



## **Appendix**

Additional supplementary material.

## FY2022-23 BUDGET CALENDER

October 2021		
Friday	Oct. 15	Departments submit IS&T Technology Request Form (new requests only, not replacements) to Kim Cook in IS&T
November 2021		
Wednesday	Nov. 10	Joint City and County Budget Review meeting (9am-10:30am)
Friday	Nov. 12	Departments submit Replacement vehicle, Building Renovation and General Maintenance forms to General Services.
Monday	Nov. 22	Department submit vehicle requests to General Services
December 2021		
Wednesday	Dec. 1	General Manager and Budget Staff Meeting to Prepare for Pre-Budget meetings
Wednesday	Dec. 8	FY 2022-23 Budget Kick-off at Department Head Meeting; Release Budget Manual, Budget Calendar, and Budget Process Resources; New Spending Request Released-Due Jan. 7th
Tuesday	Dec. 14	Budget Office Hours (1-3pm)
Thursday	Dec. 16	Budget Office Hours (10-12pm)
January 2022		
Monday-Wednesday	Jan. 3 - 5	Pre-Budget Meetings with General Managers – Goal Area Team Meeting
Friday	Jan. 7	Rough Draft New Spending Requests Due for Budget Analyst Review
Tuesday	Jan. 12	<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.
Wednesday	Jan. 12	UPSPL and New Spending Request Training (10-12pm)
Wednesday	Jan. 19	UPSPL and New Spending Request Training (1-3pm)
Wednesday	Jan. 26	Budget Office Hours (10-12pm)
February 2022		
Wednesday	Feb. 2	Budget Office Hours (1-3pm)
Friday	Feb. 11	<b>DEPARTMENTAL BUDGET REQUESTS DUE TO BUDGET AND MANAGEMENT SERVICES – Requests entered into SAP Budget System (BWP) and supporting documents placed in Microsoft Teams (includes program budgets and strategies) 5 weeks</b>
Monday	Feb. 14- 21	“Check Ins” with General Managers, Departments, and Budget Analyst
Tuesday	Feb. 24	BOCC Annual Budget Retreat – 9-3pm
March 2022		
Tuesday	Mar. 1	Send out Fee Template
Tuesday-Thursday	Mar. 21-Apr. 12	Departmental budget presentations with County Manager, General Manager and Budget and Management Services
Monday	Mar. 28	Advance public comments at Board of County Commissioners meeting
April 2022		
Friday	Apr. 8	City/County Budget Meeting 1pm-5pm
Friday	Apr. 15	Fee Update due from Departments to Budget Office
Friday	Apr. 29	Complete Budget Book pages
May 2022		
Friday	May. 6	Departments will be notified of the County Manager’s Recommended Budget
Monday	May. 9	County Manager delivers Recommended Budget to Board of County Commissioners – 7p
Tuesday	May. 10	Notice of Public Hearing published for May 23 Public Hearing
Tuesday	May. 17	Board of County Commissioners Budget Worksession 1-5pm
Monday	May. 23	Board of County Commissioners holds public hearing on Recommended Budget 7pm
Wednesday	May. 25	Board of County Commissioners Budget Worksession 1-5pm
June 2021		
Thursday	Jun. 2	Board of County Commissioners Budget Worksession 9-4:30pm
Monday	Jun. 6	Board of County Commissioners Budget Worksession 1:30-5pm
Wednesday	Jun. 8	Board of County Commissioners Budget Worksession 9-2:30pm

Monday	Jun. 13	Board of County Commissioners Adoption of FY 2022-23 Annual Budget Ordinance
<b>July 2022</b>		
Friday	Jul. 1	FY 2022-23 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 that has commercial or exchange value.

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

**Base budget:** Cost of 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 that 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 that 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 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 that 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 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 of county buildings and facilities.
- 5300240000 OFFICE FURNITURE AND EQUIPMENT: Expenditures for office furniture 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.

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

	FY 2020-21 Actual	FY 2021-2022 Estimate	FY 2022-2023 Budget
<b>Revenues</b>			
Taxes	\$ 425,405,583	\$ 449,819,800	\$ 459,719,933
Licenses and permits	626,990	338,564	540,000
Intergovernmental revenues	76,023,039	72,506,300	69,125,974
Investments	2,080,025	1,421,451	1,515,000
Rent	723,085	792,345	133,316
Charges for Services	32,352,251	36,451,426	39,240,214
Other revenues	1,027,593	1,700,128	1,776,325
<b>Total revenues</b>	<b>538,238,566</b>	<b>563,030,014</b>	<b>572,050,762</b>
<b>Expenditures</b>			
General government	70,094,306	72,084,794	113,319,822
Public safety	76,925,873	75,279,311	73,693,564
Transportation	291,640	782,949	1,273,389
Environmental protection	8,759,492	5,483,897	4,996,509
Economic and physical development	5,911,482	8,574,354	9,436,211
Human services	95,511,667	119,531,991	97,513,257
Education	169,786,429	181,802,630	194,200,324
Cultural and recreational	14,324,854	15,567,953	13,088,746
<b>Total expenditures</b>	<b>441,605,743</b>	<b>479,107,879</b>	<b>507,521,822</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>96,632,823</b>	<b>83,922,135</b>	<b>64,528,940</b>
<b>Other financing sources (uses)</b>			
Transfers in	6,562,915	5,566,084	2,060,296
Transfers out	(70,206,354)	(85,032,308)	(95,098,478)
Fund balance appropriated	-	-	28,509,242
<b>Total other financing sources (uses)</b>	<b>(63,643,439)</b>	<b>(79,466,224)</b>	<b>(64,528,940)</b>
<b>Net change in fund balances</b>	<b>32,989,384</b>	<b>4,455,911</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>220,112,490</b>	<b>253,101,874</b>	<b>257,557,785</b>
<b>Fund Balance - ending</b>	<b>\$ 253,101,874</b>	<b>\$ 257,557,785</b>	<b>\$ 229,048,543</b>

