



DURHAM'S VITALITY IS BUILT UPON  
THE HEALTH OF OUR RESIDENTS  
AND THE CAPACITY OF OUR COMMUNITY  
TO FOSTER AND ENHANCE  
THE WELLBEING OF EVERY CITIZEN.  
PHIL FREELON



# DURHAM COUNTY NC

APPROVED BUDGET  
FY 2021-22

**DURHAM COUNTY, NORTH CAROLINA  
FY 2021-22 APPROVED BUDGET  
BOARD OF COUNTY COMMISSIONERS**



***Brenda Howerton, Chair***



***Wendy Jacobs, Vice-Chair***



***Heidi Carter***



***Nimasheena Burns***



***Nida Allam***

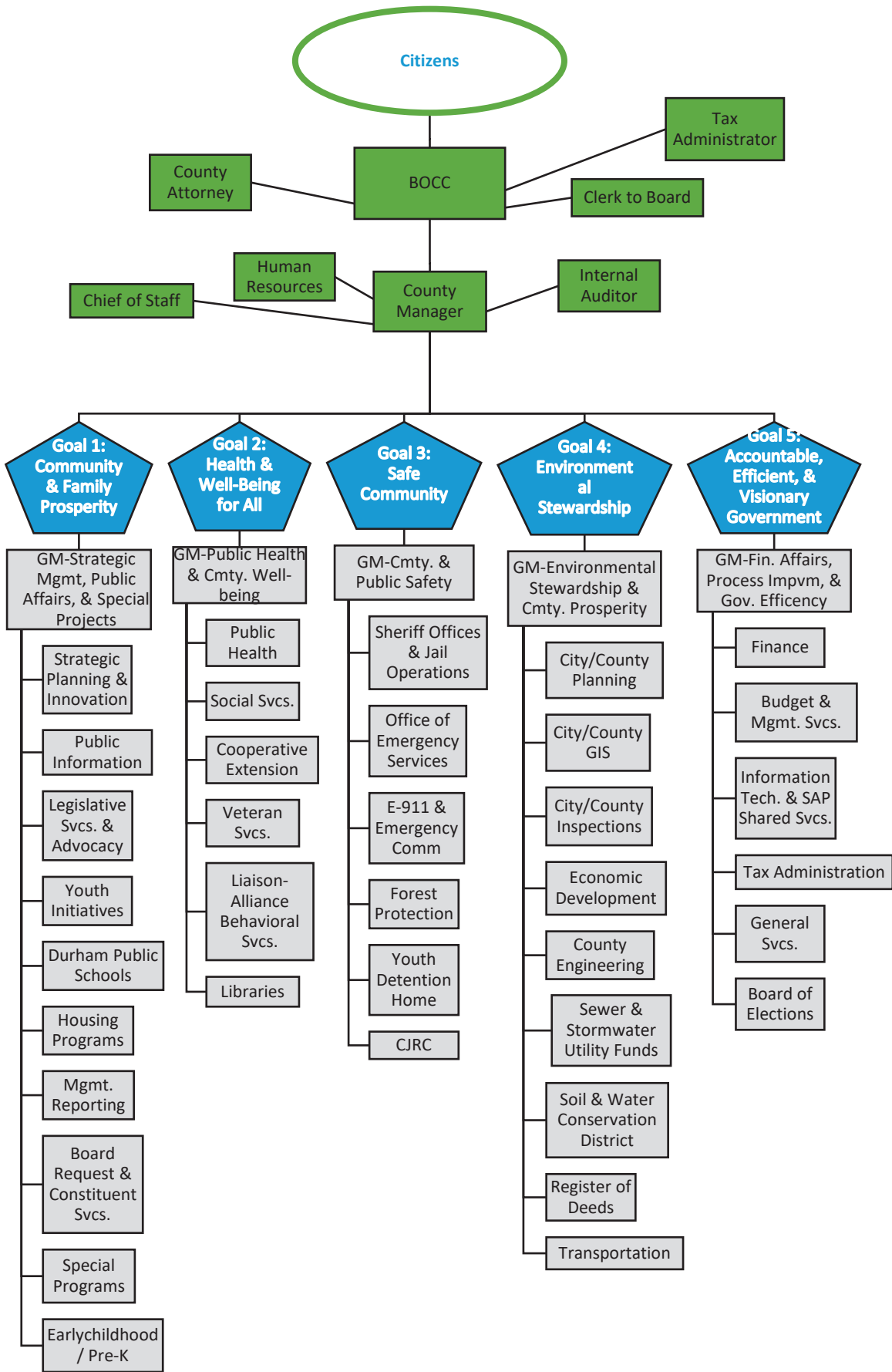
***COUNTY OFFICIALS***

***Claudia Odom Hager***, Interim County Manager  
***Jay Gibson***, General Manager  
***Jodi Miller***, General Manager  
***Joanne Pierce***, General Manager  
***Deborah Craig-Ray***, General Manager

***Drew Cummings***, Chief of Staff  
***Lowell Siler***, County Attorney  
***Monica Toomer***, Clerk to the Board  
***Susan Tezai***, Chief Financial Officer

***BUDGET AND MANAGEMENT STAFF***

***S. Keith Lane***, Budget Director  
***David Ades***, Assistant Budget Director  
***Jonathan Yeomans***, Budget Analyst  
***Matt Hunt***, Budget Analyst  
***Shannon Wright***, Budget Analyst  
***Anna Hawksworth***, Budget Analyst





## History

Durham began as a railroad station and settlement named for Dr. Bartlett Durham and while the official birth date is April 26, 1853, when the U.S. Post Office was established, the town was not incorporated until April 10, 1869. In 1881, Durham officials sought to become an autonomous political subdivision and decided to separate from Orange County. Durham County was formed on April 17, 1881 from portions of land transferred from Wake and Orange counties. In 1911, Durham expanded again with an additional portion of land transferred from Wake County.

The first Board of County Commissioners convened its initial meeting on May 2, 1881. Durham County operated under the Commission form of government with the chairman serving as chief administrator until 1930. The manager form of government was then adopted and D.W. Newsome became the first manager of Durham County, serving until his death in 1949. E.S. Swindell, Jr. succeeded him and served until his retirement in December 1984. John P. Bond, III was named County Manager and served until his resignation in January 1991. George H. Williams became the fourth County Manager and served until October 1995. David F. Thompson served as fifth County Manager from May 1996 until February 2000. Michael M. Ruffin was the sixth county manager. He retired after 13 years of service in January 2014. Wendell M. Davis, former Deputy Manager of 12 years, was the seventh County Manager and managed until June 2021. Claudia Odom Hager currently serves as Interim County Manager.

## Organizational Overview

Policy-making and legislative authority are vested in the Board of County Commissioners, consisting of the chair, vice-chair, and three members. In late 2020 Durham became the first County in North Carolina to have a Board consisting entirely of female elected officials. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the County Manager, Attorney, Clerk to the Board, and Tax Administrator. Board members serve four-year terms. The chairman and the vice-chairman of the board are voted on by the board during the first meeting in December after being sworn into office. In addition, the Sheriff and Register of Deeds are elected County positions.

The County Manager is responsible for carrying out the policies and ordinances of the governing board, overseeing the day-to-day operations of the government, and supervising the directors of various departments.

Durham County government provides a full range of services, including Sheriff and Fire Protection, Emergency Medical Services, Human Services (Public Health, Mental Health and Social Services), Elections, Register of Deeds,

Animal Control, Youth Home, Criminal Justice, and Culture and Recreation Services. Funding is provided for Durham Public Schools and Durham Technical Community College. Also, the County funds services provided in conjunction with the City of Durham through inter-local agreements, including Planning, Emergency Management, , Emergency Communications, Inspections, Geographic Information Systems (GIS), among others.

## Economy

The tobacco manufacturing industry focused worldwide attention on the area after the Civil War, and because of this thriving business, Durham grew and prospered tremendously.

Durham County is now home to North Carolina's famous Research Triangle Park (RTP), which was formed in 1959 by Duke University in Durham, North Carolina State University in Raleigh, and the University of North Carolina at Chapel Hill. Most of the currently developed portion of RTP, 75% of its 7,000 acres, is in Durham County. RTP is the largest research park in the United States and home to hundreds of companies, including science and technology firms, government agencies, academic institutions, startups and nonprofits. Recently a Hub RTP is a new venture aimed at merging residential and mixed-use developments to create new urban centers in the Park.

The success of RTP continues with its growth as a major center for healthcare activity and as a focal point for technology research businesses. Research being conducted in Durham County covers a broad range of fields, such as biotechnology, medical instrumentation, health care products, metallurgy, electronic hardware, software, digital switching, digital transmission, electronics, and telecommunications. Other leading organizations are located in the northern section of Durham County in the growing Treyburn Corporate Park; home to 5,300 acres of land. Developed in the late 1980s, the park is now home to some of the County's largest companies to include, bioMérieux, Merck, Corning and AW North Carolina.

## Quality of Life

Durham County today has evolved from an agricultural and manufacturing economy to achieve world-class research status. It has also become one of the country's most desirable places to live. In 2021, *U.S. News & World Report* ranked the Raleigh and Durham area #2 out of 150 U.S. Metro Areas for best places to live. In May of 2019, Wallet Hub listed Durham as #17 out of 182 large cities across the United States to start a Business (ranking Durham very high in "Access to Resources"). In March 2021, *Growella* ranked Durham, NC #1 as Best Cities for Millennials in the U.S. and, in March 2021, *Forbes* ranked the Research Triangle Area #3 on its List of the Best Places to Rent.

## General

Incorporated in **1881**

Form of Government  
**Commission-Manager**



Land Area  
**286<sup>SQ</sup> MI**



Elevation  
**332<sup>FT</sup>**



Climate\*  
Mean Temperature  
**59°F**



Mean Annual Rainfall  
**48"**



\* Source: [www.usclimatedata.com](http://www.usclimatedata.com)

Raleigh and **Durham** are ranked **#2**  
in the **150 BEST PLACES** to Live in the United States\*



