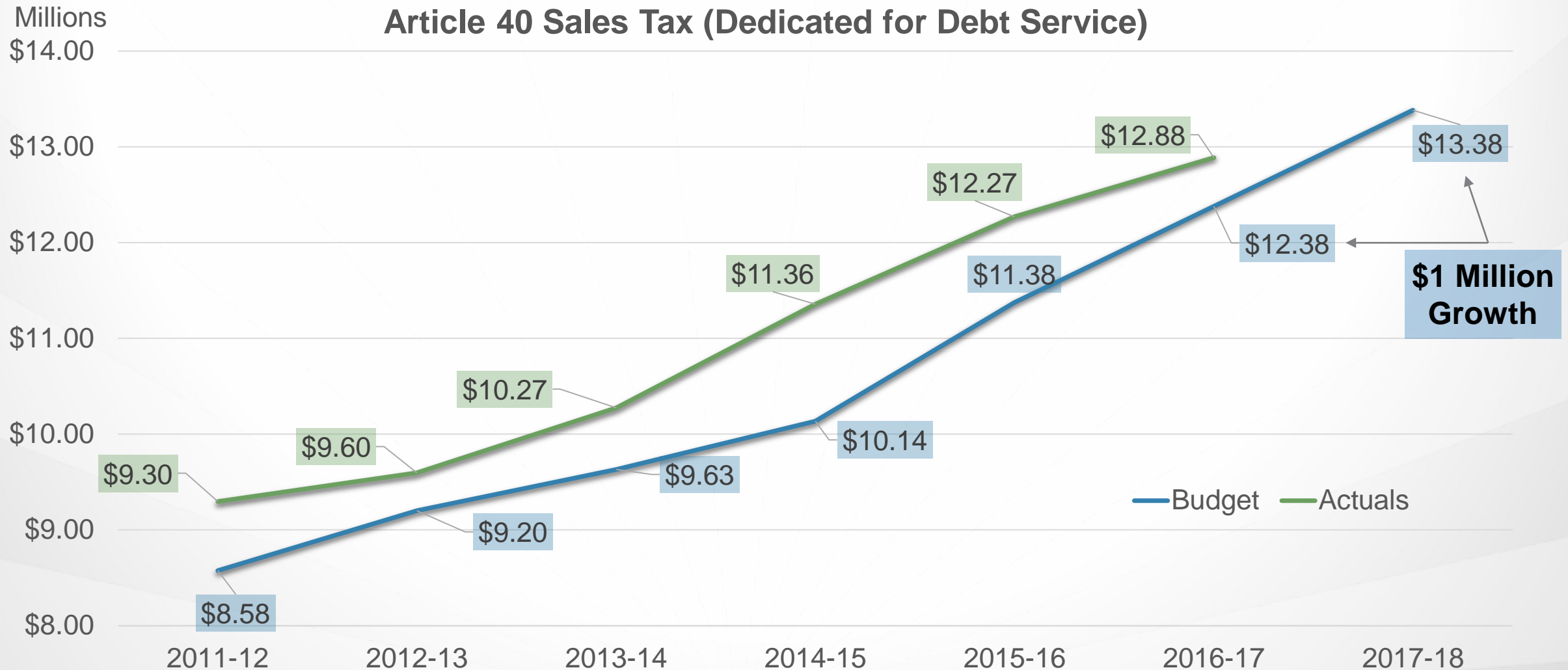
Millions
\$17.00



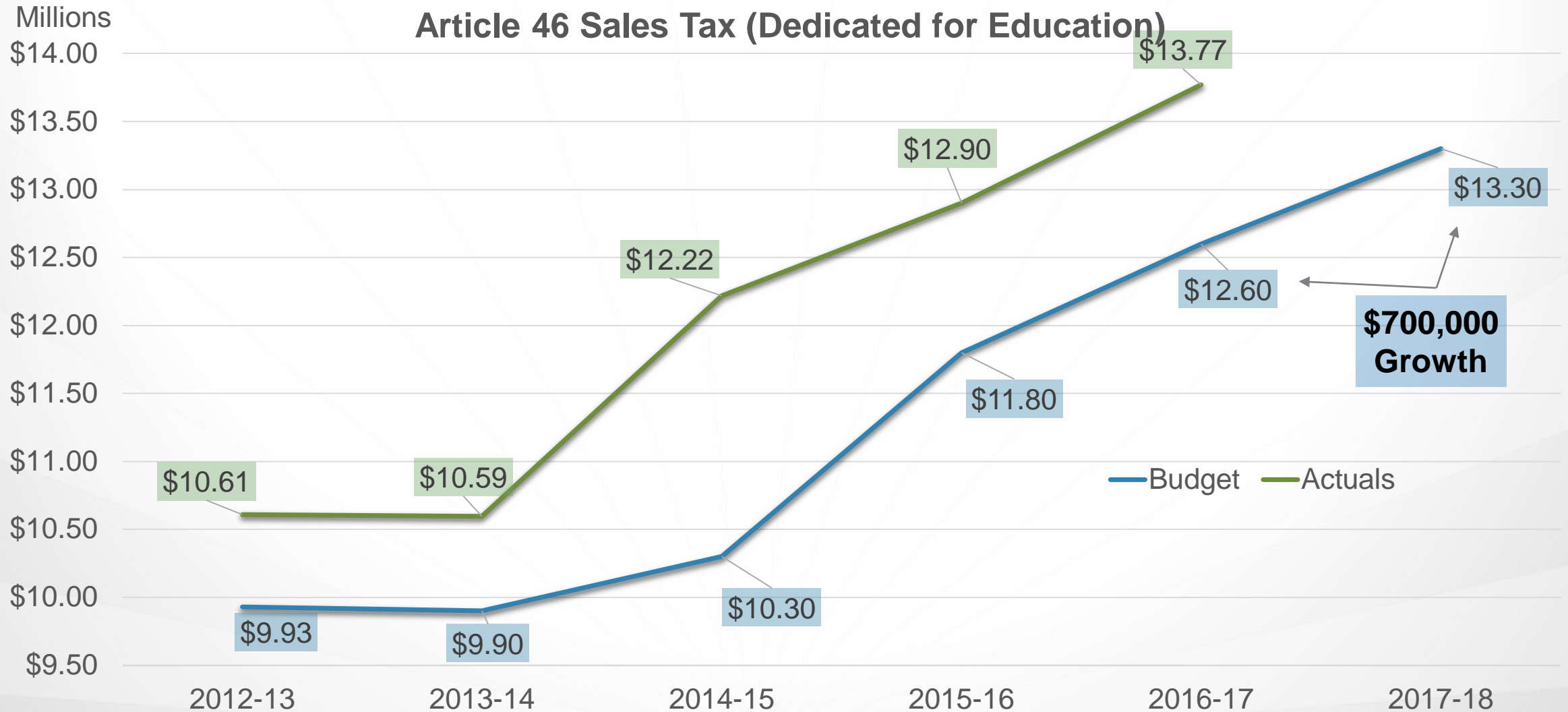
— Budget — Actuals

**\$730,000
Growth**

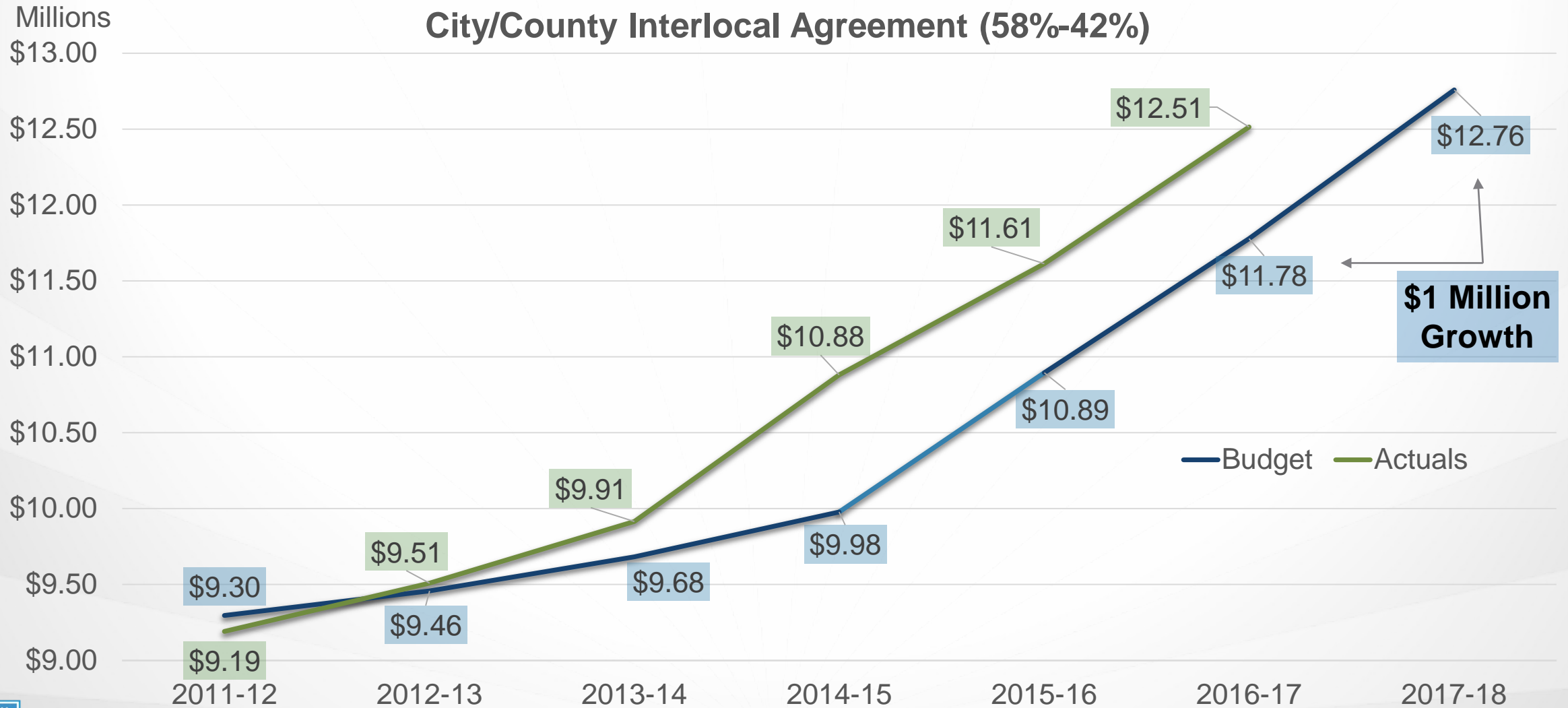
Sales Tax Historical - Budget to Actuals



Sales Tax Historical - Budget to Actuals



Sales Tax Historical - Budget to Actuals



Sales Tax Historical - Budget to Budget

Total Sales Tax	2012-13	2013-14	2014-15	2015-16	2016-17 (Estimated)	2017-18* (Projected)
Budgeted	\$57,788,234	\$57,730,067	\$60,525,372	\$69,661,446	\$75,085,530	\$79,135,787
Difference		(\$58,167)	\$2,795,305	\$9,136,074	\$5,424,084	\$4,050,257

*This is a very early estimate (based on only 7 months of actuals for FY 2016-17) and is subject to change.

Sales Tax Articles Definitions

Article 39: 1% (1 cent) tax on purchase of goods in Durham County

- Largest portion of sales tax collected for the County
- Not dedicated by the BOCC for any specific purpose – supports General Fund needs

Article 40: ½% (0.5 cent) tax on purchase of goods in NC and distributed to municipalities based on population

- Good indicator of statewide economy
- Dedicated by BOCC for Debt Service

Article 42: ½% (0.5 cent) tax on purchase of goods in Durham County

- Tracks very similarly to Article 39 except roughly half as much
- Dedicated by BOCC for Debt Service

Article 43: ½% (0.5 cent) tax on purchase of goods in Durham County

- Durham County voter approved in 2011
- Dedicated for Transit funding, collections go directly to GoTransit

Article 46: ¼% (0.25 cent) tax on purchase of goods in Durham County

- Durham County voter approved in 2011
- Dedicated for Education (67.12% DPS, 21.74% Education related debt service, 8.97% DTCC need based scholarships, 2.17% Pre-k support)

