



FY 2024-25 Budget Highlights – Manager Recommended



FY 2024-25 BUDGET LIMITATIONS

The fundamental challenge for development of the FY 2024-25 budget is that even with significant natural growth in property tax revenue there is not enough revenue growth to support many major priorities (without a potential property tax rate increase).

MANAGER PRIORITIES

- **Education Focused Budget** – Maximize available and new revenue to demonstrate the County’s commitment to Public Education and Pre-K
- Through a “paused” budget, ensure that County Departments closely review their programs and needs prior to requesting additional financial support
- Provide valued County workforce with a modest pay increase for next FY.
- Implement a limited vacant position hiring process for next fiscal year to ensure expenses are contained while still supporting departments’ core functions with essential personnel hiring as needed
- Supporting minimal new position requests
- Decreasing fund balance appropriation as revenue source to ensure future fiscal sustainability.

GENERAL FUND BUDGET HIGHLIGHTS

- **Recommended 3.25 Cent Property Tax Increase for General Fund**
 - One cent = \$5.33 million

Education Highlights

- **Increased Durham Public School funding - \$13 million**
- **Increased Pre-K support - \$950,000**
 - \$500,000 to increase the number of Pre-K seats offered
 - Additional \$450,000 to support FY 2023-24 mid-year increase

Personnel Highlights

- **Compensation Support for Durham County Employees through a 3% COLA salary increase - \$7.1 million**
- **Full year commitment of FY 2023-24 fiscal year compensation study implementation and new positions approved during fiscal year - \$6.2 million**
- **Increased Benefits costs in General Fund to provide coverage for County employees - \$3.1 million**
 - Overall Benefits Fund increase is \$5.6M
 - Changing to two health plan options, which is projected to bring in an additional \$1.75 million from employee paid premiums. Change to Life and Disability contracts will reduce expenses by 2%.
- **Limited New full-time positions - \$684,000**
 - 8.0 new FTEs in Youth Home for the programming and increased capacity of the recently opened new facility - \$569,000
 - 2.0 new FTEs in Cooperative Extension for nutrition services support to low-income families-\$115,000
- **Social Services (DSS) FTE increases for Medicaid Transformation work during FY 2023-24 - \$700,000 County Cost (Additional \$1 million from State and Federal government)**

County Department Highlights

- **Increased Transportation – No County Cost (Full Cost \$2.75M in External Funding)**
 - \$2.67M for the East Durham Railroad Crossing Study to explore feasibility of changing county railroad crossings
 - \$75K for transportation services to employment centers
- **Increased funding to support Eviction Diversion program(s) - \$780,000**
- **Increased operating funding to Sheriff - \$845,000**
- **Replacement County Vehicles increased need - \$1.3 million**
- **Industrial Extension Policy (IEP) increased commitments - \$684,000**



FY 2024-25 Budget Highlights – Manager Recommended



- **\$1 million reduction in operational expenditures across all departments**
- **\$2 million in reduced budgets for limited hiring of non-crucial personnel**

Other Tax District Highlights

- **Durham County Fire & Rescue Special Tax District property tax rate decreases 1.5 cents from 14.49 cents per \$100 valuation to 12.99 cents**
- **Redwood Fire Tax District property tax increase of 0.5 cents from 12.25 cents per \$100 valuation to 12.75 cents**

Opioid Settlement Fund

- A budget is being prepared for the Opioid Settlement Fund and will be brought forward in the coming weeks (prior to Budget approval) that will continue to support the County's mission to support individuals in crisis.

EXPENDITURES – OVERVIEW

- The overall County budget is increasing by 7.31% or \$65.0 million.
 - Major funding increases happen in the General Fund and Benefits Plan Fund (as part of the General Fund). Descriptions around key increases in those funds are included in this document.
 - The Debt Service Fund increases significantly to begin supporting annual debt service of recent long-term financings including 2022 General Obligation bond funding currently being used by Durham Public Schools, Durham Technical Community College and the NC Museum of Life & Science.