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

The 2021-22 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 2020-2021 Actual	FY 2021-2022 Estimate	FY 2022-2023 Budget
<b>Revenues</b>			
Taxes	\$ 10,670,984	\$ 11,527,235	\$ 11,683,622
Investments	5,555	6,622	-
<b>Total revenues</b>	<u>10,676,539</u>	<u>11,533,857</u>	<u>11,683,622</u>
<b>Expenditures</b>			
Public safety	7,681,311	8,099,248	9,883,588
Economic and physical development	1,290,361	1,506,700	1,855,036
<b>Total expenditures</b>	<u>8,971,672</u>	<u>9,605,948</u>	<u>11,738,624</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,704,867	1,927,909	(55,002)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(1,118,923)	(1,092,486)	(1,356,546)
Fund balance appropriated	-	-	1,411,548
<b>Total other financing sources (uses)</b>	<u>(1,118,923)</u>	<u>(1,092,486)</u>	<u>55,002</u>
<b>Net change in fund balances</b>	585,944	835,423	-
<b>Fund Balance - beginning</b>	<u>2,720,672</u>	<u>3,306,616</u>	<u>4,142,039</u>
<b>Fund Balance - ending</b>	<u>\$ 3,306,616</u>	<u>\$ 4,142,039</u>	<u>\$ 2,730,491</u>

The 2021-22 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 2020-2021 Actual	FY 2021-2022 Estimate	FY 2022-2023 Budget
<b>Revenues</b>			
Investments	\$ 53,142	\$ 54,073	\$ -
Charges for services	459,865	538,462	500,000
Intergovernmental revenues	207,283	-	225,881
<b>Total revenues</b>	<b>720,290</b>	<b>592,535</b>	<b>725,881</b>
<b>Expenditures</b>			
Principal retirement	43,574,785	45,105,621	52,918,927
Interest and fiscal charges	18,337,415	17,901,197	23,090,710
Debt issuance costs	505,108	-	-
<b>Total expenditures</b>	<b>62,417,308</b>	<b>63,006,818</b>	<b>76,009,637</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(61,697,018)</b>	<b>(62,414,283)</b>	<b>(75,283,756)</b>
<b>Other financing sources (uses)</b>			
Transfers in	66,082,092	72,787,274	75,071,803
Transfers out	(4,605,689)	(12,921,748)	-
Premium on issuance of refinancing	8,594,638	-	-
Issuance of refunding bonds	61,805,000	-	-
Payment to refunded debt escrow agent	(70,000,000)	-	-
Fund balance appropriated	-	-	211,953
<b>Total other financing sources (uses)</b>	<b>61,876,041</b>	<b>59,865,526</b>	<b>75,283,756</b>
<b>Net change in fund balances</b>	<b>179,023</b>	<b>(2,548,757)</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>38,003,018</b>	<b>38,182,041</b>	<b>35,633,284</b>
<b>Fund Balance - ending</b>	<b>\$ 38,182,041</b>	<b>\$ 35,633,284</b>	<b>\$ 35,421,331</b>

The 2021-22 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 2022-23 adopted budget with estimated revenues and expenditures for FY 2023-24 to FY 2027-28. The estimate focuses on the County's General funds and Debt Service fund.

The General Funds are comprised of eight sub-funds including the primary General operating Fund, Risk Management fund, SWAP fund, Reappraisal Reserve Fund, Capital Finance fund, Public Arts Fund and Benefits Plan fund. 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 2021-22-budget process. That CIP review included recommendations made in a new Facility Master Plan update. The last facility master plan update occurred in FY 2020-21. 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 2021-22.

The updated Capital Improvement Plan includes projects to be potentially funded by a General Obligation bond referendum in November 2022 to support building repair and replacement for Durham Public Schools, Community College, and the NC Museum of Life & Science. The FY 2023-24 budget includes a planned 2.5 cent property tax increase related to potential voter support for a bond referendum, appropriated to support related debt service in FY 2024-25 and subsequent years. This approach allows for improved cash management and ensure that funds are in place to liquidate future bond related debt.

