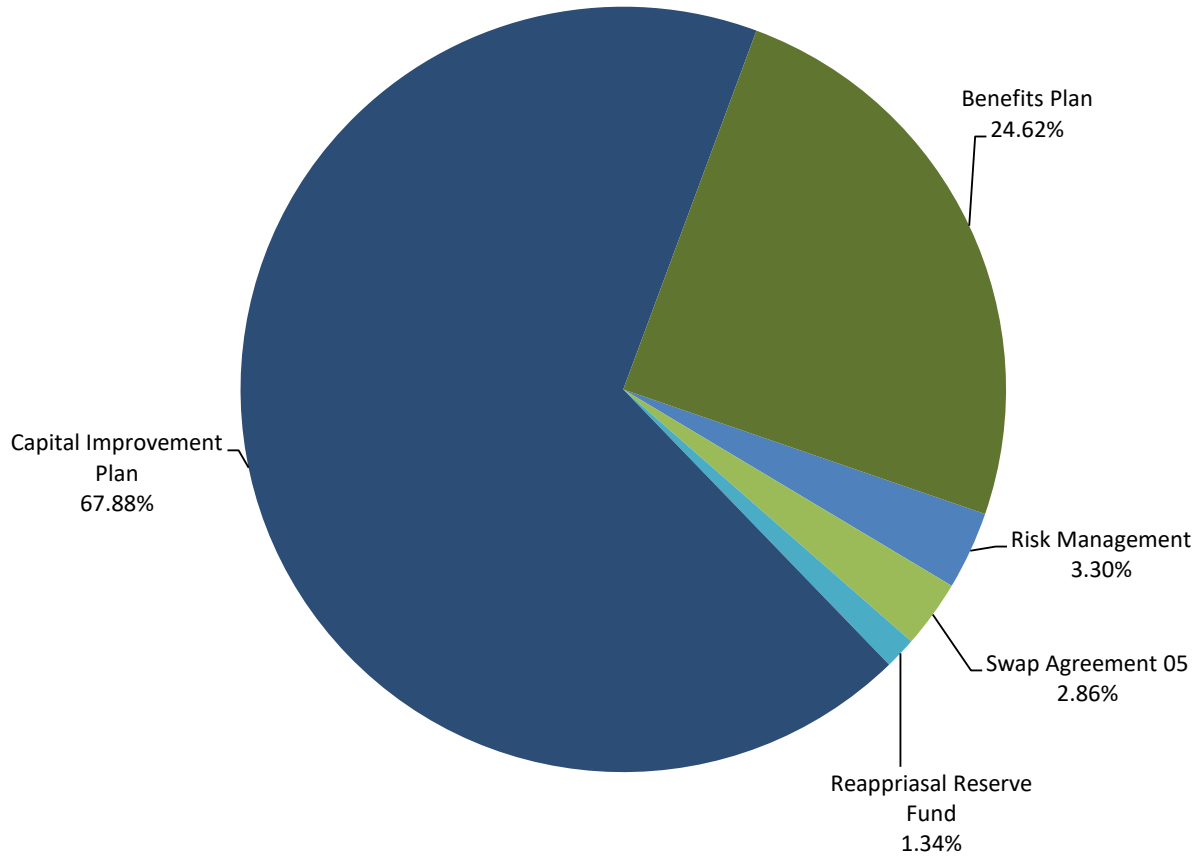


## Other General Funds Recommended Budget



Fund	2016-2017 Actual Expenditures	FY2017-18 Original Budget	FY2017 12 Month Estimate	FY2018-19 Department Requested	FY2018-19 Manager Recommended
Risk Management	\$2,676,873	\$3,423,808	\$2,951,763	\$3,936,261	\$3,641,863
Swap Agreement 05	\$0	\$2,225,000	\$0	\$3,313,079	\$3,162,949
Reappraisal Reserve Fund	\$1,269,713	\$1,327,492	\$1,401,680	\$1,483,438	\$1,476,006
Capital Improvement Plan	\$63,327,181	\$72,680,412	\$73,489,436	\$74,807,098	\$74,957,228
Benefits Plan	\$22,318,196	\$23,442,744	\$25,836,930	\$27,185,058	\$27,185,058
<b>Grand Total</b>	<b>\$89,591,963</b>	<b>\$103,099,456</b>	<b>\$103,679,809</b>	<b>\$110,724,934</b>	<b>\$110,423,104</b>

# RISK MANAGEMENT FUND



**GOAL 5 ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT:** An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

**Program Purpose:** Durham County's Risk Management function is a coordinated and ongoing effort to assess and respond to risks which affect the achievement of the County's Strategic Plan. This is achieved through risk identification, assessment, and mitigation strategies to protect the County employees, assets, and operations from loss. The Risk Management function also recommends risk financing methods to ensure the financial integrity of the County is not impaired should a significant loss occur.