Fund SubCategory	FY 2022-23 Actuals	FY 2023-24 Original	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommend	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Funds	\$732,500,968	\$757,275,219	\$788,579,434	\$833,429,136	\$809,689,648	\$52,414,429	6.92%
Special Revenue Funds	\$13,262,058	\$15,296,248	\$15,160,962	\$15,334,152	\$15,334,152	\$37,904	0.25%
Debt Service Funds	\$279,452,646	\$97,525,519	\$140,595,254	\$107,749,942	\$108,841,636	\$11,316,117	11.60%
Enterprise Funds	\$15,652,158	\$19,417,636	\$19,561,618	\$20,694,580	\$20,694,580	\$1,276,944	6.58%
Total	\$1,040,867,829	\$889,514,622	\$963,897,268	\$977,207,810	\$954,560,016	\$65,045,394	7.31%

Expenditures – General Fund

- The General Fund budget is growing by 6.82% over the prior year budget.
 - Well over half the General Fund growth supports personnel increases, transfers to other Funds, specifically the Benefits Plan fund to support higher insurance costs for employees, and continued growth in education spending.

General Fund Expenditure Summary	FY 2022-23 Actuals	FY 2023-24 Original	FY 2023-24 Estimate	FY 2024-25 Requested	FY 2024-25 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Government	\$166,491,677	\$170,156,301	\$187,750,357	\$182,767,461	\$180,835,125	\$10,678,824	6.28%
Public Safety	\$74,739,329	\$84,016,143	\$82,945,247	\$91,272,203	\$89,138,365	\$5,122,222	6.10%
Transportation	\$901,734	\$1,679,083	\$1,852,964	\$4,774,432	\$4,657,932	\$2,978,849	177.41%
Environmental Protection	\$5,326,980	\$6,183,333	\$8,480,311	\$6,478,409	\$6,901,858	\$718,525	11.62%
Econom. & Physical Devlp.	\$8,589,171	\$8,459,637	\$8,758,977	\$10,145,937	\$9,644,671	\$1,185,034	14.01%
Human Services	\$97,660,895	\$106,644,638	\$114,317,880	\$116,108,254	\$112,243,104	\$5,598,466	5.25%
Education	\$195,680,759	\$208,253,197	\$213,783,695	\$236,847,020	\$220,959,606	\$12,706,409	6.10%
Cultural & Recreational	\$15,813,342	\$14,671,852	\$16,125,116	\$16,865,836	\$16,595,836	\$1,923,984	13.11%
Total	\$565,203,887	\$600,064,184	\$634,014,549	\$665,259,552	\$640,976,497	\$40,912,313	6.82%



FY 2024-25 Budget Highlights – Manager Recommended



PERSONNEL CHANGES

Personnel growth through new FTEs is being kept to a minimum for a second consecutive year. Certain key positions were added during FY 2023-24 (35 of which had some offsetting revenue), with a more limited increase during the FY 2024-25 budget development cycle.

<u>FY 2024-25 RECOMMENDED NEW FULL TIME EQUIVALENTS (FTEs)</u>			
Position	FTEs	Salary and Benefits	Anticipated Starting Date
Extension Agent - Cooperative Extension	2.00	\$100,360	07.01.2024
Youth Home Counselors - Youth Home	6.00	\$376,380	07.01.2024
Office Assistant - Youth Home	1.00	\$47,012	07.01.2024
Diversion Coordinator- Youth Home	1.00	\$112,654	07.01.2024
Total	10.00	\$636,406	
<u>During FY 2023-24 Position Changes</u>			
Medicaid Expansion FTE's - Department of Social Service	35.00		
Communicable Disease Control Specialist I (2) - Public Health	2.00		
Public Health Education Specialist & Opioid Manager - Opioid Settlement Fund	2.00		
Youth Program Grant FTE - Cooperative Extension	1.00		
Total During FY 2023-24 Changes	40.00		
Total FY 2023-24 Approved Budget Change to FY 2024-25 Budget	50.00		
<i>*Positions with an asterisk are partial year funded positions.</i>			
<u>NET COUNTY POSITIONS AND EXPENSES -- NEW FISCAL YEAR</u>			
Position	FTEs	Salary and Benefits	
New General Fund Supported Positions	10.00	\$636,406	

REVENUES – OVERVIEW

Property Valuation

- Budgeted natural growth for FY 2024-25 when compared to FY 2023-24 is 5.86% higher. (\$2.96 billion)
- FY 2023-24 overall property tax collections have come in higher than expected and are estimated to end the year at 102.8% of budget. Property valuation natural growth has been significant over the last several years.

