



MANAGER PRIORITIES

- **Employee Focused Budget** – Support Durham County’s workforce capital (MAG Study recommendations implemented, range for Pay for Performance to 3% to 4%)
- Increased management engagement in strategic decision development
- Increased community engagement
- No major General Fund fee Increases
 - EMS fee increase matching inflation allowances
- Supporting minimal position requests (10.3 net new General Fund FTEs, 4 FTEs in Sewer and 2 FTEs in Stormwater Fund)
- Increased fund balance appropriation as a revenue source

FY 2023-24 BUDGET LIMITATIONS

The fundamental challenge for development of the FY 2023-24 budget is that even with significant natural growth in key revenues for the General Fund- including property tax (without a tax rate increase) sales tax, Medicaid Hold Harmless funds, and General Fund fund balance totaling approximately \$35.5 million, there is still not enough growth to support major priorities. Four key priorities consumed this growth, as illustrated below, these priorities total approximately \$38.1 million.

- Employee compensation increases: \$18.6 million
- Additional funding support for Durham Public Schools: \$10.8 million
- New workforce capital investment to address service demands: \$3.0 million
- Additional contracted services: \$5.7 million

BUDGET HIGHLIGHTS

- 1.5 Cent Property Tax Increase for General Fund
- 1.5 Cent Property Tax Increase for Capital Financing Fund
- Compensation Support for Durham County Employees - \$18.6 million
 - 7% “Across the Board” increase for all employees, July 1st as recommended by Classification and Compensation Study - \$10.5 million
 - “Pay for Performance / Merit Pay” continuing at 3%-4% on Universal Anniversary Date – \$4.5 million
- Increased Durham Public School funding - \$10.8 million
 - \$1.57 million for “certified” salary increases
 - \$1.52 million for “classified” salary increases
 - \$1.81 million for retirement and health insurance increases
 - \$4.09 million for classified study proposed salary increases
 - \$1.8 million for Charter School support
- Durham Pre-K expansion dollars - \$1,152,000, raising total annual funding to \$7.9 million
- New FTEs - \$3.0 million
- ARPA appropriation and support of \$3.26 million
- Opioid Harm Reduction: (\$400,000), Community Linkages to Care Peer Support Program
- Durham County Fire & Rescue Special Tax District property tax rate decreases one cent from 15.49 cents per \$100 valuation to 14.49 cents
 - No other Special Tax Districts tax rate increases
- \$2.5 million reduction in operational expenditures across all departments



The American Rescue Plan Act - \$3,261,813

As a part of the FY 2023-24 budget, **\$3,261,813 of ARPA revenue** is being budgeted to offset General Fund initiatives that qualify for reimbursement, or as a general offsetting revenue. Final reimbursement will only occur once all compliance and audit reviews are complete. Funding areas include:

- Soil and Water Conservation - an additional **\$100,000** to expand the Agriculture Economic Development Grant Program (also known as Small Farmer Grants).
- Information Services & Technology (IS&T) – One FTE (ARPA Broadband Program Manager): **\$161,813** The new position will "oversee broadband infrastructure programs and operations to the underserved communities in Durham County.
- The remaining funds support initiatives identified as funding in FY 2022-23. The amount aligns with projections shared with BOCC on May 1, 2023, work session. \$15,861,679 remains available in ARPA funding for distribution.

Opioid Settlement Fund - \$623,827

As a part of the FY 2023-24 budget, **\$623,827 of Opioid Settlement funding** is being budgeted to offset General Fund initiatives that qualify for reimbursement. Final reimbursement will only occur once all compliance and audit reviews are complete. Funding areas include:

- Support for Public Health Harm Reduction Program - **\$400,000** Public Health received funding to implement the Community Linkages to Care (CLC) Peer Support program. This program was developed to connect individuals who are struggling with substance use disorder with comprehensive, evidence-based care and responds to current housing challenges in Durham County. This program will be offset using Opioid Settlement Funding.
- Offset new Medical Director costs for Detention Center oversight - **\$223,827** This position will manage all programs related to the Opioid Treatment Program (OTP) and Medication Assisted Treatment (MAT). The MAT program has been successful in mitigating co-occurring mental health and substance abuse disorders for persons who are detained, and this position will meet the federal requirement for expansion of the program and opioid treatment.

EXPENDITURES - OVERVIEW

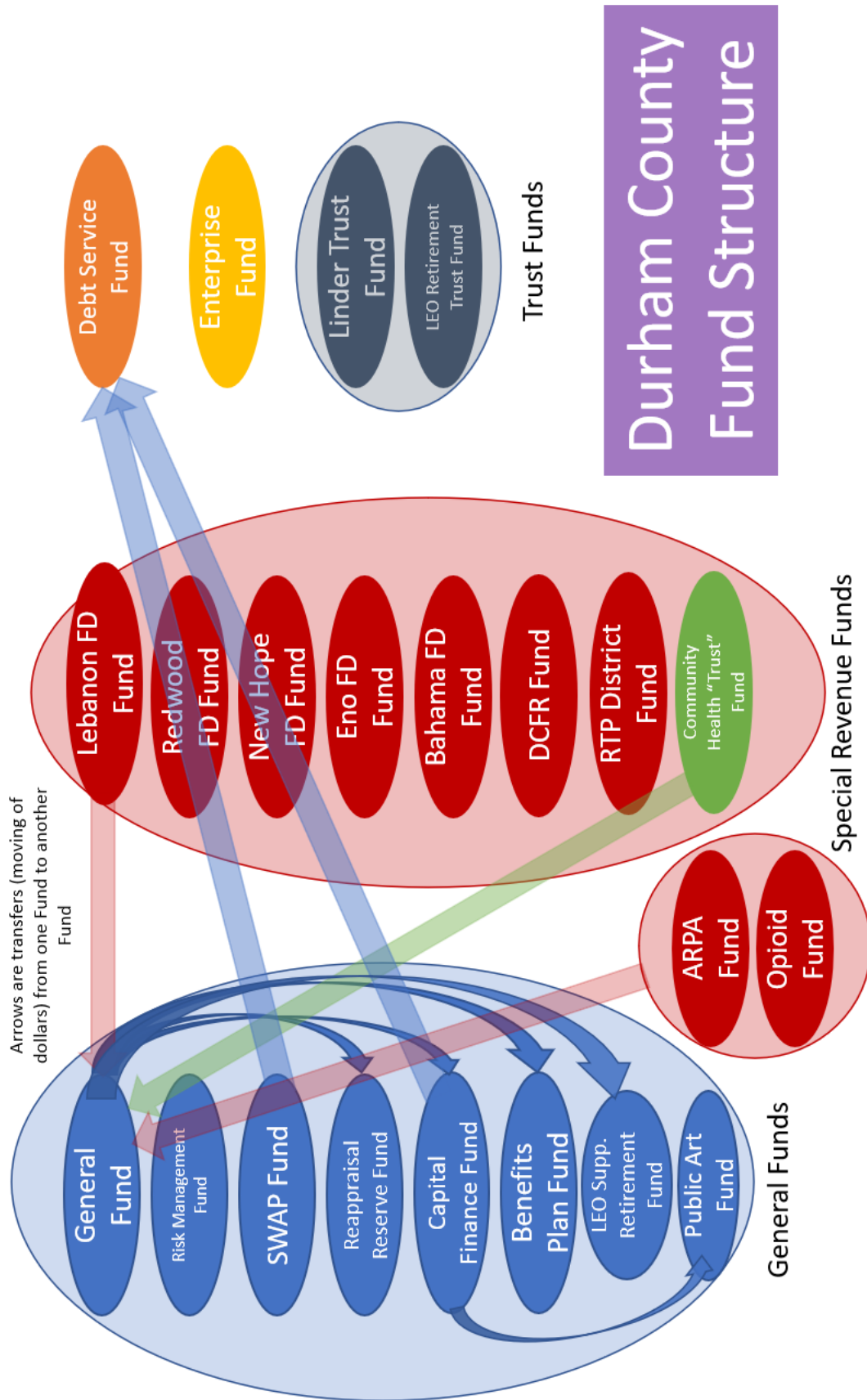
- The overall County budget is increasing by 12.1% or \$96.0 million.

