



## **Appendix**

Additional supplementary material.

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## FY2020-21 BUDGET CALENDAR

October 2019		
Tuesday	Oct. 15	Departments submit Information Services & Technology Request Form (new requests only, not replacements) to Kim Cook in Information Services and Technology
November 2019		
Friday	Nov. 1	Distribution of budget materials to departments through Office 365. (Budget manual and New Spending Form)
Wednesday	Nov. 13	Joint City and County Budget meeting
Friday	Nov. 15	Departments submit Replacement vehicle, Building Renovation and General Maintenance forms to General Services.
Wednesday	Nov. 20	Budget presentation at Nov. Department Head Meeting
Friday	Nov. 22	BOCC Planning Retreat
December 2019		
Wednesday	December 11	FY 2020-21 Budget Kick-off at Department Head Meeting
Monday	December 16	New Spending Forms Due to Budget
		Budget Analyst meetings with Departments to review request.
January 2020		
Monday - Friday	January 6 -10	Pre-Budget Meetings with General Managers – Goal Area Team Meeting
Monday	January 13	<b>SAP Budget System (BWP) opens</b> for entry of departmental budget requests. Schedule individual training session with your budget analyst. Also, please refer to budget materials distributed in December on Office 365.
February 2020		
Friday	February 7	Deadline for budget staff to review NI forms and provide feedback to departments
Friday	February 14	<b>DEPARTMENTAL BUDGET REQUESTS DUE TO BUDGET AND MANAGEMENT SERVICES – Requests entered into SAP Budget System (BWP) and supporting documents placed in Office 365 (includes program budgets and strategies) 5 weeks</b>
Monday	February 25?	BOCC Annual Budget Retreat – 9-3pm
March 2020		
Monday-Tuesday	March 9 – 31	Departmental budget presentations with County Manager, General Manager and Budget and Management Services
Monday	March 23	Advance public comments at Board of County Commissioners meeting
April 2020		
Wednesday-Friday	April 1 -3	Continue Departmental budget presentations with County Manager, General Manager and Budget and Management Services
May 2020		
Friday	May 1	Complete Budget Book pages
Friday	May 8	Departments will be notified of the County Manager's recommendation
Monday	May 11	County Manager delivers Recommended Budget to Board of County Commissioners – 7p
Tuesday	May 12	Notice of Public Hearing published for May 26 public hearing
Tuesday	May 19	Board of County Commissioners budget worksession 1-5pm
Tuesday	May 26	Board of County Commissioners holds public hearing on Recommended Budget 7pm
Wednesday	May 27	Board of County Commissioners budget worksession 9-12pm
Thursday	May 28	Board of County Commissioners budget worksession 9-4:30pm
June 2020		
Monday	June 1	Board of County Commissioners budget worksession 1:30-5pm
Tuesday	June 2	Board of County Commissioners budget worksession 9-2:30pm
Monday	June 8	Board of County Commissioners adoption of FY 2020-21 Annual Budget Ordinance
July 2020		
Wednesday	July 1	FY 2020-21 budget available in SAP Budget System

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# GLOSSARY TERMS

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**Account:** The detailed record of a particular asset, liability, owners' equity, revenue, or expense.

**Accrual basis:** Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

**Ad valorem tax:** Commonly referred to as property tax; levied on both real and personal property according to the property's valuation and the tax rate.

**Appropriated fund balance:** The estimated fund balance appropriated into the annual budget.

**Appropriation:** A legal authorization to incur obligations and make expenditures for specific purposes.

**Approved budget:** The final budget the Board of County Commissioners adopts by July 1.

**Assessed valuation:** The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

**Asset:** Anything owned by an individual or a business which has commercial or exchange value.

**Balanced budget:** Where revenues and expenditures are budgeted at equal amounts.

**Base budget:** Cost if continuing the existing levels of service.

**Basis of accounting:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**Basis of budgeting:** The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law.

**Board of County Commissioners (BOCC):** The governing body of Durham County consisting of five commissioners elected at-large and serving for four-year terms.

**Bond:** A written promise to repay debt on a specific date in the future along with payment of a specified amount of interest at predetermined intervals while the debt is outstanding.

**Bond agency fees:** Fees charged by bond agencies for services related to debt issuance.

**Bond covenant:** Provision in a bond or debt contract which require the debt issuer to meet certain standards or do certain things.

**Bond rating:** Grade indicating a unit's investment qualities; ratings range from AAA (highest) to D (lowest).

**Budget:** Plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.

**Budget amendment:** A means for the Board of County Commissioners to recognize new revenues or expenditures and amend the operating budget.

**Business area:** Group of related activities performed by one or more organizational units (fund centers) for the purpose of accomplishing a function for which the government is responsible.

**Capital expenditure (or outlay):** Fixed asset which has a value of \$5,000 or more and has a useful economic lifetime of more than one year.

**Capital Improvement Plan (CIP):** Long-range plan which outlines major capital needs and the means of financing proposed acquisitions.

**Certificates of participation (COPs):** Shares in a debt obligation created by a capital lease that are sold to or placed with investors. The certificates are secured by the property financed with the debt.

**Code:** System of numbering accounts and transactions in order to produce desired information; see *commitment item*.

**Commitment item:** Accounting code used to classify an expenditure or a revenue; examples: 5100011000 – Salary, 5200110200 – Telephone.

**Constant dollars:** Actual dollar amounts adjusted for inflation.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Debt:** Money or other property lent or borrowed and that must be repaid or returned. Debt may be outstanding for a short term (one year or less) or for a long term (one year or more).

**Debt service:** Cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Department:** The organizational unit of county government providing a specific service.

**Designated fund balance:** Designations of fund balance represent tentative management plans that are subject to change.

**Elected officials:** Positions decided upon by voters and include the Board of County Commissioners, Sheriff, and Register of Deeds.

**Employee benefits:** Benefits beyond salary compensation, including health care, retirement, disability, life insurance, etc.

**Encumbrances:** A reservation of budget authority for a particular purpose. An encumbrance typically occurs when a purchase order or contract is approved.

**Enterprise fund:** A separate fund that accounts for a government-owned enterprise, such as solid waste or water-sewer systems.

**Expenditure:** Payment of cash on the transfer of property or services for the purpose of acquiring an asset or service, or settling a loss.

**Federal and state revenues:** Funds received from federal, state, or other local government sources.

**Fire district:** Special district taxes are levied for fire protection in seven districts: Bahama, Bethesda, Eno, Lebanon, New Hope, Parkwood and Redwood.

**Fiscal year:** A declared accounting year, not necessarily a calendar year. The fiscal year for Durham County is July 1 to June 30.

**Fixed asset:** Assets of long-term character that are intended to continue to be held or used such as land, buildings, furniture and other equipment.

**Full-time equivalent (FTE):** A position count that calculates workforce by number of hours worked relative to a standard working schedule. For instance, a part-time worker may be considered 0.5 FTE.

**Function:** Grouping of agencies that provide similar services. For example the “Public Safety” function includes the Sheriff, Emergency Medical Services, Criminal Justice Resource Center, Fire Marshal, and Emergency Communications, among others.

**Fund:** Fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

**Fund balance:** Funds accumulated through the under expenditure of appropriations and/or the act of exceeding anticipated revenues.

**Funds center:** One organizational unit within a department or business area that has a specific purpose in accomplishing a function for which the agency is responsible.

**General Fund:** The main operating fund accounting for governmental functions supported by general taxes and revenues as well as financial resources that legal requirements do not require to be accounted for in another fund.

**General obligation bond:** Bond that is backed by the full faith, credit, and taxing power of the government.

**Generally Accepted Accounting Principles (GAAP):** Accounting rules used to prepare, present and report financial statements. For local and state governments, GAAP is determined by the Governmental Accounting Standards Board (GASB).

**Goal:** A broad statement of desired conditions to be maintained or achieved through the efforts of an organization; standard against which progress is measured.

**Governmental Accounting Standards Board (GASB):** A private, nongovernmental organization that establishes and improves standards of local and state governmental accounting and financial reporting; see [www.gasb.org](http://www.gasb.org).

**Grant:** Gift of money from one organization to another.

**Intergovernmental revenues:** Funds received from federal, state and other local government sources.

**Internal service fund:** A fund that may be used to account for any activity that provides goods or services to other departments or funds within the same government.

**Lease:** A contract where a party being the owner of an asset provides the asset for use at a consideration (rental), for a certain period with an understanding that at the end of such period the asset either will be returned to the lessor or disposed of as per the lessor's instructions.

**Liability:** A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

**Mission:** The mission of Durham County Government is to enhance the quality of life for its citizens by providing education, safety and security, health and human services, economic development, and cultural and recreational resources.

**Modified accrual basis:** Under this accounting basis, revenues are considered available when collectible, either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

**Net assets:** The difference between total assets and current liabilities including non-capitalized, long-term liabilities.

**Object of expenditure:** An expenditure classification related to the type of goods or services purchased, such as office supplies.

**Objective:** A specific statement of desired results which represents a single step in the achievement of a goal. Objectives are measurable and can be accomplished within a specific time interval.

**Operating expense:** Cost for personnel, materials, and equipment required for a department to function.

**Ordinance:** A legal document adopted by the governing body setting policy and procedures.

**Other financing sources:** A revenue category containing appropriated fund balance and transfers from other funds.

**Pass-through funds:** Funds from other jurisdictions, such as the federal government, which are used often for a specific purpose or activity administered by the county.

**Performance budget:** A budget in which expenditures are based primarily upon measurable performance of activities and work programs.

**Performance indicator:** Specific quantitative and qualitative measures of work performed.

**Personal property:** Classified within two divisions: 1) Tangible property includes items that are visible and movable; 2) Intangible property includes stocks, bonds, bank deposits, etc.

**Personnel services:** Expenditures for salaries, wages, and fringe benefits.

**Property taxes:** Levied on real and personal property and set at a rate of cents on each dollar of value of the property.

**Real property:** Land, buildings, and items permanently affixed to land or buildings.

**Reappraisal (or revaluation):** The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value.

**Reclassification:** A change in the classification and corresponding job title of an existing position, which results from a major change in assigned responsibilities.

**Recommended budget:** The County Manager presents a recommended budget to the Board of County Commissioners based on requests for funding from departments. By North Carolina law, the recommended budget must be provided to the Board by June 1.

**Reserved fund balance:** Amounts that are not appropriable or legally segregated for a specific purpose.

**Revenue:** Any type of funds that can be used to pay for expenses. Types of revenue include property taxes, sales taxes, state funds, federal funds, grant funds, fees, interest earnings, loans, etc.

**Revenue bond:** Bond secured by and repaid from specific and limited revenues. The pledged revenues are most often net revenues, or earnings, from a self-supporting utility or enterprise.

**Service level:** The amount of service provided during a fiscal year as indicated by one or more performance indicators.

**Special assessments:** Charges to property owners which finance public improvements or services deemed to benefit specific properties.

**Special revenue fund:** A fund used to account for the proceeds of special revenue sources (other than for capital projects) that are legally restricted to expenditures for a specific purpose.

**Statute:** A law enacted by the North Carolina General Assembly.

**Tax levy:** Revenue produced by applying a given tax rate to a property's assessed, or tax, value.

**Transfers in/out:** Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Trend:** A continuing direction of movement of a chronological series of data charted on a graph.

**Unassigned fund balance:** The amount of fund balance which is available for future appropriations.

**User charges:** Payment of a fee for direct receipt of a public service by the party who benefits from the service.

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## LINE ITEM CODES

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### Personnel Services

- 5100011000 SALARIES AND WAGES - REGULAR: Salaries and wages paid to full-time employees.
- 5100012000 SALARIES AND WAGES - PART TIME: Salaries and wages paid to part-time employees.
- 5100020500 PHONE ALLOWANCE: Compensation to employees and elected officials for county-business use of personal phone devices.
- 5100020600 TRAVEL ALLOWANCE: Compensation to employees and elected officials for expenses incurred while travelling on county business.
- 5100051000 BOARD MEMBER FEES: Regular compensation paid to boards and commissions.
- 5100050200 CONSULTING FEES: Fees paid directly to individuals and firms providing contracted personnel services to the county. These services replace or augment those provided by program personnel.

### Employee Benefits

- 5100061000 FICA EXPENSES: Social security expenses incurred by the county for all employees.
- 5100061300 RETIREMENT: The county's cost for retirement benefits under the Local Government Employees' Retirement System.
- 5100063300 SUPPLEMENTAL RETIREMENT: The county's contribution to deferred compensation accounts for employees eligible for the Local Government Employees' Retirement System.

### Operating Expenses

- 5200110200 TELEPHONE: The cost of local and long distance telephone service and installation charges.
- 5200110300 POSTAGE: Expenditures for mailing and shipping.
- 5200110400 PRINTING: Expenditures for printing and duplicating.
- 5200114300 OFFICE SUPPLIES AND MATERIALS: Expenditures for all consumable office supplies, small fixtures, or furniture valued under \$1,000.
- 5200114400 NON-CAPITAL OFFICE FURNITURE AND EQUIPMENT: The purchase of tangible, individual office furniture and equipment items costing less than \$1,000.
- 5200120100 BUILDING RENT: Payments for space rented by the county.
- 5200120200 EQUIPMENT RENTAL: Charges for lease and rental of equipment.
- 5200120300 UTILITIES: Charges for electricity, water, fuel oil, and natural gas.
- 5200120500 VEHICLE LEASE: Lease payments for vehicles leased or lease-purchased by the county.
- 5200120600 EQUIPMENT LEASE: Lease payments for equipment leased or lease-purchased by the county.
- 5200130100 TRAINING-RELATED TRAVEL: The cost incurred for travel, fees, subsistence and registrations in connection with employee development.
- 5200130300 DUES AND SUBSCRIPTIONS: The cost of memberships, dues, and subscriptions to periodicals and journals.
- 5200140300 M & R EQUIPMENT: The cost incurred in maintaining and repairing county-owned equipment, including service contracts.
- 5200140400 M & R VEHICLES: The cost incurred in maintaining and repairing county-owned vehicles.
- 5200150100 OPERATIONAL TRAVEL: The cost of travel associated with department and program operations.
- 5200150200 VEHICLE SUPPLIES: The cost of operating and maintaining county-owned vehicles.