Local Occupancy Tax Collection

\$4,500,000

\$4,000,000

\$3,500,000

\$3,000,000

\$2,500,000

\$2,000,000

\$1,500,000

\$2,558,920

\$2,211,214

\$1,932,872

\$2,116,103

\$2,246,761

\$2,436,586

\$2,592,696

\$3,014,169

\$3,427,292

\$3,937,404

2007-08

2008-09

2009-10

2010-11

2011-12

2012-13

2013-14

2014-15

2015-16

2016-17



Declining Community Health Fund Support

Fiscal Year	Funds Support Human Services
FY 2017-18	\$3,950,000
FY 2018-19	\$2,600,000
FY 2019-20	\$1,250,000



FY 2017-18 Estimated Shortfall

■ Revenues Assumptions

- 1.56% estimated property valuation growth
- Sales tax revenue growth – slower growth, unknowns w/future legislative actions
- Other key revenues – little real growth anticipated
- Continued use of lottery funds for school debt service



How much net new revenue is available to support new General Fund expenses? \$8.42 M

Major Sources:

- Property Tax Natural Growth - \$4 million
- Sales Tax (Article 39) - \$640,000
- Register of Deeds - \$100,000
- Additional Fund Balance Appropriated - \$500,000
- Community Health Fund (one time support) - \$1.3 million
- Funding Realignment - \$1.88 million

Summary of General Fund Expenses vs Revenues

Budget Expansion Drivers	Annual Revenue Patterns
\$32.1 Million	\$8.42 Million

- 2%-3% Pay for Performance (\$2.7 Million)
- **\$17 Million Out of Balance when Dept. Requests are totaled**
 - Potential expanded Pre-K support (\$1.5 Million)
 - Public Safety employee retention, recruitment, and equity
 - School Nurse support
 - EMS response time
 - Deferred maintenance

DPS Request (\$10.9M)





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

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	67.08
Capital Financing Fund	\$27,856,709	7.96	\$35,399,038	9.96*
Total	\$259,109,390	74.04	\$273,809,421	77.04

***Two cent property tax rate increase**

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.

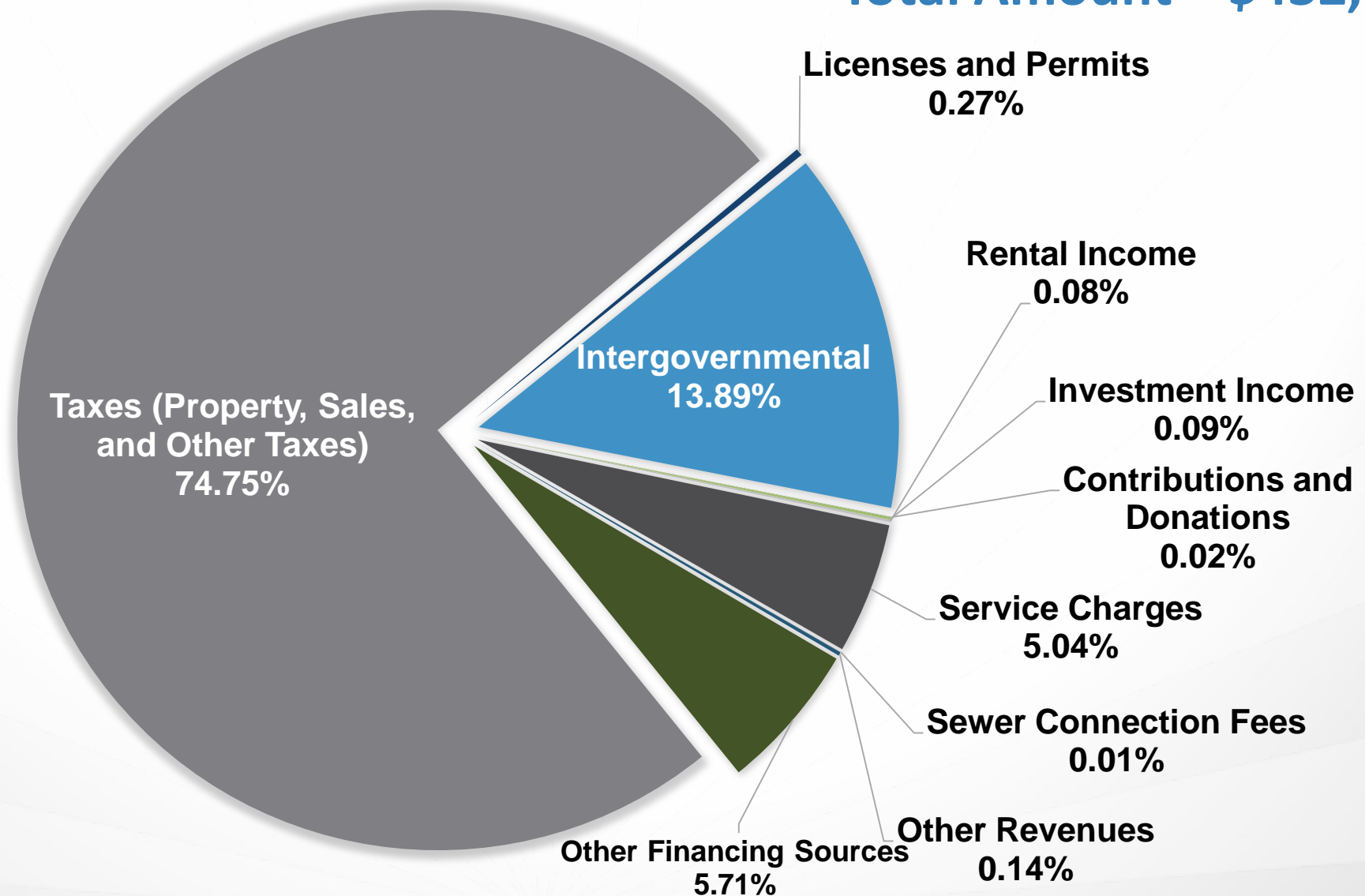
Sales Tax Article	FY 2016-17 Original Budget	FY 2016-17 12 Month Estimate	% from FY 2016-17 Budget	FY 2017-18 Manager Recommended	% from FY 2016-17 Budget
Article 39	\$22,979,684	\$22,795,465	-0.80%	\$23,619,039	2.78%
Article 40	\$12,377,711	\$12,865,761	3.94%	\$13,382,478	8.12%
Article 42	\$15,349,556	\$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%
Total	\$75,085,531	\$77,304,036	2.95%	\$79,135,787	5.39%