\* Source: 2021 US News and World Report

## General Statistics

### Population

- Projected growth\*
- Past/actual†



2010-2019 Growth of

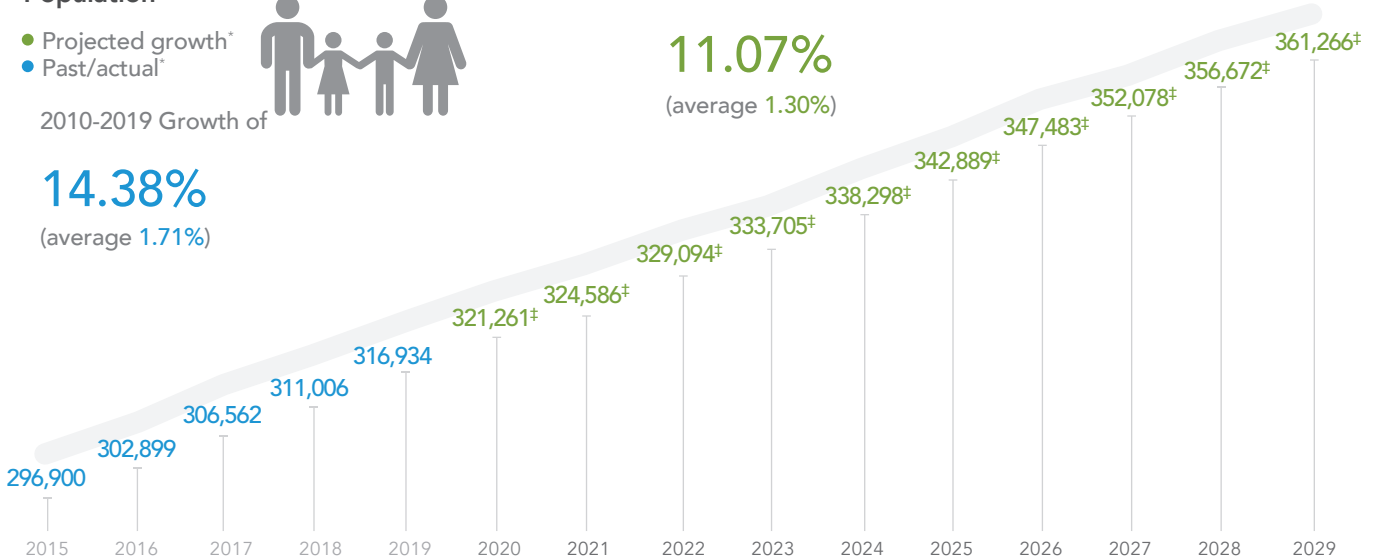
**14.38%**

(average 1.71%)

2020-2029 Growth of

**11.07%**

(average 1.30%)



\* Source: North Carolina Office of State Budget and Management † Projection

## Education

### Higher

**11** Universities and Colleges



### Public

**29** Elementary Schools **9** Middle Schools

**11** High Schools **7** Other



### Libraries

**7** Locations



**3** Vehicle Programs:  
Technology, Bookmobile, and Older Adult Service

## Age Breakdown

Percentage Population by Age (25-44) Compared to Similar Counties\*



\* Source: Fact Finder, United States Bureau of Census

Registered Voters in 2021\*\*

**228,839**

\*\* Source: Durham County Board of Elections

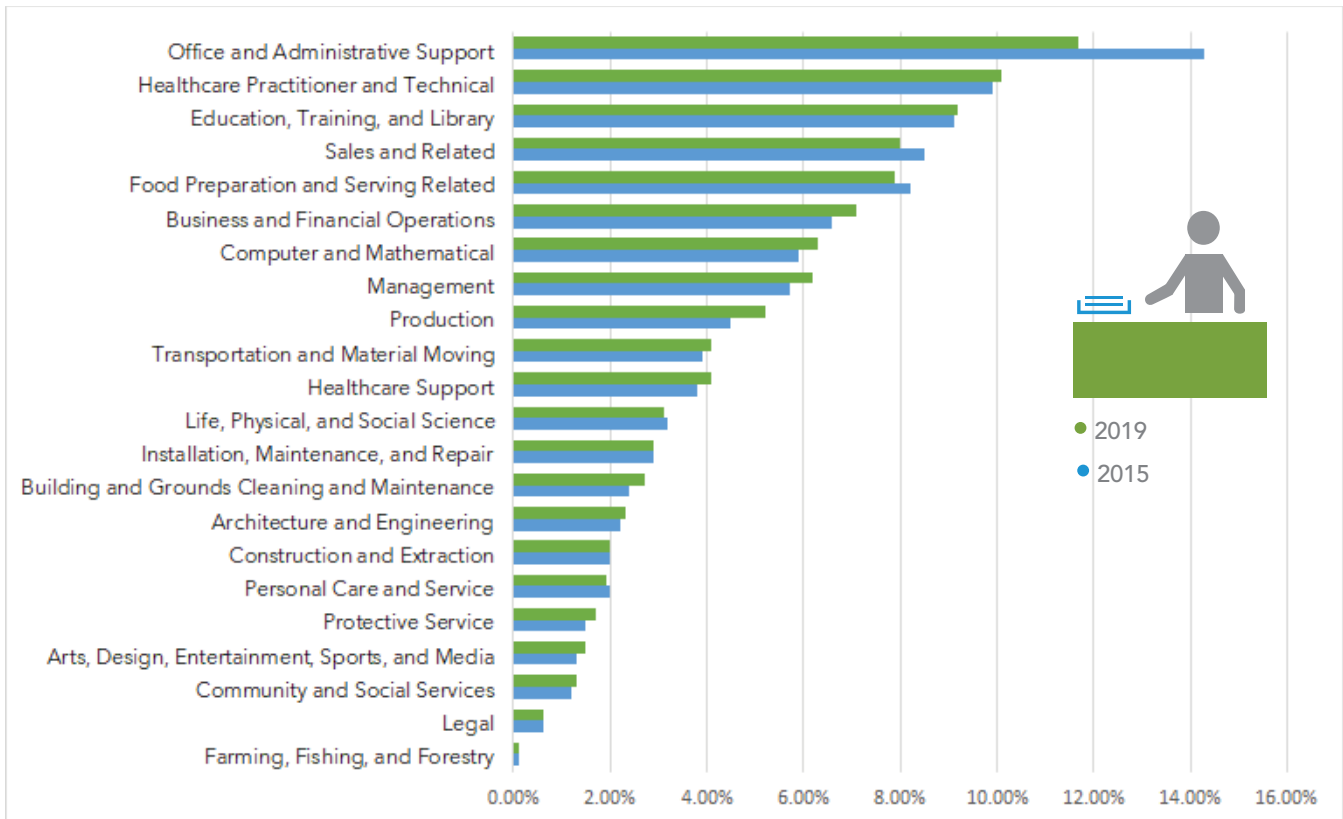
Voters Turnout in 2020 General Election\*\*\*

**180,602 (78.92%)**

\*\*\*Source: North Carolina State Board of Elections



## Employment Rate by Type of Occupation\*



\* Source: United States Department of Labor, Bureau of Labor Statistics – Southeast Information Office

## Public Safety

**Sheriff Protection**

**5** Stations



**417** Officers

**186** Law Enforcement

**231** Detention



**Fire Protection**

**3** County Volunteer Fire Departments Operating out of **8** stations



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# READER'S GUIDE

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This section is designed to help the reader understand the budget by explaining how the document is organized. This document is a financial plan for Durham County government operations for the July 1, 2021 through June 30, 2022 fiscal year and shows how funds are allocated and how they will be spent.

## FUND STRUCTURE

The Durham County operating budget is organized into funds with corresponding tabs in this document. The **General Fund** is the primary fund where most County services are accounted. The General Fund is further divided into functional areas, which include General Government, Public Safety, Transportation, Environmental Protection, Economic/Physical Development, Human Services, Education, and Culture and Recreation.

Each functional area is comprised of at least one business area which represents either a County department or a budgetary unit. Within each business area, there may be one or more fund centers in which funds are budgeted to show the expenditures and revenues associated with a particular program within a County department, or activity within a budgetary unit. Each department or program summary contains a description, accomplishments of the past fiscal year and/or budget highlights where applicable, performance measures, a budget summary, and the number of authorized personnel in Full-Time Equivalent (FTE) positions. Departments with more than one program have a business area summary sheet that precedes the programs.

Each fund center is represented by a summary of appropriations in the following categories of expenditures:

- **Personnel Services** in this document refer to the costs associated with personnel, such as salaries and benefits.
- **Operating Expenses** in this document refer to the costs of daily operations such as office supplies, travel, telephone, etc., for a department or program.
- **Capital Outlay** refers to a fixed asset with an estimated purchase price of \$5,000 or more and a useful life of more than one year. These items typically include furniture, office equipment, automobiles, and other capital equipment. Items in excess of \$100,000 with a useful life of 20 years, such as buildings, are included in the Capital Improvement Plan (CIP).

The remaining budgeted funds are described below.

### Other General Funds

**Risk Management Fund:** This fund focuses on minimizing operational risks and promoting workplace safety.

**SWAP Fund:** This fund represents a complicated financial agreement based on outstanding debt that brings in over \$2.75 million in revenue to the County each year. The revenue is used to offset yearly debt service payments.

**Reappraisal Reserve Fund:** This fund recognizes a State statute requiring funds to be reserved and budgeted for future reappraisals to ensure adequate resources for this less-than-annual recurring expense. The creation of the fund in this way is in accordance with the Government Accounting and Standards Board (GASB) best practice.

**Capital Financing Plan Fund:** This fund accounts for financial resources to be used for the acquisition, construction, and/or improvement of major capital facilities. The capital projects fund also is used to accumulate funds to finance a CIP.

**Benefits Plan Fund:** This fund represents the budget for the benefits offered to eligible County employees and retirees.

**The Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:** The fund accounts for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified Public Safety employees.

### Debt Service Fund

The **Debt Service Fund** is used to account for the payment of principal, interest, and related costs for all general long-term debt other than debt issued for and serviced by proprietary funds.

### Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted for specific purposes. The County budgets the following special revenue funds: **Durham Fire and Rescue Service Tax District Fund, Lebanon Fire District Fund, Redwood Fire District Fund, New Hope Fire District Fund, Eno Fire Fund, Bahama Fire District Fund, Special Park District Fund, and Community Health Fund.**

The **Community Health Fund** accounts for the financial resources acquired through the leasing of Durham Regional Hospital to Duke University, accounts for the earnings of these financial resources, and ensures the financial resources are used for health-related operating and capital expenditures. Due to recent rule changes from the Government Accounting and Standards Board (GASB), the Community Health Fund is now categorized as a Durham County Special Revenue Fund, and no longer within the Trust Fund group of funds. This changed effective July 1, 2016.

### **Enterprise Funds**

The **Sewer Utility Fund** is used to account for the revenues and expenses related to the provision of sewer service as well as the debt service for the fund (largely in Research Triangle Park).

The **Stormwater Utility Fund** is used to account for the revenues and expenses related to the provision of stormwater service as well as the debt service for the fund.

### **SUPPLEMENTAL SECTIONS**

The **Summary** section provides a summary of sources of revenue and expenditures from the General Fund. A detailed overview of revenue sources is included. This section also provides a brief account and graphs of all funds budgeted for the fiscal year beginning July 1, 2021. In addition, the section contains a summary of FTEs for all funds.

The **Appendix** contains supplemental information that includes the FY 2021-22 Budget Calendar, the **Glossary Terms**, which contains information to help the reader understand the terminology used in the budget document, the budget and amendment process, a statement of revenues, expenditures, and changes in fund balance, Durham County fiscal policies, and information about the non-profits funded through the Durham County Non-Profit Funding Program.

Capital projects, funded primarily by general obligation bonds, are presented in a separate document, the **Durham County Capital Improvement Plan**. This document is a 10-year plan that is updated biannually.

### **ADDITIONAL INFORMATION**

In accordance with North Carolina General Statutes, the **basis of accounting and budgeting** for the County is **modified accrual**. This means that **revenues** are recorded in the period in which they are **measurable** and **available**. Revenues are recognized when they are received in cash (e.g. licenses, fines, etc.) or when the collection of the amount is estimated to be received in the near future (e.g. property taxes). **Expenditures** in a modified accrual basis are generally recognized in the period when goods and services are received, or liabilities are incurred.

Year-to-date **performance measures** are updated at least through the end of December 2020. All other performance measures are updated as indicated. Where applicable, performance measures have current year-end estimates and targets for next year.