- 5200151000 SOFTWARE: Expenditures for computer software valued under \$1,000.
- 5200159500 OTHER SUPPLIES AND MATERIALS, also called MISCELLANEOUS SUPPLIES: The cost of operating supplies and materials not otherwise classified.
- 5200160100 MISCELLANEOUS CONTRACTED SERVICES: Expenditures for services contracted out by the county, including consultant or personnel services contracts (security, janitorial, audit, etc.).
- 5200180100 ADVERTISING: The cost incurred for advertising including legal notices, recruitment, etc.
- 5200180300 UNIFORMS: The cost of providing uniforms to employees.
- 5200184000 INSURANCE AND BONDS: The cost of insuring county property, such as buildings and equipment and employee fidelity bonds.
- 5200190300 INDIRECT COSTS: The administrative, or overhead, costs associated with a department or program.
- 5200191000 MISCELLANEOUS EXPENSE: Items not categorized in other expense lines.
- 5200200000 NON-CAPITAL COMPUTER: The cost of non-capital, computer-related, individual hardware purchases less than \$750 (laser printer).

**Capital Outlay**

- 5300230000 BUILDINGS: Refurbishing.
- 5300240000 OFFICE FURNITURE AND EQUIPMENT: Expenditures for office and equipment (except computer hardware) with a unit cost of \$1,000 or more and a useful life exceeding one year (desks, chairs, calculators, fax machines, etc.).
- 5300250000 MISCELLANEOUS MACHINERY & EQUIPMENT: Expenditures for machinery and major equipment with a unit cost of \$1,000 or more and a useful life exceeding one year (mowers, lab equipment, etc.).
- 5300250100 VEHICLES: Expenditures for automobiles, vans, trucks, etc.
- 5300253500 SOFTWARE: Expenditures for all individual computer software purchases with a unit cost of \$1,000 or more.
- 5300254000 COMPUTER HARDWARE: Expenditures for computer hardware and related equipment with a unit cost of \$1,000 or more and a useful life exceeding one year (computers, monitors, printers, modems, mainframe processors, etc.).

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# BUDGET AND AMENDMENT PROCESS

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## OVERVIEW

The budget process is designed to ensure that taxpayer dollars are efficiently and effectively utilized to fairly deliver essential government services. The Budget and Management Services Department serves as a coordinating resource to the Board of County Commissioners, County Manager, departments, nonprofit agencies, and citizens, each playing a pivotal role in the budget creation and review process. Through the budget, Durham County fulfills its mission to enhance the quality of life for its citizens by providing education, safety and security, health and human services, economic development, and cultural and recreational resources.

## GOVERNING STATUTES

The North Carolina Local Government Budget and Fiscal Control Act provides the legal framework in which all cities and counties in the state conduct their budgetary processes. The legislation is found in Chapter 159 of the General Statutes and establishes several important dates and provisions including:

- By April 30 – Departments must submit requests to the Budget Officer (N.C. Gen. Stat. § 159-10)
- By June 1 – Recommended budget must be submitted to the Board of County Commissioners (N.C. Gen. Stat. § 159-11(b))
- Before adoption – A public hearing must be held (N.C. Gen. Stat. § 159-12(b))
- By July 1 – From 10 days after submitted to the Board of County Commissioners, but by July 1, a balanced budget must be adopted (N.C. Gen. Stat. § 159-13(a))

## BUDGET PROCESS

All Durham County departments are required to submit requests for appropriation to the County Manager on or before March 15 of each year. This is done through a customized version of ERP software that compiles requested revenues, expenditures, and new positions from each department. The Budget and Management Services Department is responsible for advising and supporting county departments throughout the entire budget process; performing budget software maintenance and training; publishing recommended and approved budget documents; analyzing and assisting in the County Manager's recommendation of requests; and updating and distributing a budget manual, among other important duties.

The Budget and Management Services Department, under the direction of the County Manager, uses the departmental requests as the starting point for developing a recommended budget. Departments are asked to provide a continuation budget and identify expansion items through a priority ranking system. This information is ultimately reviewed and adjusted in order to create a balanced recommended budget that the County Manager presents to the Board of County Commissioners for review prior to May 31 of each year. The Board is required to hold public hearings on the recommended budget and to adopt a final budget no later than June 30, the close of Durham County's fiscal year. The Board typically holds multiple budget work sessions to address issues in the recommended budget. As required by North Carolina law, the Board adopts a budget ordinance setting a tax rate and spending authority for the fiscal year.

## AMENDMENT PROCESS

The adopted budget is prepared by fund, function (e.g., Public Safety) and department/agency (e.g., Sheriff); however, the appropriations are formally budgeted and approved on a functional basis. The County Manager is authorized to transfer budget amounts within a function up to 15% cumulatively without reporting to the Board of County Commissioners. The County Manager is authorized to transfer budget amounts between functions of the same fund up to \$20,000 with an official report of such transfer being made at the next regular meeting of the Board. Departments routinely submit budget amendments as agenda items to the Board after review by the Budget and Management Services Department. The amendments are typically placed on the consent agenda but can be pulled for discussion. Upon approval by the Board, the Budget and Management Services Department updates the financial system to reflect the amendment.

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# DURHAM COUNTY FISCAL POLICIES

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The County's long-term financial goal is to maintain its AAA bond rating. Some factors required for a AAA bond rating (e.g., a stabilized rate of population growth and diversification of the County's tax base) can be influenced, but not controlled by county government. However, the county government should ensure that factors under its control – the quality of its financial and overall management – meet the standards required of highly-rated communities. Characteristics of the County's financial operation should not stand in the way of the County maintaining its AAA bond rating. Durham County operates on a sound financial basis, as indicated by its AAA bond rating with Moody's Investors Service, Standard & Poor's, and the Carolinas Municipal Advisory Council. The bond rating serves as a shorthand statement of a locality's economic, financial, and managerial condition.

Municipal bond ratings represent the business community's assessment of the investment quality of a local government. The most obvious advantage of a AAA bond rating is Durham County's ability to successfully market its bonds when required and to borrow money at lower, more favorable interest rates than communities with lower ratings. Since bond ratings are based on demonstrated managerial competence and financial health, high bond ratings also relate to economic development activities and provide citizens with an indication of the quality of their local government. The following financial policies are consistent with the standards associated with the highest bond ratings available. For the complete list of financial policies, contact the Finance Department at (919) 560-0035.

## **Policy I: Fund Balance**

- 1.01 Durham County's Unassigned General Fund Balance will be maintained to provide the County with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- 1.02 The Unassigned General Fund Balance should not be used to support recurring operating expenditures outside of the current budget year. Use of the Unassigned General Fund Balance shall be done only to cover a shortfall in revenues. When a revenue shortfall requiring the use of the Unassigned General Fund Balance occurs, the County will increase its General Fund revenues through appropriation of unassigned fund balance or decrease its expenditures. The latter method will be used when preventing the use of Unassigned General Fund Balance two consecutive fiscal years in a row to subsidize General Fund operations.

The Unassigned General Fund Balance will be provided as follows:

- 1.03 An Unassigned General Fund Balance will be maintained at a level sufficient to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from a termination of or a decline in revenue sources.
- 1.04 The Unassigned General Fund Balance goal will be sixteen per cent (16.00%) of total actual prior fiscal year expenditures. These funds can only be appropriated by a resolution of the BOCC.
- 1.05 In the event the Unassigned General Fund Balance is used to provide for temporary funding of unforeseen emergency needs, the County shall restore the Unassigned General Fund Balance to the prior year's balance within two (2) fiscal years following the fiscal year in which the event occurred. To the extent additional funds are necessary to restore the Unassigned General Fund Balance to that level, such funds will be provided in at least two approximately equal contributions to be provided during each fiscal year but no later than June 30. This process would begin the first fiscal year following the fiscal year in which the event occurred.
- 1.06 Funds in excess of the annual requirements of Policy No. I.1.05 above may be considered to supplement "pay as you go" capital outlay expenditures or as additions to unassigned fund balance to be utilized at a future date.
- 1.07 A Total Fund Balance ratio of 35% (LGC requires 8%) of fund balance available as a percentage of expenditures shall be the County's goal.
- 1.08 Once the 35% level has been achieved, the amount over 35% shall be used to fund the annual Other Post Employment Benefits (OPEB) contribution to meet the OPEB obligation, pay-as-you-go capital projects or other non-reoccurring expenditures. This funding shall take place only after meeting requirements set out in Policy I.1.04 above. In addition, the OPEB portion of the Total Fund Balance for the General Fund shall not exceed 25% of the Total Fund Balance to ensure that the Committed for OPEB portion of fund balance remains reasonably proportionate to the Total Fund Balance for the General Fund as a whole to include unassigned fund balance.

## **Policy II: Fiscal Planning**

- 2.01 The County Manager shall submit to the BOCC a proposed annual budget with his recommendations and shall execute the budget as finally adopted.
- 2.02 The County Manager will budget revenues and expenditures on the basis of a fiscal year, which begins July 1 and ends on the following June 30, and in conformity with the Local Budget and Fiscal Control Act.
- 2.03 The County Manager will prepare a budget, which is consistent within the guidelines established by the Government Finance Officers Association in its Distinguished Budget Presentation Awards Program.
- 2.04 The County Manager shall provide annually a budget preparation schedule outlining the preparation timelines for the proposed budget.
- 2.05 Budget packages for the preparation of the budget, including forms and instructions, shall be distributed to County departments to complete. Department heads and elected officials shall prepare and return their budget proposals to the Budget Officer as required in the budget preparation schedule.
- 2.06 The proposed budget will contain the following:
  - a) Revenue estimates by major category
  - b) Expenditure estimates by department and functional levels
  - c) Debt service summarized by issues detailing principal and interest amounts by fund
  - d) Reappraisal reserve funding as per G.S. 153A-150.
- 2.07 The proposed budget also will contain information regarding:
  - a) Proposed personnel staffing levels
  - b) A detailed schedule of additional capital needs
  - c) A summary schedule of capital projects
  - d) Any additional information, data, or analysis requested of management by the BOCC
- 2.08 The proposed budget will be balanced (e.g., estimated revenues plus appropriated fund balance equaling estimated expenditures).
- 2.09 The BOCC will adopt the budget for the subsequent fiscal year no later than June 30.
- 2.10 Three quarterly reports on the status of the General Fund budget (budget to actual) and trends will be prepared by the Budget Officer and presented to the BOCC within 45 days of the end of the first, second, and third quarters. The report will provide the BOCC with projections through the end of the current fiscal year.
- 2.11 Budgeting procedures will conform to the Local Government Budget and Fiscal Control Act.
- 2.12 Alternatives for improving the efficiency and effectiveness of the County's functions and programs and the productivity of its employees will be considered during the budget process.
- 2.13 Duplication of services and inefficiencies in the delivery of these services should be eliminated wherever they are identified. The County will continue to examine alternative service delivery options for all County functions.
- 2.14 Performance measurement and productivity indicators will be integrated into the budget process where appropriate.
- 2.15 The County will fund current expenditures with current revenues and other recurring funding revenue sources.
- 2.16 The County will not balance the current budget at the expense of meeting future years' expenditures, such as accruing future years' revenues or rolling over short-term debt, to avoid planned retirement.
- 2.17 If a deficit is projected during any fiscal year, the County will take steps to reduce expenditures, increase revenues, or consider using the Undesignated General Fund Balance to the extent necessary to ensure continued compliance with the Local Budget and Fiscal Control Act.
- 2.18 The County will annually appropriate a contingency amount within the budget to provide for increases in costs of providing services and unanticipated needs that may arise throughout the fiscal year.
- 2.19 The contingency amount will be established at a minimum of 0.075% and not more than 0.25% of the estimated General Fund revenues (net of pass-through dollars) for the fiscal year in which the contingency amount is dedicated. The contingency amount budgeted can only be allocated to other functions (activities) within the budget by the BOCC.
- 2.21 Department heads and elected officials are required to monitor revenues and expenditures in relation to their department's (agency's) budgeted amount. This is to ensure that the actual revenue sources are as projected for funding resources and to prevent exceeding their total departmental expenditure budget.
- 2.22 The County will maintain the assets identified in the Capital Plant and Equipment Replacement Schedule at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs by:
  - a) Developing and maintaining a five-year plan for fleet and capital equipment with a value greater than \$5,000 and will consider the approval of capital equipment in concert with this adopted plan

- b) Providing for adequate maintenance in the annual operating budget of such capital plant and equipment through the use of an adopted Capital Improvement Plan and Capital Plant and Equipment Replacement Schedule
  - c) Providing for adequate maintenance of capital plant and equipment replacement under \$5,000 in the annual operating budget through the use of a Capital Plant and Equipment Replacement Schedule.
- 2.23 The County will not establish a trend of using the Undesignated General Fund Balance to finance current operations.
- 2.24 The County shall establish Memoranda of Understanding with its component unit(s) regarding the amount of annual General Fund support received each fiscal year.