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%
Grand Total	\$587,279,471	\$652,093,085	\$629,920,964	\$42,641,493	7.26%

General Fund Revenues

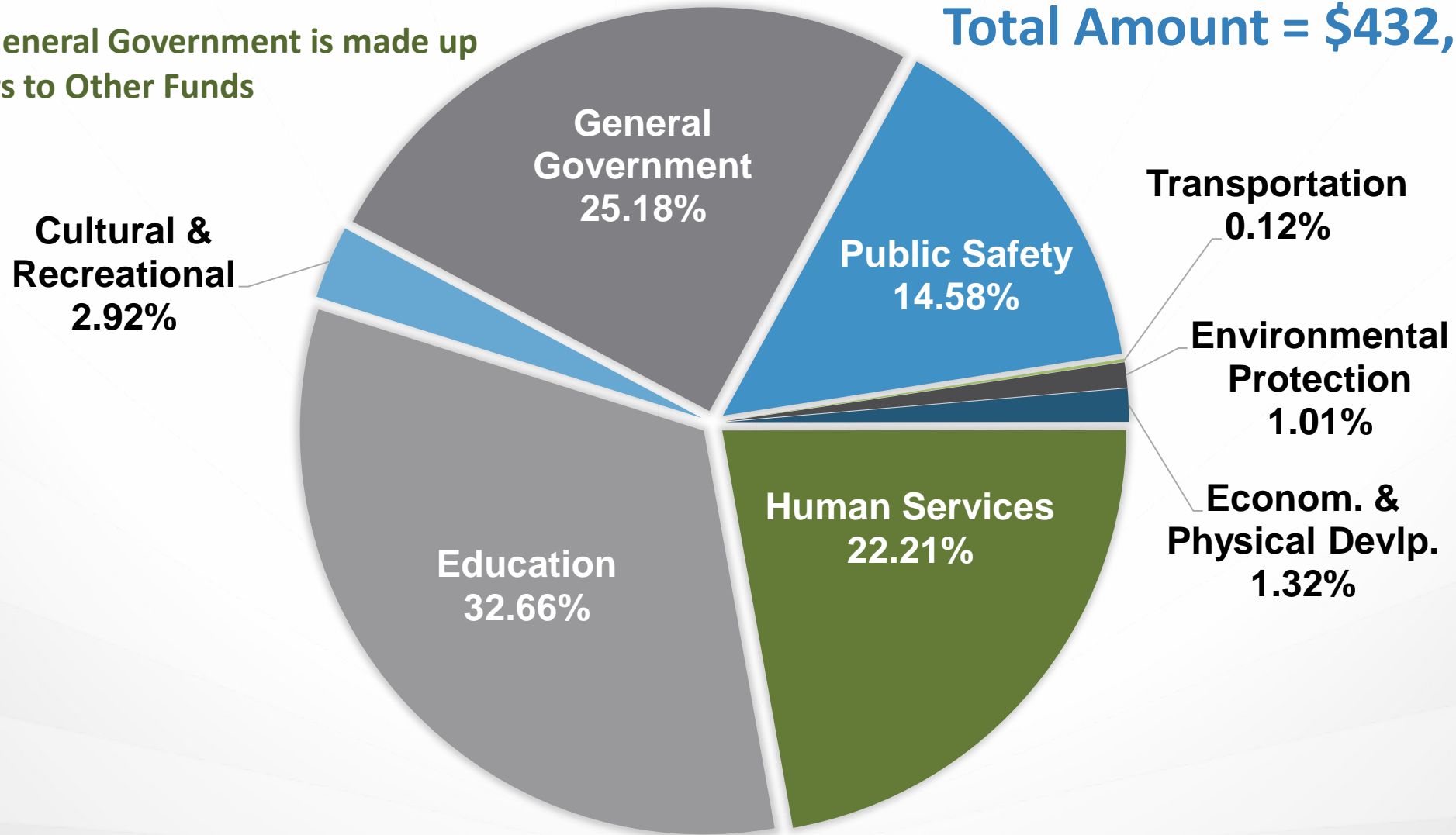
Total Amount = \$432,785,189



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

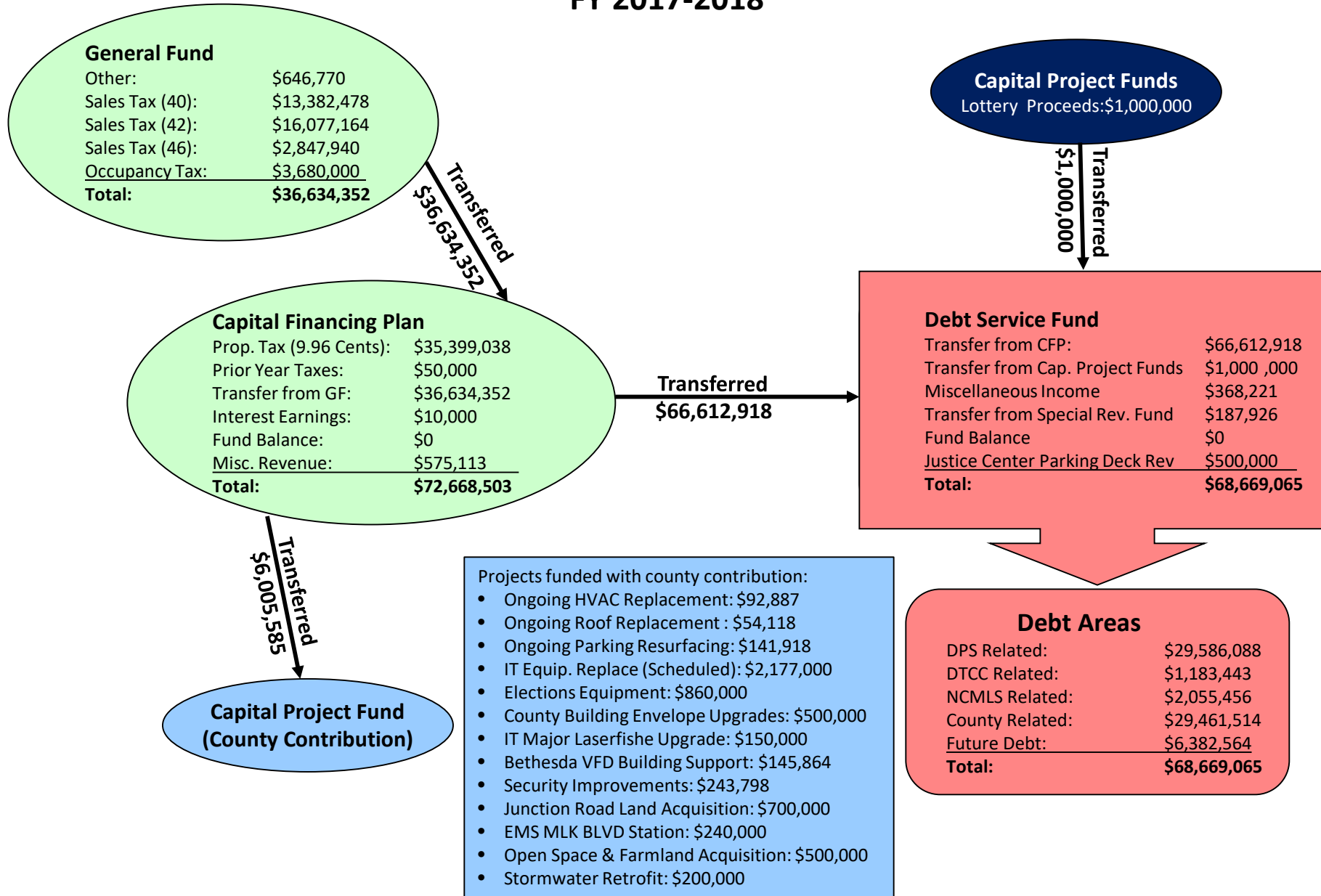
Functional Area	2015-2016 Actual Expenditures	2016-2017 Original Budget	2017-2018 Department Requested	2017-2018 Manager Recommended	% Change (Budget to Budget)
General Government	\$ 97,849,450	\$ 103,352,464	\$ 111,556,923	\$ 108,987,833	5.45%
Public Safety	\$ 57,109,769	\$ 60,354,231	\$ 71,363,012	\$ 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%
Total	\$ 394,056,348	\$ 414,362,524	\$ 452,361,945	\$ 432,785,189	4.45%



FY 2017-18 Budget Process

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

Capital Improvement Plan Debt Funding FY 2017-2018



2017-26 Capital Improvement Plan

Function	Project	2016-17	2017-18	2018-19	2019-20	2020-21	2022-2026	Grand Total
General Government	Judicial Building Renovation	\$26,950,000	\$16,550,000	\$0	\$0	\$0	\$0	\$43,500,000
	Judicial Annex Refurbishment	\$300,000	\$3,800,000	\$0	\$0	\$0	\$0	\$4,100,000
	Admin. Bldg. Refurb.	\$600,000	\$7,280,975	\$0	\$0	\$0	\$0	\$7,880,975
	Downtown Parking Deck	\$0	\$2,000,000	\$16,500,000	\$16,500,000	\$0	\$21,684,264	\$56,684,264
	HVAC Replacement	\$308,336	\$92,887	\$53,861	\$54,689	\$0	\$0	\$509,773
	Parking Resurfacing	\$95,389	\$141,918	\$268,550	\$314,618	\$661,098	\$604,023	\$2,085,596