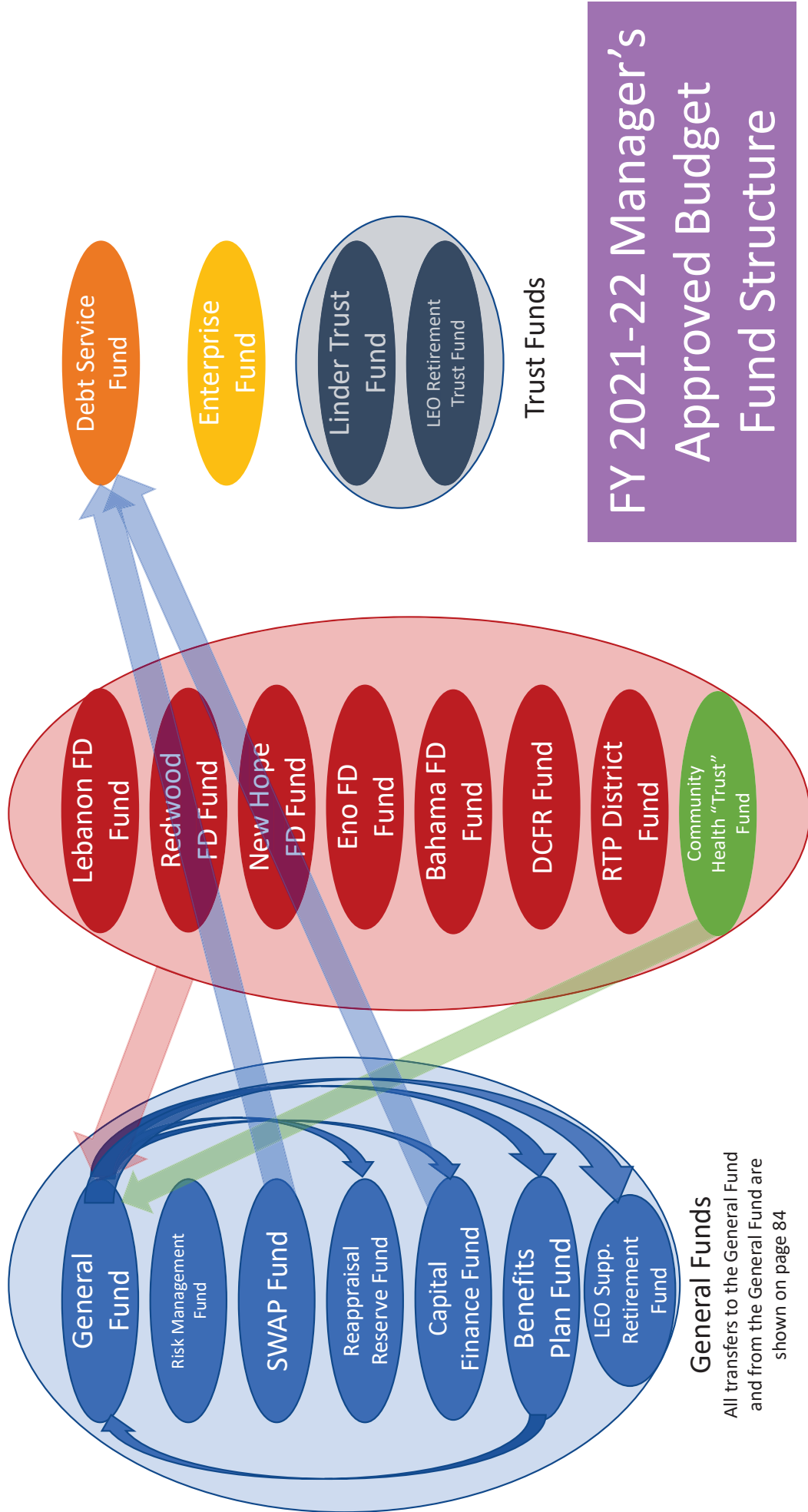


- A Resident Satisfaction Survey icon next to a measure means that measure and data come from the annual City/County Resident Satisfaction Survey.
- A Strategic Plan icon next to a measure means that measure comes from the 2017-2021 Durham County Strategic Plan.

Updated data for the **Strategic Plan Community Indicators** from the 2017-2021 Durham County Strategic Plan is provided in the front of this document.

**This document was prepared by the Durham County Budget and Management Services Department and is available online at [www.dconc.gov](http://www.dconc.gov). If further information is needed, contact Budget and Management Services at 200 East Main Street, Ground Floor, Durham, North Carolina 27701, by phone at (919) 560-0017, or by email at [budget@dconc.gov](mailto:budget@dconc.gov).**



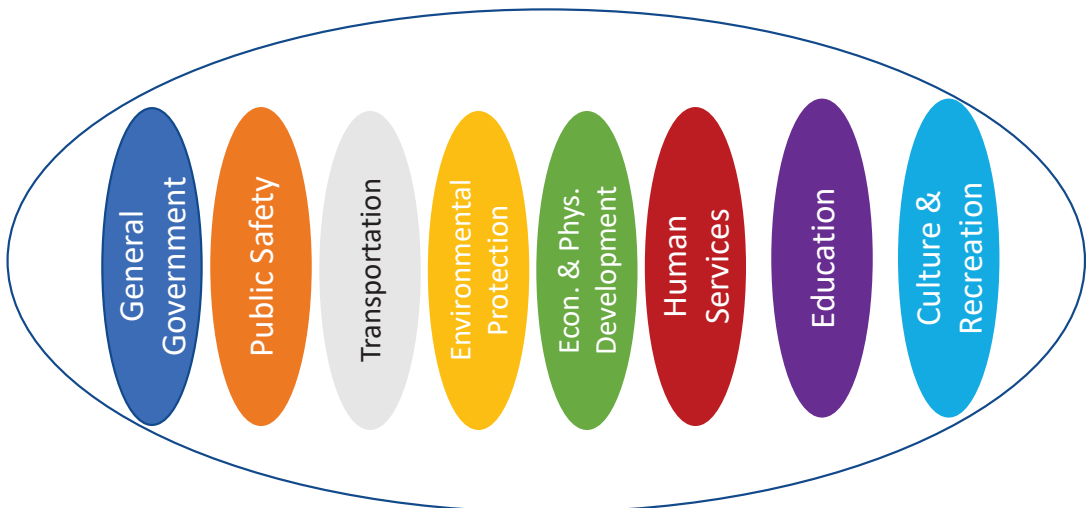


Board of County Commissioners  
 County Administration  
 Finance  
 Tax Administration  
 Legal  
 Court Facilities  
 Register of Deeds  
 General Services  
 Information Services & Technology  
 Human Resources  
 Budget & Management Services  
 Veterans Services  
 Nondepartmental  
*Nondepartmental  
 Transfers  
 Vehicles & Equipment*

Public Health  
 Mental Health (Alliance)  
 Social Services  
 Other Human Services

Durham Public Schools  
 Community Colleges  
 Other Education

Library  
 Other Cultural & Recreational  
 NCMLS  
 Others



County Sheriff  
 Emergency Communications  
 Medical Examiner  
 Criminal Justice Resource Center  
 Youth Home  
 The Office of Emergency Services

Other Transportation

General Services (Solid Waste)  
 Engineering & Environmental Services  
 Other Environmental Protection

Open Space & Farmland Preservation  
 Planning  
 Cooperative Extension Service  
 Soil & Water Conservation  
 Economic Development

# General Fund

○ Function

□ Department

**DURHAM COUNTY  
FY 2021-22 APPROVED BUDGET**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Durham County  
North Carolina**

For the Fiscal Year Beginning

**July 01, 2020**

*Christopher P. Morill*

Executive Director



## COUNTY OF DURHAM

CLAUDIA ODOM-HAGER  
INTERIM COUNTY MANAGER

July 1, 2021

The Honorable Members  
Durham County Board of County Commissioners  
Durham County Administrative Complex  
200 East Main Street  
Durham, NC 27701

Dear Durham County Residents,

I am honored to present the Durham Board of County Commissioners approved comprehensive spending plan for Durham County Government for fiscal year 2021-22. The document is in accordance with the North Carolina Local Government Budget and Fiscal Control Act and fulfills my obligation to present a balanced fiscal plan by June 1, 2021. The FY 2021-22 Board approved budget, guided by Board priorities, provides funding for the continuation of vitally important County services supported by data-driven decisions, while also recognizing a trend of diminishing resources.

For more detailed information on the  
Approved Budget and MFR data:  
[www.data-dconc.org](http://www.data-dconc.org)

All recommended budget appropriations presented in the County Manager's Recommended budget were supported by the Board of County Commissioners. The Board also made additional investments in specific areas. This message includes changes to the Manager's recommended budget made by the Board of County Commissioners over the course of three budget work sessions, culminating in the adoption of the FY 2021-22 Durham County budget on June 14, 2021.

As a reminder, in April 2020, strategies were implemented to help shield the organization against potential revenue "unknowns" resulting from uncertainty surrounding the pandemic economy, which included freezing positions, controlling budget spending levels for the current year, and limiting budget expansion for FY 2020-21. At the beginning of this current fiscal year, 120 of the frozen positions were temporarily transferred into a reserve to offset potential budget shortfalls. Additionally, to achieve a balanced FY 2020-21 budget, an operational reduction of \$3.1 million occurred within county departmental budgets. This reduction, coupled with \$2 million in cuts in FY 2019-20, proved the organization's ability to respond to new realities without compromising core services.

This FY 2021-22 approved budget tries to balance the need for resources that were so severely curtailed over the last two years, including unfreezing positions, supporting additional funding for departments and reinstating pay raises, while also financially supporting services that will help the County and its residents emerge from the pandemic. But we must also recognize the many needs of County departments and staff that continue to grow outside of public health concerns and do so in a financially sound manner. We continue to do this work consistently by trying to forecast our long-term revenue conditions. Ultimately this budget, as previous budgets, is about meeting the near future needs of the community, with an eye toward the ongoing sustainability of Durham County's vibrant economy, culture, and life as we have grown to know it here in Durham.

### Federal Recovery Funds

This annual budget largely focuses on support for ongoing County service delivery and reenergizing employees, after a year of COVID and after two years of budget reductions. This budget also supports policy initiatives identified during the course of this past year and the Board's most recent Budget Retreat. Being mindful that

the Biden Administration’s American Rescue Act (ARPA) funding for Durham is approximately \$300 Million (County, City and DPS), the County is optimistic these federal resources will bridge infrastructure gaps presented by COVID. Further, through the strategic coordinated allocation of funds, we can leverage these resources to address other critical needs of the County that are in compliance with the funding guidelines. Because we had not yet received the final criteria/guidance from the U.S. Treasury to assure compliance, appropriation of ARPA funds as part of the FY 2021-22 budget process (\$5.1 million) was limited in scope except for clear but general earmarks. This in turn will offer ample time to ensure the development of a strategic implementation plan that is in compliance as federal spending guidelines are made available.