**Policy III: Revenues and Collections**

- 3.01 The County's goal is a revenue system balanced between ad valorem taxes, other local taxes, licenses and permits, intergovernmental grants and transfers, investment and rental, charges for services, and other revenue sources.
- 3.02 Major revenue sources should provide for the following principles:
- a) Vertical Equity: Revenue sources should provide appropriate treatment of taxpayers at different levels of economic well-being
  - b) Horizontal Equity: Revenue sources should treat taxpayers with the same income or wealth equally
  - c) Neutrality: Revenue sources should not unduly influence economic decisions by consumers or businesses
  - d) Administrative and Compliance Costs: Revenue administration and enforcement should not absorb an undue percentage of total revenues
- 3.03 The County will monitor all taxes to ensure they are equitably administered and collections are timely and accurate.
- 3.04 Fees and charges should be based on benefits and/or privileges received from the County or based on costs of a particular service.
- 3.05 Periodically, the County will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other attendant costs. It is recognized that occasionally competing policy objectives may result in user fee levels that recover only a portion of service costs.
- 3.06 The County will reevaluate all property at least every eight years, with a goal of every four years, to be effective as of January 1 of the tax year. Real property revaluations shall be based on market value and follow standards established by the International Association of Assessing Officers. On October 24, 2016 by resolution, the BOCC advanced the general reappraisal to conduct a three year reappraisal effective for tax year January 1, 2019 and then a four year reappraisal cycle thereafter. The North Carolina (NC) Department of Revenue provided new reappraisal standards and guidelines in 2016 and recommended that all counties in NC move to a four year reappraisal cycle.
- 3.07 Personal property assessments are set on an annual basis, as of January 1, based on the market value of the property. Nationally recognized valuation guides, North Carolina Department of Revenue Trending Schedules, and market based appraisals are used to establish market value.
- 3.08 The County will provide, as appropriate, funding or tax exemptions to churches and governmental entities pursuant to the state and local guidelines. Other charitable or beneficial activities may be subsidized through direct grants irrespective of whether or how much property they own. Such grants should be part of the annual appropriation process and based on such consideration as benefits to the County as well as fiscal capacity of the County.
- 3.09 The County's goal is to achieve an annual assessment to sales ratio of 100% under current real estate market conditions when the January 1 assessment is compared to sales in the succeeding calendar year.
- 3.10 The County will maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source by doing the following:
- a) Establishing new charges and fees as needed and as permitted by law at reasonable levels
  - b) Pursuing legislative change, when necessary, to permit changes or establishment of user charges and fees
  - c) Aggressively collecting ad-valorem tax revenues, late penalties, and related interest as authorized
- 3.11 The County should pursue intergovernmental revenue sources (grants) for those programs and activities that address a recognized need and are consistent with the County's long-range objectives. Any decision to pursue intergovernmental revenue sources (grants) should include the consideration of the following:
- a) Present and future funding requirements
  - b) Cost of administering the funds
  - c) Costs associated with special conditions or regulations attached to the grant award
- 3.12 The County will attempt to recover all allowable costs, both direct and indirect, associated with the administration and implementation of programs funded through intergovernmental revenue sources (grants). In the case of state and

federally mandated programs, the County will attempt to obtain full funding for the services from the governmental entity requiring the service be provided.

**Policy IV: Capital Improvement Plan and Fixed Assets**

- 4.01 The County's policy on the financing of capital projects states that the County will dedicate the following revenues to the payment of debt and pay-as-you-go (County contribution) capital projects: Articles 40 and 42 one-half cent sales taxes, the County's share of the Occupancy Tax, county-wide property taxes, and enterprise revenues. 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 up to 20% of a maximum of five cents, or one cent, in county-wide property taxes.
- 4.02 The County Manager will submit a 10-year Capital Improvement Plan for review by the BOCC pursuant to established timeline. This plan will be updated every two years and presented to the BOCC. The Capital Improvement Plan should include capital improvements for all agencies for which the County sets tax rates and assesses levies and/or establishes user fees/charges and/or approves budgets or programs. The Capital Improvement Plan shall include the following elements:
  - a) An implementation plan for each of the capital project
  - b) An estimate of the cost and of the anticipated sources of revenue for financing the capital improvements and an estimate of the impact of each capital improvement on County revenues and the capital and operating budget
- 4.03 The County will maintain a schedule of fixed assets that includes completed County projects and construction in process funded through the Capital Improvement Plan in its fixed asset accounting system.
- 4.04 The County will match programs and activities identified in the Capital Improvement Plan with associated revenue sources.
- 4.05 In an effort to efficiently allocate resources, the County shall establish Memoranda of Understanding with the School Board regarding the development and coordination of the County's Capital Improvement Plan. The Memorandum of Understanding will address the following areas:
  - a) Plan for required capital improvements.
  - b) Debt issuance schedules.
- 4.06 Consistent with the intent of the Capital Improvement Plan stated in Policy No. 4.02 above, the Capital Improvement Plan should:
  - a) Present a plan for required capital improvements
  - b) Systematically improve and maintain the capital structure of the County
  - c) Meet the debt ratio targets as defined in Policy Nos. 5.05 and 5.06
  - d) Provide a schedule of proposed debt issuance

**Policy V: Debt Management**

- 5.01 The County will not use long-term debt to fund current operations and will continue to emphasize pay-as-you-go capital financing.
- 5.02 The County will not use tax revenue anticipation notes (TRANS) to fund current operations.
- 5.03 The County does not intend to issue bond anticipation notes (BANs) for a period longer than three years. If the BAN is issued for a capital project, the BAN will be converted to a long-term bond or redeemed at its maturity.
- 5.04 The issuance of variable rate debt by the County will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner.
- 5.05 Whenever the County finds it necessary to issue General Obligation (GO) Bonds, the following policy will be adhered to:
  - a) GO Bonds are bonds that are supported by the promise of the borrowing government to levy whatever amount of tax is necessary to pay principal and interest and can be enforced by legal action of any bondholder.
  - b) Total bonded debt will not exceed 3% of the net assessed valuation of taxable property in the County (Local Government Commission sets limit of 8%).
  - c) Designated funds, when required, will be provided to adequately meet debt service requirements in subsequent years.
  - d) Interest earnings on the designated fund balances will only be used to pay debt service on the bonds.
  - e) The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.

- f) Total debt service shall not exceed 15% of total current expenditures net of pass-through including current debt service.
- 5.06 Whenever the County finds it necessary to issue revenue bonds, the following guidelines will be adhered to:
- a) Revenue Bonds are defined as bonds on which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities or from other non-tax sources of the County.
  - b) Revenue Bonds/Special Obligation (SO) Bonds of the County and any of its agencies will be analyzed carefully by the Finance Department for fiscal soundness. The issuance of County Revenue Bonds/SO Bonds will be subject to the most careful and critical review and must be secured by covenants sufficient to protect the bondholders and the name of the County.
  - c) Revenue Bonds/SO Bonds should be structured to allow an approximately equal annual debt service amount over the life of the issue.
  - d) Designated funds, when required, will be provided to adequately meet debt service requirements in subsequent years.
  - e) Interest earnings on the designated fund balances only will be used to pay debt service on the bonds.
  - f) The term of any debt issued will not exceed the useful life of the capital project/facility of equipment for which the borrowing is intended.
- 5.07 The County shall comply with all Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
- 5.08 The County shall comply with all legal requirements regarding the issuance of bonds and certificates of the County and its debt issuing authorities.
- 5.09 The County shall establish Memoranda of Understanding with the School Board and any other agency prior to the issuance of debt establishing guidelines regarding the issuance of debt which would be included in Policy No. 5.05(e) above.
- 5.10 Whenever the County finds it necessary to issue Certificates of Participation (COPs) or Installment Purchase Contracts, the following guidelines will be adhered to:
- a) When COPs are issued, the County should attempt to deal with only one financial institution.
  - b) The terms of the debt issued should not exceed the life of the asset.
  - c) The terms should not exceed 25 years.
  - d) An escrow account may be used.

# COUNTY NONPROFIT FUNDING PROGRAM

## DESCRIPTION

For the past three fiscal years — FY 2017-18, 18-19, and 19-20 — the County has piloted a Request for Proposal (RFP) process to distribute funding to a select group of nonprofits.

The current process funds 40 nonprofits at a total county cost of \$704K per year. Nonprofits receive between \$5,000 and \$70,000 per quarter. More than half – 22 – receive between \$5,000 and \$10,000 per quarter.

While the process has been successful in directing funding to a variety of agencies that address county needs, the county Board of Commissioners, county management and county staff have identified improvements that could streamline the process and strengthen the impact of the county’s contribution to nonprofit agencies. The RFP process has ended on June 30, 2020, and the county is creating a new revised Community Outcomes Funding Process for nonprofits to begin on Jan. 1, 2021.

The new process will work similarly to the previous iteration with several key improvements. Dedicated county staff and subject matter experts will oversee these community partnerships, and fewer nonprofits will be funded with larger contracts. Subject matter experts will be more involved in developing valuable performance measures for both outcome areas and individual agencies, so the County can better track the return on its investment. This new process will allow the county to maximize its investment of local dollars, and better align that investment with chosen outcomes.

In order to allow time to establish the new process, the current RFP process will be removed from the annual budget cycle and moved to a calendar year cycle. During the interim of six months — July 1, 2020 to Dec. 31, 2020 — the current RFP nonprofits will be funded at their normal quarterly allotment. Approximately \$352K will be distributed to the currently funded nonprofits so they can execute the closeout of the existing RFP in the first two quarters of FY 2020-21. The remaining \$352K will be set aside in a non-departmental fund center and will be distributed once the new Community Outcomes Funding process has been executed. The chart below details last fiscal year’s allotment, as well as the projected amount each nonprofit will receive in the first half of FY 2020-21.

Food Insecurity Non-Profit Support		
Goal 2 Target Area: Increase the number of healthy years lived		
	FY 19-20 Approved	FY 2020-21 Approved
<p><b>Believers United for Progress</b> - Community members are served nutritious meals at least once a day through a community kitchen setting. While onsite and on a quarterly basis, individuals are able to engage with at least one social service/community organization that can introduce and enroll them in services addressing the reason(s) they are food insecure (i.e. physical and mental health issues, access to jobs and/or employable skills, and lack of stable housing) . Recipients of the daily community kitchen are recruited as volunteers and encouraged to develop employable skills while they are enrolled in programs that give them the opportunity to make life adjustments.</p>	\$20,000	\$10,000
<p><b>Catholic Charities of the Diocese of Raleigh</b> - The new food pantry in Durham will utilize the best practices established by the Catholic Parish Outreach (CPO) food pantry in Raleigh. Catholic Charities has 40 years of experience operating CPO which is the largest food pantry in eastern NC. The DCFP will provide families with 7 to 10 days’ worth of groceries. The basic food package has been developed by a nutritionist to ensure that families receive a balanced diet. Clients receive canned vegetables and fruits, dried beans, rice, pasta, canned meats, fresh produce, breads, frozen meats, cereal, peanut butter and powdered milk. Clients must have received an assessment of need and be given a referral by a community agency to receive assistance. This requirement increases the likelihood that families will receive other needed assistance in addition to the food and clothing assistance provided by Catholic Charities.</p>	\$10,000	\$5,000



Goal 2 Target Area: Increase the number of healthy years lived		
	FY 19-20 Approved	FY 2020-21 Approved
<p><b>Communities in Partnership</b> - Partnering with a local food bank, local food producers, and a local food distributor, CIP operates a cooperatively-owned food market in Old East Durham. The market decreases food insecurity working on two levels. On the first level, the market reduces hunger, which is the surface of the problem and the most immediate need. Co-op participants pay \$5/month to access \$450-\$500 worth of store items including produce, bakery items, and meats. Crucially, the market provides fresh foods—foods not readily accessible in food pantries or local corner stores.</p>	\$25,000	\$12,500
<p><b>Food Bank of Central &amp; Eastern North Carolina</b> - The Food Bank is a nonprofit organization dedicated to the mission of ensuring “No One Goes Hungry.” FBCENC serves as a safety net and crucial underpinning to the food assistance network, proudly supporting 116 nonprofits serving the 50,890 individuals identified as food insecure in Durham County. Simply put, FBCENC collects donated, allocated, or purchased food, briefly sorts and stores it at the Durham Branch, and distributes it to local nonprofits (e.g., food pantries, soup kitchens, shelters, senior centers, and programs for low income children), which then provide that food directly to individuals and families struggling with food insecurity. More than half of what we distribute are healthier items such as fresh produce, whole grains, low-fat dairy, and lean protein. Last year, the Durham Branch distributed 4.3 million pounds of food in Durham County—3.6 million meals—which is a 13% increase over the previous year.</p>	\$20,000	\$10,000
<p><b>SEEDS</b> - Our urban garden provides a safe space in which children learn environmental stewardship, health and nutrition principles, and leadership skills in a hands-on environment. Through experiential learning based in the garden, students feel a deep sense of ownership and commitment to the land and a connection with the foods that they produce. The therapeutic benefits of working in a garden have been well-documented in research and provide students with the opportunity to be creative, think critically about problem-solving, and acts as an emotional release from living in a high-stress environment. Providing enrichment activities during the summer months also helps to bolster learning retention and continue to improve basic reading, math and life skills which can experience a decline in school-aged students during three months of break from a regular school curriculum. Additionally, SEEDS high school program DIG (Durham Inner-city Gardeners), provides opportunities for project management and developing business skills through a paid position to cultivate farm space and sell produce at market weekly, allowing students seeking college and a career with an opportunity to save and develop financial literacy over 4 years of participation in SEEDS programs.</p>	\$7,500	\$3,750
<p><b>Threshold Inc.</b> - Threshold’s Healthy Meals Program provides a choice of two hot lunches to members every weekday for \$1.00 and free warm meals on Thursday evenings and weekends every day of the year. The subsidized cost of meals has not increased in more than a decade and provides an affordable meal option for members. Healthy eating and nutrition are an important focus of psychosocial recovery activities at Threshold.</p>	\$7,500	\$3,750
<b>Totals:</b>	\$90,000	\$45,000