**Program Description:** Risk Management's Occupational Safety Program is committed to providing a safe work environment for County employees. The program includes safety education through training and consultation, recognizing and controlling health and safety hazards, and minimizing future potential liabilities.

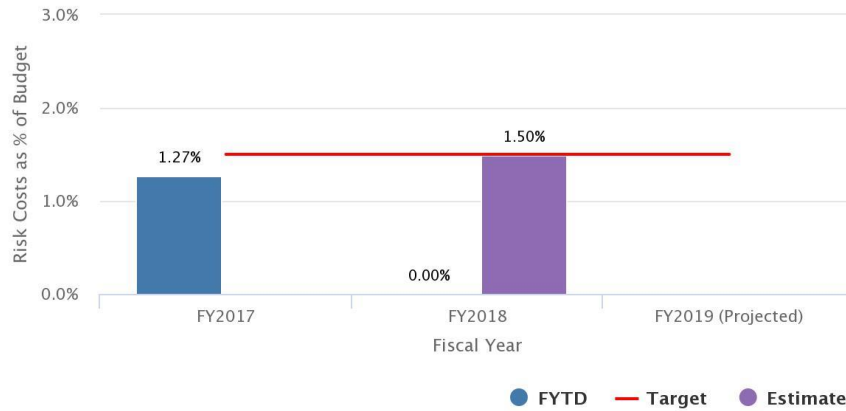
Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
<b>Expenditures</b>					
Personnel	\$301,566	\$461,563	\$288,151	\$509,379	\$466,017
Operating	\$2,304,239	\$2,862,320	\$2,616,826	\$3,330,984	\$3,095,921
Capital	\$28,570	\$0	\$0	\$30,000	\$30,000
Transfers	\$42,506	\$99,925	\$46,786	\$65,898	\$49,925
<b>Total Expenditures</b>	<b>\$2,676,881</b>	<b>\$3,423,808</b>	<b>\$2,951,763</b>	<b>\$3,936,261</b>	<b>\$3,641,863</b>
<b>Revenues</b>					
Investment Income	\$59,295	\$24,044	\$0	\$0	\$25,838
Service Charges	\$3,130,135	\$3,349,764	\$3,347,701	\$3,936,081	\$3,221,025
Other Revenues	\$0	\$0	\$0	\$180	\$0
Other Fin. Sources	\$76,482	\$50,000	\$0	\$0	\$395,000
<b>Total Revenues</b>	<b>\$3,265,912</b>	<b>\$3,423,808</b>	<b>\$3,347,701</b>	<b>\$3,936,261</b>	<b>\$3,641,863</b>
<b>Net Expenditures</b>	<b>(\$589,031)</b>	<b>\$0</b>	<b>(\$395,938)</b>	<b>\$0</b>	<b>\$0</b>
FTEs	5.00	5.00	5.00	6.00	5.00

## 2018-19 BUDGET HIGHLIGHTS

- Risk Management Safety Division - establish a safety line for safety related items that are required by OSHA, Federal and State Law
- Replacement vehicle for Safety Division

**PERFORMANCE MEASURES:**

**Measure:** TOTAL COST OF RISK AS A PERCENTAGE OF DURHAM COUNTY BUDGET

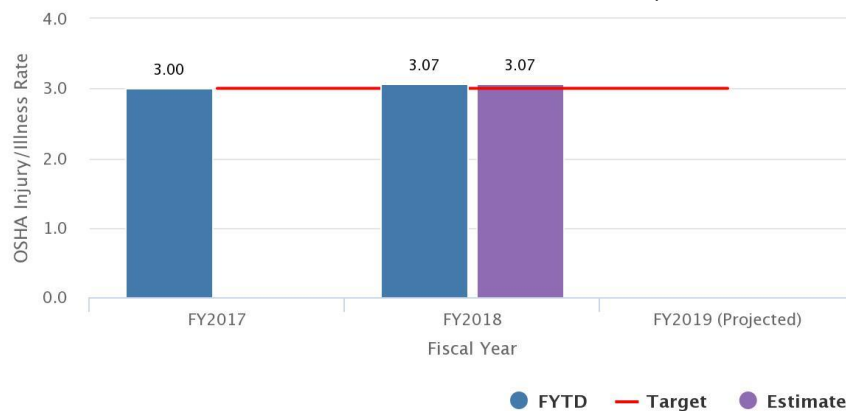


**Measure description:** This measure shows the cost of managing risks and incurring losses for Durham County. The Total Cost of Risk is the sum of all aspects of the County's operations that relate to risk, including retained losses and related loss adjustment expenses, risk control costs, transfer costs, and administrative costs. The Total Cost of Risk (TCoR) is the total cost of insurance premiums, retained losses which is the amount of money that the County spends "out of pocket" for losses incurred (deductible/uninsured losses) and internal/external risk control costs.