Fund SubCategory	FY 2021-22 Actuals	FY 2022-23 Original	FY 2022-23 Estimated	FY 2023-24 Requested	FY 2023-24 Recommend	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Funds	\$644,035,555	\$688,103,649	\$697,169,934	\$782,490,838	\$758,659,255	\$70,555,606	10.25%
Special Revenue Funds	\$12,048,434	\$14,345,170	\$15,101,527	\$14,003,323	\$14,003,323	(\$341,847)	-2.38%
Debt Service Funds	\$75,953,731	\$76,009,637	\$75,323,909	\$97,525,519	\$97,525,519	\$21,515,882	28.31%
Enterprise Funds	\$10,563,812	\$15,105,404	\$16,486,626	\$19,417,636	\$19,417,636	\$4,312,232	28.55%
Total	\$742,601,532	\$793,563,860	\$804,081,996	\$913,437,316	\$889,605,733	\$96,041,873	12.10%

Expenditures – General Fund

- The General Fund budget is growing by 9.56% over the prior year budget.

General Fund Expenditure Summary	FY 2021-22 Actuals	FY 2022-23 Original	FY 2022-23 Estimate	FY 2023-24 Requested	FY 2023-24 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Government	\$136,046,543	\$153,588,500	\$172,279,180	\$183,703,948	\$169,871,301	\$16,282,801	10.60%
Public Safety	\$67,545,025	\$73,693,564	\$72,516,803	\$86,585,378	\$83,188,028	\$9,494,464	12.88%
Transportation	\$814,830	\$1,273,389	\$1,247,504	\$1,733,315	\$1,679,083	\$405,694	31.86%
Environmental Protection	\$4,412,701	\$4,996,509	\$5,403,445	\$6,911,515	\$6,183,333	\$1,186,824	23.75%
Econom. & Physical Devlp.	\$8,717,291	\$9,566,211	\$9,613,333	\$11,007,673	\$8,926,749	(\$639,462)	-6.68%
Human Services	\$107,570,426	\$98,362,911	\$104,471,973	\$111,511,826	\$106,357,796	\$7,994,885	8.13%
Education	\$181,814,949	\$194,200,324	\$195,211,309	\$208,327,333	\$208,173,197	\$13,972,873	7.20%
Cultural & Recreational	\$14,357,615	\$13,289,034	\$15,654,620	\$18,015,622	\$17,068,733	\$3,779,699	28.44%
Total	\$521,279,380	\$548,970,442	\$576,398,168	\$627,796,610	\$601,448,220	\$52,477,778	9.56%





FY 2023-24 Departmental Summaries and Analysis – Manager Recommended

FY 2023-24 RECOMMENDED NEW FULL TIME EQUIVALENTS (FTEs)			
Position	FTEs	Salary and Benefits	Anticipated Starting Date
Paralegal - County Attorney	1.00	\$81,543	07.01.2023
Election Outreach Specialist - Board of Elections	1.00	\$75,270	07.01.2023
Election Specialist - Board of Elections*	1.00	\$32,931	12.01.2023
Veteran Service Officer - Veteran Services	1.00	\$61,629	07.01.2023
Deputy Fire Marshal - Emergency Services	1.00	\$112,905	07.01.2023
Detention Center Medical Director	1.00	\$221,527	07.01.2023
Assessment Center & Admin Staff - Youth Home	7.30	\$476,118	07.01.2023
Engagement and Data Manager - County Administration	1.00	\$144,268	07.01.2023
Engagement Data Analyst - County Administration	1.00	\$89,321	07.01.2023
Compliance Position - Social Services	1.00	\$56,336	07.01.2023
Administrative Assistant I - Clerk to the Board	1.00	\$81,405	07.01.2023
Staff Working Group Administrator - Transportation (Grant Funding)	1.00	\$84,029	07.01.2023
ARPA Broadband Program Manager - IS&T	1.00	\$156,813	07.01.2023
Senior Financial Business Analyst for ERP - IS&T	1.00	\$169,358	07.01.2023
Duke Endowment Position - Public Health (Grand Funding)	1.00	\$150,000	07.01.2023
Public Education Specialist - Stormwater	1.00	\$68,998	07.01.2023
Stormwater and Erosion Control Tech - Stormwater	1.00	\$81,543	07.01.2023
TWWTP Operator - Sewer Utilities	2.00	\$105,378	07.01.2023
TWWTP Plant Techs - Sewer Utilities	2.00	\$137,996	07.01.2023
Total	27.30	\$2,387,368	
*Positions with an asterisk are partial year funded positions.			
**July 1 start date provides authority to begin hiring process in advance			
FY 2023-24 RECOMMENDED REALIGNED/ELIMINATED FULL TIME EQUIVALENTS (FTEs)			
Position	FTEs	Salary and Benefits	Anticipated Ending Date
Firefighter Personnel - Lebanon Fire Tax District	-9.00	(\$336,538)	12.01.2023
Detention Officer - Sheriff	-1.00	(\$55,920)	07.01.2023
Paramedic/EMS Officer 1 - Emergency Services	-1.00	(\$59,844)	07.01.2023
Total	-11.00	(452,302)	
NET COUNTY POSITIONS AND EXPENSES -- NEW FISCAL YEAR			
Position	FTEs	Salary and Benefits	
Enterprise Fund Supported Positions	6.00	\$393,915	
General Fund Positions	10.30	\$1,307,122	
Total	16.30		
Positions Changes by Board Action During FY 2022-23	4.52		
<i>Net new FTEs change FY 2023-24 Recommended Budget</i>	<i>20.82</i>		



REVENUES - OVERVIEW

Property Valuation

- Natural growth year to year is 4.73% higher (\$2.28 billion) from FY 2022-23 to FY 2023-24

Property Category	FY 2022-23 Original	FY 2023-24 Budgeted	% Change FY to FY
Real Property	\$40,165,505,307	\$41,524,438,540	3.38%
Business & Personal Property	\$4,333,586,595	\$5,218,507,944	20.42%
Public Service	\$684,131,080	\$697,948,267	2.02%
Motor Vehicle	\$3,071,250,000	\$3,097,413,350	0.85%
Total	\$48,254,472,982	\$50,538,308,100	4.73%

- FY 2022-23 overall collections have come in higher than expected and are estimated to end the year at 102.2% of budget. Property valuation natural growth has been significant over the last several years, indicative of a vibrant local economy and Durham County as a highly desirable place to live.