Property Category	FY 2023-24 Original	FY 2024-25 Budgeted	% Change FY to FY
Real Property	\$41,524,438,540	\$43,330,711,247	4.35%
Business & Personal Property	\$5,218,507,944	\$6,321,728,893	21.14%
Public Service	\$697,948,267	\$543,234,258	-22.17%
Motor Vehicle	\$3,097,413,350	\$3,306,350,861	6.75%
Total	\$50,538,308,100	\$53,502,025,259	5.86%

Property Tax Levy (Natural Growth)

- Natural property tax revenue growth is estimated to bring in an additional **\$22.2 million** for the General Fund (\$19.2 million) and the Capital Finance Fund (\$3.0 million) **without a property tax rate increase**.
- The property tax collection rate is being adjusted up to 99.6%. This is a return to the historic high levels from prior to the pandemic.
- Each additional cent on the property tax rate brings in \$5,328,802 million of revenue, a \$295,186 increase from FY 2023-24 for each cent.

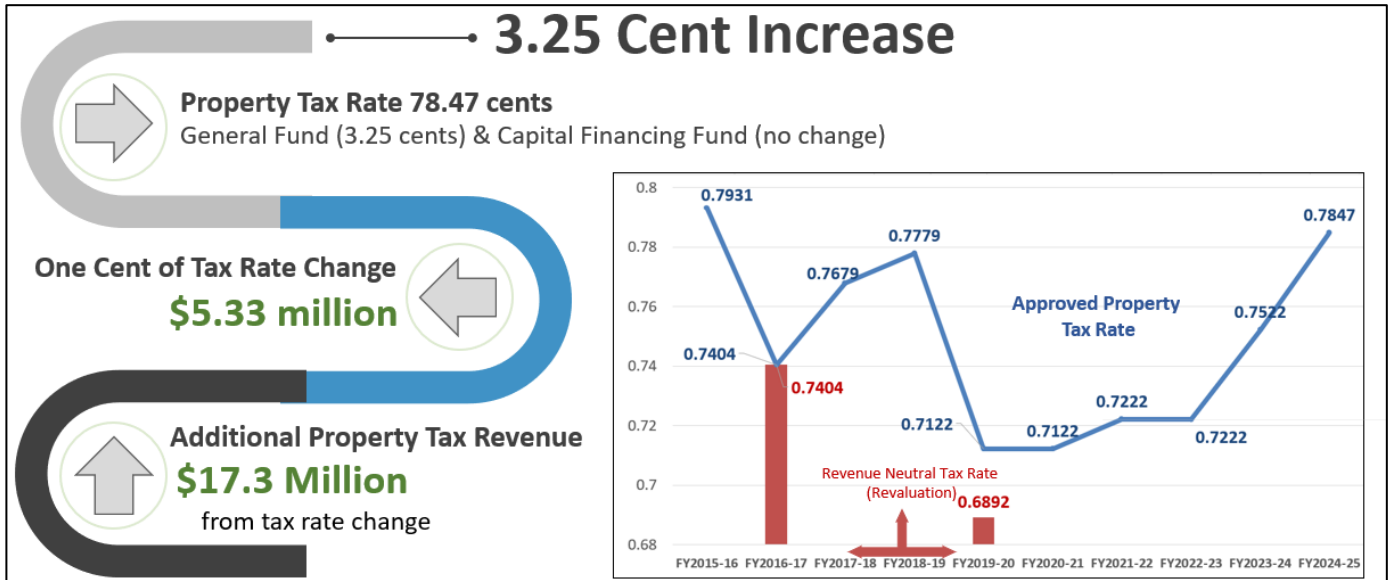
PROPERTY TAX	2022-23 Approved Tax Rate	FY 2023-24 Recommended Tax Rate	FY 2023-24 Projected Revenue
General Fund	65.11	68.36	\$364,778,720
Capital Financing Fund	10.11	10.11	\$53,874,186
TOTAL	75.22	78.47	\$418,652,906



FY 2024-25 Budget Highlights – Manager Recommended



Property Tax (Tax Increase)



Sales Tax Highlights

- Durham County has an estimated total 2.61% increase in all local sales taxes for FY 2024-25 from the previous year's approved budget