**Trend explanation:** With the implementation of Durham County's Safety Program and continued successful Claims Management, the County has seen a decrease in Risk expenditures, which has translated to an improvement in overall claim loss. This has led to less money being spent and this measure trending down.

**FY2018-19 target projection:** The goal for this measure is 2% or less. To achieve this, the County can continue being proactive in safety and claims management, thereby keeping costs down.

**Measure:** DURHAM COUNTY OSHA RECORDABLE INJURY/ILLNESS RATE



**Measure description:** This measures the number of injuries within the organization compared to the national average of public sector entities. Keeping this measure down also keeps Durham County's insurance premiums down as well as overall costs. This measure is the value to evaluate and quantify a company safety performance, which allows OSHA to compare Durham County's injury rate to other, similar entities.

**Trend explanation:** Implementation of the Durham County Safety Program has helped to reduce organizational injuries, which have assisted this measure in downward trending.

**FY2018-19 target projection:** This target is set by the national average of OSHA Recordable Injury/Illness Rate. Continuing to be proactive with Durham County's Safety Program and Claims Management to keep costs down is the key to maintaining success with this measure.

# SWAP FUND



**GOAL 5 ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT:** An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

## PROGRAM DESCRIPTION

On July 30, 2004, Durham County entered a floating, or basis swap, on \$125,810,000 of its outstanding fixed rate bonds. The notional amount of the SWAP agreement is equal to the par value of selected bonds. The swap agreement allows the County to make payments to the counterparty based on the taxable-equivalent Bond Market Association (BMA) index and for the counterparty to make reciprocal payments based on a floating rate priced at six-month LIBOR (London Interbank Offered Rate) plus a net amount of .952%. The agreement matures March 1, 2023. The balance in this fund is the reflection of this agreement, which calls for net payments to be made on March 15 and September 15 each year. Payments are accrued on a monthly basis and paid every six months.

The Board of County Commissioners established a policy requiring 50% of the savings be placed in a restricted account until such time the committed funds equal 110% of the liquidation value of the SWAP, and the balance available to support unrestricted needs. A total of \$28,169,733 has been received to date, of these funds, \$15,152,520 is unspent, and most is available as the liquidation value currently of the SWAP fund is almost zero. The County will get two new payments in FY 2018-19 (September 2018 and March 2019), and a conservative estimate is the County will receive \$1,250,000. These budgeted funds are normally transferred to the Debt Service Fund to support debt service payments on the loans earning this revenue, however for FY 2018-19 the funds will accrue to support debt service payments in future years, helping keep the amount of property tax revenue needed for debt service to a minimum.

Additional fund balance from the SWAP fund of \$1,912,949 (out of an available \$15.1 million) will be transferred to the Debt Service Fund to support increasing planned debt service.

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
▼ <i>Expenditures</i>					
Transfers	\$0	\$2,225,000	\$0	\$3,313,079	\$3,162,949
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$2,225,000</b>	<b>\$0</b>	<b>\$3,313,079</b>	<b>\$3,162,949</b>
▼ <i>Revenues</i>					
Investment Income	\$4,915	\$0	\$918	\$0	\$0
Other Revenues	\$2,666,229	\$2,225,000	\$2,139,406	\$1,250,000	\$1,250,000
Other Fin. Sources	\$0	\$0	\$0	\$2,063,079	\$1,912,949
<b>Total Revenues</b>	<b>\$2,671,144</b>	<b>\$2,225,000</b>	<b>\$2,140,324</b>	<b>\$3,313,079</b>	<b>\$3,162,949</b>
<b>Net Expenditures</b>	<b>(\$2,671,144)</b>	<b>\$0</b>	<b>(\$2,140,324)</b>	<b>\$0</b>	<b>\$0</b>

# CAPITAL FINANCING PLAN FUND



**GOAL 5 ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT:** An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

## PROGRAM DESCRIPTION

Concurrent with the 1986 bond referendum described in the Debt Service Fund section, the Board of County Commissioners established a Capital Financing Plan for the purpose of funding all major capital projects undertaken by the County. Revenues dedicated to the Capital Financing Plan are listed below with estimates for the upcoming fiscal year. In addition to debt service on general obligation bonds, these monies will be spent to retire debt associated with certificates of participation as well as to fund pay-as-you-go (county contribution) projects. Effective July 1, 1990, up to 20% of the fund's proceeds (computation limited to the first 5 cents of property taxes) could be dedicated to financing capital projects funded on a pay-as-you-go basis. The percentage dedicated to pay-as-you-go is 18.84% for FY 2018-19 in an effort to fund capital facility improvements. The long-range Capital Financing Plan can be found in the FY 2017-26 Capital Improvement Plan. Durham County's Capital Financing Policy follows.