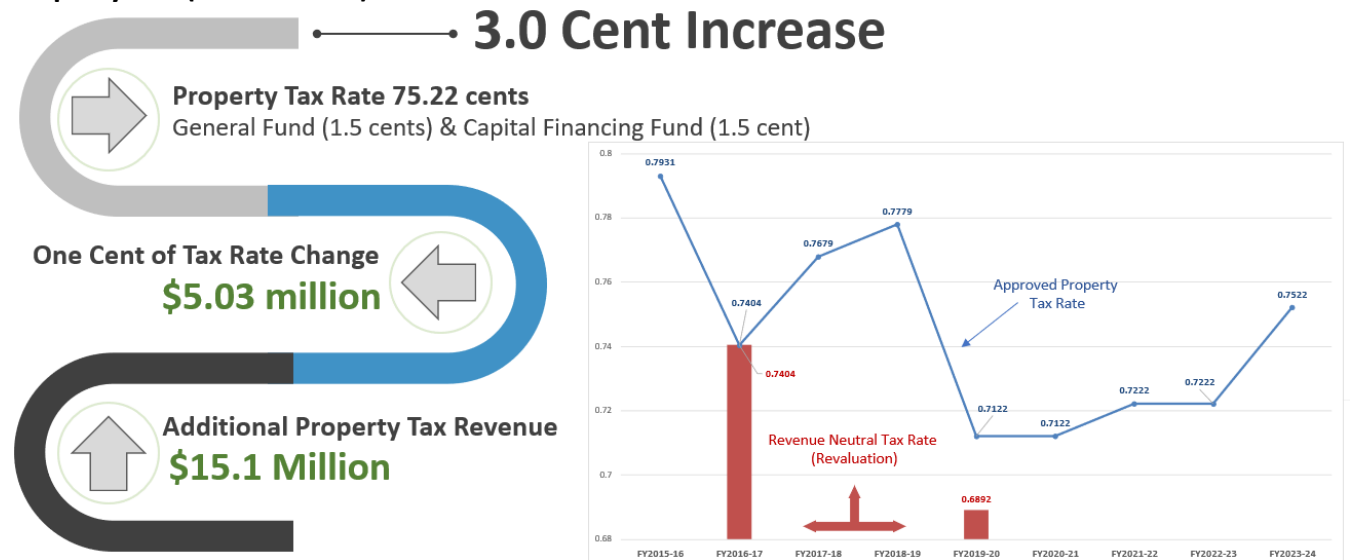
Property Tax (Natural Growth)

- Natural property tax growth is estimated to bring in an additional **\$16.8 million**, for General Fund (\$14.8 million) and Capital Finance Fund (\$2.0 million) **without a property tax rate increase**.

Fund Name	FY 2022-23 Approved	FY 2023-24 Recommended	FY 2023-24 Projected Revenue
General Fund	63.61	65.11	\$327,738,704
Capital Finance Plan Fund	8.61	10.11	\$50,889,853
Total	72.22	75.22	\$378,628,557

- The property tax collection rate is being adjusted to 99.6% after a few years of lower in reaction to the pandemic. This is a return to the historic high levels from prior to the pandemic.
- For context, each cent on the property tax rate brings in \$5,033,615 million of revenue, a \$232,295 increase from FY 2022-23 for each cent.

Property Tax (Tax Increase)



Sales Tax Highlights

- Durham County has estimated an overall 20.54% increase in all

Sales Tax	FY 2020-21 Actuals	FY2021-22 Actuals	FY2022-23 Original	FY 2022-23 Estimate	FY 2023-24 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
Article 39 (1 Cent)	\$27,004,588	\$31,656,499	\$30,420,279	\$32,897,720	\$34,572,422	\$4,152,143	13.65%
Article 40 (1/2 Cent)	\$17,690,774	\$20,624,476	\$18,332,756	\$21,585,494	\$22,664,769	\$4,332,013	23.63%
Article 42 (1/2 Cent)	\$20,007,554	\$23,634,350	\$21,833,774	\$24,677,397	\$25,911,267	\$4,077,493	18.68%
Article 46 (1/2 Cent)	\$17,422,928	\$21,005,352	\$19,100,000	\$22,000,192	\$23,100,201	\$4,000,201	20.94%
City Sales Tax IIA	\$15,479,072	\$17,711,418	\$16,424,789	\$20,656,394	\$21,659,659	\$5,234,870	31.87%
Total	\$97,604,916	\$114,632,096	\$106,111,598	\$121,817,197	\$127,908,318	\$21,796,720	20.54%



local sales taxes for FY 2023-24 from the FY 2022-22 Approved Budget

- The total amount of FY 2023-24 budgeted sales tax revenue for Durham County is \$127.9 million, for perspective, this is the equivalent of 25.4 cents of property tax revenue.
- The year-over-year revenue increase equates to a gain of **\$21.8 million**, equivalent to 4.3 cents of property tax. Such a large increase in sales tax revenue is not typical, but largely reflects increases in actual sales tax collection for the previous fiscal year. Actual collections for the current year have been outstanding, which continues to surprise given the economic uncertainty faced over the last several years. In fact, over the last three fiscal years sales tax revenue has increased over \$44 million which is astronomical compared to earlier growth. Next’s years sales tax estimates have built in modest growth at 5%, but that is on top of accounting for significant growth in the current fiscal year (FY 2022-23).

General Fund Fund Balance

- The use of General Fund fund balance as a revenue source is predicated on most, if not all, of it never being spent due to overcollection of revenue and underspending of expenditures. However, due to significant growth in General Fund fund balance, significantly more (\$2.6 million) is budgeted in the recommended budget to support increased expenditure needs.

Special Tax Districts Tax Rates

- Durham County Fire and Rescue (DCFR) District is being recommended to decrease the tax rate by one cent as growth in that District is meeting operational needs with this lower rate. DCFR and the overlaid RTP Special Park District are seeing significant natural growth in valuations due in part to the reimagining of the RTP District and HUB RTP project.
- All other County Taxing Districts are requesting no tax rate increase for FY 2023-24.
- Two of the districts are requesting fund balance appropriations in line with the County policy.