	Roof Replacement	\$266,460	\$54,118	\$262,411	\$71,691	\$567,244	\$829,867	\$2,051,791
	Building Envelope	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$2,500,000
	County Stadium Upgrade	\$0	\$0	\$0	\$287,214	\$3,536,254	\$1,378,095	\$5,201,564
	Leased Convenience Sites Upgrades	\$168,330	\$0	\$0	\$217,752	\$2,486,823	\$0	\$2,872,905
	Owned Convenience Sites Upgrades	\$214,947	\$0	\$0	\$1,110,003	\$0	\$0	\$1,324,950
	SS-ERP System	\$0	\$0	\$0	\$0	\$4,500,000	\$2,500,000	\$7,000,000
	IT-Replacement Sched.	\$2,681,000	\$2,177,000	\$2,893,000	\$0	\$1,606,000	\$11,281,000	\$20,638,000
	IT-Telecommunications System	\$0	\$0	\$428,000	\$0	\$0	\$428,000	\$856,000
	IT-Major Laserfishe Upgrade	\$0	\$150,000	\$0	\$150,000	\$0	\$300,000	\$600,000
	IT-Audio/Video Replacement	\$0	\$387,900	\$1,530,100	\$250,000	\$0	\$0	\$2,168,000
	IT-Sheriff Technology Update	\$0	\$0	\$0	\$0	\$599,400	\$0	\$599,400
	Detention Center Elevator Upgrade	\$398,270	\$1,804,301	\$0	\$0	\$0	\$0	\$2,202,571
	New Elections Equipment	\$0	\$860,000	\$0	\$0	\$0	\$0	\$860,000
	Parkwood VFD Renovations	\$0	\$0	\$0	\$337,643	\$4,525,290	\$0	\$4,862,934
	Bethesda VFD Building Support	\$0	\$145,864	\$614,631	\$352,982	\$0	\$0	\$1,113,477
	Security Improvements	\$202,568	\$243,798	\$276,510	\$311,691	\$178,990	\$233,305	\$1,446,862
	Junction Road Industrial Development	\$1,785,000	\$2,200,000	\$0	\$0	\$0	\$0	\$3,985,000
General Government Total		\$34,470,300	\$38,388,761	\$23,327,063	\$20,458,283	\$19,161,100	\$39,238,554	\$175,044,060