FY 2020-21 Nonprofit Funding		
Goal 1 Target Area: Provide resources and opportunities that increase family success and prosperity		
Outcome 1-a: Individuals and families have stable housing	FY 19-20 Approved	FY 2020-21 Approved
<p><b>Durham Collaborative to End Family Homelessness</b> - Comprising the efforts of four area non-profit agencies [Families Moving Forward (FMF), Urban Ministries of Durham (UMD), Housing for New Hope (HNH), and Durham's Partnership for Children (DPfC)] to provide a multi-generational, seamless system that helps homeless and unstably housed families: secure and maintain housing; improve economic, mental, and physical well-being in order to build the capacity needed to become self-sufficient and break the cycle of poverty.</p>	\$70,000	\$35,000
<p><b>Durham Home Repair Collaborative</b> - The Collaborative Pilot will test a trial program that will complete essential repairs for low-income homeowners to make the homes ready for weatherization. The Home Repair Collaborative Pilot will help set up an operational system to increase the efficiency of existing home repair programs by 1) sharing waiting lists, 2) providing centralized housing intake and administration for homeowners in the pilot, and 3) coordinating repair assessments and repair strategies.</p>	\$40,000	\$20,000
<p><b>LIFE Skills Foundation</b> - LIFE Skills operates a small housing program, primarily consisting of six two-bedroom apartments located in central Durham. LIFE Skills housing provides a safe and secure, hands-on opportunity for young adults to learn and practice independent living skills, and to eventually transition into their own stable housing. Youth in the transitional housing program are either in an educational program or employed at least 30 hours per week. Additionally, mental health and wraparound supports are provided as well as group meetings.</p>	\$20,000	\$10,000
Outcome 1-b: Youth and adults seeking workforce opportunities are provided support and resources	FY 19-20 Approved	FY 20-21 Approved
<p><b>Durham Literacy Center*</b> - The DLC provides tuition-free literacy instruction to adults and out-of-school youth. Our four core programs include: 1) Adult Literacy - one-on-one literacy tutoring, small group pre-GED classes, and one-on-one GED tutoring for adults; 2) English for Speakers of Other Languages (ESOL) - English classes for adults (10-25 students per class); 3) Youth Education Program (YEP) - one-on-one GED tutoring for out-of-school youth; and 4) Computer Literacy - small-group and one-on-one instruction for DLC students and community members on topics such as typing, completing online job applications and using MS Office.</p>	\$50,000	\$25,000
<p><b>TROSA</b> - TROSA is the largest licensed residential substance abuse treatment center in NC. Through a multi-year program, TROSA gives people the tools they need to overcome addiction; enjoy sober, productive, law-abiding lives; and reconnect with their families and communities. TROSA provides 24/7 care and treatment—housing, food, clothing, and personal care items—at no charge. We focus on treating the whole person through our comprehensive services—counseling, health care, vocational training, and educational opportunities.</p>	\$30,000	\$15,000
<p><b>El Centro Hispano, Inc.</b> - ECH serves Hispanic/Latino community members, particularly those from low-income communities, in the areas of Education, Economic Development, and Health and Well-being Initiatives. This is accomplished through with interventions for community members that include information and referral services, one-on-one counseling &amp; case management, legal assistance, workshop, forums, job skills/worksite safety training, leadership training, basic literacy and vocational ESL classes, and access to our network of employers and organizations for additional support.</p>	\$20,000	\$10,000

Outcome 1-b: Youth and adults seeking workforce opportunities are provided support and resources	FY 19-20 Approved	FY 20-21 Approved
<p><b>Partners for Youth Opportunity</b> - PYO enrolls students who meet at least one criteria: 1) qualify for the free and reduced lunch program 2) have an immediate family member who is incarcerated or 3) be a first-generation immigrant. Many of our youth meet at least two of these qualifications. Participants that qualify for our longitudinal, strengths-based and innovative program, which includes mentoring, academic support from 8th grade through the second year of college, workforce training/internships paired with financial literacy and savings, as well as leadership opportunities.</p>	\$20,000	\$10,000
<p><b>StepUp Ministry</b> - StepUp provides (1) pre-employment training and post-employment support for youth and adults, (2) referrals to a network of 50 companies that are in a candidate referral partnership with StepUp, and (3) assistance on reaching a working adult's personal, financial, and professional goals. Employment seekers enter StepUp through a one week, 32-hour Employment Readiness Workshop. Staff train participants on resume writing, effective interviewing, time management, effective communication, and more.</p>	\$10,000	\$5,000
<p><b>Community Empowerment Fund</b> - CEF assists Durham residents who are unemployed or experiencing financial insecurity to gain and maintain employment, interweaving financial capability building services with flexible one-on-one support. Primary services include Incentivized Savings as a Tool for Financial Stability (Account-holders have limited access to withdrawals until they reach their goals, and once savers achieve their goal, CEF matches their accomplishments at 10%), No-Hassle Checking/Savings Accounts, Financial Coaching and Person-Centered Support.</p>	\$10,000	\$5,000
<p><b>Reinvestment Partners</b> - Reinvestment partners operate the Taxpayer Assistance Center (TAC) that serves low- and moderate-income families in Durham that earn less than \$54,000 annually. In addition, the TAC operates as a workforce development program, offering financial education and training, not only to the workforce staffing the site, but to the general public which receives services through it. RP will provide tax assistance for Durham County taxpayers throughout the year.</p>	\$10,000	\$5,000
<p><b>Triangle Literacy Council</b> - Bull City YouthBuild serves East Durham young adults, aged 16 to 24, who are from zip codes 27701 and 27703. Participants must also meet one of the following criteria: member of a low-income family, in foster care, are offenders, have disabilities, have an incarcerated parent, are homeless and/or migrant, or are school dropouts or a re-enrolled dropout. BCYB offers three integrated components: high school equivalency preparation, occupational training through the Home Builder's Institute Pre-Apprenticeship Certificate Training and construction experience.</p>	\$10,000	\$5,000
Outcome 1- c: Children and youth are provided learning and enrichment opportunities that support educational achievement	FY 19-20 Approved	FY 20-21 Approved
<p><b>Child Care Services Association</b> - CCSA's Family Support Program provides child care consumer education and referral services for families in Durham County in order to inform families about high quality child care and facilitate their selection of high quality programs that foster children's development and support their school readiness. Through phone-based and in-person counseling, families receive information about North Carolina's star-rated child care license system; information about research-based indicators of child care quality; counseling on how to select a child care setting; and customized lists of child care programs that match the child's and family's needs.</p>	\$30,000	\$15,000

Outcome 1- c: Children and youth are provided learning and enrichment opportunities that support educational achievement	FY 19-20 Approved	FY 20-21 Approved
<p><b>Durham's Partnership for Children</b> - Durham's Partnership for Children will launch TS Gold, the acclaimed observation-based assessment system that allows teachers and administrators in pre-k classrooms to focus on each individual child's development. TS Gold is an evidence-based education observational assessment mechanism that tracks progress and identifies a young child's strengths and weaknesses. The TS Gold system is tied to curriculum that is already in use. TS Gold's online portal is designed to support teachers in the process of individual child-level assessment.</p>	\$15,000	\$7,500
<p><b>Big Brothers Big Sisters of the Triangle</b> - Community-Based mentoring provides children from single parent homes or other children in need of adult role models with a one-to-one mentor relationship with a volunteer from the community. The Community-Based "Bigs" routinely provide 8-10 hours a month of quality one-to-one time for each child. These "Bigs" play an integral role of the lives of their "Littles" by providing a stable adult role model to help guide these children in the right direction. These matches last at least 12 months, though many continue on until the Little graduates from HS.</p>	\$10,000	\$5,000
<p><b>Rebound, Alternatives for Youth</b> - Rebound serves high school students who are short-term suspended in Durham. During a student's suspension, Rebound provides strengths and resiliency based supervision, assessment, crisis intervention, referrals, skill building, academic help and advocacy to students. Rebound supports students' return to school by improving each student's connection to his or her parents or guardians, schools and caring adults. Rebound increases protective factors and fosters reengagement with all systems: individual, family, school, and community.</p>	\$7,500	\$3,750
<p><b>Book Harvest</b> - Book Harvest's Community Book Bank provides ready access to free books so that families can build book-rich environments in their homes. We target our outreach to communities that have historically lacked books for their children, driven by research that demonstrates that transforming book deserts will enrich and even transform children's lives. Community Book Bank is a vast network of shelves of free books that we maintain at more than 60 locations in Durham County that are frequent destinations for children and families, including health clinics, social service agencies, after school and tutoring programs, and community centers.</p>	\$5,000	\$2,500
<p><b>Voices Together</b> - The program is a weekly motivational program for individuals with developmental disabilities targeted to unlock language and social/emotional learning. Because of its engaging and spontaneous elements, students with developmental disabilities are able to unlock language, problem-solve, socially connect with others and communicate their most basic needs while increasing their ability to advocate and learn. With these skills, other areas in their lives begin to improve; they become more active participants in their classroom, their family and their community.</p>	\$5,000	\$2,500
<p><b>Walltown Children's Theatre</b> - As part of our mission, youth will gain a sense of the commitment, dedication, training, and professionalism that are requirements of any career path chosen. Along with exemplary arts programming, youth receive educational tutoring and mentoring services in health and welfare. We inspire positive social change to under-served youth in partnership with Self-Help Credit Union and the Walltown Neighborhood Ministries. WCT inspires positive social change by developing and reconnecting under-served youth in Walltown and the surrounding communities.</p>	\$5,000	\$2,500

Goal 2 Target Area: Increase the number of healthy years lived		
Outcome 2-a: Individuals and families have increased access to health care	FY 19-20 Approved	FY 20-21 Approved
<b>Planned Parenthood South Atlantic</b> - Our program strives to make information and effective methods of contraception available to women who want them, but cannot otherwise afford to use them consistently and correctly. Our Durham health center—through prescription and on-site insertion, administration, and dispensing—offers a broad range of effective, FDA-approved family planning methods. In addition, we provide basic preventive health services such as cervical cancer screening, clinical breast exams and screening and treatment for sexually transmitted infections.	\$17,750	\$8,875
Goal 2 Target Area: Increase the number of healthy years lived		
Outcome 2-b: Individuals and families decrease incidence of preventable disease	FY 19-20 Approved	FY 20-21 Approved
<b>Farmer Foodshare</b> - Farmer Foodshare, Bull City Cool food hub, Durham County Soil and Water, and the Durham County Detention Facility are partnering to supply detainees and staff at the detention facility with additional fresh fruits and vegetables. Increasing the amount and quality of fresh produce served will increase consumption and help improve nutritional outcomes at the facility. This program will cover the cost of local suppliers, supplement current meals with fruits and vegetables and fund safety compliance upgrades.	\$20,000	\$10,000
<b>Inter-Faith Food Shuttle</b> - We Feed, Teach and Grow. Programs pertinent to this application include: BackPack Buddies—whereby elementary school children who are determined by school administrators to be at particular risk of hunger in the home, are provided with a weekend's worth of nonperishable food for 38 weeks each school year; School Pantries—designed to serve middle- and high-school age children and their families by making wholesome food easily accessible to them at the schools where they already spend their days; and finally and Nutrition Education .	\$10,000	\$5,000
<b>Triangle Champions Track Club</b> - Our program educates youth and families in order to decrease incidents of preventable disease, by increasing physical activity and providing knowledge for healthier food options. Our program also provides weekly nutrition and wellness education to participants and their families throughout the year. We visit our local farmers market to increase access to healthy foods. Our program provides group exercise activities with proper training as well as opportunities to compete and gain national exposure.	\$6,500	\$3,250
<b>African American Dance Ensemble</b> - Healthy eating classes - many low income people cannot afford organic foods, quality lessons on how to not only purchase good foods, but prepare the foods in a manner consistent with sustaining, promoting and increasing longevity. To know what oils not to use when cooking, what vegetables or fruits may or may not be good the type of medication they are on. How to prepare such foods that will cause energy for healthy movement which is pivotal for healthy lifestyle changes.	\$5,000	\$2,500
<b>Durham Crisis Response Center</b> - DCRC provides a comprehensive range of services to victims of domestic and sexual violence including: crisis intervention, such as 24 hour crisis line, hospital response, safety planning and crisis counseling; legal advocacy, such as assistance with reporting to law enforcement, assistance in filing protective orders, court accompaniment, legal representation in partnership with Legal Aid, assistance and support throughout the criminal justice process; residential services including emergency shelter, case management and support with basic needs.	\$37,250	\$18,625

Outcome 2-c: Individuals and families reduce causes of poor physical and mental health	FY 19-20 Approved	FY 20-21 Approved
<p><b>A Helping Hand</b> - A Helping Hand provides essential services to low income seniors that include: 1) Escorted Medical Transportation - AHH's escorted "door-through-door" transportation is critical to ensuring physically- disabled or cognitively-impaired seniors are able to travel safely. 2) In-Home Assistance - The natural aging process often brings about physical and cognitive limitations that require assistance in the home. 3) Socialization - Social isolation among the elderly is an often overlooked threat to the health and quality of life of our community's older adults.</p>	\$25,000	\$12,500
<p><b>Durham Striders Youth Association</b> - The Durham Striders Program has three major priorities: Improving and Enhancing the Health status of children to support healthy lifestyles and creating healthy outcomes from which academic, social, and vocational goals can be achieved. These are integrated into a program of physical fitness, dietary education and habits, ("adjustments"), and development of healthy attitudes toward overall fitness and part of their over development, thus enhancing self-image and self-confidence.</p>	\$15,000	\$7,500
<p><b>Center for Child &amp; Family</b> - Healthy Families Durham utilizes two core evidence-based services (provided in both English and Spanish) designed to address the needs of the proposed target population: the traditional Healthy Families service (using the Parents as Teachers curriculum) and the Child Parent Psychotherapy (CPP) service. For traditional Healthy Families, weekly or bi-weekly home visits begin during pregnancy or in the first three months of life and continue up to three years. The curriculum addresses attachment, child development, early literacy, health, and safety.</p>	\$12,000	\$6,000
<p><b>Playworks Education Energized</b> - The Playworks Junior Coach Corps program provides a part-time AmeriCorps member to low-income elementary schools to create an inclusive environment where all students are physically active, feel safe and engaged. These objectives are achieved through supported play at recess and through the Junior Coach Leadership program for 4th and 5th grade students. Playworks is the leading national organization delivering and teaching play in elementary schools. We use play - to establish new norms for respectful social behavior and increased activity.</p>	\$10,000	\$5,000
<p><b>Reality Ministries</b> - Reality Ministries is requesting funding from Durham County for our two primary programs, "Daytime" and "The Gathering." Both create opportunities for friendship, meaningful activities, and build community between people with and without development disabilities. Daytime is our weekday program with activities centered on community and personal growth, including meals, exercise, field trips, crafts, and life skills projects. The Gathering is an evening program featuring shared meals, fellowship, singing, and games.</p>	\$10,000	\$5,000
<p><b>Diaper Bank of North Carolina</b> - Diaper Bank of North Carolina (DBNC) distributes diapers to families in need through established partnerships with Durham-based community organizations, including: Urban Ministries Durham, Healthy Families Durham, Durham Connects, Duke Family Care Program, Duke Outpatient Clinic, Durham County Department of Public Health, Durham Early Head Start, Durham First in Families, East Durham Children's Initiative, REAL Durham - End Poverty Durham, Families Moving Forward, Church World Service, and Welcome Baby.</p>	\$10,000	\$5,000
<p><b>Food Bank of Central &amp; Eastern North Carolina</b> - Working through our Durham branch distribution center, FBCENC distributes nourishing food to 110 community-based nonprofit partners, such as food pantries, soup kitchens, shelters, meal programs for seniors, and low income child care centers. Using our relationships with local, state, and national farmers, food distributors, and retail grocers to obtain donated food, last year FBCENC distributed over 3.8 million pounds of nutritious food—equivalent to 3.2 million meals—reaching individuals and families struggling with food insecurity in Durham County.</p>	\$10,000	\$5,000