Tax Rate by District	FY 2023-24 Recommended
Lebanon	12.51
Redwood	12.25
New Hope	7.56
Eno	7.86
Bahama	9.87
Durham County Fire & Rescue	14.49 (-1.0)
RTP Special Park District	7.80

Key Revenues	FY 2020-21 Actuals	FY 2021-22 Actuals	FY 2022-23 Original	FY 2022-23 Estimate	FY 2023-24 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
Deed Registration and Transfer Fees	\$7,172,713	\$9,823,624	\$9,000,000	\$6,747,714	\$8,000,000	(\$1,000,000)	-11.11%
EMS Patient Fees	\$8,712,436	\$11,381,670	\$12,670,000	\$12,000,767	\$12,670,000	\$0	0.00%
Investment Revenue	\$306,963	\$613,497	\$1,510,000	\$4,526,995	\$3,150,000	\$1,640,000	108.61%
Local Occupancy Tax (General Fund)	\$1,680,342	\$3,179,219	\$3,650,000	\$4,150,000	\$4,225,000	\$575,000	15.75%
Local Occupancy Tax (NCMLS)		\$217,871	\$500,000	\$500,000	\$500,000	\$0	0.00%
State Hold Harmless Funds	\$8,543,940	\$11,250,028	\$9,000,000	\$12,000,000	\$12,000,000	\$3,000,000	33.33%
Total	\$26,416,393	\$36,465,910	\$36,330,000	\$39,925,476	\$40,545,000	\$4,215,000	11.60%

- FY 2022-23 collections for Occupancy Tax are projected to surpass the levels seen prior to the pandemic’s devastating impact on the hospitality economy. This full recovery is also reflected in the FY 2023-24 budget being larger than any previous fiscal year. This important funding source is used by Durham County primarily to support the Capital Improvement Plan.
- Revenue generated by the Register of Deeds for recording of real estate and other official transactions has significantly declined after a record collection the prior fiscal year. With interest rates rising and the cooling of a very aggressive real estate market, this budget for FY 2023-24 is being lowered while also expecting some return to prior fiscal years steady growth trends.
- With inflation and the corresponding rise of interest rates during the past year, revenue from investments of County cash has seen a significant increase. In FY 2022-23 projected collections are higher than any previous year. For FY 2023-24 the budget is being held modest with the unknown future of the economy and potential settling or reducing of interest rates as a potential course of action on the more global level.
- As part of the FY 2022-23 budget process, the Office of Emergency Services (OES) completed a comprehensive analysis of Emergency Medical Services (EMS) fees. Based on this analysis, an updated fee schedule was implemented that provided greater parity across all fee categories and ties our EMS fees directly to the



allowable Medicare Fee Schedule (MFS). In FY 2023-24 the fees are being adjusted to keep pace with the MFS that was updated in January of 2023. The projected collections for this fee in FY 2022-23 appear to be higher than actuals, so for FY 2023-24 the budgeted amount remains flat.

- One final revenue area that has seen huge growth over the past few years is State Medicaid Hold Harmless funds. The accompanying table illustrates the positive impact this legislation has had for Durham County. Back in FY 2007-08 the State repealed Article 44 Sales Tax collection and elected to directly pay Medicaid expenses rather than passing those Medicaid costs and reimbursements through county governments. Now many more counties, again including Durham, are starting to see what would have been Article 44 collections far surpass Medicaid expenses. That overcollection amount, of Article 44 sales tax, is now redistributed back to Durham County and it has become significant. FY 2023-24 sees a \$3 million budget increase, to \$12 million, in this revenue matching projected collections in FY 2022-23.

State Medicaid Hold Harmless Revenue	
FY 2007-08 to FY 2013-14	\$0
FY 2014-15	\$967,362
FY 2015-16	\$2,209,666
FY 2016-17	\$2,207,970
FY 2017-18	\$4,698,898
FY 2019-20	\$4,507,538
FY 2020-21	\$9,581,459
FY 2021-22	\$10,639,082
FY 2022-23 (projected)	\$12,000,000
Total	\$46,811,975
FY 2023-24	\$12,000,000

Education Expenditure Highlights

Durham Public Schools (DPS)

- FY 2023-24 Board of Education budget increase request was a \$10.8 million (6.31%) in current expense funding.

FY 2023-24 Budget – Initial Components		
	Line Item Description	Cost
DPS Anticipated State Salary/Benefit Increases	Certified Salary Increase (4.25% estimate for FY 2023-24)	\$1,570,398
	Classified Salary Increase (4.0% estimate for FY 2023-24)	\$1,525,530
	Retirement (24.5% to 25.75%)	\$740,549
	Health Insurance (\$7,397 to \$8,350)	\$1,072,125
	Subtotal	\$ 4,908,602
Classified Salary Study Increase	Additional funding needed to implement the proposed salary study	\$4,091,398
	Subtotal	\$4,091,398
Total Modified DPS Annual Operating Requirements		\$9,000,000
Charter School Requirements	Additional charter funds associated with requested DPS operating budget increase (based on 20% of total Durham County K-12 enrollment)	\$1,800,000
Grand Total		\$10,800,000

- The Manager recommends a total increase to annual DPS funding of **\$10.8 million** (in current expense) or 6.31% when compared to FY 2022-23. The decision to fully fund the DPS request was a difficult one arising out of an awareness that DPS funding increases, year over year, are outpacing natural growth of major revenue sources like property tax and sales tax are unsustainable, with DPS eventually taking up more and more of available new funds that are needed across many different departments and County programs.



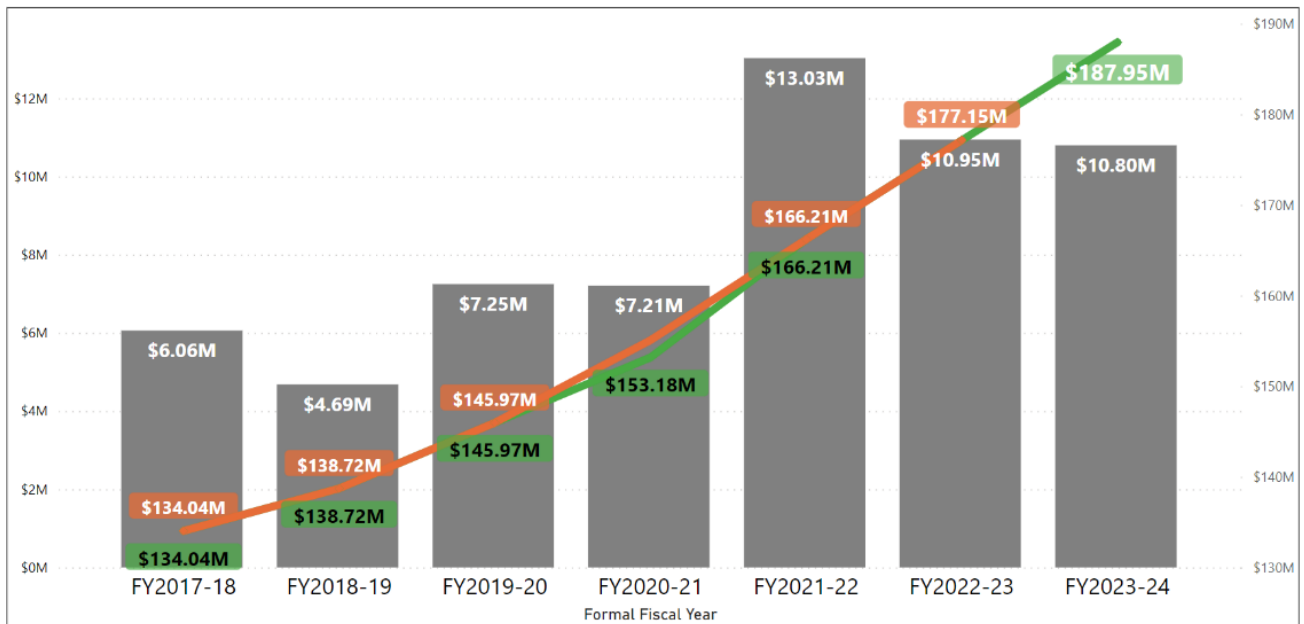
FY 2023-24 Departmental Summaries and Analysis – Manager Recommended