Revenues	FY 2018-19
Property Taxes (9.96 cents)	\$35,881,693
Prior Year Taxes	\$0
One-half Cent Sales Taxes (Art. 40, 42, & 46)	\$34,662,558
Occupancy Taxes	\$3,680,000
Interest Earnings	\$10,000
Miscellaneous Revenue (American Tobacco)	\$586,628
Fund Balance	\$136,349
<b>TOTAL RESOURCES</b>	<b>\$74,957,228</b>

Expenditures	FY 2018-19
Motor Vehicle Tax Collection Fees (State)	\$50,001
Transfer to Debt Service	\$67,746,639
County Contribution*	\$7,160,588
Reserve for Future Purchases	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$74,957,228</b>

\*Projects funded with county contribution. These projects include:

- Ongoing HVAC Replacement: \$53,861
- Ongoing Roof Replacement: \$262,411
- Ongoing Parking Resurfacing: \$268,550
- IT Equip. Replace (Scheduled): \$2,893,000
- County Building Envelope Upgrades: \$500,000
- IT Telecommunications System: \$428,000
- Bethesda VFD Building Support: \$614,631
- Security Improvements: \$392,510
- EMS Duke West Station: \$300,000
- Open Space & Farmland Acquisition: \$500,000
- Bragtown Branch Library Upgrade: \$55,125
- Stanford L. Warren Library Upgrade: \$892,500

For FY 2018-19, the portion of the county-wide tax rate dedicated to the Capital Financing Plan is 9.71 cents, no increase from FY 2017-18. As part of a 2016 General Obligation Bond referendum (approved) citizens were told that an overall increase of up to 2.5 cents would be needed to support GO Bond debt as well as other forms of oncoming new debt. That planned debt related increase, although slightly lower at 1.75 cents, was included in the FY 2017-18 budget. The slightly lower tax increase needed is due to several refinancings of existing County debt at better rates along with changes to project timelines and changes to future debt cost estimates.

# Capital Financing Plan Fund

Fund: 1001250000

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
▼ <i>Expenditures</i>					
Operating	\$46,811	\$50,000	\$46,768	\$50,001	\$50,001
Transfers	\$63,280,369	\$72,630,412	\$73,442,668	\$74,757,097	\$74,907,227
<b>Total Expenditures</b>	<b>\$63,327,180</b>	<b>\$72,680,412</b>	<b>\$73,489,436</b>	<b>\$74,807,098</b>	<b>\$74,957,228</b>
▼ <i>Revenues</i>					
Taxes	\$28,281,955	\$34,560,507	\$35,081,185	\$35,731,563	\$35,881,693
Investment Income	\$48,917	\$10,000	\$10,549	\$10,000	\$10,000
Rental Income	\$563,868	\$575,113	\$575,113	\$586,628	\$586,628
Other Fin. Sources	\$41,112,723	\$37,534,792	\$38,889,801	\$38,478,907	\$38,478,907
<b>Total Revenues</b>	<b>\$70,007,463</b>	<b>\$72,680,412</b>	<b>\$74,556,648</b>	<b>\$74,807,098</b>	<b>\$74,957,228</b>
<b>Net Expenditures</b>	<b>(\$6,680,283)</b>	<b>\$0</b>	<b>(\$1,067,212)</b>	<b>\$0</b>	<b>\$0</b>

Continued growth in revenue such as sales tax and occupancy tax revenue along with a portion of the new Article 46 sales tax (as defined in a Board of County Commissioners resolution) are also helping offset the need for higher property tax support of debt service in FY 2018-19. A fiscal bright spot is the future planned use of available dedicated fund balances (savings accounts) and other revenue sources to minimize property tax revenue needed for capital and debt support for the next several years. This is based on the current set of projects and their planned timing as set in the FY 2017-26 10 Year Capital Improvement Plan (CIP). Any unexpected changes to the CIP may cause changes in the amount of property tax needed to support the plan and its corresponding debt service.

A graphical representation of the Capital Financing Plan Debt Funding is included in this section. For more information on bonded capital projects, debt service, debt limits and principal and interest payments, refer to the Debt Service Fund section of the budget.

## **DURHAM COUNTY CAPITAL FINANCING POLICY**

Durham County recognizes the goal of the Capital Financing Policy is to provide for the adequate funding of the County's capital program while avoiding erratic increases and decreases in the County's property tax rate. Thus, a Capital Financing Plan for the payment of debt related to projects financed by long-term borrowing shall be updated annually.