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

## GENERAL FUND MULTI-YEAR FORECAST

### Revenue Assumptions

- Overall taxes, including property and sales taxes, grow 4%, consistent with historical years while outlying years are projected at a conservative rate of 3.5%
- Intergovernmental Revenues: State and federal collected revenues project slow growth in future years (2% down to 1% in out years) due to state and federal budget volatility changing the availability and reliability of these funds. FY 2022-23 intergovernmental funding increases related to planned ARPA spending.
- Rental Income is projected at 1% annual growth rate
- Service charges grew at 22% in FY 2022-23, largely in revised EMS charges. Subsequent years are conservatively projected averaging 2% annually over the multi-year period.
- Decrease of Community Health Trust Fund annual revenue support, down to \$2.6 million from \$3.95 million in FY 2018-19, to \$1.25 million for the next ten years including FY 2022-23, has put a strain on revenues to meet growing expenditure needs. In fact, projected expenditures are expected to slightly outpace revenues for several of the out years seen below.
- 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, although the appropriation occurred, 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 2022-23 budget compared to FY 2021-22 is primarily due to a significant growth in Education related funding, including local support for Durham Public Schools. Other significant growth occurred in salary and benefit costs across all functional areas.
- Forecasted growth in the General Fund is at 3.5% with the growth in all General Funds forecasted at slightly lower 2% growth. This amount includes dollars to support the County's current merit pay plan structure. The forecast also includes funds to support 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 reallocation of budgeted expenditures where possible to contain overall budget growth.

Overall, the trend for future years is an outpacing of expenditures compared to annual revenue collection. Growth in Education funding, employee benefit costs (health insurance), state mandates minus supporting state revenue, and Board approved expansion items are putting pressure on existing revenues to match. Sales tax growth has continued strong growth for the last several years, including the most recent pandemic year, but the amount of growth (delta) in sales tax revenue is simply not large enough to offset expenditure increases. The only options available to management and County Commissioners in the future will be slower growth in expenditures and possibly well considered expenditure reductions and/or property tax increases which is the only revenue option that can bring in needed revenue to balance future budgets.

### General Funds Five-Year Forecast

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

General Fund Revenues	FY2021-22 Adopted Revenues	FY2022-23 Adopted Revenues	FY2023-24 Forecasted Revenues	FY2024-25 Forecasted Revenues	FY2025-26 Forecasted Revenues	FY2026-27 Forecasted Revenues	FY2027-28 Forecasted Revenues
Taxes	\$390,117,233	\$418,380,567	\$447,267,918	\$465,634,774	\$484,702,736	\$505,290,638	\$526,705,181
Licenses and Permits	\$540,000	\$540,000	\$545,400	\$550,854	\$556,363	\$561,926	\$567,545
Intergovernmental	\$58,400,400	\$68,844,966	\$70,221,865	\$71,626,303	\$73,058,829	\$73,789,417	\$74,527,311
Contributions and Donations	\$207,720	\$281,008	\$281,008	\$281,008	\$281,008	\$281,008	\$281,008
Investment Income	\$1,010,000	\$1,505,000	\$1,550,150	\$1,596,655	\$1,644,554	\$1,677,445	\$1,710,994
Rental Income	\$128,316	\$133,316	\$134,649	\$135,996	\$137,356	\$138,729	\$140,116
Service Charges	\$25,190,918	\$30,838,586	\$31,455,358	\$32,084,465	\$32,726,154	\$33,380,677	\$34,048,291
Enterprise Charges	\$13,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Other Revenues	\$471,992	\$276,325	\$276,325	\$276,325	\$276,325	\$276,325	\$276,325
Transfers In	\$5,321,129	\$2,060,296	\$2,242,000	\$2,300,000	\$2,400,000	\$2,500,000	\$2,600,000
Fund Balance Appropriated	\$23,362,765	\$26,098,378	\$26,620,346	\$26,886,549	\$27,155,415	\$27,426,969	\$27,701,238
<b>General Fund Total</b>	<b>\$504,763,473</b>	<b>\$548,970,442</b>	<b>\$580,607,019</b>	<b>\$601,384,927</b>	<b>\$622,950,738</b>	<b>\$645,335,135</b>	<b>\$668,570,010</b>

Other General Fund Revenues	FY2021-22 Adopted Revenues	FY2022-23 Adopted Revenues	FY2023-24 Forecasted Revenues	FY2024-25 Forecasted Revenues	FY2025-26 Forecasted Revenues	FY2026-27 Forecasted Revenues	FY2027-28 Forecasted Revenues
Risk Management	\$4,824,117	\$4,973,674	\$5,023,411	\$5,073,645	\$5,124,381	\$5,175,625	\$5,227,381
Swap Agreement 05	\$1,500,000	\$1,500,000	\$1,515,000	\$1,530,150	\$1,545,452	\$1,560,906	\$1,576,515
Reappraisal Reserve Fund	\$712,695	\$710,432	\$717,536	\$724,712	\$731,959	\$739,278	\$746,671
Capital Improvement Plan	\$82,613,213	\$92,048,536	\$101,253,390	\$102,265,923	\$103,288,583	\$106,387,240	\$109,578,857
Public Art Fund	\$0	\$500,000	\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604
Benefits Plan	\$33,512,652	\$38,750,565	\$40,300,588	\$41,912,611	\$43,589,116	\$45,332,680	\$47,145,987
LEO Special Separation Allowance	\$565,000	\$650,000	\$656,500	\$663,065	\$669,696	\$676,393	\$683,157
<b>Other General Funds Total</b>	<b>\$123,727,677</b>	<b>\$139,133,207</b>	<b>\$150,466,424</b>	<b>\$153,180,106</b>	<b>\$155,969,286</b>	<b>\$160,902,424</b>	<b>\$165,999,173</b>
<b>Total General Funds Revenue</b>	<b>\$628,491,150</b>	<b>\$688,103,649</b>	<b>\$731,073,443</b>	<b>\$754,565,034</b>	<b>\$778,920,024</b>	<b>\$806,237,558</b>	<b>\$834,569,183</b>
Transfers (b/tw General Funds)*	(\$74,251,414)	(\$85,483,349)	(\$88,949,605)	(\$89,839,101)	(\$90,737,492)	(\$91,644,867)	(\$92,561,316)
<b>General Funds Revenue</b>	<b>\$554,239,736</b>	<b>\$602,620,300</b>	<b>\$642,123,838</b>	<b>\$664,725,932</b>	<b>\$688,182,532</b>	<b>\$714,592,691</b>	<b>\$742,007,867</b>