Over the years, the Board has outlined priority areas through the strategic planning process, long-term capital assessments, and other iterative evaluations. The framework established from these actions, lessons learned while navigating COVID since March of last year, coupled with COVID’s impact on our residents and business community has given much insight on potential next steps for Board discussions and community engagement surrounding the use of ARPA funds. We look forward to developing a vision in concert with the Board on how those dollars can be spent with the goal of tactically leveraging all resources to ensure the judicious expense of these funds by December 2024.

### Budget Outlook

The framework for developing this budget was initially structured around future revenue estimates (July 1, 2021 through June 30, 2022) and the corresponding revenue growth (if any) for the upcoming fiscal year. In other words, how much available funding does Durham County estimate collecting in order to carry out the many mandated and policy-driven services that support Durham County’s daily life? That growth in revenue estimates for the upcoming year is key in assessing how much new funding is available to support COVID-related needs, ongoing departmental operational needs, new positions, new Commissioner goals and directives, and, as always, inflationary increases across the organization.

Broadly speaking, estimated revenue growth for the upcoming fiscal year is distinctly positive. The local economy, while stressed over the past year, did not suffer as much as was feared a year ago. In fact, Durham County, like many other counties across the state, saw strong growth in sales tax revenue, a direct reflection on local economic activity, as well as growth in City and County property valuation, which in turn increases property tax revenue collection. Simply put, due to a stronger than expected recent and current economy, the County is budgeting better than expected growth for the next fiscal year in key revenues.

However, even with significant “natural” growth in key revenues, the financial needs presented to and by various departments across the organization are significantly higher than this “natural” growth in revenue alone can fund. With minimal ability to create substantial additional revenue other than a property tax rate increase, and significant new and more costly ongoing operational needs, the County is left with two stark choices: reduce department budgets, for a third year in a row in order to fund needs in other areas or increase the property tax rate for the upcoming fiscal year.

The fundamental challenge for development of the FY 2021-22 budget is that even with significant natural growth in key revenues (including property tax and sales tax, before a property tax rate increase) totaling approximately \$19.7 million, seven key priorities more than consumed this growth, as illustrated below. These priorities total approximately \$25.9 million.

- |   |                 |
|---|-----------------|
| 1. Additional funding support for Durham Public Schools             | \$13 million    |
| 2. Employee compensation increases                                  | \$5.4 million   |
| 3. Vehicle replacement schedule                                     | \$2.3 million   |
| 4. New position costs   | \$2.2 million   |
| 5. Public Safety Warehouse space rental                             | \$1 million     |
| 6. DSS Economic Support Program for Low Income Long-Time Homeowners | \$0.942 million |
| 7. DTCC workforce pipeline initiatives and operating costs          | \$1.1 million   |



Therefore, as part of the approved budget, a one (1) cent General Fund property tax rate increase was enacted to provide the additional revenue necessary to support new positions, compensation adjustments for County employees, a continued increase in Durham Public School funding, vital vehicle replacement in key departments, such as the Sheriff and Emergency Medical Services, COVID-related support for County operations, and ongoing support for County resident health needs. This tax rate increase was not made lightly but in response to the current and future needs presented by the organization.

Fund Name	FY 2020-21 Original	FY 2021-22 Approved	FY 2021-22 Projected Revenue
General Fund	62.61	63.61	\$291,466,180.61
Capital Finance Plan Fund	8.61	8.61	\$39,451,718.52
<b>Total</b>	<b>71.22</b>	<b>72.22</b>	<b>\$330,917,899.13</b>

In fact, this annual budget represents potentially the fourth year out of five that the County has needed a property tax rate increase to support schools, operating expenses, or capital debt payments. It is noteworthy that a pattern is developing of consistent tax rate increases needed to carry out County and school operations. Such increases also put financial pressure on taxpayers, many of whom are the very people the funding is trying to help. It will be incumbent for management and the Board to find financial options that support the long-term operations of the County while enhancing the prosperity.

Household Valuation	FY 2020-21 \$71.22/\$100,000	Add'l Tax - <del>Old</del> Cent Increase	Add'l Tax - <del>New</del> Cent Increase	Add'l Tax - <del>Three</del> Cent Increase
\$100,000	\$712	\$10	\$20	\$30
\$150,000	\$1,068	\$15	\$30	\$45
\$200,000	\$1,424	\$20	\$40	\$60
\$250,000	\$1,781	\$25	\$50	\$75
\$300,000	\$2,137	\$30	\$60	\$90
\$350,000	\$2,493	\$35	\$70	\$105
\$400,000	\$2,849	\$40	\$80	\$120

### Employee Compensation

Between the March 2020 cyberattack that hit Durham County and the ongoing COVID pandemic, Durham County employees have experienced many challenges over the past year but have more than risen to the occasion. County employees have had to adapt, accommodate, and resiliently carry on in the face of unknown threats, all while facing budget cuts, which included elimination of scheduled merit pay increases for FY 2020-21. While targeted differential pay recognized the health threats experienced by public-facing department employees, it does not begin to address the lost salary dollars from a pay raise that will be felt across entire careers and retirements. To remedy that lost pay raise, the Board implemented a 3% cost of living increase (COLA) for all employees for the upcoming year along with a reinstatement of the 2% to 3% merit pay increase based on annual employee performance.

Durham County owes a debt of gratitude to the many “front-line” County employees for their extraordinary work over the past year in the face of very serious health consequences. All our employees deserve to have salary increases that at least keep up with inflation and surrounding County compensation trends. This two-pronged compensation plan helps us acknowledge and demonstrate our very real appreciation. Funding for implementation of the 3% COLA is budgeted at \$4.1 million, and \$1.3 million is budgeted for the annual 2%-3% merit pay increases.

### FY 2021-22 Budget

Despite not having the capacity to fund the myriad of requests presented, I particularly want to thank staff for the extraordinary amount of work they have invested in developing the FY 2021-22 budget given the significant constraints they were operating under. This has been no easy feat and has been accomplished while staff has been asked to continue carrying out their day-to-day work. We have a committed, dedicated workforce, and to all of our Durham County employees I say, thank you.

The Durham County Board of County Commissioner Approved Fiscal Year (FY) 2021-22 budget totals \$736,007,803, with a one (1) cent property tax increase in the General Fund to support Durham Public Schools

current expense growth, employee compensation changes, and department operational growth. A one (1) cent tax increase for the General Fund generates a little over \$4.58 million of new property tax revenue.

Fund SubCategory	FY 2019-20 Actuals	FY 2020-21 Original	FY 2020-21 Estimated	FY 2021-22 Requested	FY 2021-22 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.
General Funds	\$563,048,855	\$583,185,830	\$598,151,707	\$622,921,439	\$628,491,150	\$45,305,320	7.77%
Special Revenue Funds	\$12,472,189	\$11,379,983	\$11,352,321	\$12,779,212	\$13,119,727	\$1,739,744	15.29%
Debt Service Funds	\$165,803,535	\$68,135,847	\$63,792,239	\$77,988,909	\$80,988,909	\$12,853,062	18.86%
Enterprise Funds	\$10,127,428	\$12,906,036	\$12,619,527	\$13,408,017	\$13,408,017	\$501,981	3.89%
<b>Total</b>	<b>\$751,452,007</b>	<b>\$675,607,696</b>	<b>\$685,915,794</b>	<b>\$727,097,577</b>	<b>\$736,007,803</b>	<b>\$60,400,107</b>	<b>8.94%</b>

The total Durham County budget increase is \$60.4 million or 8.94% over the FY 2020-21 approved budget, while the General Fund budget increases \$37.7 million or 8.08% over the FY 2020-21 approved budget.

General Fund Expenditure Summary	FY 2019-20 Actuals	FY 2020-21 Original	FY 2020-21 Estimate	FY 2021-22 Requested	FY 2021-22 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.	% Change Rec. v. Orig.
General Government	\$117,342,868	\$122,695,304	\$126,866,302	\$130,052,526	\$137,071,662	\$14,376,358	11.72%	11.15%
Public Safety	\$66,336,849	\$64,575,944	\$68,794,128	\$66,715,937	\$66,720,468	\$2,144,524	3.32%	3.32%
Transportation	\$228,549	\$412,500	\$129,250	\$1,144,433	\$977,472	\$564,972	136.96%	177.44%
Environmental Protection	\$5,525,826	\$4,588,506	\$6,345,599	\$4,561,421	\$4,590,170	\$1,664	0.04%	-1.27%
Econom. & Physical Devlp.	\$6,579,912	\$6,964,832	\$7,746,181	\$7,437,664	\$7,610,196	\$645,364	9.27%	8.94%
Human Services	\$81,014,593	\$87,669,716	\$90,904,130	\$90,904,590	\$92,456,205	\$4,786,489	5.46%	4.02%
Education	\$159,391,215	\$166,565,598	\$169,259,176	\$188,020,778	\$181,205,477	\$14,639,879	8.79%	6.58%
Cultural & Recreational	\$12,862,438	\$13,562,486	\$13,127,434	\$14,748,393	\$14,131,823	\$569,337	4.20%	4.20%
<b>Total</b>	<b>\$449,282,250</b>	<b>\$467,034,886</b>	<b>\$483,172,200</b>	<b>\$503,585,742</b>	<b>\$504,763,473</b>	<b>\$37,728,587</b>	<b>8.08%</b>	<b>6.89%</b>

## Strategic Investments by Goal Area

### Goal 1: Community Empowerment and Enrichment

#### Durham Public Schools

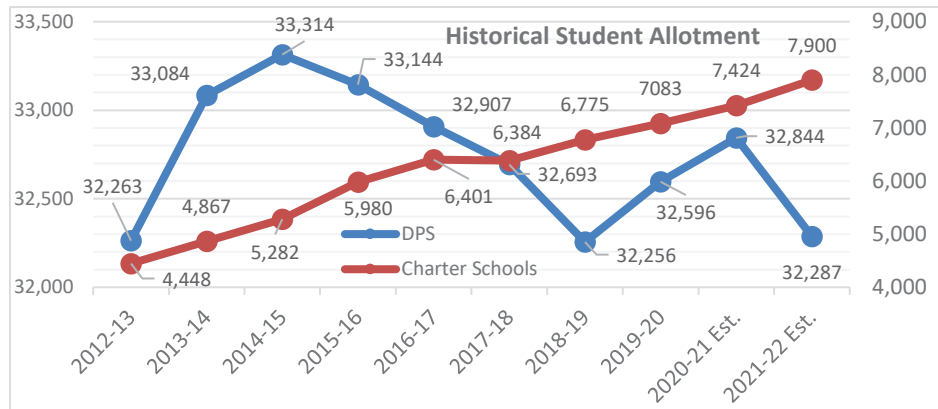
The Board of County Commissioners' commitment to public education remains a high priority as expressed by the Board of County Commissioners in the Strategic Plan and as reiterated in recent Board retreats. This budget reflects that priority. Durham Public Schools continues to be the single largest expenditure for Durham County Government at \$166.2 million, or 32.9% of the entire General Fund budget. Durham Public Schools (DPS) requested an increase of \$18.27 million in additional County funding, of which \$2.6 million is additional annual capital funding.

Annual capital funding supports a myriad of maintenance needs across the entire school system. This annual capital funding is different than major capital project funding in that it does not incur long-term debt repayment, rather these funds are used to support small-scale projects such as gym floor replacements, emergency chiller or HVAC replacement or repairs, and other relatively smaller capital issues. This budget increases annual current capital funding by \$2.63 million, the second year of increased funding, fully meeting the DPS request. Also, it is worth remembering that Durham County gave up the use of \$1 million of Lottery funds for DPS related debt service, allowing those funds to become available to Durham Public Schools annually for additional capital support.