The County currently dedicates the following revenues to the payment of debt and pay-as-you-go (county contribution) capital projects:

- Article 40 and Article 42 one-half cent sales taxes;
- County share of the Occupancy Tax; and
- County-wide property taxes.

The county reserves up to 20% of these annually-dedicated revenues for pay-as-you-go projects. In addition, the Pay-As-You-Go Policy restricts dedicated property tax revenue to 20% of a maximum of 5 cents, or 1 cent, in county-wide property taxes. The portion of annual revenues reserved for pay-as-you-go is 16.37% for the FY 2017-18 budget.

Investment earnings on unexpended debt proceeds shall be restricted to the payment of debt. Investment earnings on amounts restricted for the payment of debt and pay-as-you-go funds shall bear the same restrictions as the principal amounts generating these investment earnings.

Excess funds, if available, within the Debt Service Fund may be used to provide advance funding for capital projects pending bond sale. Such advances or loans would be repaid with interest based on the monthly yield of the North Carolina Cash Management Trust short-term investment fund.

This policy applies to the Board of County Commissioners and county administration and may be revised by the Board as it deems appropriate to meet the changing needs of the County for capital financing.

**RESOLUTION OF THE DURHAM COUNTY BOARD OF COMMISSIONERS AMENDING ITS POLICY  
ON FINANCING CAPITAL PROJECTS**

WHEREAS, Durham County adopted on March 27, 1989, a policy setting forth that the County will annually update and review its capital needs and its plan for financing the payment of debt for projects financed by long-term borrowing; and

WHEREAS, Durham County recognizes that the goal of its capital financing policy is to provide for the adequate funding of the County's capital program while avoiding erratic increases and decreases in the County's property tax rate; and

WHEREAS, in an attempt to meet this goal, the Board identified in the policy certain sources of revenue to the County from which funds would be used for the satisfaction of the county's debt obligations; and

WHEREAS, this policy applies to the governing board and administration of the County and may be revised from time to time by the governing board as it deems appropriate to meet the changing needs of the County for capital financing:

NOW, THEREFORE BE IT RESOLVED that the Board of Commissioners of Durham County hereby amends its policy of financing capital projects and capital project debt revised and approved on June 26, 2006 as follows:

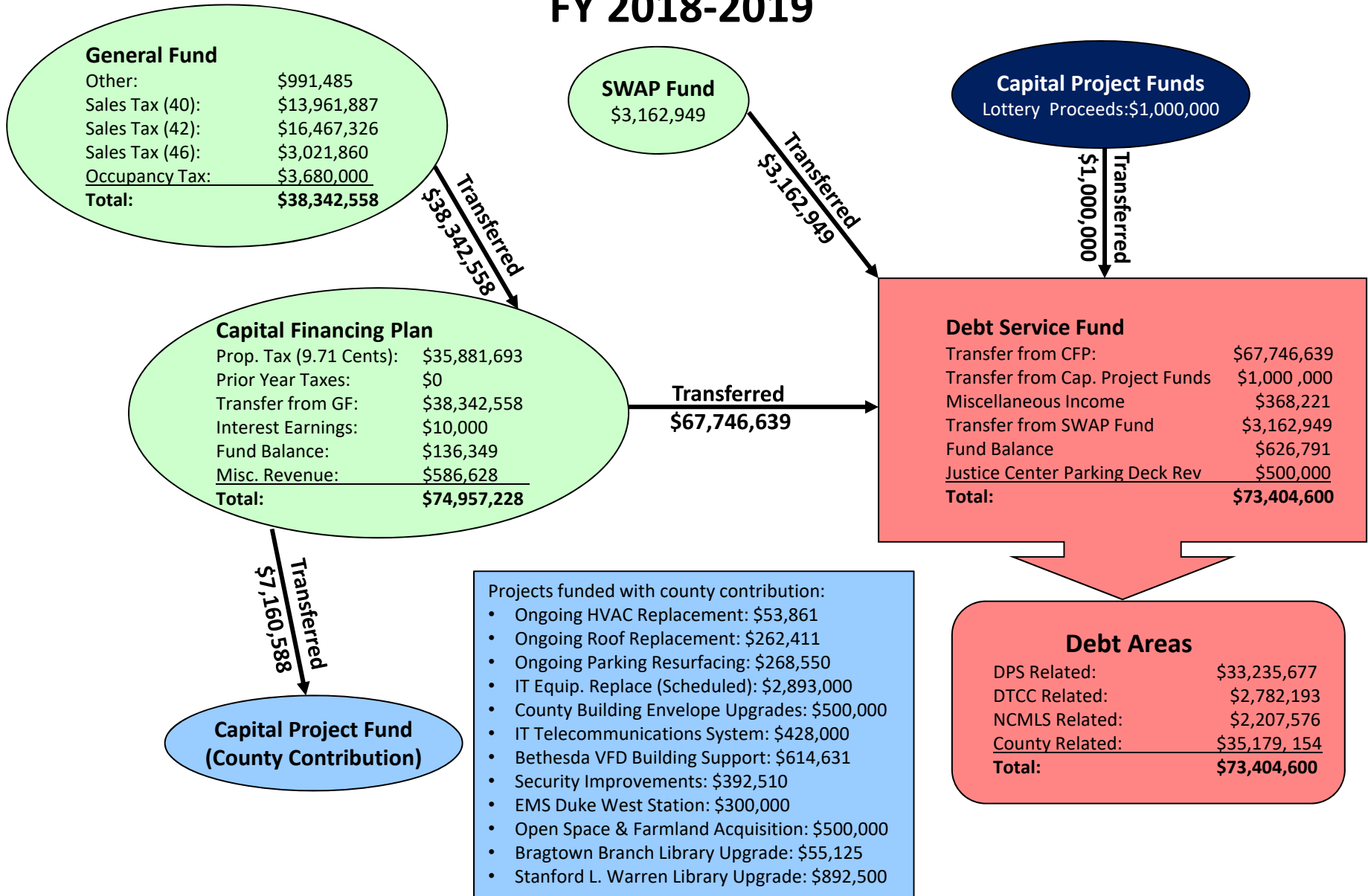
The county will annually designate:

1. Article 40 and Article 42 one-half cent sales taxes,
2. The County's share of the occupancy tax,
3. Countywide property taxes,
4. In addition, dedicated property tax revenue to 20% of a maximum of five cents (or 1 cent) in countywide property taxes for pay-as-you-go projects.

AND BE IT FURTHER RESOLVED that all provisions of the policy adopted on March 27, 1989, which are not inconsistent with the provisions hereof remain in full force and effect.



# Capital Improvement Plan Debt Funding FY 2018-2019



# BENEFITS PLAN FUND



**GOAL 5 ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT:** An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

## PROGRAM DESCRIPTION

Durham County has a benefit plan that is partially self-funded. This plan allows for more effective and efficient management of health care costs for both the County and its employees. By retaining profits that would normally accrue to the administrator of a fully-insured plan, the county is able to provide a core plan for all employees that includes health, dental, vision and one-time salary life insurance coverage for all employees and offers dependent coverage that more employees can afford.

The Fund Balance Policy was also revised so that unspent funds for the self-insured benefits (i.e. Health and Dental) can only be used as funding for these benefits and will be committed in the County’s fund balance. By committing these unspent funds in the County’s fund balance and establishing this process in amending the County’s Fund Balance Policy, the Board added stronger internal controls to further ensure compliance. In order to be in compliance, the County is required to perform an annual review of the performance of the self-insured benefits and the reserves for these benefits.

**Program Purpose:** The purpose of the Benefits program is to provide health and financial benefit options that maintain or improve employees' physical, mental and financial health and thereby enhance their overall personal and professional well-being.

**Program Description:** The County’s comprehensive benefits package contributes to the physical, mental and financial health of its employees and their family members. All full-time employees receive County-paid health, vision, dental, term life and accidental death and dismemberment insurance (with the County paying a pro-rated portion for part-time employees who work at least 50% of their work schedule). In addition, the County pays a portion of the health insurance coverage for employees’ family members and pays the entire cost of employee plus family vision coverage. Employees also have the option of purchasing additional life insurance for themselves and their spouses and children, as well as short and long-term disability, hospital confinement, long term care and legal insurance. Medical and dependent care flexible spending accounts are available, too. The County knows that a robust set of benefit offerings enhances our ability to attract talented and committed employees in the highly competitive Research Triangle area.

For FY 2018-19, the plan will be funded as follows: Funds will be transferred to the Benefits Plan Fund to cover the cost of the plan: \$23,787,488 will be transferred from the General Fund; \$249,625 charge for service from the Sewer Utility Enterprise Fund for employees that reside in that fund; \$49,925 will be transferred from the Risk Management Fund for employees that reside in that fund; \$2,598,020 funding source for employee contributions booked directly to the Benefits Plan Fund and \$500,000 in committed for dental fund balance appropriation.