	FY 2021-22 Actual	FY 2022-23 Approved	FY 2023-24 Requested	FY 2023-24 Recommended
Current Expense	\$160,206,627	\$171,151,627	\$181,951,627	\$181,951,627
Capital Outlay	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total	\$166,206,627	\$177,151,627	\$187,951,627	\$187,951,627
School Debt Service	\$31,195,200	\$34,204,337	\$43,886,484	\$43,886,484
TOTAL FUNDING	\$197,401,827	\$211,355,964	\$231,838,111	\$231,838,111

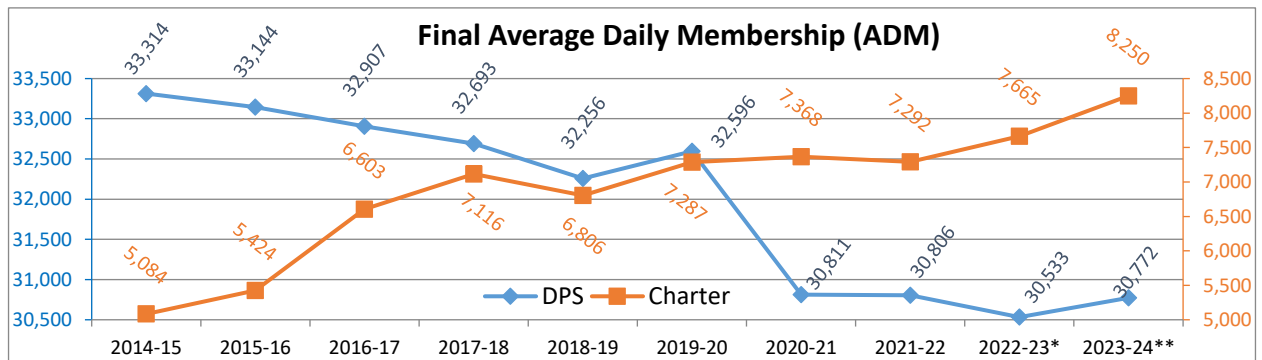
The total FY 2023-24 DPS request equals \$10.8 million, approximately equal to 2 cents on the property tax rate. This is on top of significant funding increases over the past several years. The previous two years have seen total additional County funding of \$24 million. Including the Manager’s recommended current expense increase for FY 2023-24, DPS annual County funding will have increased almost \$35 million over three years.

The below graph shows County annual funding for DPS operating needs with the orange line being actual expenditures, the green line being budgeted expenditures and the grey bars the additional funding added in that fiscal year.

These County funding increases have occurred while the DPS student population continues to decrease significantly during and after COVID.



DPS’s and Durham County Charter School student projection for FY 2023-24 is 39,022, a decrease of 110 students from the FY 2022-23 budgeted estimate of 39,132.





FY 2023-24 Departmental Summaries and Analysis – Manager Recommended

Annual estimated per pupil funding for FY 2023-24 increases \$289 to \$4,650 or 6.62%.

Category	FY 2021-22	FY 2022-23	Difference
Current Expense Funding	\$171,151,627	\$181,951,627	\$10,800,000
Annual Pre-K support (Article 46 Sales Tax)	(\$508,140)	(\$508,140)	\$ 0
Net Current Expense funding	\$170,643,487	\$181,443,487	\$10,800,000
DPS and Charter School pupil estimate	39,132	39,022	(110)
Local Per Pupil funding	\$4,361	\$4,650	\$ 289

Durham Technical Community College

- Durham Technical Community College’s County funding increases \$1,963,631 or 20.15% from the FY 2022-23 Original Budget.

	FY 2021-22 Actual	FY 2022-23 Original	FY 2023-24 Requested	FY 2023-24 Recommended
Current expense	\$8,511,666	\$9,200,934	\$11,214,565	11,164,565
Capital outlay	\$442,500	\$542,500	602,500	\$542,500
TOTAL	\$8,954,166	\$9,743,434	\$11,817,065	\$11,707,065
Debt service	\$2,339,667	\$2,280,289	\$2,925,765	\$2,925,765
TOTAL FUNDING	\$11,293,833	\$12,669,199	\$14,742,830	\$14,632,830

- As the County continues to collect revenue from the Article 46 quarter cent sales tax, by Board of County Commissioners’ resolution, Durham Technical Community College will receive \$2,412,948 for student scholarship support and other educational opportunities.
 - Article 46 Sales Tax revenue increases by \$520,278 (dedicated for Durham student scholarship support).
- Annual operating expenses increase by \$1,443,353.
 - An additional \$775,319 for existing position salary increases and two new positions (Facilities Technician and Plumber).
 - Funding replacement of \$296,450 for ending federal funds supporting Bulls and Back to Work Success Coaches, a Small Business Center Coordinator, and an Apprenticeship Coordinator. These positions are focused on improving the school to work pipeline needed to support businesses in the County, particularly in the Research Triangle Park.
 - An additional \$275,000 for a janitorial contract ensuring a living wage for those employees.
- Additional funding for a third year of \$500,00 is available for the DTCC “Back to Work (BTW)” initiative and the “BULLS initiative and life sciences talent pipeline”. See following table for details.

EXPENSE	Funding	NOTES
BULLS stipend	\$250,000	25-50 students with \$5-10K stipend
BTW scholarships	\$250,000	20 classes with 25 students @\$500 per class (covers tuition and other needs)
TOTAL	\$500,000	

Pre-K: \$1,152,000

- **Pre-K Expansion: \$1,152,000**
An expansion of Durham Pre-K is approved. This funding is pass through funding for Child Care Services Association to expand Durham Pre-K and serve 54-100 additional children in FY 2023-24.

Community Well-Being

Department of Social Services (DSS): \$56,336

- **Compliance Manager: \$56,336**
A new position that will meet the demands of evolved compliance responsibilities for the department as well as serve to develop, implement, and train all DSS employees on Federal Civil Rights and HIPPA compliance issues.



Public Health: \$400,000

- **Community Care Linkages to Care Peer Support Program: \$400,000**
Public Health has received funding to implement the Community Linkages to Care (CLC) Peer Support program, which was developed to connect individuals who are struggling with substance use disorder with comprehensive, evidence-based care that acknowledges social determinants of health and responds to current housing challenges in Durham County. This program will be offset using Opioid Settlement Funding.
- **Partnership for a Healthy Durham Program Expansion and Health Education Specialist FTE: (Net Cost \$0)**
In Partnership with Duke Health, Public Health's Partnership for a Healthy Durham received a five-year Health People, Healthy Carolina's grant award at \$150,000 per funding year. The funds will be used to fund one Health Education Specialist FTE, who will administer the Healthy People, Health Carolina's program, which provided equitable, and community-centered education around physical activity, nutrition, and food access. (Net DCO Cost: \$0)

Alliance: \$6,349,700

- Alliance will receive funding to ensure that Durham County citizens who seek help receive the services and support for which they are eligible to achieve their goals and to live as independently as possible. The amount recommended is the same as FY 2022-23 funding.