The DPS current expense request provides local supplement support for state teacher salary and benefits increases, teacher supplement increases (started in FY 2017-18 with available DPS fund balance), academic support for exceptional children services, information technology related support for the 1-to-1 device initiative, and additional custodial support. DPS will receive significant federal COVID-related funding over the next several years, up to \$136.57 million. This federal funding support will go a long way toward supporting student needs coming out of the pandemic.

In direct support of Durham Public Schools, this budget supports an \$8.5 million increase in current expense funding and a \$2.63 million increase in current capital funding, bringing the total annual County funding amount to \$166,206,627 which equates to \$3,974 per pupil (a \$219 increase). This keeps Durham County Public Schools as one of the top three County-supported school districts in the state.

Approximately \$1.9 million of the DPS local funding supports the ongoing costs of moving all DPS classified employees to a minimum \$15 an hour wage. COVID has wreaked havoc on DPS pupil population estimates for the current and upcoming fiscal years, while charter school pupil growth continues to grow at a significant pace.



The final budget also provided

\$1.1 million in funding to support additional school health nurses to include 10 new school health nurses, 1 nurse supervisor position, and 1 processing assistant. The positions will be located in the Public Health Department with a portion of the funds to support the nurses occurring through federal ARPA funds (\$550,000) designated for pandemic recovery and child health and wellbeing.

It has long been the stated goal of multiple Boards of County Commissioners that the County work towards funding levels high enough to support universal Pre-K for all children in Durham County. The pandemic and economic stresses of the FY 2020-21 budget saw no increase in Pre-K support by the County. For FY 2021-22, the Board of County Commissioners increased funding support for Pre-K services \$250,000 to an annual total of \$5,618,517.

The first year of Pre-K support saw an initial \$1.5 million investment for Pre-K at the Whitted School, while an additional \$2.15 million was added two years ago to increase capacity, and an additional \$1.6 million was added in FY 2019-20. Estimated costs of full universal Pre-K support across the County is more than \$20 million annually.

### Durham Technical Community College

Another integral part of Durham County’s support for the education of all its residents is funding for Durham Community Technical College (DTCC). This educational system provides a myriad of services, degrees, and opportunities that either continue education after high school and towards college, or a high-paying, stable, and lifelong career. The County has worked with DTCC in the past to support specific academies for Emergency Medical Service positions (technicians and paramedics), to support local resident scholarships to attend, and to build the newest facilities to enhance learning.

Total funding for DTCC for FY 2021-22 is set at \$8,954,166, an increase of \$1,081,367 (27.34%). \$311,367 is for DTCC current expense and an additional \$95,000 for current capital, while additional funding is explained below.

The Board is excited to announce initial funding of \$675,000 in the FY 2021-22 budget for the DTCC “Back to Work Initiative” and the “BULLS initiative and life sciences talent pipeline”. As noted above, DTCC supports and enhances an extremely important pipeline of trained workers for technical jobs in the region. When outside businesses see the quality and availability of skilled workers in the County, they are more apt to locate in the County, bringing with them tax benefits to the County government, and life-altering jobs for residents. In turn, these new businesses create more demand for an ever-larger pipeline of skilled workers, which is where DTCC plays its vital role.

As a number of life science oriented companies have chosen to locate in Durham County, discussions soon arose amongst various economic development groups, the County, and DTCC, around providing them with the human

capital needed. As a result, and a beginning, the County is supporting up to \$675,000 in the upcoming year to provide or enhance the skills of local residents so they can secure and keep these jobs. More jobs filled by local workers means more dollars in the local economy, which means a more vibrant economy for all Durham residents.

## Nonprofit Process

In FY 2017-18, the Nonprofit Funding Program incorporated MFR-related process improvements as part of an ongoing program review. The program review compared our process to that of our North Carolina peers and incorporated policy direction from the Board of County Commissioners, with the most significant process improvements made to the solicitation and application review components of the application process. The solicitation process included tighter alignment to targeted needs identified within Strategic Plan Goals 1 through 4. In FY 2019-20, nonprofits received continuation funding after a recertification process. FY 2020-21 saw the implementation of a revised nonprofit process that focused on fewer nonprofits supporting specific areas of need with a focus on COVID-related recovery.

Budget staff worked with various County staff to leverage their subject-matter expertise (SME) identifying priorities for funding (focused on immediate COVID-response) in the target areas of **Food Security, Safe and Stable Housing, Child, Youth, and Family Wellness, and Workforce Development**. Key principles SMEs used for nonprofit consideration included equity, systems thinking, capacity building, community engagement, and collaboration.

In past years, the County gave many nonprofits small grants to work on many different issues. The County has changed the grant program to now give larger grants to fewer nonprofits. Through a revised nonprofit RFP process, the County selected fifteen (15) nonprofits (66 total applicants), and also selected the City of Durham's Office on Youth, and the City of Durham's Housing Authority for 18-month grants for COVID response and recovery ranging in size from \$25K-\$75K. All Safe and Stable Housing target area funding will be distributed to the City of Durham through an interlocal agreement.

## Goal 2: Health and Well Being for All

### Public Health

The Board is excited to note the major expansion of an extremely important and effective violence prevention program based on Durham County's Cure Violence model that was implemented in November 2016 under the name Bull City United. Bull City United treats violence as a public health concern and employs Violence Interrupters and Outreach Workers to mitigate conflict within census tracts before violence occurs. Violence Interrupters and Outreach Works are trusted members of the communities they assist in and use their credibility to teach community members better ways of communicating and resolving conflicts peacefully. Their work stops retribution and reduces gun violence that often comes from a lack of communication within the community.

In April 2020, the Board of County Commissioners approved an Interlocal Agreement with the City of Durham, where the City will provide funds to the County to hire 18 new FTEs including eight Violence Interrupters, eight Outreach Workers, and two Supervisors that will expand Bull City United into four additional City census tracts (13.04, 17.09, 23.00, and 11.00). The approved budget also supports two additional County-funded FTEs, including a department supervisor for Bull City United and Project Build and a Data Analyst to serve both areas. Operating funds to support the work of 20 additional FTEs are also included. In addition to the increased number of FTEs and outreach, Bull City United and Project Build will move from the Public Health Department to its own department that will also include My Brother's Keeper. In addition, these entities will work with Campaign for Change and our workforce development eco-system to collaborate with many of our "hard to reach" citizens who are in need of basic life skills and gainful employment.

Funding support of \$936,000 was provided by the Board for an additional six months (July 2021 to December 2021) of continued "non-congregate" housing of homeless residents. This is in direct support of COVID-related



protocols established around housing support at the homeless shelter and other homeless supported housing. Due to COVID- related protocols, shelter space at the UMD homeless shelter is more limited than in the past, and these funds will allow additional housing space at various hotels and available duplexes. This additional funding will be offset with federal ARPA funds designated for pandemic recovery.

Funds were also provided by the Board, during budget work sessions, for a joint City/County developed “Aging Master Plan” study (\$125,000) and a behavioral health infrastructure “Stepping Up” study (\$25,000).

A request from the City of Durham to support a jointly funded Refugee and Immigrant Services Coordinator position was approved by the Board with additional County costs of \$45,000. This position will be housed within City government and will specifically assist help the City and County’s growing immigrant population find and use local services.

As a reminder, twelve new public health nurses were also added to support children’s health and wellbeing at additional DPS schools.

## Department of Social Services

In 2017, the North Carolina General Assembly passed and implemented the Medicaid Report Card. This report card was a way to monitor county Social Service agencies to ensure counties were meeting the timeliness standards for processing all Medicaid applications. This step was taken due to a failure of counties to meet the standards at the required federal level of 90% timeliness.

Durham County had consistently met the report card standards since the implementation of the program; however, in 2019 the agency started to have failures within the Adult Medicaid section due to high staff turnover. The department took proactive measures to address concerns that attributed to the turnover issues, including reallocating resources to the area, examining contracting with other counties, and developing an internal corrective action plan to address the challenges of timely application production. However, additional investments were needed to improve the compliance levels.

Funds were added to the FY 2020-21 Social Services (DSS) budget to support 39 new positions to begin working toward meeting the compliance levels set by the state. However, in developing that budget, there were limitations to the number of new positions the County could add because of the economic uncertainty surrounding the pandemic, and this number was only a portion of the full number of FTEs needed. To finish supplying Social Services with the necessary resources to meet and exceed state compliance levels, additional support is still needed this upcoming fiscal year. The Board has approved 10 additional positions, at a net County cost of \$478,000, that will focus on quality assurance work and support the other positions already filled. A significant portion of the cost of these positions are offset by federal reimbursement. These positions will support the County’s goals of meeting and maintaining 90% (and higher) on the Medicaid state report card for six consecutive months and continue passing thereafter, as well as processing 95% of Medicaid recertifications on-time.

The DSS budget also includes funding to support a Durham County Long-Time Homeowner grant program for residents at or below 30% of the area median income. The initiative is modeled after the Mecklenburg County Homeowners with Economic Support (HOMES) program. As with the Mecklenburg County HOMES program, the program is structured to aid qualified low-income residential homeowners within Durham County to retain their homes by reducing the financial burden resultant from a competitive real estate market. Grant funds awarded through the program will help reduce the amount of property taxes due for qualifying recipient’s primary residence.

Funding totals \$750,000 for grant allocations, with an additional \$192,119 (3 new FTEs in DSS) to support administrative costs. Program details will be finalized in the upcoming weeks upon review and approval by the DSS Board. Although an initial \$750,000 in grant funds is allocated for this initiative, we anticipate additional grant support through a partnership with the City of Durham and other funding.

## Library

Durham County Libraries eliminated overdue fines for books and audiovisuals in FY 2020-21, and that policy decision will continue for FY 2021-22. "Fine Free" removes barriers to library access for low-income families and individuals. Residents will still be charged a fee for lost and damaged items. The library system is also set to replace two vehicles in the upcoming fiscal year.

Residents of Durham should be looking forward to the full reopening of the library system early in FY 2021-22 with the comfort of knowing that extra cleaning and security supporting updated health protocols will be in place. In particular, the beautiful new downtown Main Library will finally get its moment in the community spotlight, a true jewel in Durham County's crown.

## Goal 3: Safe Community

### Sheriff's Office

To combat the ongoing opioid epidemic and to implement Phase II of the Medication Assisted Treatment (MAT) program, this budget supports two new positions at the Detention Center. More than 60 percent of individuals in local jails and 58 percent of individuals incarcerated in prisons report substance abuse issues. MAT is the most effective, evidence-based approach to address opioid use disorder and prevent fatal overdose. The positions, a Licensed Clinical Addiction Specialist, and a Peer Support Specialist, will focus support services on individuals who are currently incarcerated. Durham County's Department of Public Health and the Criminal Justice Resource Center will continue providing support services to those individuals once they have been released.