- The total FY 2024-25 budgeted sales tax revenue for Durham County is

Sales Tax	FY 2021-22 Actuals	FY 2022-23 Actuals	FY2023-24 Original	FY 2023-24 Estimate	FY 2024-25 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
Article 39 (1 Cent)	\$31,656,499	\$32,216,541	\$34,572,422	\$33,150,000	\$34,452,409	(\$120,013)	-0.35%
Article 40 (1/2 Cent)	\$20,624,476	\$22,259,069	\$22,664,769	\$23,161,867	\$24,088,341	\$1,423,572	6.28%
Article 42 (1/2 Cent)	\$23,634,350	\$24,740,673	\$25,911,267	\$25,609,227	\$26,633,596	\$722,329	2.79%
Article 46 (1/2 Cent)	\$21,005,352	\$21,993,693	\$23,100,201	\$22,693,023	\$23,600,744	\$500,543	2.17%
City Sales Tax ILA	\$17,711,418	\$24,842,047	\$21,659,659	\$22,522,767	\$22,471,994	\$812,335	3.75%
Total	\$114,632,096	\$126,052,022	\$127,908,318	\$127,136,884	\$131,247,084	\$3,338,766	2.61%

\$131.2 million. For perspective, this is the equivalent of 24.6 cents of property tax revenue.

- The year-over-year sales tax revenue increase equates to a gain of **\$3.3 million**, equivalent to almost 2/3 of a cent of property tax. While not insignificant growth, it pales in comparison to the last three fiscal years which saw unprecedented increases in sales tax revenue. Actual collections for the current year have been lower than anticipated and in stark contrast to the over-collections in recent years.
- Next year's sales tax estimates have built in modest growth at 4%.
- Another factor impacting FY 2024-25 sales tax revenue estimates is a change to the Inter-Local Agreement with the City of Durham in how sales taxes are distributed. Due to population and economic changes, the City requested a review of the agreement and the Board of Commissioners approved an action that essentially reduces next year's County sales tax revenue growth by \$1 million. More information about this can be found in the [Board of Commissioners' agenda for March 11, 2024](#).

General Fund Fund Balance

- The use of General Fund fund balance as a revenue source is typically used as a "balancing" number. This is a revenue source that is rarely expected to be needed, unless the actual environment during the fiscal year is significantly different than when the budget was originally created. Including fund balance as a revenue during the budget development process also allows for revenue estimates to err on the slightly conservative side, while ensuring expense capacity is available for departments to meet their proposed budgets. Because of lower overall trended revenue collections in FY 2023-24, as well as higher spending, more FY 2023-24 fund balance may be used than typical. To ensure the future fiscal sustainability of the County overall, the amount of fund balance used as a revenue source budgeted in FY 2024-25 has been significantly reduced (\$4.7 million less).



FY 2024-25 Budget Highlights – Manager Recommended



Special Tax Districts Tax Rates

- Durham County Fire and Rescue (DCFR) District is decreasing the property tax rate by 1 ½ cents (through ILA with the City for Fire Protection services). 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.
- Redwood Fire Tax District is requesting a ½ cent property tax rate increase to cover increased personnel costs and overall increases related to recent inflationary pressures.
- All other County Taxing Districts have no property tax changes for FY 2024-25.

Tax Rate by District	FY 2024-25 Recommended
Lebanon	12.51
Redwood	12.75 (+0.5)
New Hope	7.56
Eno	7.86
Bahama	9.87
Durham County Fire & Rescue	12.99 (-1.5)
RTP Service Tax	8.80
RTP Public Transportation Tax	2.50

Other General Fund Key Revenues

Key Revenues	FY 2022-23 Actuals	FY 2023-24 Original	FY 2023-24 Estimate	FY 2024-25 Recommended	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
Deed Registration and Transfer Fees	\$6,570,756	\$8,000,000	\$5,601,187	\$6,000,000	(\$2,000,000)	-25.00%
EMS Patient Fees	\$14,074,927	\$15,183,483	\$16,900,125	\$17,834,968	\$2,651,485	17.46%
Investment Revenue	\$5,939,622	\$3,000,000	\$5,238,068	\$5,000,000	\$2,000,000	66.67%
Local Occupancy Tax (General Fund)	\$4,364,874	\$4,225,000	\$4,375,000	\$4,425,000	\$200,000	4.73%
Local Occupancy Tax (NCMLS)	\$500,000	\$500,000	\$499,400	\$500,000	\$0	0.00%
State Hold Harmless Funds	\$12,274,930	\$12,000,000	\$9,365,555	\$9,000,000	(\$3,000,000)	-25.00%
Total	\$43,725,109	\$42,908,483	\$41,979,335	\$42,759,968	(\$148,515)	-0.35%