General Fund Expenditures	FY2021-22 Adopted Expenditures	FY2022-23 Adopted Expenditures	FY2023-24 Forecasted Expenditures	FY2024-25 Forecasted Expenditures	FY2025-26 Forecasted Expenditures	FY2026-27 Forecasted Expenditures	FY2027-28 Forecasted Expenditures
General Government	\$137,071,662	\$153,588,500	\$171,160,964	\$175,894,413	\$180,776,030	\$185,810,929	\$191,004,412
Public Safety	\$66,720,468	\$73,693,564	\$76,329,307	\$79,382,479	\$82,557,778	\$85,860,089	\$89,294,493
Transportation	\$977,472	\$1,273,389	\$1,324,325	\$1,377,298	\$1,432,389	\$1,489,685	\$1,549,272
Environmental Protection	\$4,590,170	\$4,996,509	\$5,196,369	\$5,404,224	\$5,620,393	\$5,845,209	\$6,079,017
Econom. & Physical Devlp.	\$7,610,196	\$9,566,211	\$9,834,362	\$10,092,591	\$10,361,088	\$10,640,263	\$10,930,541
Human Services	\$92,456,205	\$98,362,911	\$101,377,335	\$105,432,429	\$109,649,726	\$114,035,715	\$118,597,143
Education	\$181,205,477	\$194,200,324	\$201,772,062	\$209,644,707	\$217,830,275	\$226,341,263	\$235,190,669
Cultural & Recreational	\$14,131,823	\$13,289,034	\$13,612,296	\$14,156,788	\$14,723,059	\$15,311,982	\$15,924,461
<b>General Fund Total</b>	<b>\$504,763,473</b>	<b>\$548,970,442</b>	<b>\$580,607,019</b>	<b>\$601,384,927</b>	<b>\$622,950,738</b>	<b>\$645,335,135</b>	<b>\$668,570,010</b>

Other General Fund Expenditures	FY2021-22 Adopted Expenditures	FY2022-23 Adopted Expenditures	FY2023-24 Forecasted Expenditures	FY2024-25 Forecasted Expenditures	FY2025-26 Forecasted Expenditures	FY2026-27 Forecasted Expenditures	FY2027-28 Forecasted Expenditures
Risk Management	\$4,824,117	\$4,973,674	\$5,023,411	\$5,073,645	\$5,124,381	\$5,175,625	\$5,227,381
Swap Agreement 05	\$1,500,000	\$1,500,000	\$1,515,000	\$1,530,150	\$1,545,452	\$1,560,906	\$1,576,515
Reappraisal Reserve Fund	\$712,695	\$710,432	\$717,536	\$724,712	\$731,959	\$739,278	\$746,671
Capital Improvement Plan	\$82,613,213	\$92,048,536	\$101,253,390	\$102,265,923	\$103,288,583	\$106,387,240	\$109,578,857
Public Art Fund	\$0	\$500,000	\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604
Benefits Plan	\$33,512,652	\$38,750,565	\$40,300,588	\$41,912,611	\$43,589,116	\$45,332,680	\$47,145,987
LEO Special Separation Allowance	\$565,000	\$650,000	\$656,500	\$663,065	\$669,696	\$676,393	\$683,157
<b>Other General Funds Total</b>	<b>\$123,727,677</b>	<b>\$139,133,207</b>	<b>\$150,466,424</b>	<b>\$153,180,106</b>	<b>\$155,969,286</b>	<b>\$160,902,424</b>	<b>\$165,999,173</b>
<b>Total General Funds Expenditures</b>	<b>\$628,491,150</b>	<b>\$688,103,649</b>	<b>\$731,073,443</b>	<b>\$754,565,034</b>	<b>\$778,920,024</b>	<b>\$806,237,558</b>	<b>\$834,569,183</b>
Transfers (b/tw General Funds)*	(\$74,251,414)	(\$85,483,349)	(\$88,949,605)	(\$89,839,101)	(\$90,737,492)	(\$91,644,867)	(\$92,561,316)
<b>General Funds Expenditures</b>	<b>\$554,239,736</b>	<b>\$602,620,300</b>	<b>\$642,123,838</b>	<b>\$664,725,932</b>	<b>\$688,182,532</b>	<b>\$714,592,691</b>	<b>\$742,007,867</b>

## Debt Service Fund Multi-Year Forecast

### Revenue Assumptions

The County updated projected capital improvement needs for the ten-year period from FY 2021-22 to FY 2030-31 including dedicated revenues to support these capital needs.