Community Prosperity

Veteran Services: \$66,432

- **Veteran Services Officer: \$66,432**
An additional Veteran Service Officer will assist with expanding outreach to 11,500 veterans that are currently underserved, whom are not in receipt of VA benefits and services.

Cooperative Extension: \$532,000

- **Food Security Grants: \$532,000**
Operational funding to support food security efforts reaching Durham County's most vulnerable residents. This funding will be disbursed in the form of grants to support Durham County emergency food providers with food, infrastructure, materials/supplies, and other operational funding needs.

Community Safety

Youth Home: \$531,558

- **New Youth Home and Assessment Center: \$531,558**
Funding includes transitioning current operations to the new Youth Home and Assessment Center which will open Summer 2023, including new staff at the Assessment Center and administrative positions (7.3 new FTEs).

Office of Emergency Services: \$470,155

- **Deputy Chief Fire Marshal and Vehicle: \$200,155**
A new Deputy Chief Fire Marshal position and vehicle are included to conduct existing building inspections, operational permitting, and supervise assistant Fire Marshals assigned to the existing building inspections program. This position will also assist the Chief Fire Marshal with budget, policy development, and represent the division for policy and fire code direction to internal and external stakeholders.
- **Vehicle Replacements: \$270,000**
Replacement funding is provided for four vehicles (one Emergency Management and three EMS). The original budget request included eleven ambulance replacements that are being purchased in FY 2022-23 to optimize pricing guarantees and mitigate delivery backlog.
- **Fee Updates – Emergency Medical Services**
The Emergency Medical Services Division proposes to maintain the current fee schedule adopted in FY 2022-23, which ties EMS patient fees at 200% of the Medicare Fee Schedule (MFS). The MFS is adjusted annually



and received an 8.7% inflationary increase this year. The proposed OES fee schedule mirrors this annual adjustment.

Sheriff's Office: \$4.33 million

• **Medical Director: \$223,827**

A new Medical Director position is included to manage all detention center programs related to Opioid Treatment Programs (OTP) and Medication Assisted Treatment (MAT). This position will also provide direct and indirect supervision of all medical staff involved in these functions at the detention facility.

• **Detention Center Maintenance Contract: \$1.01 million**

Funding is provided for a detention center maintenance contract. This initiative will allow the Sheriff's Office to contract with a single vendor to provide maintenance and repairs at the detention facility. Funding of this request will result in the discontinuation of current General Services support.

• **Vehicle Replacements: \$3.1 million**

Replacement funding is provided for 35 vehicles and associated upfit costs, which include 33 hybrid/fuel efficient units. These replacements will enable the Sheriff's Office to continue to provide efficient and effective responses to county emergencies.

Justice Services Department (formerly Criminal Justice Resource Center): \$385,800

• **Expansion of psychiatric services contract: \$46,500**

An additional five hours/week for psychiatric services is included for the Durham County detention center. This contract expansion will help meet increasing needs as the portion of persons entering the facility with psychiatric issues is rising.

• **Familiar Faces Initiative: \$234,000**

The department is working with several community agencies and internal partners to develop a Familiar Faces Initiative (FFI) system in response to persons showing up in multiple systems (detention facilities, homeless shelters, emergency departments, etc.). Funding includes software set-up to develop an FFI framework, and additional funding for the Detention Center Reentry team for services and incentives to connect FFI individuals to housing and community resources.

• **Juvenile Crime Prevention Council award expansion: \$105,300**

Additional funding is provided to expand the Juvenile Crime Prevention Council annual award amount. JCPC reviews risk and needs data and prioritizes programs based on the data. These funds will be used to assist local programs that are unable to meet match requirements and/or increase the availability of juvenile prevention/intervention services.

Volunteer Fire Districts: No County funding impact

• **Durham County Fire and Rescue Service District (DCFR): No County funding impact**

DCFR continues to see significant natural property tax revenue growth that is supporting operations through an ILA with the City. Due to this growth and relatively fixed expenses the district is requesting a one cent decrease in the tax rate for FY 2023-24 while maintaining all planned services. In addition, a final loan payment will be made for the three apparatus originally planned to be financed for ten years, saving the district five years of interest payments.

• **RTP Special Park District: No County funding impact**

This district is an overlay on top of the DCFR district and continues to experience large property valuation growth which in turn increases the natural property tax revenue growth in both districts. This \$165,000 natural growth in RTP district annual distribution (with no tax rate change) allows them to continue efforts to revitalize and plan the future of the district. A fund balance appropriation of \$120,000, from the prior fiscal year over-collection of property taxes continues to support their Park Trail Improvement project.

• **Lebanon Volunteer Fire Department: No County funding impact**

The district historically provided funding for County full time employees, paid with district property tax revenue. Beginning December 1, 2023, the district has requested to no longer have County employed



firefighters. This decision is a result of rising County personnel costs, and slowing natural growth in property tax revenue that is unable to keep pace with these increasing costs. Like other fire districts, the Lebanon Fire district will now be responsible for all firefighter protective coverage for its residents.

Community Stewardship

General Services: \$1,471,867

- **Utilities: \$100,000**
General Services is approved to increase by \$100,000 for Duke Energy projected insurance cost increases.
- **New Building Expenses: \$750,000**
General Services is approved for \$750,000 increases to a host of items including but not limited to building maintenance, janitorial services, and security for seven new buildings in FY 2023-24. Those buildings include the Boys and Girls Club, Board of Election's Warehouse, new Youth Home, a parking deck and fire station.
- **Key Management System: \$54,000**
General Services is approved for an electronic key management system to effectively account for building master and sub-master keys. The centralized electronic key management system will allow for tracking when keys are checked out, turned in, and alert supervisors if a key has not been returned.
- **New and Replacement Vehicles: \$567,867**
The FY 2023-24 budget supports ten replacement vehicles for the General Services department. The vehicles budgeted align with the County's 2030 Green Initiative.
- **Solid Waste Sticker Fee**
Solid Waste lost approximately 400 households through annexation to the City of Durham. In the FY 2022-23 budget, the sticker fee was \$165. In the FY 2023-24 budget, the sticker fee will increase to \$169.63 per household annually to support pay increases for existing personnel. Even with the sticker fee increase, there is a decrease in the total service charge revenue raised. A mixture of decrease in operating costs and increase in intergovernmental grants have kept the sticker fee increase modest, even with the annexation of households to the City of Durham.

Register of Deeds: (\$1,000,000)

- FY 2023-24 Deed Registration revenue decreases \$1.0 million from FY 2022-23. This revenue collection is collected from County home sales, and rising interest rates in FY 2022-23 slowed – and will likely continue to slow – the pace of county home sales.