<b>Outcome 2-c: Individuals and families reduce causes of poor physical and mental health</b>	<b>FY 19-20 Approved</b>	<b>FY 20-21 Approved</b>
<b>Bridge II Sports</b> - Adapted sports is an opportunity to establish the mental and physical strength of individuals with disabilities in an accessible, safe environment. This population is oftentimes missed, leading to a lack of physical and mental development. Through organized sport and recreation, athletes of all ages learn life skills such as independence, teamwork, accountability and responsibility. By competing in BISS programs and engaging with peers on an equal playing field, athletes' confidence and self- esteem increases, helping them to understand their purpose and worth.	\$6,000	\$3,000
<b>Believers United for Progress</b> - Community members will be served nutritious meals at least once a day through a community kitchen setting. While there, they will have the opportunity to engage with at least one social service organization which can introduce and enroll them in services that address the reason(s) they are food insecure (i.e. physical and mental health issues, access to jobs and/or employable skills, and lack of stable housing). Recipients of the daily community kitchen will be recruited as volunteers and encouraged to develop employable skills.	\$5,000	\$2,500
*Achievement Academy and Durham Literacy Center have merged into one organization with Achievement Academy still in operation, but under the Durham Literacy Center umbrella. To simplify contracting payment has been merged under Durham Literacy Center.		
<b>Goal 3 Target Area: Improve life outcomes for people involved in the criminal justice system</b>		
<b>Outcome 3-b: Individuals are provided effective diversion services</b>	<b>FY 19-20 Approved</b>	<b>FY 20-21 Approved</b>
<b>Durham County Teen Court &amp; Restitution Program</b> - Teen Court is an alternative court for youth who commit first time misdemeanor offenses. This court allows youth to take responsibility for their actions by admitting guilt and literally being judged by a jury of their peers. Youth who participate have the privilege of keeping a conviction off of their record, youth 16 and up are getting a charge dismissed from their permanent record. Youth who are ordered to complete Teen Court are exposed to several different sentencing requirements, which provide skills they can utilize throughout their lives.	\$22,000	\$11,000
<b>Elna B. Spaulding Conflict Resolution Center</b> - The In School Truancy Court Program is a collaboration between the Elna B. Spaulding Conflict Resolution Center and Durham Public Schools (DPS). Using a restorative justice model of conferencing, the Program is designed to identify the underlying cause of truancy and put a plan in place to correct the problem. The Program targets DPS students with six or more days of absence and is now used throughout the district—elementary, middle and high school.	\$15,000	\$7,500
<b>Goal 4 Target Area: Protect natural resources through comprehensive compliance and educational programs</b>		
<b>Outcome 4-a: Protect and improve water quality</b>	<b>FY 19-20 Approved</b>	<b>FY 20-21 Approved</b>
<b>Ellerbe Creek Watershed Association</b> - ECWA's Creek Smart® Program has engaged hundreds of community volunteers in one of the community's most critical environmental management challenges—to restore water quality in our streams, rivers, and drinking water supplies. In addition to our traditional work of restoring stream buffers on 150 acres of public nature preserves and removing tons and tons of trash from Ellerbe Creek, Creek Smart® has taken the battle of water quality to the neighborhood level.	\$10,000	\$5,000
<b>Totals:</b>	<b>\$614,000</b>	<b>\$307,000</b>

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**General Funds**

	FY 2018-2019 Actual	FY 2019-2020 Estimate	FY 2020-2021 Budget
<b>Revenues</b>			
Taxes	\$ 381,563,690	\$ 379,498,721	\$ 399,176,661
Licenses and permits	1,679,317	1,608,375	517,500
Intergovernmental revenues	48,961,162	45,918,736	48,717,069
Investments	5,710,161	1,916,030	2,020,000
Rent	902,528	722,334	735,116
Charges for Services	28,925,163	29,763,101	30,251,067
Other revenues	969,707	2,354,059	2,035,250
<b>Total revenues</b>	<b>468,711,728</b>	<b>461,781,356</b>	<b>483,452,663</b>
<b>Expenditures</b>			
General government	58,179,079	65,783,212	77,352,793
Public safety	68,163,927	76,681,143	71,282,390
Transportation	244,338	228,549	412,500
Environmental protection	5,240,836	5,774,816	5,002,227
Economic and physical development	4,749,710	7,205,982	7,120,477
Human services	86,525,498	92,302,029	93,778,591
Education	149,371,483	158,578,678	166,565,598
Cultural and recreational	13,902,945	13,795,525	14,546,951
Utilities	-	364,536	221,944
<b>Total expenditures</b>	<b>386,377,816</b>	<b>420,714,470</b>	<b>436,283,471</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>82,333,912</b>	<b>41,066,886</b>	<b>47,169,192</b>
<b>Other financing sources (uses)</b>			
Transfers in	6,304,716	3,870,991	5,100,971
Transfers out	(84,888,813)	(62,739,452)	(70,206,354)
Fund balance appropriated	-	-	17,936,191
<b>Total other financing sources (uses)</b>	<b>(78,584,097)</b>	<b>(58,868,461)</b>	<b>(47,169,192)</b>
<b>Net change in fund balances</b>	<b>3,749,815</b>	<b>(17,801,575)</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>207,403,461</b>	<b>211,153,276</b>	<b>193,351,701</b>
<b>Fund Balance - ending</b>	<b>\$ 211,153,276</b>	<b>\$ 193,351,701</b>	<b>\$ 193,351,701</b>

\*The Intergovernmental revenues and Human Services function excludes direct funding to individual recipients by the state from federal and state monies.

The 2019-20 Estimate column is based on unaudited end of the year estimations at the time of publication.



Statement of Revenues, Expenditures, and Changes in Fund Balance  
Special Revenue Funds

	FY 2018-2019 Actual	FY 2019-2020 Estimate	FY 2020-2021 Budget
<b>Revenues</b>			
Taxes	\$ 9,358,746	\$ 9,897,941	\$ 9,881,174
Intergovernmental revenues	3,963		-
Investments	83,947	32,532	-
<b>Total revenues</b>	<b>9,446,656</b>	<b>9,930,473</b>	<b>9,881,174</b>
<b>Expenditures</b>			
Public safety	7,654,292	7,640,129	7,706,688
Economic and physical development	1,067,062	1,111,868	1,288,724
<b>Total expenditures</b>	<b>8,721,354</b>	<b>8,751,997</b>	<b>8,995,412</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>725,302</b>	<b>1,178,476</b>	<b>885,762</b>
<b>Other financing sources (uses)</b>			
Transfers out	(944,389)	(864,966)	(1,134,571)
Fund balance appropriated	-	-	248,809
<b>Total other financing sources (uses)</b>	<b>(944,389)</b>	<b>(864,966)</b>	<b>(885,762)</b>
<b>Net change in fund balances</b>	<b>(219,087)</b>	<b>313,510</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>2,817,975</b>	<b>2,598,888</b>	<b>2,912,398</b>
<b>Fund Balance - ending</b>	<b>\$ 2,598,888</b>	<b>\$ 2,912,398</b>	<b>\$ 2,912,398</b>

The 2019-20 Estimate column is based on unaudited end of the year estimations at the time of publication.

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Debt Service Fund**

	FY 2018-2019 Actual	FY 2019-2020 Estimate	FY 2020-2021 Budget
<b>Revenues</b>			
Investments	\$ 561,384	\$ 348,409	\$ -
Charges for services	650,641	500,000	500,000
Intergovernmental revenues	487,117	487,117	348,409
Other revenues	8,398	8,397	-
<b>Total revenues</b>	<b>1,707,540</b>	<b>1,343,923</b>	<b>848,409</b>
<b>Expenditures</b>			
Principal retirement	36,131,116	36,131,116	40,370,728
Interest and fiscal charges	20,122,333	20,122,333	22,903,826
Debt issuance costs	701,235	701,235	700,000
<b>Total expenditures</b>	<b>56,954,684</b>	<b>56,954,684</b>	<b>63,974,554</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(55,247,144)</b>	<b>(55,610,761)</b>	<b>(63,126,145)</b>
<b>Other financing sources (uses)</b>			
Transfers in	72,959,931	72,959,931	61,901,596
Transfers out	(1,252,978)	(1,252,978)	-
Premium on issuance of refinancing	6,109,622	6,109,622	-
Issuance of refunding bonds	87,720,000	87,720,000	-
Payment to refunded debt escrow agent	(93,500,000)	(93,500,000)	-
Fund balance appropriated	-	-	1,224,549
<b>Total other financing sources (uses)</b>	<b>72,036,575</b>	<b>72,036,575</b>	<b>63,126,145</b>
<b>Net change in fund balances</b>	<b>16,789,431</b>	<b>16,425,814</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>20,299,814</b>	<b>37,089,245</b>	<b>53,515,059</b>
<b>Fund Balance - ending</b>	<b>\$ 37,089,245</b>	<b>\$ 53,515,059</b>	<b>\$ 53,515,059</b>

The 2019-20 Estimate column is based on unaudited end of the year estimations at the time of publication.

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# MULTI-YEAR BUDGET FORECAST

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The multi-year budget forecast reflects the FY 2020-21 adopted budget with estimated revenues and expenditures for FY2021-22 to FY 2025-26. The estimate focuses on the County's General Funds and Debt Service Fund.

The General Funds are comprised of seven sub-funds including the primary General operating Fund, Risk Management fund, SWAP fund, Reappraisal Reserve Fund, Capital Finance fund, Benefits Plan Fund, and the LEO Retirement Fund (added effective FY 2019-20, see corresponding page for more detail). For the General Funds, outlying year estimates are based on conservative revenue growth and contained expenditure growth to mitigate increased property tax increases for standard operations. No property tax increases are forecasted to support the multi-year General Funds forecast.

The projected multi-year debt service budget aligns with the updated Capital Improvement Plan (CIP) and multi-year capital finance plan presented during the FY 2020-21 budget process. That CIP review included project recommendations made in a new Facility Master Plan update; received in the Spring of 2019. Although the CIP evaluated project requests for a 10-year period, financial emphasis was on projects that may occur during the next four-year period with increased focus on major projects that started in FY 2019-20.

The updated Capital Improvement Plan includes projects funded by a General Obligation bond referendum in November 2022 and November 2026 supporting building repair and replacement for Durham Public Schools, Community College, and the NC Museum of Life & Science. Depending on the actual size and scope of each GO Bond referendum, a related tax rate increase may be needed to support increased debt service. This approach allowed for improved cash management and ensure that funds are in place to liquidate future bond related debt.

The following sections provide further highlights on the multi-year estimates.

## GENERAL FUND MULTI-YEAR FORECAST

### Revenue Assumptions

- Revenue assumptions for FY 2020-21 and future years are more precarious than normal due to the unknown and yet to end effects of the global Coronavirus pandemic. The local (and national) economic effects of virus mitigation is currently being felt, but the effects on economically derived local government revenue will lag for three to six months. After the pandemic has retreated, it is unclear how long it will take the local economy to recover to pre-pandemic levels.
- Property valuation - A conservative approach is being maintained in these projections for future year estimates.
- Overall taxes, including property and sales taxes, grow 9.2% for FY 2021-22 due to slower overall economic growth (property tax support), then in out years start growing consistent with historical years while outlying years are projected at a conservative rate between 3.9% and 3.2%%
- Intergovernmental Revenues: State and federal collected revenues project slight growth, in FY 2020-21, but decrease slightly in out years due to state and federal budget volatility changing the availability and reliability of these funds
- Rental Income is projected at 1% annual growth rate
- Service charges estimates for FY 2020-21 decreased from the previous year, with slower growth anticipated in out years. Subsequent years are maintained at conservative levels averaging 2% annually over the multi-year period.
- Projected expenditures are expected to outpace normal revenue growth for several of the out years seen below, largely due to slowing revenue growth estimated by the current pandemic. Either property tax increases as a revenue source will be used to make up the difference, or expenditure cuts will be necessary to make up trended differences.
- Fund balance use as a revenue is projected for one-time cost including vehicle replacement and major equipment purchases, and as a balancing number to offset General Fund(s) expenditure totals. Historically, funds were not actually appropriated due to year-end revenue over-collection and under-spending of budgeted expenditures.

### Expenditure Assumptions

- Overall growth in the FY 2020-21 budget is 2.24% compared to FY 2019-20
- Forecasted growth in the General Fund is projected between 3.1% and 2.8% over the next five years.
- Conservative expenditure growth is assumed for all areas, but pandemic related costs may create unanticipated expense growth. Some examples of items that are supported are the County's current merit pay plan structure and inflationary operating expenses.
- The projected forecast does not include additional dollars for annually approved expansion items (as they are decided by the Board of County Commissioners on a year by year basis).
- The County will continue realignment of budgeted expenditures where possible to contain overall budget growth.