The Durham County Sheriff's Office is continuing technology improvements with its implementation of Office 365. This implementation enables more effective communication inside and outside the agency at a cost of \$405,000 annually. The office has also made a request to purchase Laserfiche software for electronic file storage. Funding for a security risk assessment for the Sheriff's Office IT infrastructure has also been requested and ongoing annual costs related to the recently approved body-worn camera CIP project are also required. In addition, they have requested a Procurement Specialist to oversee purchasing, receiving inventory, and distribution of goods for the 485-person organization. The Board supported these priority requests from the agency. Additional overtime funding for the Detention Center is also approved to support higher trending costs in this area, largely due to turnover and ongoing detention officer vacancies.

After a much smaller number of replacement vehicles (20) were provided to the Sheriff's Office in FY 2020-21 due to expected financial constraints the approved budget provides funding for the replacement of 39 Sheriff's Office vehicles for the upcoming fiscal year. It is extremely important that the County continue to replace vital public safety equipment on a set schedule to ensure maximum availability and trusted use by staff, such as the Sheriff's Office and EMS.

### Office of Emergency Services (including Emergency Medical Services)

For several years Durham County has been able to store important public safety vehicles and equipment, at no-cost to the County, in the previously vacant Freudenberg industrial facility. That space is no longer available, a casualty of a still humming local economy. In response to the need to store mission critical equipment, the County has entered into an eight-year lease for new storage space. The Office of Emergency Services will be the primary fiscal agent for the public safety warehouse lease, which has an annual cost of \$1 million. The facility provides secure indoor storage for equipment and supplies maintained by the County Sheriff's Office (21%), Emergency Management, and Emergency Medical Services (EMS) (79%). This space will also function as a receiving point for supplies from State and Federal agencies during emergency events.

The Office of Emergency Services completed a comprehensive analysis of its Emergency Medical Services (EMS) fees, which were last updated in FY 2015-16. Based on the analysis, a new fee schedule has been approved that provides greater parity across all fee categories and ties EMS fees to the allowable Federal rate structure. The proposed schedule would increase fees for higher acuity calls which represents the sickest and most injured

patients and lowers fees for less serious calls. The total fee revenue should remain stable with the new fee schedule.

Finally, like the Sheriff's Office, EMS had no ambulances replaced in FY 2020-21. As stated earlier, it is extremely important that vehicles such as ambulances be replaced on an annual schedule to ensure maximum availability and reliability to Durham County residents. For the upcoming fiscal year, this budget includes five replacement ambulances and the replacement of computers in ambulances which will get the County back on track with a feasible annual replacement schedule.

### Youth Home

This current year, due to unanticipated circumstances caused by the pandemic and legislation changes, the capacity of the Youth Home was reduced, and the number and cost of juveniles detained at out-of-county facilities increased significantly. The Youth Home's FY 2020-21 budget of \$5,000 for out-of-county beds was not sufficient to cover the unanticipated growing cost, and the Board appropriated an additional \$130,000 to offset these unplanned expenses. This upcoming budget has added an additional \$125,000 to cover the cost of out-of-county placements for juveniles. To assist with this issue, a new 36-bed Youth Home facility is under design with an opening targeted for spring 2023. This capital project is part of the approved 10-year Capital Improvement Plan.

The Youth Home budget also contains more than \$21,000 to fund onsite psychiatric services for juveniles in partnership with the Criminal Justice Resource Center. These services will allow juveniles to remain in the Youth Home and develop regular assessments and medication management protocols.

### Court Services

Durham County Government is committed to providing equitable access to all its services and that is why this budget is offering parking validation at the Justice Center Parking Deck to those involved in a court case with the District Attorney or Public Defender at the Durham County courthouse. Currently, courthouse visitors, with the exception of jurors, must pay for parking, which can run as much as \$12 a day for court cases that can last a week or longer. This can be a substantial financial burden for low-income individuals involved in these cases. Funding parking validation for those involved in court cases is a viable cost recovery strategy that seeks to reduce the financial burden on residents involved in the criminal justice system.

### Fire Districts

Two Volunteer Fire Districts are approved for a property tax increase while all others are able to provide continued services with no increase. A one (1) cent tax rate increase is needed for Durham County Fire and Rescue Service District (DCFR) to continue to support the consolidation with the City, as well as handle their portion of the expense for a new EMS/Fire station to be completed late in FY 2021-22. Lebanon Fire district is using a three-quarter ( $\frac{3}{4}$ ) cent tax rate increase this year to provide funding to support the 12 FTEs that are billed in the County's General Fund. The expense of these FTEs has increased over recent years and this tax rate increase will allow continued support of those expenses as well as necessary operational expenses for the department.

## Goal 4: Environmental Stewardship & Community Prosperity

### Economic Development

Durham County continues to maintain its focus and efforts to increase economic growth in the County. The Office of Economic Development seeks two full-time staff (Economic Development Officer and Economic Development Analyst) to address the increase in workload, develop a business recruitment model, and support reoccurring engagement, programming in workforce development, and small business support. With the additional staff, the County will support existing efforts, better secure business recruitment, keep current partnerships, and explore new service delivery. The County also continues to maintain its Economic Development Investment Program to attract and retain new business and industry. It is anticipated that

companies and investors will meet their scheduled performance criteria for FY2021-2022. The incentive payment amount for FY 2021-22 has increased by \$637,400 compared to the approved FY 2020-21 amount.

### **Open Space and Real Estate**

The County's Open Space Program manages seven miles of trails in three open preserves, with a fourth preserve in the active planning stages, soon to be open to the public. County-owned open space has grown from 570 acres in 2003 to 1,288 acres in 2021, but land management staff has remained at one full-time position. In addition, both the Hollow Rock Preserve and Matthews trail projects were completed during this time. With current workloads, the existing Open Space program staff cannot manage and steward the County's open space properties nor direct significant time and energy into community engagement and outreach in various platforms. A new Land Management and Outreach Assistant will assist the Land Manager with support for regular trail maintenance, resolve encroachment issues, and add a safety measure when dealing with dangerous equipment. Finally, the new Land Management and Outreach Assistant will enable the County's open space program to increase community engagement outreach significantly, including additional volunteer workdays, improving educational materials at preserves, engaging with youth groups and schools on nature-based projects, and maintaining an online program and preserve information.

### **Sewer Utility**

The Sewer Utility department, an Enterprise Fund agency that fully supports operational costs through fees charged to customers, is approved to add three new positions. One, a Utility Locator position will provide state mandated functions, another is a project manager to oversee the growing list of utility related capital projects, while the final position is an Office Assistant position to support with utility administration, ensure project compliance, performs project management, and Assist the Superintendent and the Deputy Director.

Sewer consumption rates will be increased by 4.76% to address anticipated re-investments as well as costs related to operations to continue to ensure our high level of operational readiness and environmental protection. Fee increases are listed in the fee schedule.

### **Solid Waste**

The sticker fee for County residents waste and recycling was increased slightly in FY 2020-21 in recognition of the increased cost (\$158.81 to \$171.78) to provide the service. However, the Board is happy to note that the fee is being decreased this year to \$164. This reduction is a result of the elimination of construction and demolition waste from the Convenience sites. Although the ordinance does not allow for the acceptance of any construction and demolition waste at convenience sites, there has only been partial compliance in the past. In FY 2020-21 enforcement has been stricter, resulting in reduced tonnage and a decrease in Solid Waste costs.

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

### **Racial Equity**

Durham County began its intentional pursuit to advance racial equity more than five years ago by bringing racial equity training and education to staff and community stakeholders. In May 2020, the County hired its first Racial Equity Officer to begin carrying out the work of applying a racial equity lens in all countywide efforts. In the first six months of hire, the Racial Equity Officer conducted the first racial equity employee survey in addition to monthly trainings and presentations to employees and community stakeholders. The FY 2021-22 budget funds two new full-time positions, a Racial Equity Specialist, and a Community Analyst. Two paid graduate student internships are also included in the FY 2021-22 budget to support the racial equity efforts. Operating funds to support the full-time positions and additional funding for departmental equity training is included in the budget.

## General Services

Due to the pandemic the County has seen a substantial increase to its building cleaning and security costs largely paid to contracted vendors. As the demand for these services has increased so has the vendor contract costs. Thankfully, many County COVID-19 related expenses are eligible for the American Rescue Plan Act (ARPA) reimbursement including cleaning and security costs. So, while there is a \$1.7 million increased cost for these services in the upcoming year, there is also offsetting federal revenue to pay for it. It is expected that these costs will see a reduction in FY 2022-23 as the pandemic and related health issues and protection measures recede.

## Human Resources

As part of necessary pandemic related safety protocols for Durham County employees, the County's Human Resources department will oversee COVID 19 screenings at all County buildings throughout the upcoming year, at a cost of a little over \$500,000. Like General Services pandemic related costs, these employee health safety expenses can be offset by ARPA (federal) funds. It is a cost the County would have gladly carried, our employee health safety is an absolute top priority, but it is appreciated that our national government agrees with this sentiment and is willing to financially support such actions.

## Employee Health Benefits

Historically, annual health benefits support costs for County employees have seen significant growth. In fact, for the current fiscal year, FY 2020-21, health benefits costs grew by over \$2.7 million and saw \$3 million growth the year before. For FY 2021-22 the County is getting a reprieve from escalating health insurance costs with only a 2.65% increase in costs, or slightly less than \$800,000.

## New Positions

In an effort to bolster the support to the County's information technology infrastructure the Information Services & Technology department had a plan to add four new FTEs in FY 2020-21. As part of the budget development process, in order to limit the financial burden of four new positions, vacant positions in Finance (1), Budget (1), and General Services (2) were moved to IS&T. In turn the Board approved those "taken" positions be re-funded back in their original departments.

## Conclusion

In total, the Board of County Commissioners approved approximately \$3.8 million of additional net County funding above the Manager's recommended budget. While some increases in funding were offset with ARPA revenue or direct grant revenue, that net \$3.8 million needed additional direct County funding. With a requested review of the County's financial stance coming out of the pandemic, the Board heard that the County expected significant over a collection of revenue in the FY 2020-21 fiscal year which would provide available fund balance (savings account) to support the additional \$3.8 million in expenditures approved by the Board.

By prudently using available fund balance the County was able to expand important services without needing to increase the property tax rate any higher than the Managers' recommended one cent increase. Every year the Board of County Commissioners is faced with the unenviable task of trying to support an infinite array of needs with a finite amount of resources. The biggest resource the Board has control over is property tax revenue collected through the establishment of the property tax rate. While increasing that property tax rate can bring in more revenue, it in turn means higher property tax bills for all Durham County property owners. In order to limit the effects of growing property tax bills, the Board has to make hard choices between limiting additional expenditures for worthy programs and services or finding other revenue sources like fund balance (the County's savings account).

This year's additional Board support of expanded funding above the initial Manager's recommended budget met some, but not all needs presented during the budget process. But in turn, the Board was able to support that




increased spending with funds that would not put undue pressure on property owners throughout the County. I look forward to working with the Board and departments on accomplishing the goals and expectations created through this annual budget and providing citizens with the absolute best local government services available in the country. Our County government has a vital role in this recovery period resultant from the COVID-19 pandemic. I'm proud to stand beside all County employees, our community partners, and the Board of County Commissioners as the Interim County Manager as we successfully navigate this season.


Sincerely,

A handwritten signature in cursive script that reads "Claudia Odom Hager". The signature is written in black ink on a light-colored background.