County Engineering & Environmental Services: \$206,900

- **Solarize the Triangle: \$95,000**
Funding supports an additional \$95,000 for the Solarize the Triangle program, bringing the total county funding for the program to \$150,000 in FY 2023-24, up from \$55,000 in FY 2022-23. The program, which is administered by the Triangle J Council of Governments, provides affordable solar panels to residents and businesses. The funding will subsidize solar panel purchase and installation in low-to-moderate income households.
- **Public Art Coordinator contract position: \$111,900**
The position will oversee the Durham County Public Art Program, which County Commissioners approved in September 2019. This is a contract position for FY 2023-24. Management will revisit the position at the end of the year and determine if it needs to become a full-time, Durham County FTE.
- **Shoppes of Hope Valley Shopping Center: \$955,000 expenditure and offsetting revenue**
The Board of County Commissioners approved the purchase of the 17-acre shopping center in August 2022, and intends to convert the grocery store building into the new home of the County Board of Election's Operations and Administrative Offices. The County will select a property management firm to manage the existing commercial leases and provide maintenance services. The County expects to collect \$955,000 in revenue from the center in FY 2023-24 and has divided expenditures between Engineering (\$411,143 for a



property management contract) and General Services (\$266,110 for repairs). The remaining \$277,747 is budgeted in a Reserve for Future Purchase line to cover unanticipated maintenance costs (\$955K total).

Soil and Water Conservation: \$100,000

• **Agriculture Economic Development Grant Program: \$100,000**

The budget supports an additional \$100,000 to expand the Agriculture Economic Development Grant Program (also known as Small Farmer Grants). The program offers grants of up to \$7,500 that established county farmers can use to make their operations more profitable or new farmers can use as startup funding. The program also offers \$1,000 grants to schools that have agriculture education programs, outdoor environmental learning centers, or agribusinesses that engage in green infrastructure. The expansion brings the total project budget to \$250,000. This additional funding is offset by ARPA revenue.

Sewer Utility Enterprise Fund: \$316,010

• **Two Plant Operators at the Triangle Wastewater Treatment Plant (TWWTP): \$141,696**

The two new positions would always ensure adequate 24/7 coverage of the plant, reduce staff overtime, and ensure proper safety precautions can be taken to remain in compliance with appropriate permits.

• **Two Plant Maintenance Technicians at the Triangle Wastewater Treatment Plant (TWWTP): \$174,314**

The new positions would provide additional preventative maintenance at the TWWTP and pump stations. Increased staff will shorten response times, save money, and reduce environmental impacts.

• **Additional Sewer Utility Revenue: \$1,000,000**

The Sewer Utility monthly consumption rate will increase from \$5.78/hundred cubic feet to \$6.36/hundred cubic feet, which is projected to bring in an additional revenue of more than \$1 million, a 10% increase from the previous fiscal year. The additional funding will be used to support new positions, capital costs and annual capital debt.

Stormwater Enterprise Fund: \$323,124

• **Public Education Specialist: \$90,357**

The position will educate the public on pollution prevention, stormwater and flooding issues, the increased Stormwater Utility fee, and related issues through in-person events, social media, and the county web site.

• **Stormwater and Erosion Control Technician: \$132,767 (Includes cost of Ranger 4x4)**

The position will increase inspection frequency, improve compliance and complaint response, and reduce plan review workload on current staff. Staff also have additional responsibilities such as investigating complaints, instigating enforcement actions, conducting between 15-20 plan reviews per month, conducting onsite meetings with contractors, and issuing new permits. Durham County currently has one of the highest Erosion Control workloads compared to surrounding counties.

• **Joint Durham City-Durham County Lick Creek Watershed Study: \$100,000**

There are currently close to 800 acres under active development and almost 3,000 new homes planned for the Southeastern Durham area in the coming year, and the rapid development has caused significant water quality concerns for residents. The joint study will provide information on the development's impact on the watershed and offer potential solutions to a host of water quality concerns.

• **Stormwater Utility Fee Increase**

The budget also includes a recommendation to increase the Stormwater Utility fee from \$48 per Equivalent Residential Unit, or ERU, to \$64 per ERU in FY 2023-24. The rate increase is one step in a larger plan to eventually increase the Stormwater Utility fee to \$96 per ERU by FY 2025-26. The increased revenue will cover the cost of complying with the Falls Lake and Jordan Lake Rules, a nutrient management strategy designed to restore water quality in the lakes by reducing the amount of pollution entering upstream. The Stormwater Enterprise Fund expects that Stormwater Utility fee revenue will increase \$610K from \$1,630,824 to \$2,241,056.

External Affairs



Economic Development: \$100,000

- **The budget supports \$25,000 contracts with the following organizations:**
 - *Doing Business with DCO*: a pilot program that addresses barriers that prevent minority and women-owned businesses from participating in Durham County’s procurement process. The program offers classes on MWBE certification, bid qualifications, bid submissions, and relationship building with prime contracts.
 - *Durham Success Summit*: a program that provides tools to increase access to business education, mentorship, and professional networking opportunities for young black men 16 to 24 years old. Participants can access career fairs, public discussion panels, counseling services, and job and internship placement services.
 - *Momentum 360: Financial Academy for Microenterprise*: a Durham City program that collaborates with Infinity Bridges, Inc., and My Local CFO, Inc., to provide personal, high-quality financial education to local business owners. The primary goal of the program is to assist microbusinesses in creating and organizing their financial recordkeeping systems.
 - *Downtown Durham Inc’s Blueprint: 2035*, a master plan to guide downtown growth and development while maintaining the area’s unique culture. The county also supports DDI with a \$175,000 for a total FY 2023-24 funding amount of \$200,000.
- **Industrial Extension Policy payments: \$2,359,874**

Also known as Economic Development Incentive payments. Businesses qualify for payments if they meet scheduled performance criteria. The funding is a \$942,000 decrease from last fiscal year.

Transportation: \$225,000

- **Durham Comprehensive Bicycle, Pedestrian, and Greenways Plan: \$25,000**

Funding supports the Durham Comprehensive Bicycle, Pedestrian, and Greenways Plan which will identify a long-range vision for bicycle paths, pedestrian paths, and greenways throughout both the City and County. The County will contribute a \$25,000 match to the total project cost of \$375,000 that is shared with the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization and Durham City.
- **Orphan Road Funding: \$200,000**

Funding supports repairs and improvements to Little Acres Drive in Southern Durham. The Board of Commissioners approved in 2022 an Orphan Roads policy to provide guidance for how the County could assist residents with the repair and transfer of “orphan roads,” roads that must be repaired before they can be maintained by the North Carolina Department of Transportation. This funding is needed to cover up front costs, however over time the residents are scheduled to pay back these expenses (with the exception of some administrative costs)
- **The following items will be completely funded by Transit Plan grant revenue from GoTriangle:**
 - **Durham County Transit Plan Tracker Web site and database: \$90,000**

Durham County Transit Plan Tracker Web site and database that will track and report the implementation of the Durham County Transit Plan Governance Agreement. The site will share plan and project implementation information and data in an accessible, visual, and transparent way.
 - **Staff Working Group Administrator: \$84,029**

A Staff Working Group Administrator position will work for the Staff Working Group, a multi-jurisdictional group comprised of Durham County, DCHC Metropolitan Planning Organization, and GoTriangle that meets monthly to review and makes recommendations to the Durham County Transit Plan. This dedicated FTE will prepare agendas, take minutes, prepare reports and assist in the development of the Annual Work Program.
 - **Durham Transportation Alternatives: \$73,903**

This initiative provides transportation demand management, transportation alternatives, subsidized vanpools, and other transit services to take employees to employment centers prioritized by the



Durham County Board of Commissioners. Durham City currently funds this initiative but has decided to withdraw from the program.