# General Funds Five-Year Forecast

Funds: General, Risk Management, SWAP, Reappraisal Reserve, Capital Finance Plan, Benefits, and LEO Retirement

General Fund Revenues	FY2019-20 Adopted Revenues	FY2020-21 Adopted Revenues	FY2021-22 Forecasted Revenues	FY2022-23 Forecasted Revenues	FY2023-24 Forecasted Revenues	FY2024-25 Forecasted Revenues	FY2025-26 Forecasted Revenues
Taxes	\$362,977,603	\$361,599,220	\$386,802,360	\$400,412,626	\$415,543,419	\$429,871,778	\$444,650,197
Licenses and Permits	\$1,124,500	\$517,500	\$517,500	\$538,008	\$559,374	\$577,672	\$596,476
Intergovernmental	\$43,908,719	\$48,443,617	\$47,716,963	\$47,716,963	\$47,716,963	\$47,716,963	\$47,716,963
Contributions and Donations	\$191,678	\$273,452	\$273,452	\$278,921	\$284,499	\$290,189	\$295,993
Investment Income	\$2,010,000	\$2,010,000	\$2,050,200	\$2,070,702	\$2,091,409	\$2,112,323	\$2,133,446
Rental Income	\$297,937	\$136,836	\$138,204	\$140,968	\$143,788	\$146,664	\$149,597
Sewer Connection Fees	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
Service Charges	\$24,139,175	\$23,582,195	\$23,818,017	\$23,818,017	\$23,818,017	\$23,818,017	\$23,818,017
Enterprise Charges	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$466,257	\$535,250	\$535,250	\$535,250	\$535,250	\$535,250	\$535,250
Transfers In	\$8,667,431	\$12,532,453	\$2,200,971	\$2,200,971	\$2,200,971	\$2,200,971	\$2,200,971
Fund Balance Appropriated	\$17,367,456	\$17,404,363	\$17,578,407	\$17,754,191	\$18,109,275	\$18,471,460	\$18,840,889
<b>General Fund Total</b>	<b>\$456,787,859</b>	<b>\$467,034,886</b>	<b>\$481,631,323</b>	<b>\$495,466,617</b>	<b>\$511,002,964</b>	<b>\$525,741,288</b>	<b>\$540,937,799</b>

Other General Fund Revenues	FY2019-20 Adopted Revenues	FY2020-21 Adopted Revenues	FY2021-22 Forecasted Revenues	FY2022-23 Forecasted Revenues	FY2023-24 Forecasted Revenues	FY2024-25 Forecasted Revenues	FY2025-26 Forecasted Revenues
Risk Management	\$3,646,478	\$3,849,805	\$3,888,303	\$3,927,186	\$3,966,458	\$4,006,123	\$4,046,184
Swap Agreement 05	\$1,000,000	\$1,500,000	\$1,515,000	\$1,530,150	\$1,545,452	\$1,560,906	\$1,576,515
Reappraisal Reserve Fund	\$874,981	\$840,700	\$849,107	\$857,598	\$866,174	\$874,836	\$883,584
Capital Improvement Plan	\$79,256,388	\$76,951,796	\$77,721,314	\$78,498,527	\$79,283,512	\$80,076,347	\$80,877,111
Benefits Plan	\$29,783,050	\$32,483,643	\$32,808,479	\$33,136,564	\$33,467,930	\$33,802,609	\$34,140,635
LEO Special Separation Allowance	\$420,000	\$525,000	\$530,250	\$535,553	\$540,908	\$546,317	\$551,780
<b>Other General Funds Total</b>	<b>\$114,980,897</b>	<b>\$116,150,944</b>	<b>\$117,312,453</b>	<b>\$118,485,578</b>	<b>\$119,670,434</b>	<b>\$120,867,138</b>	<b>\$122,075,809</b>

<b>Total General Funds Revenue</b>	<b>\$571,768,756</b>	<b>\$583,185,830</b>	<b>\$598,943,777</b>	<b>\$613,952,195</b>	<b>\$630,673,398</b>	<b>\$646,608,426</b>	<b>\$663,013,609</b>
Transfers (b/tw General Funds)*	(\$69,928,841)	(\$76,696,005)	(\$70,701,918)	(\$71,403,687)	(\$72,112,474)	(\$72,828,349)	(\$73,551,383)
<b>General Funds Revenue</b>	<b>\$501,839,915</b>	<b>\$506,489,825</b>	<b>\$528,241,858</b>	<b>\$542,548,507</b>	<b>\$558,560,923</b>	<b>\$573,780,077</b>	<b>\$589,462,226</b>

General Fund Expenditures	FY2019-20 Adopted Expenditures	FY2020-21 Adopted Expenditures	FY2021-22 Forecasted Expenditures	FY2022-23 Forecasted Expenditures	FY2023-24 Forecasted Expenditures	FY2024-25 Forecasted Expenditures	FY2025-26 Forecasted Expenditures
General Government	\$124,755,964	\$122,695,304	\$125,910,804	\$129,115,256	\$132,516,717	\$135,907,241	\$139,393,856
Public Safety	\$65,703,543	\$64,575,944	\$67,014,724	\$69,472,435	\$72,099,033	\$74,747,690	\$77,496,412
Transportation	\$412,500	\$412,500	\$424,875	\$435,497	\$448,562	\$459,776	\$471,270
Environmental Protection	\$5,035,563	\$4,588,506	\$4,751,836	\$4,910,686	\$5,085,777	\$5,256,243	\$5,432,704
Econom. & Physical Devlp.	\$6,616,072	\$6,964,832	\$7,145,468	\$7,316,838	\$7,508,923	\$7,691,289	\$7,879,230
Human Services	\$81,859,393	\$87,669,716	\$90,839,734	\$93,953,014	\$97,355,589	\$100,700,496	\$104,165,465
Education	\$159,419,265	\$166,565,598	\$171,488,216	\$175,719,101	\$180,914,830	\$185,380,248	\$189,956,728
Cultural & Recreational	\$12,985,559	\$13,562,486	\$14,055,665	\$14,543,790	\$15,073,533	\$15,598,305	\$16,142,135
<b>General Fund Total</b>	<b>\$456,787,859</b>	<b>\$467,034,886</b>	<b>\$481,631,323</b>	<b>\$495,466,617</b>	<b>\$511,002,964</b>	<b>\$525,741,287</b>	<b>\$540,937,799</b>

Other General Fund Expenditures	FY2019-20 Adopted Expenditures	FY2020-21 Adopted Expenditures	FY2021-22 Forecasted Expenditures	FY2022-23 Forecasted Expenditures	FY2023-24 Forecasted Expenditures	FY2024-25 Forecasted Expenditures	FY2025-26 Forecasted Expenditures
Risk Management	\$3,646,478	\$3,849,805	\$3,888,303	\$3,927,186	\$3,966,458	\$4,006,123	\$4,046,184
Swap Agreement 05	\$1,000,000	\$1,500,000	\$1,515,000	\$1,530,150	\$1,545,452	\$1,560,906	\$1,576,515
Reappraisal Reserve Fund	\$874,981	\$840,700	\$849,107	\$857,598	\$866,174	\$874,836	\$883,584
Capital Improvement Plan	\$79,256,388	\$76,951,796	\$77,721,314	\$78,498,527	\$79,283,512	\$80,076,347	\$80,877,111
Benefits Plan	\$29,783,050	\$32,483,643	\$32,808,479	\$33,136,564	\$33,467,930	\$33,802,609	\$34,140,635
LEO Special Separation Allowance	\$420,000	\$525,000	\$530,250	\$535,553	\$540,908	\$546,317	\$551,780
<b>Other General Funds Total</b>	<b>\$114,980,897</b>	<b>\$116,150,944</b>	<b>\$117,312,453</b>	<b>\$118,485,578</b>	<b>\$119,670,434</b>	<b>\$120,867,138</b>	<b>\$122,075,809</b>

<b>Total General Funds Expenditures</b>	<b>\$571,768,756</b>	<b>\$583,185,830</b>	<b>\$598,943,776</b>	<b>\$613,952,195</b>	<b>\$630,673,397</b>	<b>\$646,608,426</b>	<b>\$663,013,609</b>
Transfers (b/tw General Funds)*	(\$69,928,841)	(\$76,696,005)	(\$70,701,918)	(\$71,403,687)	(\$72,112,474)	(\$72,828,349)	(\$73,551,383)
<b>General Funds Expenditures</b>	<b>\$501,839,915</b>	<b>\$506,489,825</b>	<b>\$528,241,858</b>	<b>\$542,548,507</b>	<b>\$558,560,923</b>	<b>\$573,780,077</b>	<b>\$589,462,226</b>

**DEBT SERVICE FUND MULTI-YEAR FORECAST**

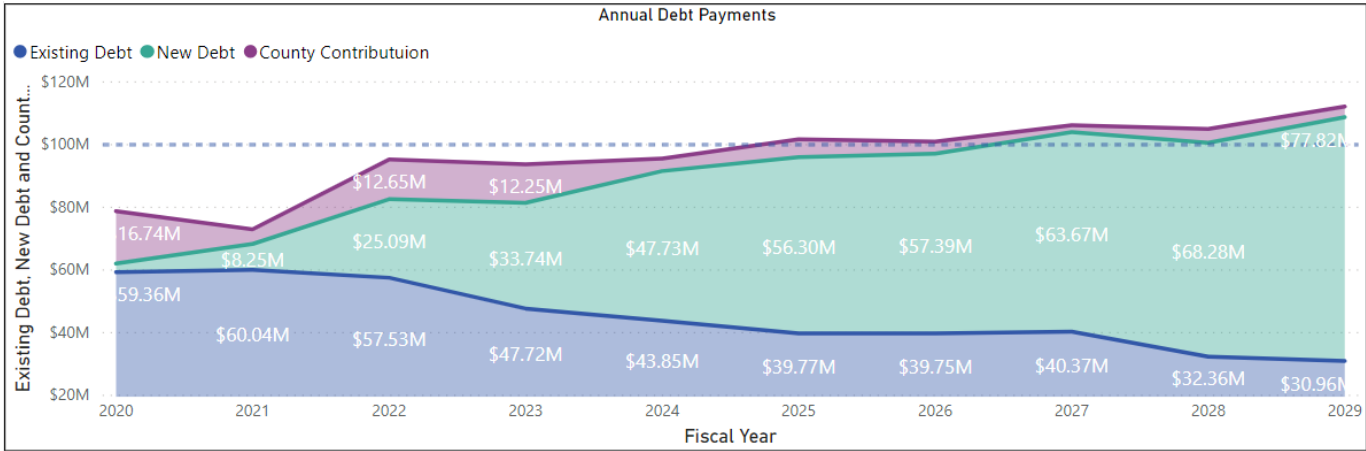
**Revenue Assumptions**

The County updated projected capital improvement needs (CIP) for the ten-year period from FY 2019-20 to FY 2028-29 including dedicated revenues to support these capital needs.

- The refreshed CIP approved by the Board of County Commissioners in May 2019 specifically kept the property tax rate dedicated to support debt service flat for the next six years. But discussions with the Durham Public Schools (DPS) Board of Education during FY 2019-20 culminated in additional funding being planned for DPS related projects as well as a GO Bond referendum moved from 2028 to 2026, which in turn created a tax rate increase estimated for FY 2022-23.
- As with all plans, changes in forecasted assumptions could necessitate the need for an additional property tax rate increase in future years. Potential unanticipated capital projects, planned projects with changes in scope and cost, project timing, type of debt instrument used, and changing interest rates could all affect future year dedicated property tax needs for debt service.
- The projected debt service forecast aligns with the Capital Finance Fund projections presented during FY 2019-20 budget deliberations.
  - An updated review of future expected capital financing projections is done annually, as part of the budget process, in order to explain debt service amounts that have to be paid in the developing budget fiscal year as well as showing expected costs in future years.

**Expenditure Assumptions\***

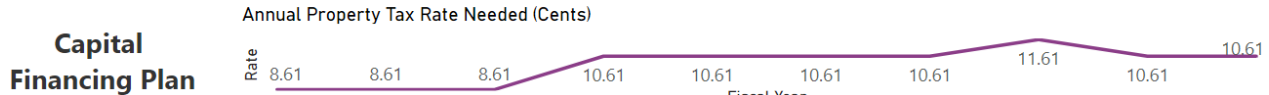
- Existing debt expense payments stay relatively flat through the ten years of this plan, with the exception of an increase seen related to a projected General Obligation Bond referendum in 2022, as well as a GO Bond referendum planned for 2026. Estimated new debt growth is significant, largely driven by Durham Public School capital needs. Overall growth in the updated 10-year CIP is always predicated on minimizing tax rate variability in support of annual debt payments.
- Other issues that may cause concern in out years include the use of sales tax as a revenue source supporting annual debt service payments as those dollars are based on steady economic growth, and that growth for the next several years could be highly variable.
- The Debt Service fund establishes an account that will reserve dollars collected related to the General Obligation bond referendum to support future debt service payments. This approach mitigates outlying year tax increases and ensures a dedicated revenue stream is in place to support referendum debt.