2017-26 Capital Improvement Plan

Function	Project	2016-17	2017-18	2018-19	2019-20	2020-21	2022-2026	Grand Total
Public Safety	EMS Cardiac Monitors and Defib. Replacement	\$0	\$0	\$0	\$2,700,000	\$0	\$3,000,000	\$5,700,000
	EMS Future Needs	\$0	\$800,000	\$0	\$0	\$0	\$21,860,000	\$22,660,000
	Sheriff-Main Jail Renovations	\$550,000	\$850,000	\$0	\$909,563	\$8,930,250	\$0	\$11,239,813
	Sheriff-Detention Center Annex	\$0	\$0	\$0	\$0	\$12,650,000	\$85,378,514	\$98,028,514
	Multi-Department Radio Upgrade	\$6,600,000	\$0	\$0	\$0	\$0	\$11,709,176	\$18,309,176
	Fire Marshal New Station	\$0	\$0	\$0	\$0	\$330,750	\$4,382,438	\$4,713,188
	Youth Home Renovation	\$0	\$0	\$0	\$0	\$606,375	\$7,811,981	\$8,418,356
	Durham F&R District Vehicles	\$1,500,000	\$0	\$0	\$0	\$4,410,000	\$0	\$5,910,000
	EMS Station #1 Renovation	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$1,300,000
	EMS Station #6 Renovation	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
	EMS Carver and Hillandale (New 4 Bay)	\$0	\$0	\$0	\$0	\$0	\$2,482,500	\$2,482,500
	EMS Glenn School (New 2 Bay)	\$0	\$0	\$0	\$0	\$0	\$1,858,400	\$1,858,400
	EMS Jordan High School (New 2 Bay)	\$0	\$0	\$0	\$0	\$0	\$1,978,400	\$1,978,400
	EMS Joyland (New 4 Bay)	\$0	\$0	\$0	\$0	\$0	\$2,482,500	\$2,482,500
	EMS Leesville Rd (New 2 Bay)	\$1,239,596	\$0	\$0	\$0	\$0	\$0	\$1,239,596
	EMS Chapel Hill Blvd (New 2 Bay)	\$0	\$0	\$0	\$0	\$300,000	\$1,678,400	\$1,978,400
	EMS Duke West (New 2 Bay)	\$0	\$0	\$300,000	\$1,678,400	\$0	\$0	\$1,978,400
	EMS Far East Durham County (New 2 Bay)	\$0	\$0	\$0	\$120,000	\$1,678,400	\$0	\$1,798,400
	EMS MLK Blvd (New 4 Bay)	\$0	\$2,322,500	\$0	\$0	\$0	\$0	\$2,322,500
	Emergency Communications Center	\$1,000,000	\$1,924,444	\$0	\$0	\$0	\$0	\$2,924,444
	EMS Station #18 Co-Location	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
	EMS Station #19 Co-Location	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
Public Safety Total		\$10,889,596	\$7,196,944	\$300,000	\$5,407,963	\$28,905,775	\$150,622,309	\$203,322,586
Environmental Protection	Open Space Land Acquisition	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	\$5,000,000
	Timberlake Rail Trail	\$0	\$0	\$0	\$2,000,000	\$0	\$850,000	\$2,850,000
	Stormwater Retrofit	\$0	\$200,000	\$1,000,000	\$250,000	\$250,000	\$0	\$1,700,000
Environmental Protection Total		\$500,000	\$700,000	\$1,500,000	\$2,750,000	\$750,000	\$3,350,000	\$9,550,000

2017-26 Capital Improvement Plan

		2016-17	2017-18	2018-19	2019-20	2020-21	2022-2026	Grand Total
Function	Project							
Economic Development	RTP Economic Incentive	\$2,500,000	\$2,500,000	\$8,500,000	\$2,000,000	\$2,000,000	\$0	\$17,500,000
Economic Development Total		\$2,500,000	\$2,500,000	\$8,500,000	\$2,000,000	\$2,000,000	\$0	\$17,500,000
Education	Durham Public Schools	\$13,050,476	\$26,713,879	\$39,354,490	\$9,253,655	\$16,627,500	\$135,000,000	\$240,000,000
	Durham Technical Community College	\$500,000	\$700,000	\$7,300,000	\$7,300,000	\$2,250,000	\$33,950,000	\$52,000,000
Education Total		\$13,550,476	\$27,413,879	\$46,654,490	\$16,553,655	\$18,877,500	\$168,950,000	\$292,000,000
Culture & Recreation	Main Library Renovations	\$1,107,400	\$22,868,136	\$20,868,136	\$0	\$0	\$0	\$44,843,672
	Bragtown Branch Library Upgrade	\$0	\$0	\$55,125	\$0	\$0	\$0	\$55,125
	Stanford L Warren Library Upgrade	\$50,000	\$0	\$892,500	\$0	\$0	\$0	\$942,500
	NCMLS Deferred Maintenance and Exhibit Refurbishment	\$0	\$7,109,670	\$2,455,654	\$4,502,379	\$889,850	\$19,235,826	\$34,193,379
Culture & Recreation Total		\$1,157,400	\$29,977,806	\$24,271,415	\$4,502,379	\$889,850	\$19,235,826	\$80,034,676
Enterprise Fund	Collection System Rehabilitation	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000	\$4,500,000
	Reused Waste Water Facility	\$2,400,000	\$300,000	\$5,600,000	\$0	\$0	\$0	\$8,300,000
	Sludge Energy Program	\$0	\$300,000	\$14,500,000	\$0	\$0	\$0	\$14,800,000
	Sewer Outfall Expansion	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Enterprise Fund Total		\$4,400,000	\$1,100,000	\$20,600,000	\$500,000	\$500,000	\$2,000,000	\$29,100,000
Grand Total		\$67,467,772	\$107,277,390	\$125,152,968	\$52,172,279	\$71,084,225	\$383,396,689	\$806,551,322