- Revenue generated by the Register of Deeds for recording of real estate and other official transactions has declined significantly after a few years of record collections. With higher interest rates and the cooling of a very aggressive real estate market, this revenue estimate is decreasing for a second year in a row.
- As part of the FY 2022-23 budget process, the Office of Emergency Services (OES) implemented an updated fee schedule that provided greater parity across all fee categories and ties our EMS fees directly to the allowable Medicare Fee Schedule (MFS). In FY 2024-25 the growth in the projected budget is a combination of these increased fees and overall increased use of EMS services
- Investment revenue is increased to more accurately reflect current and expected higher earnings from County funds held in accounts with higher interest rates.
- This important funding source is used by Durham County primarily to support the Capital Improvement Plan. FY 2023-24 collections for Occupancy Tax are at levels typical prior to the pandemic impact. The FY 2024-25 budget reflects modest growth for this economically sensitive revenue source.
- State Hold Harmless Funds used to be a relatively obscure revenue line, but in the past few fiscal years it has brought in significant new revenue. With a change made in FY 2007-08, the State legislature agreed to hold counties "harmless" for any loss of income from Article 44 sales tax that had been used by local governments previously to cover their Medicaid expenses. In recent years this revenue source has grown significantly with just under \$12.3 million being received in FY 2022-23. FY 2023-24 has seen an unexpected increase in Medicaid expenses at the state level along with slower statewide Article 44 sales tax growth. This has led to a significant decrease in anticipated revenue for the current year which in turn has negatively affected the revenue estimate for next fiscal year from this source. The budget for FY 2024-25 is being adjusted accordingly, with a net effect of \$3 million less revenue available for the General Fund.

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	\$12,274,930
FY 2023-24 (projected)	\$9,365,555
Total	\$56,452,460
FY 2024-25 (budgeted)	\$9,000,000



Education Expenditure Highlights

Durham Public Schools (DPS)

FY 2024-25 Local Funding Request

Local Budget Requirements for DPS and Charter Schools - FY 2024-25

	Line Item Description	Cost
DPS Anticipated State Salary/Benefit Increases	Certified Salary Increase (5% estimate for FY 2024-25)	\$2,235,000
	Classified Salary Increase (3% estimate for FY 2024-25)	\$1,998,000
	Retirement (25.02% to 25.5%)	\$1,395,000
	FICA	\$323,825
	Health Insurance (\$7,557 to \$8,095)	\$626,770
	Subtotal	\$6,578,595
Teacher Salary Supplement Increase	Increase starting supplement from \$6,450 to \$7,250 w/ commensurate increases for all years of experience	\$3,155,815
	Subtotal	\$3,155,815
Master's Pay	Additional funds to pay 200 teachers for relevant master's degrees. **Includes 7.65% FICA and 25.5 % Retirement.	\$1,259,806
	Subtotal	\$1,259,806
Compensation Study Implementation	Classified - Market Rate - Salary Increase	\$6,670,000
	Classified - Retirement Increase	\$1,700,850
	Classified - FICA	\$510,255
	Subtotal	\$8,881,105
Total Modified DPS Annual Operating Requirements		\$19,875,321
Charter School Requirements	Additional charter funds associated with requested DPS operating budget increase (based on 20% of total Durham County K-12 enrollment)	\$3,975,064
	Charter School New Money Requirements	\$3,975,064
Additional Pre-K Classrooms	Add Pre K seats to the newly opened Murray Massenburg Elementary School	\$716,624
	Subtotal	\$716,624
Capital Funding, Building Upkeep	Building repairs and renovations.	\$1,500,000
	Subtotal	\$1,500,000
Grand Total		\$26,067,008

FY 2024-25 Board of Education budget increase request was a \$26.07 million, a 13.86% increase over FY 2023-24 approved local support in current expense and current capital outlay funding.