### FY 2018-19 Benefits Plan Fund Budget

Health	\$23,638,215
Dental	\$1,901,787
Vision	\$368,727
Life Insurance	\$186,523
Wellness Clinic HealthSTAT	\$502,412
Plan Administration Fees	\$87,394
Transfer to GF - Dental	\$500,000
Total Expenditures:	\$27,185,058
Less Employee/Retiree Contribution Health	\$1,696,100
Less Employee/Retiree Contribution Dental	\$901,920
Utility Fund Charge for Service	\$249,625
Total County Funding	\$24,337,413

# Benefits Plan Fund

Fund: 1001500000

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
<b>Expenditures</b>					
Personnel	\$21,712,347	\$22,852,938	\$25,244,262	\$26,095,252	\$26,095,252
Operating	\$606,017	\$589,806	\$592,668	\$589,806	\$589,806
Transfers	\$0	\$0	\$0	\$500,000	\$500,000
<b>Total Expenditures</b>	<b>\$22,318,364</b>	<b>\$23,442,744</b>	<b>\$25,836,930</b>	<b>\$27,185,058</b>	<b>\$27,185,058</b>
<b>Revenues</b>					
Investment Income	\$42,113	\$0	\$0	\$0	\$0
Service Charges	\$2,634,564	\$2,550,862	\$2,792,941	\$2,847,645	\$2,847,645
Other Revenues	\$0	\$0	\$483	\$0	\$0
Other Fin. Sources	\$20,134,735	\$20,891,882	\$22,124,731	\$24,337,413	\$24,337,413
<b>Total Revenues</b>	<b>\$22,811,412</b>	<b>\$23,442,744</b>	<b>\$24,918,155</b>	<b>\$27,185,058</b>	<b>\$27,185,058</b>
<b>Net Expenditures</b>	<b>(\$493,048)</b>	<b>\$0</b>	<b>\$918,775</b>	<b>\$0</b>	<b>\$0</b>

## 2018-19 BUDGET HIGHLIGHTS

- The County will continue with Aetna's Accountable Care Organization.
- The total increase of the County Benefits Plan Fund for all insurance costs is 16% (\$3.76 million) from \$23,442,744 to \$27,185,058. Health insurance costs increase for two different reasons: 1) Enrollment increase = an additional \$1.12 million (6.3%), 2) Premium increase = \$1.64 million (8.65%). The increase in the fund also includes other benefit area increases of approximately \$500,000 and a \$500,000 transfer to the General Fund to support the employer contribution for dental benefits.

# TAX ADMINISTRATION - REVALUATION



**GOAL 5 ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT:** An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

## MISSION

To ensure all real property has been reappraised in accordance with the provisions of G.S. 105-283 and G.S. 105-317 as of January 1 of the reappraisal year.

## DEPARTMENT DESCRIPTION

**Program Purpose:** The purpose of the General Reappraisal program is to meet statutory obligations to fairly appraise all real property within the county to determine its true value, which means market value at least once every eight years or within the cycle set forth by a resolution adopted by the County Commissioners.

**Program Description:** Each county is required to reappraise all real property in accordance with North Carolina General Statute 105-283 and 105-317. Durham County's most recent general reappraisal of over 114,000 parcels was effective 01/01/2016. Durham County Board of County Commissioners has set 01/01/2019 as the date of the next general reappraisal and every four years thereafter.

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
<b>Expenditures</b>					
Personnel	\$264,765	\$263,736	\$255,008	\$256,568	\$256,550
Operating	\$1,004,949	\$1,063,756	\$1,146,672	\$1,192,870	\$1,185,456
Capital	\$0			\$34,000	\$34,000
<b>Total Expenditures</b>	<b>\$1,269,714</b>	<b>\$1,327,492</b>	<b>\$1,401,680</b>	<b>\$1,483,438</b>	<b>\$1,476,006</b>
<b>Revenues</b>					
<b>Total Revenues</b>	<b>\$1,662,044</b>	<b>\$1,327,492</b>	<b>\$1,401,680</b>	<b>\$1,483,438</b>	<b>\$1,476,006</b>
<b>Net Expenditures</b>	<b>(\$392,330)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>
FTEs	0.00	11.00	11.00	11.00	11.00

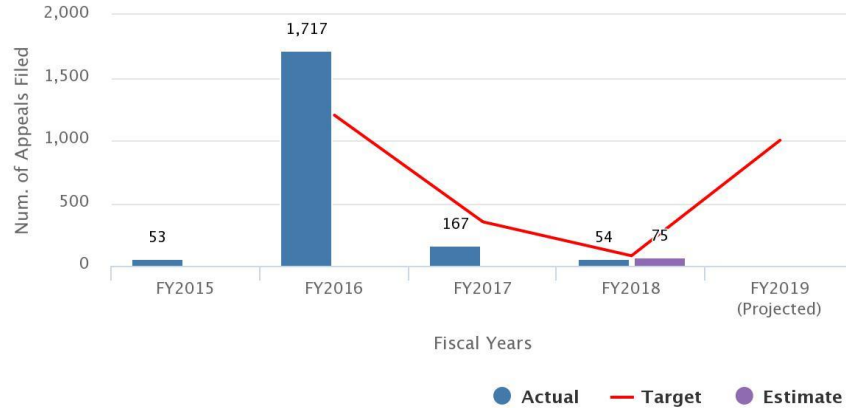
\*Note: In FY2017-18 the Revaluation Fund Center was moved to the Reappraisal Reserve Fund (see corresponding page for General Fund Tax Department information)