Durham County Capital Finance Plan Model FY2017-2026

Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current General Fund Debt (304)	\$63,595,961	\$53,635,348	\$51,191,929	\$49,334,617	\$47,190,853	\$36,180,694	\$36,336,003	\$32,575,823	\$31,597,061
Total New Debt	\$5,123,095	\$19,410,388	\$20,917,583	\$33,485,102	\$36,583,968	\$47,684,136	\$49,609,280	\$64,762,911	\$62,110,923
Total County Contribution	\$6,005,585	\$7,044,588	\$6,827,843	\$3,644,457	\$2,922,591	\$1,766,959	\$806,525	\$1,024,919	\$1,150,842
General Fund (CFP) Debt Obligations	\$74,724,641	\$80,090,324	\$78,937,355	\$86,464,176	\$86,697,413	\$85,631,789	\$86,751,807	\$98,363,652	\$94,858,827
Revenues									
1/2 cent Sales Tax (40)	\$13,382,478	\$13,783,952	\$14,197,471	\$14,623,395	\$15,062,097	\$15,513,959	\$15,979,378	\$16,458,760	\$16,952,522
1/2 cent Sales Tax (42)	\$16,077,164	\$16,559,479	\$17,056,263	\$17,567,951	\$18,094,990	\$18,637,839	\$19,196,974	\$19,772,884	\$20,366,070
1/4 cent Sales Tax (46)	\$2,847,940	\$2,933,378	\$3,021,380	\$3,112,021	\$3,205,382	\$3,301,543	\$3,400,589	\$3,502,607	\$3,607,685
Occupancy Taxes	\$3,580,000	\$3,687,400	\$3,798,022	\$3,911,963	\$4,029,322	\$4,150,201	\$4,274,707	\$4,402,948	\$4,535,037
Occupancy Taxes (dedicated for NCMLS debt)	\$100,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Transfer from General Fund (Article 46 prior year)	\$228,270	\$235,118	\$242,172	\$249,437	\$256,920	\$264,627	\$272,566	\$280,743	\$289,166
Transfer from General Fund (Energy Savings)	\$349,500	\$356,500	\$359,057	\$361,557	\$369,000	\$376,500	\$384,000	\$392,000	\$400,000
Transfer from General Fund (Bethesda Lease)	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000
<i>Subtotal</i>	\$36,634,352	\$37,724,827	\$38,843,364	\$39,995,323	\$41,236,709	\$42,463,670	\$43,727,216	\$45,028,942	\$46,219,480
Prior Year Taxes	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$10,000	\$10,000	\$10,000	\$10,000					
Capital Fund (125) Fund Balance Appropriated		\$200,442	\$0	\$211,501	\$3,234,683	\$1,062,612	\$0	\$1,141,758	\$1,471,649
American Tobacco South Parking Deck	\$575,113	\$586,628	\$598,280	\$610,608	\$622,531	\$634,995	\$647,594	\$647,594	\$647,594
<i>Subtotal</i>	\$635,113	\$797,070	\$608,280	\$832,109	\$3,857,214	\$1,697,607	\$647,594	\$1,789,352	\$2,119,243
Build America Bond Tax Refund	\$368,221	\$368,221	\$348,409	\$308,416	\$267,458	\$225,881	\$183,742	\$140,816	\$97,442
Debt Service & Bond Funds Interest Earned									
Community Health Trust Fund Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Durham Fire & Rescue District	\$187,926	\$187,926	\$187,926	\$187,926	\$740,429	\$740,429	\$740,429	\$740,429	\$740,429
Justice Center Parking Deck Revenue	\$500,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000		
Fund 103 Swap Savings	\$0	\$3,437,259	\$42,136	\$2,945,055	\$842,493	\$185,320		\$6,908,190	\$3,216,686
Lottery Funds	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Debt Service Fund Fund Balance Appropriated		\$244,999	\$499,319	\$3,232,306	\$226,624	\$220,499		\$2,102,304	\$202,124
<i>Subtotal</i>	\$2,056,147	\$5,638,405	\$2,477,790	\$8,073,704	\$3,477,004	\$2,772,129	\$2,324,171	\$10,891,740	\$5,256,681
Non Property Tax Revenue Available for Debt Payr	\$39,325,611	\$44,160,302	\$41,929,433	\$48,901,136	\$48,570,927	\$46,933,406	\$46,698,981	\$57,710,034	\$53,595,404
Additional Revenue Requested - Property Tax	\$35,399,030	\$35,930,021	\$37,007,922	\$37,563,040	\$38,126,486	\$38,698,383	\$40,052,826	\$40,653,618	\$41,263,422
1 CENT Value	\$3,554,120	\$3,607,432	\$3,715,654.75	\$3,771,390	\$3,827,960	\$3,885,380	\$4,021,368	\$4,081,689	\$4,142,914
Total Cents Dedicated to Capital Financing	9.96000	9.96000	9.96000	9.96000	9.96000	9.96000	9.96000	9.96000	9.96000

Revenue Assumptions:

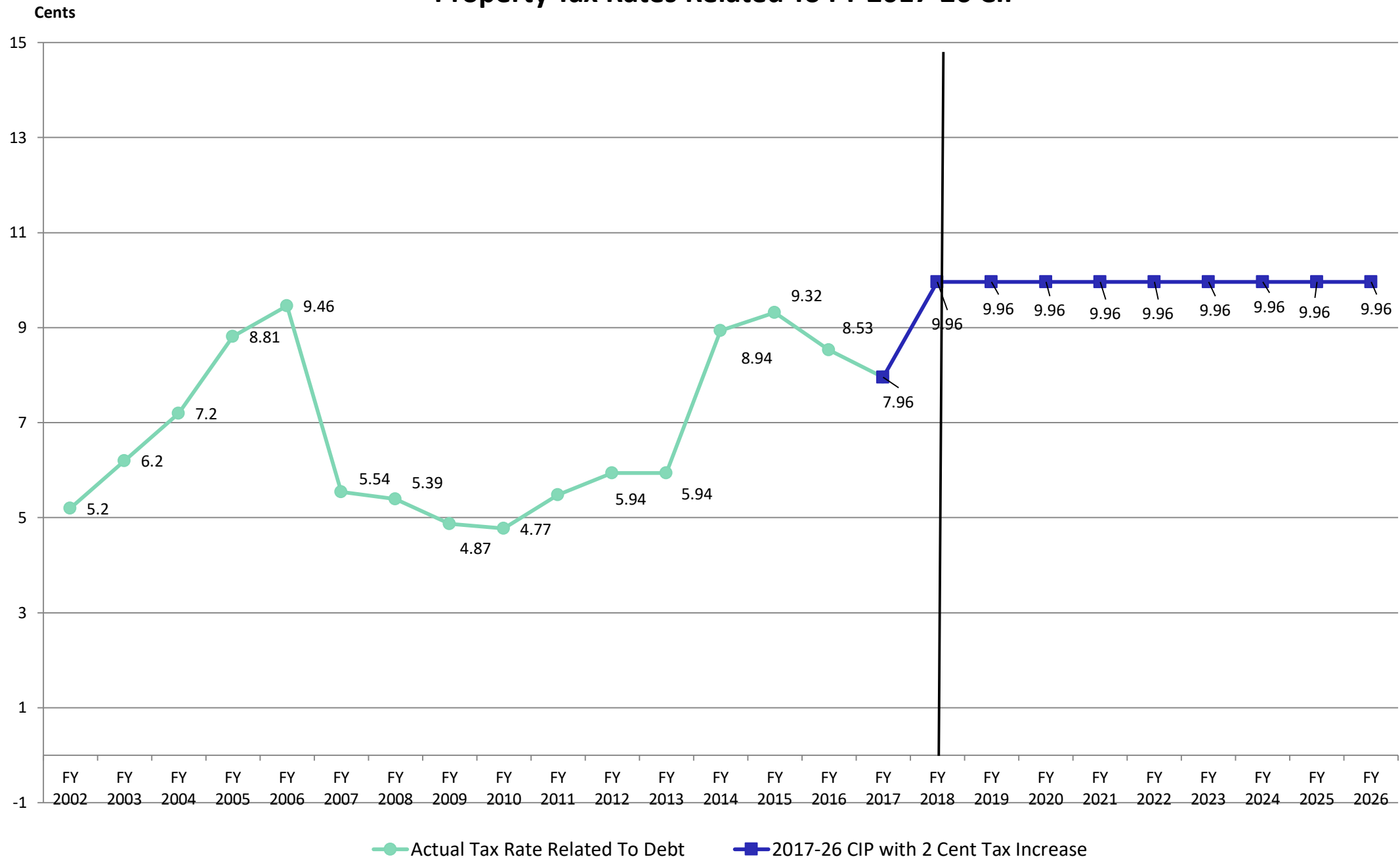
Prop. Tax Growth is estimated at 1.5% for non-reval. years in the future