- The Board of County Commissioners increased the property tax rate dedicated for capital financing and related debt service by 1.75 cents to support voter approved current and future 2016 General Obligation debt service in FY 2017-18. The property tax rate increase was initially high enough to support current 10-year CIP needs, although any updates to the CIP including adding additional capital projects may necessitate the need for additional property tax revenue. This approach allows for improved cash management and ensures funds are in place to liquidate future bond related debt obligations.
- The current budgeted property tax rate supporting capital financing and related debt service is 8.61 cents. Additional property tax rate increases (estimated at 2.5 cents) will be needed in upcoming years to support a planned November 2022 General Obligation bond referendum and large capital projects planned towards the end of the 10 year span.
- The projected debt service forecast aligns with the Capital Finance Fund projections presented during FY 2021-22 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 until FY 2023-24 after debt service from a planned 2022 General Obligation bond referendum occurs and debt service begins to accrue.
- 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.

\*See “Durham County Capital Finance Plan Model FY2022-2031” (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 2022–23 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 May 2022 for fiscal years 2022-31. 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 a new, larger Youth Home in late FY 2022-23 translated into additional staff and operating support in the Youth Home annual operating budget. 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 2022–2031”. For more information about the Durham County CIP, email [budgetdept@dconc.gov](mailto:budgetdept@dconc.gov) or visit the Durham County website at [www.dconc.gov](http://www.dconc.gov).

## Special Note for FY 2022-23

The County generally updates the 10-year CIP biannually, however, during late FY 2020-21 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.

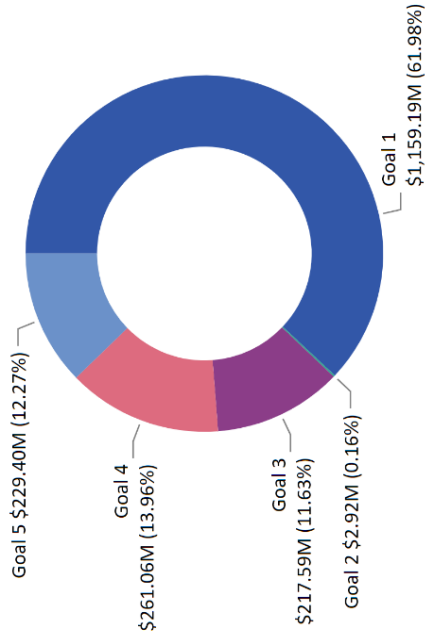
A full review and update of the CIP occurred in the fall of 2021, that covers the 10-year span from FY 2022 through FY 2031. Key updates to the CIP included an expected General Obligation bond referendum set for November 2022 and additional projects that have been identified over the last several years as well as new projects needed in the additional “out” years of the CIP.