- DPS's and Durham County Charter School student projection for FY 2024-25 is 38,396, a decrease of 626 students from the FY 2023-24 budgeted estimate of 39,022.
 - The number of students attending Durham Public Schools has been declining for the last 10 years, with a particularly significant decrease during the Covid pandemic. Students who left the DPS system have not returned in the intervening four years. According to data from the state Department of Public Instruction, on average school districts have not returned to pre-pandemic enrollment levels. <https://www.ednc.org/enrollment-2023-school-year>
- The Manager recommends a total increase to annual DPS funding of **\$13 million** (in current expense) or 6.9 percent when compared to FY 2023-24. The decision to not fully fund the DPS request was a difficult one arising out of a growing concern that DPS funding increases, year over year, are outpacing natural growth of major



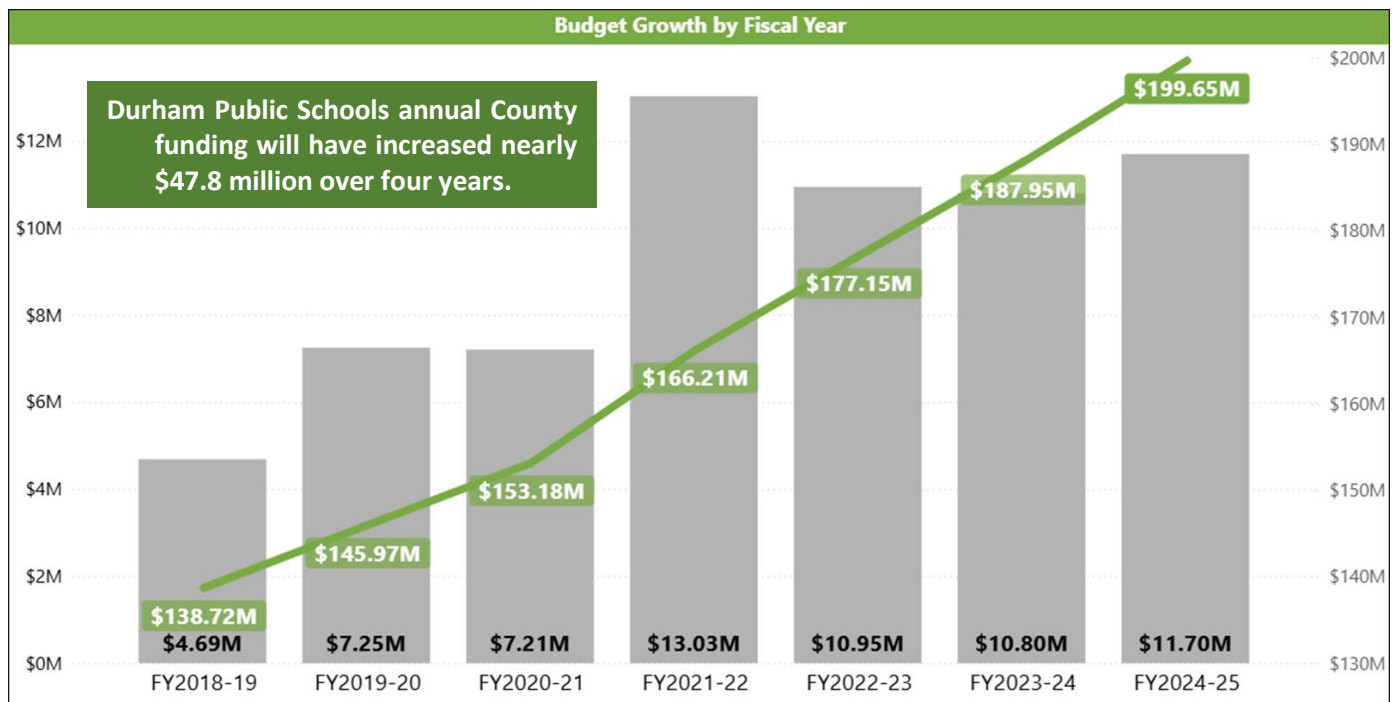
FY 2024-25 Budget Highlights – Manager Recommended



revenue sources like property tax and sales tax and 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 2022-23 Actual	FY 2023-24 Approved	FY 2024-25 Requested	FY 2024-25 Recommended
Current Expense	\$171,151,627	\$181,951,627	\$206,518,636	\$194,911,433
Capital Outlay	\$6,000,000	\$6,000,000	\$7,500,000	\$6,000,000
Total	\$177,151,627	\$187,951,627	\$214,018,636	\$200,911,433
School Debt Service	\$34,204,337	\$43,886,484	\$51,719,972	\$51,719,972
TOTAL FUNDING	\$211,355,964	\$231,838,111	\$265,738,608	\$252,631,405

- Funding the total FY 2024-25 DPS request would equal approximately an additional 5 cent increase on the property tax rate. This is on top of significant funding DPS funding increases over the past several years. Including the Manager's recommended current expense increase for FY 2024-25, DPS annual County funding will have increased almost \$47.8 million over four years. These County funding increases have occurred while the DPS student population has seen enrollment declines.
- The graph below shows County annual funding for DPS operating needs with the green line being budgeted expenditures and the grey bars the additional funding added in that fiscal year.