*Reval. Property Tax Growth Rate 3% through the next revaluation effective 1/1/20, and for each four year revaluation after that at 3.5%

*Sales Tax growth is estimated at 3%.

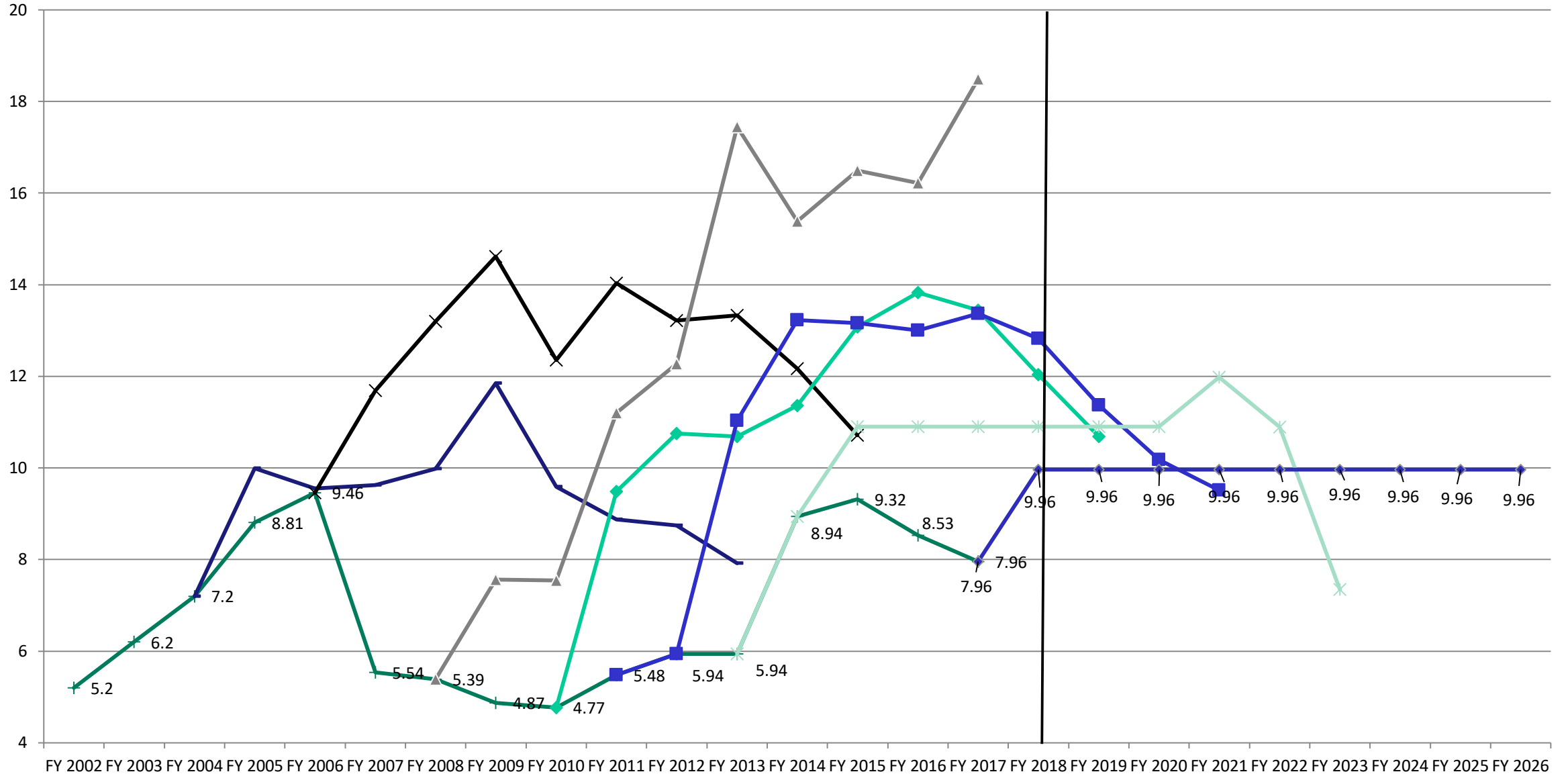
*Occupancy Tax growth is estimated at 3%

Property Tax Rates Related To FY 2017-26 CIP



Estimated & Actual Property Tax Rates Related To CIP

Cents



Actual Tax Rate Related To Debt

2004-13 Approved CIP

2006-15 Approved CIP

2008-17 Approved CIP

2010-19 Approved CIP

2012-21 Approved CIP

2014-23 Approved CIP

2017-26 CIP with 2 Cent Tax Increase



Discussion