## FY 2022-31 Capital Improvement Plan Project Expenditures

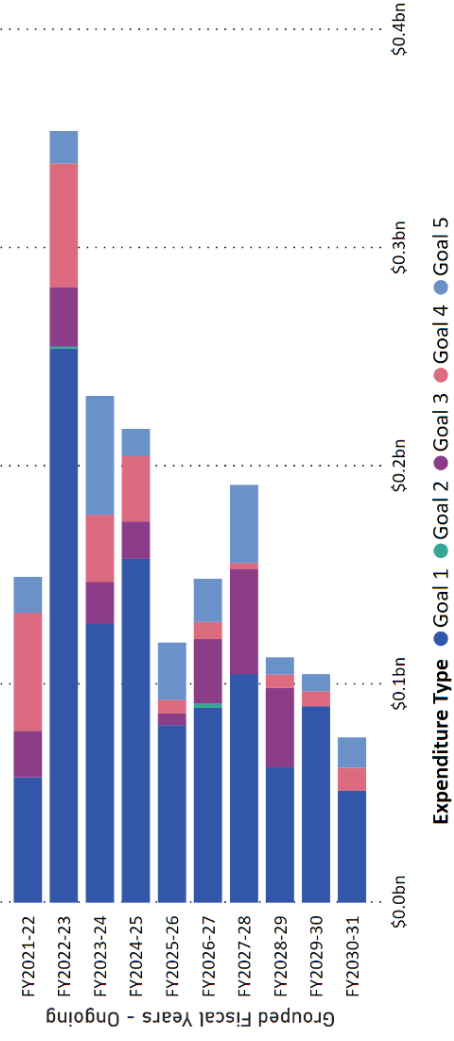
### Expenditures

Goal Area	FY (Prior)	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	Total
<b>Goal 1</b>	<b>\$83,661,444</b>	<b>\$57,446,790</b>	<b>\$254,036,231</b>	<b>\$127,732,747</b>	<b>\$157,565,257</b>	<b>\$81,337,314</b>	<b>\$89,331,234</b>	<b>\$104,678,883</b>	<b>\$62,210,249</b>	<b>\$89,983,877</b>	<b>\$51,203,747</b>	<b>\$1,159,187,772</b>
DTCC	\$24,250,000	\$2,650,000	\$2,812,000	\$26,713,333	\$38,793,333	\$32,444,934	\$20,223,000	\$5,525,000	\$4,725,000			\$159,136,600
Durham Public Schools	\$59,411,444	\$54,796,790	\$250,321,290	\$97,754,029	\$111,340,804	\$46,501,058	\$68,165,083	\$98,864,172	\$55,029,109	\$87,758,307	\$44,183,106	\$974,125,191
NCMLS			\$902,941	\$3,265,385	\$7,431,120	\$2,391,322	\$943,151	\$289,711	\$2,456,140	\$2,225,570	\$7,020,641	\$26,925,981
<b>Goal 2</b>	<b>\$20,000</b>		<b>\$900,000</b>				<b>\$2,000,000</b>					<b>\$2,920,000</b>
Library	\$20,000		\$900,000				\$2,000,000					\$2,920,000
<b>Goal 3</b>	<b>\$13,607,441</b>	<b>\$21,240,594</b>	<b>\$27,058,669</b>	<b>\$19,191,613</b>	<b>\$17,152,804</b>	<b>\$5,370,175</b>	<b>\$29,450,842</b>	<b>\$48,266,858</b>	<b>\$36,250,000</b>			<b>\$217,588,996</b>
EMS	\$4,608,000	\$151,497	\$2,438,971	\$3,308,603	\$5,581,041	\$370,175	\$2,380,842	\$1,807,682				\$20,646,810
Public Safety Projects	\$6,269,000		\$2,192,299	\$12,468,620	\$10,931,920	\$5,000,000	\$27,070,000	\$46,459,176	\$32,250,000			\$142,641,015
Sheriff	\$919,608	\$10,774,977	\$2,795,191	\$3,066,470	\$639,844				\$4,000,000			\$22,196,090
Youth Home	\$1,810,833	\$10,314,120	\$19,632,208	\$347,920								\$32,105,081
<b>Goal 4</b>	<b>\$49,019,541</b>	<b>\$54,084,213</b>	<b>\$56,823,195</b>	<b>\$30,774,780</b>	<b>\$29,814,983</b>	<b>\$6,266,836</b>	<b>\$7,939,759</b>	<b>\$2,714,509</b>	<b>\$6,111,783</b>	<b>\$6,869,904</b>	<b>\$10,639,637</b>	<b>\$261,059,140</b>
Animal Shelter			\$2,399,681	\$12,154,283	\$14,865,322							\$29,419,286
DSS Main Renovation	\$800,003			\$7,500,000	\$7,200,000							\$15,500,003
Economic Development	\$18,295,000	\$6,905,000	\$6,000,000									\$31,200,000
Enterprise Fund	\$5,581,654	\$18,414,213	\$24,670,000	\$6,360,000	\$3,420,000	\$3,320,000	\$2,870,000	\$620,000	\$620,000	\$620,000	\$620,000	\$67,115,867
Environment	\$200,000	\$1,500,000	\$750,000	\$750,000	\$500,000	\$500,000	\$2,500,000	\$575,000	\$980,000	\$500,000	\$500,000	\$9,255,000
Parking Decks & Affordable Housing	\$24,142,884	\$27,265,000	\$23,003,514	\$2,650,000								\$77,061,398
Renewable Energy Plan				\$1,360,497	\$3,829,661	\$2,446,836	\$2,569,759	\$1,519,509	\$4,511,783	\$5,749,904	\$9,519,637	\$31,507,586
<b>Goal 5</b>	<b>\$19,246,685</b>	<b>\$16,545,838</b>	<b>\$14,860,646</b>	<b>\$54,646,117</b>	<b>\$12,708,401</b>	<b>\$26,201,272</b>	<b>\$19,659,091</b>	<b>\$35,826,432</b>	<b>\$7,885,820</b>	<b>\$7,901,085</b>	<b>\$13,921,693</b>	<b>\$229,405,080</b>
Board Of Elections Office Space		\$1,736,202	\$2,567,868	\$24,474,999				\$22,500,000				\$30,961,757
County Stadium					\$1,500,000	\$7,000,000						\$31,000,000
General Services	\$16,141,039	\$3,143,298	\$3,916,276	\$5,389,451	\$3,659,179	\$1,564,903	\$5,367,811	\$1,655,254	\$1,456,466	\$2,601,085	\$3,180,693	\$48,075,455
IS&T	\$1,533,765	\$10,796,802	\$6,814,814	\$23,676,586	\$3,867,720	\$16,346,989	\$12,125,868	\$10,321,988	\$5,110,000	\$5,300,000	\$10,741,000	\$106,635,531
Sheriff	\$1,571,880	\$869,536	\$1,561,688	\$1,105,082	\$1,498,814	\$1,289,381	\$2,165,413	\$1,349,190	\$1,319,354			\$12,730,338
<b>Total</b>	<b>\$165,555,110</b>	<b>\$149,317,435</b>	<b>\$353,678,740</b>	<b>\$232,345,256</b>	<b>\$217,241,445</b>	<b>\$119,175,597</b>	<b>\$148,380,926</b>	<b>\$191,486,681</b>	<b>\$112,457,852</b>	<b>\$104,754,867</b>	<b>\$75,765,077</b>	<b>\$1,870,158,988</b>