Joint City-County Departments

Operations based in City; partial funding from Durham County

Planning: \$346,143

- Increased County share to support a mid-year pay increase, as well as cost increases in advertising, software, and postage.

Emergency Communications: \$95,975

- Continued focus on filling vacant positions and retaining staff
- Budget supports increases to personnel, travel, and contracted services

GIS: \$52,26

- Incremental operational increases to operating budget

Open Data: \$12,720

- Funding supports increases in personnel and funding for licenses

Inspections: No Change

- Fully funded from Inspection related fees

Other Departments

Human Resources: \$306,538

• Increased Operating Funds

Includes an increase in operating costs primarily driven by salary increases for youth summer work positions (\$112,403) and inflationary increases for contracted services (\$86,710). Increased funding will also support continued operational expenses for DCo Honors program and implementation of new a software system to improve organization of personnel records.

Information Service & Technology: \$1,836,171

• Miscellaneous Contracted Services: \$1,500,000

The budget includes a \$1.5 million net increase in operating costs, primarily driven by the miscellaneous contracted services to support inflationary cost of existing contracts.

• ARPA Broadband Manager: \$161,813

This position oversees the County's ARPA supported broadband infrastructure program and operation to the underserved communities in Durham County. Funding for this position will be supported with ARPA revenue.

• Senior Financial Business Analyst for ERP: \$174,358

This position will bring to the County proficiency with large enterprise applications and serves as the ERP subject matter expert. As we begin to make the move to a new or upgraded ERP system, this in-house expertise will be critical.

BOCC/Clerk TO The Board: \$84,762

• Administrative Assistant I: \$84,762

The Administrative Assistant I will support additional task from County Commissioners, greet customers, answer the main line, direct calls and citizens to the appropriate areas, assist with numerous tasks such as meeting set up and break down, mail distribution, act as office manager by ordering supplies.

County Manager

• County Administration Reorganization

The FY 2023-24 budget supports several organizational changes to Durham County's Government. County Administration encompasses five distinct divisions: County Manager's Office, Internal Audit, Strategic Initiatives and Performance Management, the Public Information Office, and the Office on Equitable Well-Being. Further information on these changes is listed below:

- County Manager's Office received four new positions (4 FTEs) to support the new Executive Leadership Team, plus necessary operational dollars related to computers and travel and training. See



the Organizational Chart at the beginning of the budget book to review the new Assistant County Managers, Deputy County Managers, and Chief of Staff leadership team. (\$3,974,167)

- Strategic Initiatives and Performance Management received two new position (2 FTEs), totaling six positions. Two of these positions will support the creation and implementation of a new five-year Strategic Plan (\$200,000). The other two positions support community engagement efforts. (\$1,004,704)
- The Public Information Office's four positions received funding to continue normal operations, with minor increases to existing contracts. (\$644,368)
- Internal Audit's FY 2023-24 budget supports personnel increases to existing positions and a relatively flat operational budget. (\$843,805)
- The Office on Equitable Well-Being is a new, four-person division, created using existing positions and personnel. (\$425,000)

Board of Elections: \$149,469

• **Elections Outreach Specialist: \$68,200**

This position is recommended to respond to a significant increase in public information requests to the Board of Elections. Additionally, the Board of Elections experiences regular changes in either election law or administrative procedures/policy that requires regular dissemination to the Board and the public (ex. probable implementation of Voter ID in North Carolina).

• **Elections Specialist: \$55,800**

The position is to address expansion related to the new Board of Election's facility expected to open in FY 2023-24. As a result of this facility, it is expected that early voting will return to the Board of Elections office significantly increasing voter flow and customer inquiries, which this position will support.

County Attorney: \$158,543

• **Paralegal: \$81,543**

There is currently only one paralegal to support the four Senior Assistant County Attorneys (SACA) as well as the County Attorney, which necessitates the need for an additional paralegal position will help toto help relieve current paralegal duties and provide more efficient and effective support for the attorneys.

• **Litigation Support: \$70,000**

Litigation expenses have been trending up in the last few fiscal years due to the need for outside counsel for some legal matters. This increase aligns with the current spending pattern. Fund balance is being used to offset this expense.

Benefits Plan: No Budget Increase for FY 2023-24

- The total Benefits plan is approved to remain at current FY 2022-23 funding levels (\$38,750,565). The County's new pharmacy administrator will be Cigna/Express Scripts replacing CVS Caremark. Flexible Benefits Administrators will become the new administrator for Flexible Spending Accounts plans replacing the P&A Group.

Finance: \$50,000

• **Contracted Services: \$50,000**

The budget supports new Annual Comprehensive Financial Report (ACFR) preparation software.

Vehicles and Equipment: \$4,240,257

- This budget supports \$4.2 million dollars' worth of new and replacement vehicles (59 in total) and complies with the County's 2030 Green Initiative.



FY 2023-24 Departmental Summaries and Analysis – Manager Recommended

Department	New / Replacement	Type	Quantity	Vehicle Cost	Upfit Costs	Total DCo Expense
Sheriff	Replacement	Hybrid Ford Interceptor	17	\$70,846	\$0	\$1,204,382
		Ford PIU EcoBoost	14	\$61,456	\$0	\$860,384
		Ford Transit 350 Van - EV/Hybrid	2	\$76,919	\$0	\$153,838
		Investigative Vehicles	2	\$33,990	\$0	\$67,980
		Upfit costs - replacement vehicles	1	\$0	\$815,214	\$815,214
Emergency Services	Replacement	Chevrolet Tahoe - Emergency Management	1	\$55,000	\$5,000	\$60,000
		Chevrolet Tahoe - EMS	3	\$60,000	\$10,000	\$210,000
	New	Chevrolet Tahoe - Fire Marshal	1	\$55,000	\$5,000	\$60,000
General Services	Replacement	Ford Escape - Public Buildings	1	\$28,612	\$150	\$28,762
	Replacement	Ford F250 4x4 - Public Buildings	1	\$54,400	\$6,983	\$61,383
	Replacement	Ford F150 4x4 - Plumbing	1	\$58,695	\$0	\$58,695
	Replacement	SUV Ford Hybrid - Plumbing	1	\$53,000	\$0	\$53,000
	Replacement	Ford F250 4x4 - Public Building Services	2	\$64,385	\$6,983	\$142,736
	Replacement	John Deere Gator TE - Stadium	1	\$16,000	\$0	\$16,000
	Replacement	Ford F250 4x4 Plow - Grounds Maintenance	2	\$66,000	\$6,983	\$145,966
	Replacement	Ford F350 4x4 - Solid Waste	1	\$54,342	\$6,983	\$61,325
Tax Administration	Replacement	Hybrid Toyota Highlander	8	\$28,613	\$1,461	\$240,592
Total			59	\$837,258	\$864,757	\$4,240,257