Claudia Odom Hager



**72.22¢**  
per  
\$100 valuation



Tax Rate for FY 2021-22: **1¢**  
over FY 2020-21 tax rate


Property tax collection percentage at  
**99.10%**  
Same as FY 2020-21



Sales Taxes revenue are projected to **13.32%** increase from the current year approved budget

Total # of Durham County Employees (Full-Time Equivalents)

**2,194.14**




**60**  
net increase

30 Partially Grant Funded  
27 General Fund Supported-positions  
3 funded through the Enterprise Fund

State mandated increase in County contribution to the Local Government Employees Retirement System (LGERS) from

**10.20%**  
to  
**11.39%**



and **10.90%**  
to  
**12.04%**

for Local Law Enforcement Officers (LEO)



**2-3%**  
**\$1.3** million

Pay for Performance salary increase for employees in FY 2021-22 reinstated at




**3%**


COLA starting July 1st  
**\$4.1** million




DCo is continuing contract with Cigna as the administrator of our Health Insurance process

**\$1.02** million increase in Benefits Plan expenses

Ongoing current expense funding to Durham Public Schools increases **\$13.03** million  to **\$166,206,627** or **8.51%**

 Local Expense per pupil funding increases to **\$3,974**, up **\$219** from FY 2020-21

 The General Fund balance appropriation increased from **\$17.40** million to **\$23.36** million

 **\$4.5** million Marked as a potential revenue from The American Rescue Plan Act (ARPA)

Bull City United expansion  
**20** FTE joint City/County Investment

**3** FTE Long Time Homeowners Grant Program modeled after Mecklenburg County plan



**10** FTE in DSS  
Phase 3 Medicaid compliance



**48** Replacement vehicles for Durham County departments

**\$3.03** million



**15** Non-profit agencies are being funded in FY 2021-22 at a total of **\$704,000**

**4** Focus Areas



**Focus Area One:** **\$185,335**  
Child, Youth, and Family Wellness

**Focus Area Two:** **\$126,000**  
Food Security

**Focus Area Three:** **\$166,666**  
Workforce Development

**Focus Area Four:** **\$226,000**  
Affordable Housing



Annual debt service payments increase from **\$71.64** million to **\$77.99** million



with dedicated property tax staying at **8.61¢**

# Durham County Strategic Plan



## Goal 1: COMMUNITY EMPOWERMENT AND ENRICHMENT

Goal Statement: Provide access to educational, vocational, economic and cultural opportunities while empowering citizens to choose pathways for their own success.

Objectives

- Education** - Provide and support learning and enrichment opportunities that support educational achievement and life success
- Workforce Development** – Strengthen the workforce by supporting the provision of effective education, training and workforce supports, particularly for hard-to-employ groups
- Family Success** – Support and provide programs, services and systems which improve life skills and increase family success and prosperity
- Cultural Opportunities** – Foster a strong, diverse, artistic and cultural environment



## Goal 2: HEALTH AND WELL-BEING FOR ALL

Goal Statement: Improve the quality of life across the lifespan through protecting the health of community, reducing barriers to access services and ensuring a network of integrated health and human services available to people in need.

Objectives

- Healthy Lives** – Increase the number of healthy years that residents live
- Healthy Community** – Increase the quality of life in Durham County
- Healthy Children and Youth** – Support the optimal growth and development of children & youth



## Goal 3: SAFE COMMUNITY

Goal Statement: Partner with stakeholders to prevent and address unsafe conditions, protect life and property, respond to emergencies and ensure accessible and fair justice.

Objectives

- Emergency Response Services** – Increase safety and security throughout the community by responding to emergency crisis situations
- Criminal Justice Services** – Improve life outcomes for people involved in the criminal justice system
- Prevention Services** – Reduce the number of people entering and involved with the criminal justice system
- Emergency Management Services** – Enhance Durham's ability to decrease harmful impacts of emergency events on people and property
- Community Services** – Increase residents' ability to help themselves and others be safe and



## Goal 4: ENVIRONMENTAL STEWARDSHIP & COMMUNITY PROSPERITY

Goal Statement: Protect natural resources and support and promote community and economic vitality for all residents of Durham County.

Objectives

- Natural Resource Stewardship and Protection** – Protect and steward natural resources through comprehensive compliance and educational programs
- Community Prosperity** – Promote and support the community and economic vitality for all residents of Durham County
- Development and Community Services** – Provide responsive and efficient services to promote community prosperity, smart growth and quality development for all residents of Durham County



## Goal 5: ACCOUNTABLE, EFFICIENT, AND VISIONARY GOVERNMENT

Goal Statement: An effective organization committed to continuous innovation, exceptional customer service, transparency and fiscal responsibility.

Objectives

- Customer Engagement and Responsiveness** – Bolster engagement and responsiveness to both internal and external customers
- Talented Workforce** – Attract, recruit and retain talented workforce
- Sound Business Systems** – Ensure sound fiscal, operational and technology systems
- Performance Management and Accountability** – Improve the strategic use of data to promote ongoing process improvement, innovation and accountability






## Introduction

In FY 2016-17, Durham County citizens, Commissioners, and staff embarked on a “refresh” of the Durham County Strategic Plan. The update involved a deliberate process of outreach and engagement with key County stakeholders to ensure varied perspectives and interests were represented. In seeking community input for the Strategic Plan, a series of meetings were held to solicit input from diverse stakeholder groups across all County demographics (i.e. Senior Citizens, Hispanic Advocacy Organizations, etc.) Innovative methods of using technology were also used to solicit community input for the plan such as connecting to citizens through social media and online community forums. Finally, County leaders also received input from about 550 County employees as part of the update process.

As the plan was being refreshed, the County was also coordinating alignment of the Strategic Plan with Durham County’s change management model, Managing for Results (MFR), implemented across all County Departments in 2014. Aligning the MFR model with the Strategic Plan improves County effectiveness at achieving Strategic Plan goals and directs the development of County departmental work plans for current and future years.

Once community outreach and engagement processes ended, the process resulted in a refreshed Durham County Strategic Plan which was finalized and published in 2017. The full Durham County Strategic Plan can be found here: <https://www.dcomanagingforresults.org/>.

The refreshed plan established the following five community wide Strategic Plan Goals:

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

Within each of the five goal areas, the refreshed Strategic Plan included a series of global metrics that serve as a means with which to gauge overall County progress toward achieving Strategic Plan Goals. The metrics (measures) include 17 “Community” Indicators, which are broad and high-level gauges of the community which can be used to inform the creation of community wide policy and overarching progress toward the five Strategic Plan goals.

Initial data collection and analysis of the 17 Strategic Plan Community Indicators has been compiled with basic trend analysis and benchmarking of the indicators included on subsequent pages. Additional measures related to Strategic Plan objectives and implemented strategies are defined in the Strategic Plan document noted above, and will be reported on at least bi-annually in a separate, more detailed document for citizen, Commissioners, and County staff assessment and programmatic review. This in-depth review process will continually direct organizational focus towards strategies and services that support Strategic Plan goals. Ultimately that organizational focus and service provision will inform budget allocations which is where the Strategic Plan connects to the annual budget document. As the Strategic Plan implementation process evolves more specific related measures will be included in the annual budget document to support specific dollar allocations.

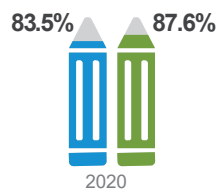
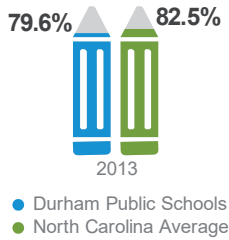
Reporting tools and mechanisms to monitor all aspects of the Strategic Plan that, in turn, will assist internal and external County Stakeholders in achieving Strategic Plan Goals, are currently being developed. These tools will also allow citizens to view and assess Strategic Plan progress always using appropriate metric dashboards. Finally, the Budget and Management Services department has increased its capacity to assist other County departments with deepening their integration of departmental workplans and the Managing for Results process with the Strategic Plan Goals (and objectives and strategies).





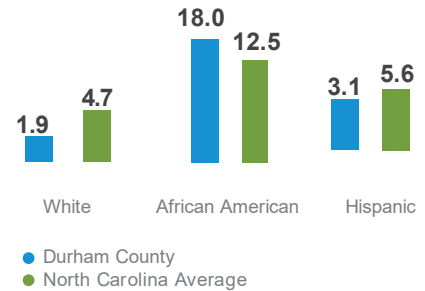
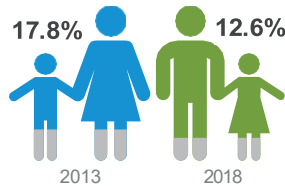
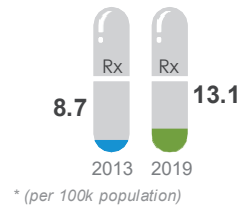
### GOAL 1 Community Empowerment and Enrichment

#### Four-Year High School Graduation Rate      Housing | Unemployment | Poverty Rates



### GOAL 2 Health and Well-Being for All

#### Drug Overdose Death Rate\*      Uninsured Children and Adults Rate      2019 North Carolina Infant Mortality Rates\*



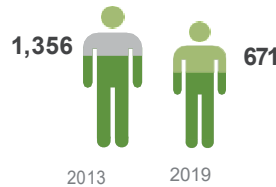
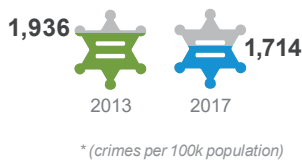
\* (per 100k population)

\* Rate per 1,000 live births. The rates displayed are based on small counts and have potential to change drastically from year to year.