### Expenditures



### Expenditures



## FY 2022-31 Capital Improvement Plan Financing of Annual Capita Debt

CFP Debt Type	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
New Debt	\$15,342,448	\$22,046,552	\$30,360,795	\$67,623,840	\$81,497,675	\$96,728,885	\$105,498,409	\$120,698,682	\$127,214,711	\$135,778,019	<b>\$802,790,016</b>
Known Debt	\$62,636,501	\$52,723,285	\$48,772,229	\$44,557,309	\$44,415,063	\$44,903,364	\$36,740,016	\$35,178,614	\$33,515,427	\$32,374,340	<b>\$435,816,149</b>
New PAYGO	\$6,125,794	\$16,942,983	\$10,929,158	\$11,361,668	\$5,420,553	\$7,658,561	\$4,037,936	\$2,436,466	\$3,156,085	\$3,680,693	<b>\$71,749,897</b>
Other Known Costs	\$4,859,771	\$587,648	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	<b>\$7,847,420</b>
<b>Total</b>	<b>\$88,964,515</b>	<b>\$92,300,469</b>	<b>\$90,362,182</b>	<b>\$123,842,818</b>	<b>\$131,633,291</b>	<b>\$149,590,810</b>	<b>\$146,576,361</b>	<b>\$158,613,762</b>	<b>\$164,186,223</b>	<b>\$172,133,052</b>	<b>\$1,318,203,482</b>

Additional Capacity	2022	2024
Reserve for Future Purchases	\$3,000,000	\$16,071,822

CFP Revenue Type	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Fund Balance Appropriated	\$8,406,095	\$1,711,954	\$0	\$15,278,926	\$10,801,179	\$6,440,591	\$523,496	\$9,655,446	\$5,981,297	\$2,420,742	<b>\$61,219,726</b>
Non Property Tax Revenue	\$2,003,818	\$1,727,631	\$1,556,492	\$1,101,816	\$1,066,442	\$1,031,053	\$994,762	\$892,753	\$636,751	\$591,532	<b>\$11,603,049</b>
Occupancy Tax	\$2,462,049	\$4,000,000	\$4,105,000	\$4,213,150	\$4,324,545	\$4,439,281	\$4,557,459	\$4,679,183	\$4,804,559	\$4,933,695	<b>\$42,518,920</b>
Property Tax Revenue	\$39,451,717	\$40,107,214	\$54,676,232	\$55,769,757	\$66,537,583	\$87,309,236	\$88,618,874	\$89,948,158	\$97,722,247	\$107,494,472	<b>\$727,635,489</b>
Sales Tax Revenue	\$39,640,836	\$44,753,670	\$46,096,280	\$47,479,169	\$48,903,544	\$50,370,650	\$51,881,769	\$53,438,222	\$55,041,369	\$56,692,610	<b>\$494,298,119</b>
<b>Total</b>	<b>\$91,964,515</b>	<b>\$92,300,469</b>	<b>\$106,434,004</b>	<b>\$123,842,818</b>	<b>\$131,633,291</b>	<b>\$149,590,810</b>	<b>\$146,576,361</b>	<b>\$158,613,762</b>	<b>\$164,186,223</b>	<b>\$172,133,052</b>	<b>\$1,337,275,304</b>

### Annual Property Tax Rate Needed (Cents)



## Capital Financing Plan

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
103 (SWAP Fund) Cash Flow	\$17,700,000	\$18,200,000	\$18,450,000	\$15,430,206	\$15,680,206	\$15,930,206	\$16,180,206	\$15,215,789	\$14,368,868	\$12,198,126
125 (Capital Financing Fund) Cash Flow	\$19,600,000	\$18,600,000	\$19,100,000	\$13,066,492	\$8,419,717	\$8,812,838	\$9,312,838	\$9,812,838	\$10,312,838	\$10,812,838
304 (Debt Service Fund) Cash Flow	\$21,812,667	\$21,600,713	\$37,672,555	\$37,196,911	\$31,542,507	\$25,208,795	\$24,685,299	\$16,244,270	\$11,359,894	\$11,359,894
<b>Total</b>	<b>\$59,112,667</b>	<b>\$58,400,713</b>	<b>\$75,222,535</b>	<b>\$65,693,609</b>	<b>\$55,642,430</b>	<b>\$49,951,839</b>	<b>\$50,178,343</b>	<b>\$41,272,897</b>	<b>\$36,041,600</b>	<b>\$34,370,858</b>