CFP Debt Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Known Debt	\$58,430,279	\$59,942,235	\$57,524,895	\$47,707,529	\$43,852,323	\$39,765,203	\$39,750,757	\$40,366,858	\$32,363,260	\$30,961,608	<b>\$450,664,946</b>
New Debt	\$2,695,926	\$8,246,783	\$25,086,335	\$33,739,382	\$47,725,222	\$56,303,213	\$57,392,038	\$63,669,750	\$68,284,930	\$77,818,470	<b>\$440,962,049</b>
New PAYGO	\$16,739,452	\$4,708,155	\$12,647,325	\$12,245,075	\$4,018,535	\$5,641,023	\$3,830,897	\$2,194,236	\$4,386,086	\$3,398,965	<b>\$69,809,751</b>
Other Known Costs	\$924,958	\$99,959	\$9,958	\$7,648	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$1,042,525</b>
<b>Total</b>	<b>\$78,790,616</b>	<b>\$72,997,132</b>	<b>\$95,268,514</b>	<b>\$93,699,634</b>	<b>\$95,596,081</b>	<b>\$101,709,439</b>	<b>\$100,973,692</b>	<b>\$106,230,844</b>	<b>\$105,034,277</b>	<b>\$112,179,043</b>	<b>\$962,479,271</b>

Additional Capacity	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reserve for Future Purchases	\$0	\$7,431,481	\$3,639,155	\$0	\$148,557	\$0	\$0	\$751,683	\$3,427,381	\$0

CFP Revenue Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Fund Balance Appropriated	\$1,206,349	\$2,953,501	\$19,784,927	\$3,886,178	\$0	\$3,981,529	\$1,231,877	\$0	\$0	\$1,545,507	<b>\$34,589,868</b>
Non Property Tax Revenue	\$2,173,545	\$2,030,853	\$1,993,816	\$1,965,162	\$1,936,486	\$1,907,661	\$1,860,911	\$1,819,272	\$1,776,731	\$1,668,472	<b>\$19,132,910</b>
Occupancy Tax	\$4,556,053	\$3,141,391	\$3,220,633	\$3,302,252	\$3,386,319	\$3,472,909	\$3,562,096	\$3,653,959	\$3,748,578	\$3,846,035	<b>\$35,890,224</b>
Property Tax Revenue	\$35,069,008	\$37,577,441	\$38,141,103	\$47,705,837	\$52,476,420	\$53,263,567	\$54,062,521	\$60,045,320	\$60,360,803	\$61,266,217	<b>\$499,968,236</b>
Sales Tax Revenue	\$35,785,660	\$34,725,427	\$35,767,190	\$36,840,206	\$37,945,412	\$39,083,774	\$40,256,288	\$41,463,976	\$42,575,545	\$43,852,811	<b>\$388,296,289</b>
<b>Total</b>	<b>\$78,790,616</b>	<b>\$80,428,613</b>	<b>\$98,907,669</b>	<b>\$93,699,634</b>	<b>\$95,744,638</b>	<b>\$101,709,439</b>	<b>\$100,973,692</b>	<b>\$106,982,527</b>	<b>\$108,461,658</b>	<b>\$112,179,043</b>	<b>\$977,877,528</b>



\*See "Durham County Capital Finance Plan Model FY2020-2029" (under Appendix – Capital Improvement Plan (CIP) Overview) for detailed projection tables for Debt Service and overall Durham County Capital Finance Plan

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# CAPITAL IMPROVEMENT PLAN (CIP) OVERVIEW

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**Note:** *The following is presented as supplementary information to the FY 2020–21 annual operating budget as a convenience to the reader. A separate CIP and financial plan is published every two years and is available at [www.dconc.gov](http://www.dconc.gov) or by contacting the Budget Office at (919) 560-0017.*

## **Background**

The County maintains a 10-year Capital Improvement plan (CIP) which is fully updated every two years (see special note below). The last major update of the plan was approved in June 2019 for fiscal years 2020-29. The plan itself provides a blueprint which the County uses to meet the growing facility needs of the schools, libraries, museum, court system, public safety, human service agencies, and open space. The CIP also provides a financial overview of the financing options for the existing capital projects as well as those not yet implemented capital projects projected in the 10-year plan.

## **Description of Process**

While it presents a 10-year plan, the projects and estimated costs are subject to change. Financing options are reviewed, as well as the projects and their estimated costs by an internal CIP committee composed of representatives from the County Manager’s Office, Budget, Finance, Information Technology, General Services, Fire Marshall and Engineering departments. The Board of County Commissioners approves the CIP separately from the Annual Operating Budget. Projects in the CIP are linked to the Annual Operating Budget through annual debt service appropriations and County contribution funding (pay-as-you-go). These annual appropriations are detailed each budget year in the Capital Financing Plan Fund and Debt Service Fund sections of the budget document.

## **Impact of CIP on Operating Budget**

When capital projects come online, they have potential new costs which can include: new personnel and operating expenses such as utilities, technology, security, and maintenance. The CIP does not fund related operational costs, rather, they are considered in the annual budget request for the department managing the capital project. In years where capital improvement projects are completed or become operational, special attention is given to the potential impacts on the budget process. This is assessed on a per project basis with the potential impact planned by the lead agency on the project and other relevant departments such as Information Technology and General Services who respectively support the technology and maintenance needs of buildings and staff. For instance, the opening of phase II of the Administration II building in the FY 2018-19 budget translated into additional staff and operating support in the General Services annual operating budgets. Other affected departments plan their budget requests in line to ensure they can provide services to any new or expansion items realized through completion of CIP projects.

## **Project Listing**

The summary table on the following page includes projects and projected annual costs from the CIP. Greater detail on all projects, timelines, and costs is available in the separate publication “Durham County Capital Improvement Plan Fiscal Years 2020–2029”. For more information about the Durham County CIP, email [budget@dconc.gov](mailto:budget@dconc.gov) or visit the Durham County website at [www.dconc.gov](http://www.dconc.gov).

## **Special Note for FY 2020-21**

The County generally updates the 10-year CIP biannually, however, during late FY 2019-20 the County worked with the Durham Board of Education to upwardly revise estimated school construction support. This updated CIP considers future General Obligation bond referendums as well as major project updates on the horizon. Other new and significant projects on the horizon will include additional downtown parking decks, possible affordable housing expansion, significant renovations to existing County buildings, EMS station expansion throughout the County, and increased support of Durham Public Schools capital needs. A significantly more expensive construction environment as well current and future County debt capacity (and its effect on annual budgets) will apply considerable restraints on future capital project inclusion in the updated CIP.



## FY 2020-29 Capital Improvement Plan Project Expenditures

Goal Area	FY (Prior)	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	Total
<b>Goal 1</b>	<b>\$32,991,080</b>	<b>\$22,703,255</b>	<b>\$64,775,894</b>	<b>\$135,014,266</b>	<b>\$104,199,921</b>	<b>\$53,952,840</b>	<b>\$52,534,322</b>	<b>\$31,322,675</b>	<b>\$94,300,361</b>	<b>\$56,467,915</b>	<b>\$27,310,782</b>	<b>\$675,573,311</b>
Durham Public Schools	\$30,706,203	\$14,028,255	\$54,385,771	\$132,364,266	\$98,755,921	\$43,583,040	\$45,249,782	\$26,132,875	\$53,525,511	\$46,467,915	\$27,310,782	\$572,510,321
Durham Technical CC	\$2,284,877	\$8,675,000	\$10,390,123	\$2,650,000	\$5,000,000	\$8,350,000	\$5,900,000	\$2,750,000	\$10,000,000	\$10,000,000		\$66,000,000
NCMLS-Audacity Labs									\$1,288,801			\$1,288,801
NCMLS-Auditorium & Amphitheater									\$951,898			\$951,898
NCMLS-Create, Reinvent, Renew E									\$16,695,121			\$16,695,121
NCMLS-Exhibition Renovations					\$444,000	\$2,019,800	\$1,384,540	\$2,439,800	\$711,860			\$7,000,000
NCMLS-Infrastructure									\$1,444,873			\$1,444,873
NCMLS-Operations, Landscape									\$2,123,021			\$2,123,021
NCMLS-Visitor Amenities									\$5,356,689			\$5,356,689
NCMLS-Woodland & Classroom Upfi									\$2,202,587			\$2,202,587
<b>Goal 2</b>	<b>\$997,625</b>	<b>\$500,000</b>	<b>\$500,000</b>		<b>\$900,000</b>				<b>\$2,000,000</b>			<b>\$4,897,625</b>
Bragtown Branch Upgrade	\$55,125				\$900,000							\$955,125
Southwest Parking	\$0								\$2,000,000			\$2,000,000
Stanford L W. Water Intrusion R	\$942,500	\$500,000	\$500,000									\$1,942,500
<b>Goal 3</b>	<b>\$8,038,499</b>	<b>\$10,519,851</b>	<b>\$26,803,209</b>	<b>\$7,231,606</b>	<b>\$2,438,971</b>	<b>\$3,308,603</b>	<b>\$5,581,041</b>	<b>\$370,175</b>	<b>\$30,750,592</b>	<b>\$26,617,906</b>	<b>\$7,235,964</b>	<b>\$128,896,416</b>
EMS-Duke West (2 Bay)	\$0				\$337,080				\$285,701	\$2,380,842	\$75,182	\$3,078,805
EMS-Equipment Replacement	\$0	\$2,700,000	\$1,650,000				\$2,835,000			\$1,732,500		\$8,917,500
EMS-Far East County (2 Bay)				\$151,497		\$321,014	\$2,675,115	\$84,474				\$3,232,100
EMS-MLK Blvd (4 Bay)	\$240,000	\$18,000			\$334,423	\$2,786,855	\$70,926					\$3,450,203
EMS-Station 1 Renovation	\$1,698,499	\$3,330,530	\$0									\$5,029,029
EMS-Station 18 Co-location				\$1,674,270								\$1,674,270
EMS-Station 19 Co-location		\$734,580			\$1,767,468	\$200,734						\$2,702,782
Multi-Dept. Radios & Towers	\$6,100,000	\$200,000		\$3,320,000					\$11,709,176			\$21,329,176
New Youth Home		\$2,094,953	\$18,888,477	\$1,163,694								\$22,147,124
Public Safety & Service Complex		\$684,180	\$0	\$0	\$0	\$0	\$0	\$0	\$12,660,573	\$24,810,224	\$7,235,964	\$45,390,942
Sheriff Firing Range Upgrade		\$757,608	\$6,264,732	\$922,145								\$7,944,486
Sheriff-Detention Center Annex	\$0		\$0						\$4,000,000			\$4,000,000
<b>Goal 4</b>	<b>\$15,835,079</b>	<b>\$39,545,072</b>	<b>\$22,374,080</b>	<b>\$32,644,200</b>	<b>\$27,527,397</b>	<b>\$3,463,200</b>	<b>\$1,120,000</b>	<b>\$1,120,000</b>	<b>\$3,120,000</b>	<b>\$1,280,800</b>	<b>\$16,420,100</b>	<b>\$164,449,927</b>
Alliance Behavioral Backfill	\$150,000	\$1,417,400										\$1,567,400
County Admin. Bldg. I Refurb.	\$1,131,744	\$10,029,049										\$11,160,793
DCI Affordable Housing				\$4,370,000	\$5,110,000							\$9,480,000
Downtown Parking Decks	\$250,000	\$3,699,920	\$21,264,080	\$20,451,200	\$10,341,200							\$56,006,400
DSS Main Renovation	\$0	\$800,003		\$200,000	\$8,699,997	\$300,000						\$10,000,000
Engineering-Stormwater Retrofit	\$200,000	\$1,000,000	\$250,000	\$250,000								\$1,700,000
Enterprise-Bio Nutrient Removal	\$2,103,200	\$2,316,200		\$213,000	\$2,316,200	\$2,103,200						\$9,051,800
Enterprise-Coll. Sys Rehab.	\$2,965,135	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000	\$8,865,135
Enterprise-New Admin. Bldg.		\$22,000	\$300,000	\$6,100,000								\$6,422,000
Enterprise-Sludge Energy	\$5,200,000										\$14,500,000	\$19,700,000
Open Space Land Acquisition	\$3,800,000	\$500,000		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$8,300,000
Snow Hill Rd Pump Station	\$35,000	\$19,200,500								\$85,800	\$320,100	\$19,641,400
Timberlake Rail Trail									\$2,000,000	\$75,000	\$480,000	\$2,555,000
<b>Goal 5</b>	<b>\$20,933,004</b>	<b>\$7,156,848</b>	<b>\$9,162,771</b>	<b>\$19,614,054</b>	<b>\$13,778,924</b>	<b>\$10,551,076</b>	<b>\$10,033,693</b>	<b>\$7,752,722</b>	<b>\$7,017,552</b>	<b>\$6,774,260</b>	<b>\$6,452,530</b>	<b>\$119,227,434</b>
Dco-SAP Ariba							\$4,299,766					\$4,299,766
Dco-SAP Budget and Planning						\$2,679,358						\$2,679,358
Dco-SAP Cloud Analytics								\$1,000,000	\$600,000	\$600,000	\$600,000	\$2,800,000
Dco-SAP S4 Emp. Cent & Payroll					\$5,083,137							\$5,083,137
Dco-SAP S4 HANA		\$250,000		\$10,949,694								\$11,199,694
GS-County Bldg HVAC Replacement	\$1,916,215	\$541,775	\$387,205	\$721,860	\$332,774	\$401,125	\$662,434	\$20,225	\$103,933	\$367,417	\$353,934	\$5,808,898
GS-County Bldg Roof Replacement	\$3,157,049	\$774,223	\$0	\$13,653	\$78,398	\$159,954	\$174,199	\$211,033	\$271,028	\$312,237	\$0	\$5,151,774
GS-County Building Envelope	\$1,500,000	\$403,744		\$470,670	\$442,257	\$146,619	\$154,336	\$176,384	\$135,595	\$341,744	\$1,091,376	\$4,862,726
GS-County Security Improvements	\$838,876	\$334,162	\$474,809	\$441,116	\$58,800	\$58,574		\$527,800	\$543,900	\$296,207		\$3,574,244
GS-County Stadium Upgrades	\$1,471,403	\$338,456		\$1,285,729	\$648,071	\$122,544	\$265,860	\$127,280	\$0	\$0		\$4,259,342
GS-Detention Center Windows	\$1,400,000		\$1,696,141									\$3,096,141
GS-Leased Convenience Sites	\$168,330	\$423,050	\$3,624,510									\$4,215,890
GS-Owned Convenience Sites	\$214,947	\$439,671		\$100,000	\$876,250	\$876,250						\$2,507,118
GS-Parking Lot Replacement	\$1,515,183	\$297,179		\$182,691	\$409,554	\$80,721	\$80,267	\$0	\$39,780	\$0	\$53,555	\$2,658,931
GS-Parkwood Buildings Support	\$0	\$337,643										\$337,643
IT-Disaster Recovery Site					\$250,000	\$851,000	\$898,000	\$898,000				\$2,897,000
IT-Hardware Replacement Sched.	\$8,751,000	\$3,016,944	\$1,283,765	\$3,740,452	\$3,438,454	\$3,975,469	\$2,000,015	\$3,502,620	\$3,157,903	\$3,507,465	\$3,034,311	\$39,408,397
IT-Project Portfolio Manager				\$450,000	\$200,000							\$650,000
IT-Sheriff Body & Car Cameras			\$922,000	\$600,000	\$600,000	\$600,000	\$887,500	\$600,000	\$600,000	\$600,000	\$600,000	\$6,009,500
IT-Sheriff Life Cycle			\$774,341	\$658,190	\$1,361,229	\$599,462	\$611,314	\$689,381	\$1,565,413	\$749,190	\$719,354	\$7,727,874
<b>Total</b>	<b>\$78,795,286</b>	<b>\$80,425,026</b>	<b>\$123,615,955</b>	<b>\$194,504,127</b>	<b>\$148,845,212</b>	<b>\$71,275,719</b>	<b>\$69,269,055</b>	<b>\$40,565,572</b>	<b>\$137,188,504</b>	<b>\$91,140,881</b>	<b>\$57,419,376</b>	<b>\$1,093,044,713</b>