## 2018-19 BUDGET HIGHLIGHTS

- Per Durham County Board of Commissioner approval of a revised County Fund Balance Policy in FY2016-17, the Revaluation Fund Center that has historically been a part of the General Fund will now be placed into a "Committed for Reappraisal Reserve Fund" per Government Accounting and Standards Board (GASB) best practice.
  - This will follow state statute mandating that the County annually estimate the cost of the next reappraisal and provide a budget that will cover those expenditures.
- With the date for the next general reappraisal of property values in Durham County approaching on January 1, 2019, much of the data collection and appraisal work needed to meet this deadline must be completed in the final quarters of the 2017-2018 fiscal year.
  - New reappraisal standards implemented by the NC Department of Revenue on July 28, 2016 will require additional resources by the county to remain in compliance. These standards will require a full measure and list to ensure that each property is visited and all improvements are re-measured and checked for data accuracy.

## PERFORMANCE MEASURES:

**Measure:** NUMBER OF COMMERCIAL/INDUSTRIAL REAL PROPERTY APPEALS FILED WITH BOARD OF EQUALIZATION & REVIEW

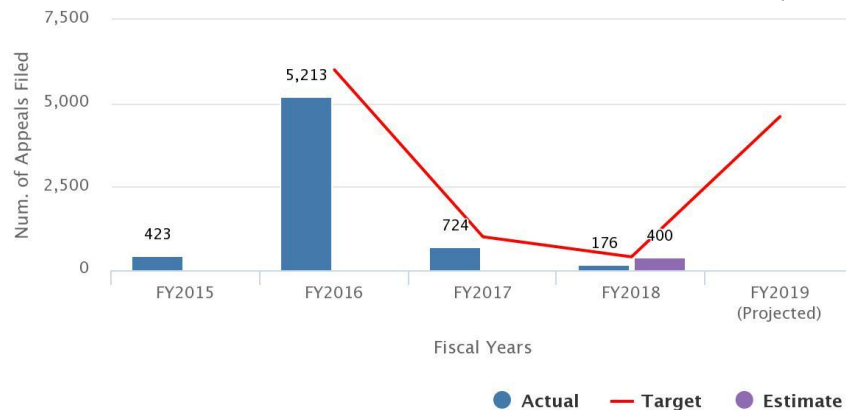


**Measure description:** According to N.C.G.S. 105-322(2), any taxpayer who owns or controls property taxable in the County has the right to appeal the listing or appraised value of the property. Often this indicates owners believe the value of their property exceeds true market value. During the years in which the County conducts a general reappraisal, the number of filed appeals increases. The goal of a general reappraisal is to reappraise all properties (8,700+/- commercial) at 100% market value. Durham County's most recent general reappraisal was effective January 1, 2016 with the next effective January 1, 2019.

**Trend explanation:** Typically, this number decreases the further away from a general reappraisal year. The expected trend is that the percentage of appeals filed will decline as the County conducts reappraisals on a regular basis.

**FY2018-19 target projection:** Mass appraisal industry standard for commercial/industrial appeals range 15-20% of the County's parcel count. If the number of filed appeals is lower than this standard, that generally indicates property owners agree with the values set by the assessor's office. FY19 is a general reappraisal year which accounts for the increase in the target number.

**Measure:** NUMBER OF RESIDENTIAL REAL PROPERTY APPEALS FILED WITH BOARD OF EQUALIZATION & REVIEW



**Measure description:** According to N.C.G.S. 105-322(2), any taxpayer who owns or controls property taxable in the County has the right to appeal the listing or appraised value of the property. Often this indicates owners believe the value of their property exceeds true market value. During the years in which the County conducts a general reappraisal, the number of filed appeals increases. The goal of a general reappraisal is to reappraise all properties (106,000+/- residential) at 100% market value. Durham County's most recent general reappraisal was effective January 1, 2016 with the next effective January 1, 2019.

**Trend explanation:** Historically, the number of residential appeals increases significantly during a general reappraisal year. This is attributable to new property values being placed on every parcel within the County.

**FY2018-19 target projection:** Under normal economic conditions, the years prior to the effective date of general reappraisal show a decline in appeals filed. The effective date of Durham County's next general reappraisal is January 1, 2019 which accounts for the large increase in appeals projected for FY19. Mass appraisal industry standard for residential appeals filed is 10% of the total parcel count. The number of appeals filed that is lower than this standard is an indication that most property owners agree with the value set by the assessor's office.