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

Estimated Operating Expenditures												
Goal Area	FY (Prior)	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	Total
<b>Goal 1</b>			<b>(\$2,500)</b>	<b>(\$4,837)</b>	<b>\$8,319</b>	<b>(\$15,924)</b>	<b>(\$27,214)</b>	<b>(\$39,080)</b>	<b>(\$51,552)</b>	<b>(\$64,659)</b>	<b>(\$78,435)</b>	<b>(\$275,883)</b>
NCMLS-Program and Event Infirist			(\$2,500)	(\$4,837)	\$8,319	(\$15,924)	(\$27,214)	(\$39,080)	(\$51,552)	(\$64,659)	(\$78,435)	(\$275,883)
<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
<b>Goal 3</b>	<b>\$20,120</b>	<b>\$231,685</b>	<b>\$241,309</b>	<b>\$265,371</b>	<b>\$284,592</b>	<b>\$314,833</b>	<b>\$321,755</b>	<b>\$335,930</b>	<b>\$350,764</b>			<b>\$2,366,359</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	\$10,120	\$5,520	\$5,520	\$5,520	\$5,520	\$6,624						\$38,824
EMS-Far East County (2 Bay)					\$8,000	\$8,400	\$8,820	\$9,261	\$9,724			\$38,791
EMS-MLK Blvd (4 Bay)					\$14,000	\$14,700	\$15,435	\$16,207	\$17,017			\$44,205
EMS-Station 19 Co-location				\$14,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000			\$95,227
Multi-Dept. Radios & Towers	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000			\$50,000
<b>Goal 4</b>	<b>\$40,475</b>	<b>\$42,499</b>	<b>\$44,624</b>	<b>(\$512,713)</b>	<b>(\$580,784)</b>	<b>(\$765,303)</b>	<b>(\$889,654)</b>	<b>(\$818,058)</b>	<b>(\$896,252)</b>	<b>(\$942,864)</b>	<b>(\$900,181)</b>	<b>(\$6,178,211)</b>
Open Space Land Acquisition	\$40,475	\$42,499	\$44,624	(\$46,855)	\$49,198	\$51,657	\$54,240	\$56,952	\$59,800	\$62,790	\$65,930	\$575,020
Renewable Energy Plan				(\$559,568)	(\$629,982)	(\$816,961)	(\$943,895)	(\$875,010)	(\$956,052)	(\$1,005,654)	(\$966,110)	(\$6,753,231)
<b>Goal 5</b>	<b>\$1,321,459</b>	<b>\$80,054</b>	<b>\$155,500</b>	<b>\$592,575</b>	<b>\$569,801</b>	<b>\$670,698</b>	<b>\$780,581</b>	<b>\$808,847</b>	<b>\$839,041</b>	<b>\$720,292</b>	<b>\$754,490</b>	<b>\$7,293,337</b>
GS-County Bldg HVAC Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GS-County Security Improvements	\$946,999		\$53,500	\$289,245	\$309,490	\$331,117	\$354,340	\$379,105	\$405,692	\$434,169	\$464,541	\$3,968,198
GS-County Stadium Upgrades		\$7,000	\$7,000	(\$2,000)	(\$6,000)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$21,000)
GS-Owned Convenience Sites				\$33,990	\$35,010	\$36,060	\$37,142	\$38,256	\$39,404	\$40,586	\$41,803	\$302,251
GS-Parkwood Convenience Site							\$79,578	\$81,965	\$84,424	\$86,957	\$89,566	\$422,489
IT-Security Program Support				\$126,360	\$126,360	\$163,080	\$163,080	\$163,080	\$163,080	\$163,080	\$163,080	\$1,231,200
IT-Sheriff Body & Car Cameras	\$124,460	\$73,054	\$95,000	\$144,980	\$104,941	\$104,941	\$104,941	\$104,941	\$104,941			\$962,199
IT-Sheriff Life Cycle	\$250,000	\$0	\$0	\$0	\$0	\$40,000	\$46,000	\$46,000	\$46,000			\$428,000
<b>Total</b>	<b>\$1,382,054</b>	<b>\$354,238</b>	<b>\$723,933</b>	<b>\$635,371</b>	<b>\$587,226</b>	<b>\$520,288</b>	<b>\$512,511</b>	<b>\$626,130</b>	<b>\$592,339</b>	<b>(\$287,231)</b>	<b>(\$224,125)</b>	<b>\$5,422,733</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 2022-23, 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 and personnel costs for new Youth Home employees to support the larger, newly completed replacement Youth Home will become a part of annual costs. New operating costs related to a planned Bragtown Branch library are noted but are contingent on the project moving forward. The operating costs are directly related to hiring additional positions after library renovations.

Other projects with projected operational costs are around new Sheriff body cam software support and technical support of County land purchases dedicated for open space.

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.

# DURHAM COUNTY GOVERNMENT

www.durhamcountync.gov

919-560-0000

Agency	Director	Telephone
Animal Services	Clarence Birkhead	919-560-0897
Board of County Commissioners	Brenda Howerton	919-560-0027
Board of Elections	Derek Bowens	919-560-0691
Budget and Management Services	Keith Lane	919-560-0012
City/County Inspections	Thomas Hosey	919-560-4146
City/County Planning	Sara Young	919-560-4137
Clerk to the Board of County Commissioners	Monica Wallace	919-560-0025
Cooperative Extension Service	Donna Rewalt	919-560-0525
County Attorney	Willie Darby	919-560-0705
County Engineering	Jay Gibson	919-560-0735
County Manager	Kimberly Sowell	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