CFP Debt Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Known Debt	\$58,430,279	\$59,942,235	\$57,524,895	\$47,707,529	\$43,852,323	\$39,765,203	\$39,750,757	\$40,366,858	\$32,363,260	\$30,961,608	\$450,664,946
New Debt	\$2,695,926	\$8,246,783	\$25,086,335	\$33,739,382	\$47,725,222	\$56,303,213	\$57,392,038	\$63,669,750	\$68,284,930	\$77,818,470	\$440,962,049
New PAYGO	\$16,739,452	\$4,708,155	\$12,647,325	\$12,245,075	\$4,018,535	\$5,641,023	\$3,830,897	\$2,194,236	\$4,386,086	\$3,398,965	\$69,809,751
Other Known Costs	\$924,958	\$99,959	\$9,958	\$7,648	\$0	\$0	\$0	\$0	\$0	\$0	\$1,042,525
<b>Total</b>	<b>\$78,790,616</b>	<b>\$72,997,132</b>	<b>\$95,268,514</b>	<b>\$93,699,634</b>	<b>\$95,596,081</b>	<b>\$101,709,439</b>	<b>\$100,973,692</b>	<b>\$106,230,844</b>	<b>\$105,034,277</b>	<b>\$112,179,043</b>	<b>\$962,479,271</b>

Additional Capacity	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reserve for Future Purchases	\$0	\$7,431,481	\$3,639,155	\$0	\$148,557	\$0	\$0	\$751,683	\$3,427,381	\$0

CFP Revenue Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Fund Balance Appropriated	\$1,206,349	\$2,953,501	\$19,784,927	\$3,886,178	\$0	\$3,981,529	\$1,231,877	\$0	\$0	\$1,545,507	\$34,589,868
Non Property Tax Revenue	\$2,173,545	\$2,030,853	\$1,993,816	\$1,965,162	\$1,936,486	\$1,907,661	\$1,860,911	\$1,819,272	\$1,776,731	\$1,668,472	\$19,132,910
Occupancy Tax	\$4,556,053	\$3,141,391	\$3,220,633	\$3,302,252	\$3,386,319	\$3,472,909	\$3,562,096	\$3,653,959	\$3,748,578	\$3,846,035	\$35,890,224
Property Tax Revenue	\$35,069,008	\$37,577,441	\$38,141,103	\$47,705,837	\$52,476,420	\$53,263,567	\$54,062,521	\$60,045,320	\$60,360,803	\$61,266,217	\$499,968,236
Sales Tax Revenue	\$35,785,660	\$34,725,427	\$35,767,190	\$36,840,206	\$37,945,412	\$39,083,774	\$40,256,288	\$41,463,976	\$42,575,545	\$43,852,811	\$388,296,289
<b>Total</b>	<b>\$78,790,616</b>	<b>\$80,428,613</b>	<b>\$98,907,669</b>	<b>\$93,699,634</b>	<b>\$95,744,638</b>	<b>\$101,709,439</b>	<b>\$100,973,692</b>	<b>\$106,982,527</b>	<b>\$108,461,658</b>	<b>\$112,179,043</b>	<b>\$977,877,528</b>

Annual Property Tax Rate Needed (Cents)

## Capital Financing Plan



Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
103 (SWAP Fund) Cash Flow	\$11,337,051	\$12,061,010	\$11,013,741	\$11,513,741	\$11,763,741	\$11,763,741	\$11,763,741	\$11,763,741	\$11,763,741	\$11,028,560
125 (Capital Financing Fund) Cash Flow	\$10,900,000	\$10,868,172	\$8,644,103	\$9,144,103	\$9,644,103	\$9,676,283	\$10,176,283	\$10,676,283	\$11,176,283	\$11,676,283
304 (Debt Service Fund) Cash Flow	\$33,268,651	\$31,623,019	\$16,109,430	\$12,223,252	\$12,371,809	\$8,858,100	\$7,626,223	\$8,377,906	\$11,805,287	\$10,994,961
<b>Total</b>	<b>\$55,505,702</b>	<b>\$54,552,201</b>	<b>\$35,767,274</b>	<b>\$32,881,096</b>	<b>\$33,779,653</b>	<b>\$30,298,124</b>	<b>\$29,566,247</b>	<b>\$30,817,930</b>	<b>\$34,745,311</b>	<b>\$33,699,804</b>

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# OPERATING IMPACT OF CURRENT CAPITAL PROJECTS

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## DESCRIPTION

As part of the County's Capital Improvement Plan, operational impacts of non-recurring capital projects are estimated as part of the Capital Improvement Planning process. Once a project has been completed these operational costs are made part of the budget planning process discussion. For this measure of operating impact of current capital projects, additional operating costs are included only for the first year the cost is incurred.

For FY 2020-21, several projects coming to completion will have additional operational costs. Normally these additional operational costs are included in departmental budgets and are highlighted in this section.

Operating costs of increased security improvements and oversight management will become a part of annual costs. This includes a central command area and personnel to oversee the center.

New operating costs related to this project largely fall under the General Services departmental operating budget. General Services oversees maintenance, upkeep, and general operation of all County buildings including security. Several new positions have been created and supported along with contracted security services to provide operational support for the newly renovated Administration II building. Costs for estimated utilities have also been included within the General Services department for this building's operation.

Other projects with projected operational costs are around new enterprise wide software support and technical support of Sheriff equipment needs.

As part of the 10-year Capital Improvement Plan refresh, departments were required to estimate additional operating costs related to capital projects in future years. The table on the next page shows those estimated operating costs per project. These operating costs include additional personnel needs as well other costs including utility, equipment, and potential revenue offsets.

## Ten Year Estimated Operating Costs Related to Future Capital Projects

Estimated Operating Expenditures											
Goal Area	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	Total
<input checked="" type="checkbox"/> <b>Goal 2</b>				<b>\$285,000</b>	<b>\$294,975</b>	<b>\$305,299</b>	<b>\$315,985</b>	<b>\$327,044</b>	<b>\$338,491</b>	<b>\$350,338</b>	<b>\$2,217,131</b>
Bragtown Branch Upgrade				\$285,000	\$294,975	\$305,299	\$315,985	\$327,044	\$338,491	\$350,338	\$2,217,131
<input checked="" type="checkbox"/> <b>Goal 3</b>	<b>\$9,600</b>	<b>\$22,520</b>	<b>\$244,285</b>	<b>\$254,539</b>	<b>\$279,263</b>	<b>\$299,178</b>	<b>\$330,148</b>	<b>\$337,836</b>	<b>\$352,815</b>	<b>\$368,494</b>	<b>\$2,498,678</b>
New Youth Home			\$221,165	\$230,789	\$240,851	\$251,372	\$262,374	\$273,878	\$285,909	\$298,492	\$2,064,831
EMS-Duke West (2 Bay)							\$8,000	\$8,400	\$8,820	\$9,261	\$34,481
EMS-Equipment Replacement	\$4,600	\$5,520	\$5,520	\$5,520	\$5,520	\$5,520	\$6,624				\$38,824
EMS-Far East County (2 Bay)						\$8,000	\$9,000	\$9,450	\$9,923	\$10,419	\$38,791
EMS-MLK Blvd (4 Bay)						\$8,000	\$8,400	\$8,820	\$9,261	\$9,724	\$44,205
EMS-Station 18 Co-location		\$12,000	\$12,600	\$13,230	\$13,892	\$14,586	\$15,315	\$16,081	\$16,885	\$17,729	\$132,319
EMS-Station 19 Co-location					\$14,000	\$14,700	\$15,435	\$16,207	\$17,017	\$17,868	\$95,227
Multi-Dept. Radios & Towers	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
<input checked="" type="checkbox"/> <b>Goal 4</b>	<b>(\$28,000)</b>	<b>\$40,475</b>	<b>(\$76,001)</b>	<b>\$200,374</b>	<b>\$211,792</b>	<b>\$251,782</b>	<b>\$264,371</b>	<b>\$277,590</b>	<b>\$291,469</b>	<b>\$306,043</b>	<b>\$1,739,894</b>
Open Space Land Acquisition	\$0	\$40,475	\$42,499	\$44,624	\$46,855	\$49,198	\$51,657	\$54,240	\$56,952	\$59,800	\$446,300
Enterprise-Bio Nutrient Removal				(\$28,000)	(\$28,000)						(\$84,000)
Enterprise-New Admin. Bldg.			(\$118,500)	\$183,750	\$192,938	\$202,584	\$212,714	\$223,349	\$234,517	\$246,243	\$1,377,594
<input checked="" type="checkbox"/> <b>Goal 5</b>	<b>\$506,502</b>	<b>\$1,333,771</b>	<b>\$2,695,286</b>	<b>\$4,166,962</b>	<b>\$4,727,263</b>	<b>\$5,383,484</b>	<b>\$6,344,688</b>	<b>\$6,170,584</b>	<b>\$6,276,240</b>	<b>\$6,386,835</b>	<b>\$43,991,614</b>
GS-County Bldg HVAC Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GS-County Security Improvements	\$466,502	\$480,497	\$494,912	\$509,759	\$525,052	\$540,804	\$557,028	\$573,739	\$590,951	\$608,679	\$5,347,923
GS-Leased Convenience Sites	\$40,000	\$43,274	\$45,374	\$47,579	\$49,894	\$52,325	\$54,878	\$57,558	\$60,372	\$63,327	\$514,582
DCo-SAP Ariba						\$689,520	\$1,163,440	\$1,199,112	\$1,236,568	\$1,275,896	\$5,564,536
DCo-SAP Budget and Planning					\$390,000	\$543,604	\$549,324	\$555,330	\$561,636	\$568,258	\$3,168,152
DCo-SAP Cloud Analytics							\$390,000	\$114,400	\$120,120	\$126,126	\$750,646
DCo-SAP S4 Emp. Cent & Payroll				\$880,880	\$554,510	\$567,718	\$581,586	\$596,148	\$611,438	\$627,493	\$4,419,773
DCo-SAP S4 HANA			\$1,586,000	\$2,149,394	\$2,166,554	\$2,184,572	\$2,203,491	\$2,223,356	\$2,244,214	\$2,266,115	\$17,023,695
IT-Disaster Recovery Site					\$450,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,450,000
IT-Project Portfolio Manager		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$4,500,000
IT-Sheriff Body & Car Cameras		\$60,000	\$69,000	\$79,350	\$91,253	\$104,941	\$104,941	\$104,941	\$104,941	\$104,941	\$824,307
IT-Sheriff Life Cycle		\$250,000	\$0	\$0	\$0	\$0	\$40,000	\$46,000	\$46,000	\$46,000	\$428,000
<b>Total</b>	<b>\$488,102</b>	<b>\$1,396,766</b>	<b>\$2,863,570</b>	<b>\$4,906,875</b>	<b>\$5,513,293</b>	<b>\$6,239,743</b>	<b>\$7,255,192</b>	<b>\$7,113,053</b>	<b>\$7,259,015</b>	<b>\$7,411,709</b>	<b>\$50,447,318</b>

## DURHAM COUNTY GOVERNMENT

www.dconcc.gov

919-560-0000

Agency	Director	Telephone
Animal Services	Clarence Birkhead	919-560-0897
Board of County Commissioners	Wendy Jacobs	919-560-0027
Board of Elections	Derek Bowens	919-560-0691
Budget and Management Services	Keith Lane	919-560-0012
City/County Inspections	William Bradham	919-560-4144
City/County Planning	Patrick Young	919-560-4137
Clerk to the Board of County Commissioners	Monica Toomer	919-560-0025
Cooperative Extension Service	Donna Rewalt	919-560-0525
County Attorney	Lowell Siler	919-560-0705
County Engineering	Jay Gibson	919-560-0735
County Manager	Wendell Davis	919-560-0000
Criminal Justice Resource Center	Gudrun Parmer	919-560-0500
Emergency Services	Jim Groves	919-560-0660
Finance	Susan Tezai	919-560-0035
General Services	Motiryo Keambiroiro	919-560-0430
Human Resources	Kathy Everett-Perry	919-560-7900
Information Technology	Greg Marrow	919-560-7000
Internal Audit	Darlana Moore	919-560-0042
Library	Tammy Baggett	919-560-0100
Public Health	Rodney Jenkins	919-560-7600
Register of Deeds	Sharon Davis	919-560-0480
Sheriff	Clarence Birkhead	919-560-0897
Social Services	Ben Rose	919-560-8000
Soil and Water Conservation	Eddie Culberson	919-560-0558
Tax Administration	Dwane Brinson	919-560-0300
Veteran Services	Lois Harvin-Ravin	919-560-8387
Youth Home	Angela Nunn	919-560-0840