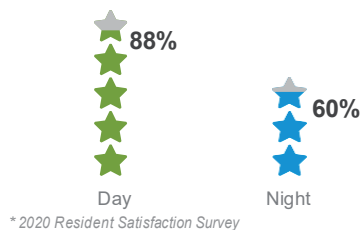
### GOAL 3 Safe Community

#### Part 1 Crime Rate\*: Unincorporated DCo      Number of Residents Involved in the Criminal Justice System\*



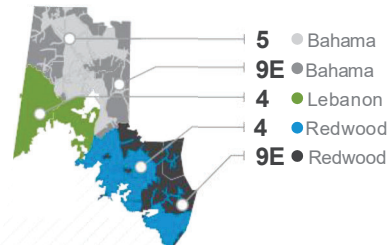
\* (rate per 100k persons in the County population)

#### Percentage of Residents that Feel Safe Walking Alone in Their Neighborhood\*



\* 2020 Resident Satisfaction Survey

#### ISO Insurance Ratings Durham County Volunteer Fire Districts

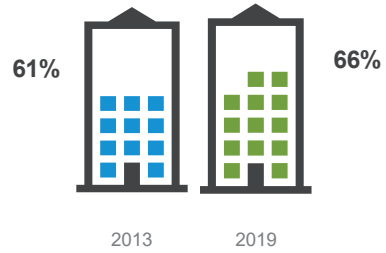
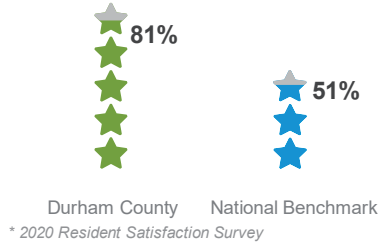




### GOAL 4

#### Environmental Stewardship and Community Prosperity

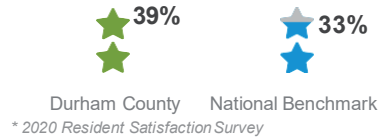
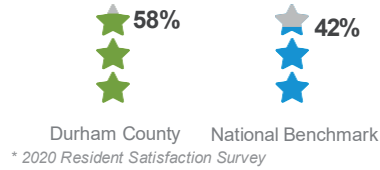
**Percentage of Residents Who Said the Community is a Good Place to Live\***      **Percent Employment**



### GOAL 5

#### Accountable, Efficient, and Visionary Government

**Percentage of Residents Who Were Satisfied with the Quality of Services Provided by the County\***      **Percentage of Residents Who Said the Value Received for Local Taxes and Fees is Good or Excellent\***



#### Bond Rating



Over 20 years, Durham County Maintains Triple A Bond Rating

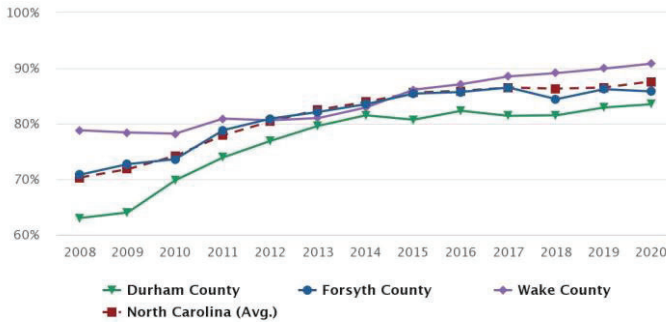


For more detailed information, including benchmark comparisons, where applicable, visit [www.data-dconc.org](http://www.data-dconc.org)

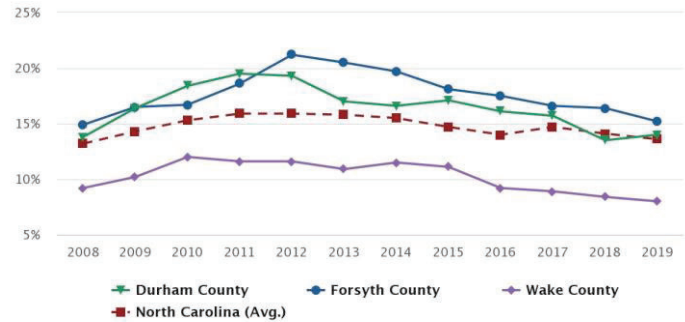


**GOAL 1**  
Community Empowerment and Enrichment

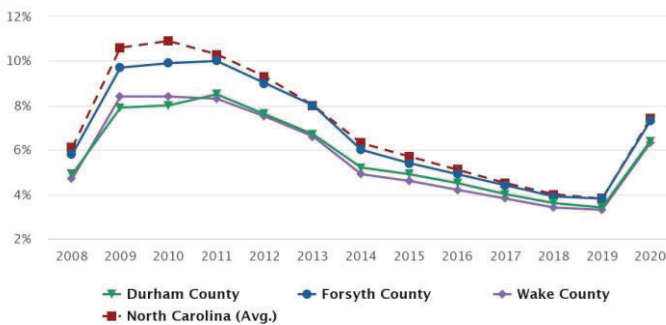
DPS high school / four-year graduation rate



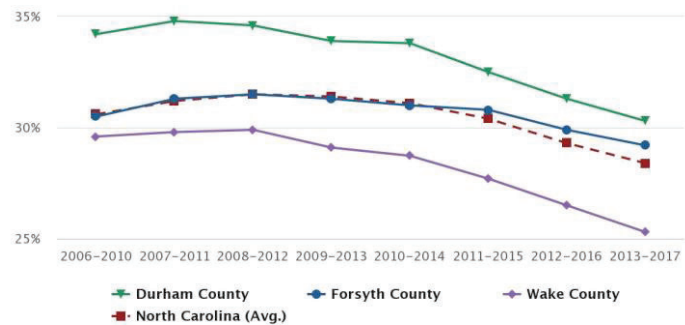
Percentage of population living in poverty



Local unemployment rate

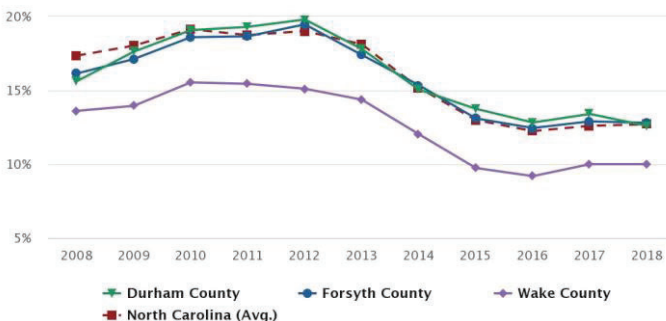


Percentage of households spending more than 30 percent of household income on housing

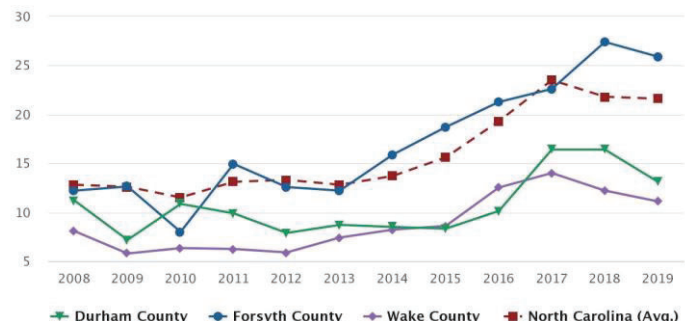


**GOAL 2**  
Health and Well-Being for All

Percentage of uninsured adults and children



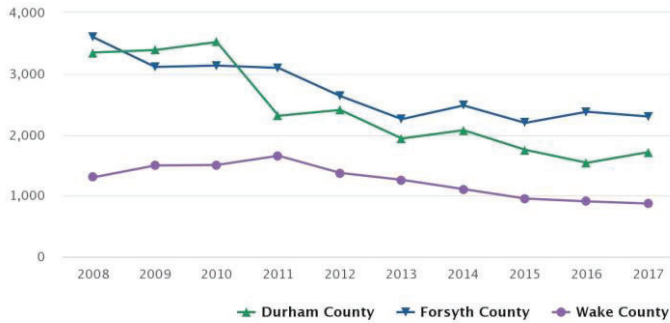
Drug overdose death rate



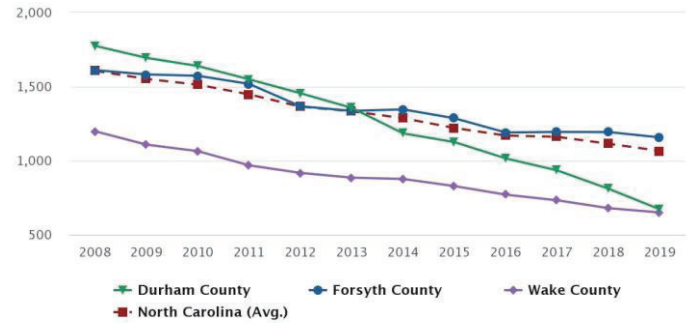


**GOAL 3**  
Safe Community

**Part 1 Crime rate for unincorporated Durham County (violent and property crime)**

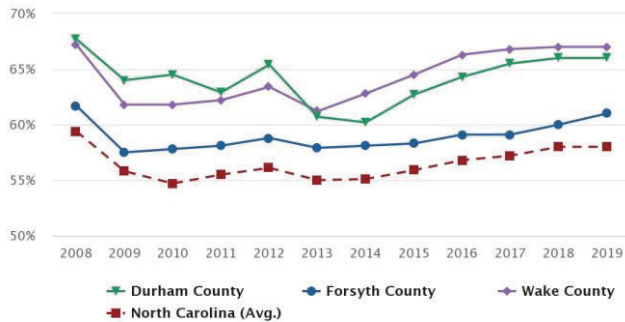


**Number of residents involved in the criminal justice system**



**GOAL 4**  
Environmental Stewardship and Community Prosperity

**Employment growth (percent employment)**



**SOURCES:**

- DPS high school / 4-year graduation rate: <https://www.dpi.nc.gov/districts-schools/testing-and-school-accountability/school-accountability-and-reporting/cohort-graduation-rates>.
- Percentage of households spending more than 30% of income on housing: US Department of Housing and Urban Development: <https://www.huduser.gov/portal/datasets/cp.html>.
- Local unemployment rate: US Bureau of Labor Statistics: <https://data.bls.gov/cgi-bin/surveymost?la=37>.
- Percentage of population living in poverty: US Census Bureau: <https://www.census.gov/programs-surveys/saie/data/datasets.html>.
- Drug overdose death rate: CDC: <https://wonder.cdc.gov/>.
- Percentage of uninsured adults and children: US Census Bureau: <https://www.census.gov/programs-surveys/sahie.html> & <https://www.census.gov/data/datasets/time-series/demo/sahie/estimates-acs.html>.
- Infant mortality rates by race/ethnicity: North Carolina State Center for Health Statistics: <https://schs.dph.ncdhhs.gov/data/vital.cfm>.
- Part 1 crime rate for unincorporated Durham County (violent and property crime): North Carolina State Bureau of Investigation: <http://crimereporting.ncsbi.gov/Reports.aspx>.
- Number of residents involved in the criminal justice system: NC Office of State Budget and Management: <https://inc.osbm.nc.gov/pages/home/> & North Carolina Department of Public Safety: <http://webapps6.doc.state.nc.us/apps/asqExt/ASQ>.
- Percentage of residents that reported that they feel very safe or safe (day/night in neighborhood), according to the Resident Satisfaction Survey: 2020 Resident Satisfaction Survey: <https://www.dconcc.gov/county-departments/departments-a-e/county-manager/city-county-resident-survey>.
- ISO insurance ratings for each fire department: Durham Open Data Portal: <https://live-durhamnc.opendata.arcgis.com/>.
- Percentage of residents who rated the community as good or excellent as a place to live, according to the Resident satisfaction Survey: 2020 Resident Satisfaction Survey: <https://www.dconcc.gov/county-departments/departments-a-e/county-manager/city-county-resident-survey>.
- Employment growth (percent employment): NC Office of State Budget and Management: <https://inc.osbm.nc.gov/pages/home/>.
- Percentage of Residents who were very satisfied or satisfied with the overall quality of services provided by the County: 2020 Resident Satisfaction Survey: <https://www.dconcc.gov/county-departments/departments-a-e/county-manager/city-county-resident-survey>.
- Residents who rated the value received for local taxes and fees as good or excellent: 2020 Resident Satisfaction Survey: <https://www.dconcc.gov/county-departments/departments-a-e/county-manager/city-county-resident-survey>.
- Maintain Durham County Triple A Bond Rating: Annual Financial Reports: Durham County: <https://www.dconcc.gov/county-departments/departments-f-z/finance/annual-financial-reports>. Wake County: <http://www.wakegov.com/finance/annualreports/Pages/default.aspx>. Forsyth County: <https://www.co.forsyth.nc.us/Finance/CAFR.aspx>.