Annual estimated per pupil funding for FY 2024-25 increases \$413 to \$5,063 or 8.9% in the Manager's recommended budget.

Category	FY 2023-24	FY 2024-25	Difference
Current Expense Funding	\$181,951,627	\$194,911,433	\$12,959,806
Annual Pre-K support (Article 46 Sales Tax)	(\$508,140)	(\$508,140)	\$0
Net Current Expense funding	\$181,443,487	\$194,403,293	\$12,959,806
DPS and Charter School pupil estimate	39,022	38,396	(626)
Local Per Pupil funding	\$4,650	\$5,063	\$ 413



FY 2024-25 Budget Highlights – Manager Recommended



Durham Technical Community College

- Durham Technical Community College's County funding increases \$220,229 or 1.88% from the FY 2023-24 Original Budget.

	FY 2022-23 Actual	FY 2023-24 Original	FY 2024-25 Requested	FY 2024-25 Recommended
Current expense	\$9,200,934	11,164,565	11,726,865	\$11,367,294
Capital outlay	\$542,500	\$542,500	\$560,000	\$560,000
TOTAL	\$9,743,434	\$11,707,065	\$12,286,865	\$11,927,294
Debt service	\$2,280,289	\$2,925,765	\$4,309,998	\$4,309,998
TOTAL FUNDING	\$12,023,723	\$14,632,830	\$16,596,863	\$16,237,292

- 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 a portion of this total, \$2,350,207, for student scholarship support and other educational opportunities.
- Annual operating expenses increase by \$202,729.
 - Additional funding supports state directed 3% salary increases for certain DTCC employees, plus a 2% increase in retirement funding. Also included in this increase is support for 7% increases in insurance support for DTCC employees.
- Capital support increases \$17,500.
 - Support for two additional service vans as well as continued deferred maintenance needs.
- Additional funding 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: \$965,448

- \$450,000 of these funds were added to the Pre-K budget mid-year during FY 2023-24. An additional \$500,000 for FY 2024-25 was added to provide a number of Pre-K seats to Murray-Massenburg Elementary School, opening in Summer of 2024.

Community Well-Being

Department of Social Services (DSS): \$2.48 million

- 35 Medicaid Transformation FTEs: Total Cost: \$1.7 million, County Share: \$700,000**
DSS received 35 mid-year FTEs to accommodate the expansion of Medicaid services within Durham County by the State's passage of Medicaid Transformation. These positions are reimbursable by the state up to 75%.
- Eviction Diversion: County Share: \$780,000**
Funding to continue providing Eviction Diversion services to assist Durham County residents avoid eviction judgements, and when possible, to enable residents to remain in their current homes. (Total: \$1,480,000; Durham County Share: \$780,000; City of Durham Share: \$650,000).

Community Intervention and Support Services: \$100,000

- Increase in operating funding due to a reevaluation and more accurate representation of trended operating expenditures for Bull City United, Project Build, and My Brothers Keeper.



Community Prosperity

Cooperative Extension: \$110,000

- Cooperative Extension received two FTEs - one Extension Agent in partnership with North Carolina State University and one Extension Agent in partnership with North Carolina Agricultural and Technical State University. These positions will provide nutrition services to low-income families within Durham County.

Community Safety

Youth Home: \$568,897

- Continuing to support the new Youth Home and Assessment Center, which opened in February 2024, additional funding is provided for new staff at the Assessment Center and Youth Home Counselors (8 new FTEs).

Office of Emergency Services:

- **Fee Updates – Emergency Medical Services**
Recommended 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, adjusted annually, received a 2.5% inflationary increase this year. The OES fee schedule mirrors this annual adjustment.
- **Vehicle Replacements: \$2.85M (see vehicle & equipment summary below)**
For ten vehicles (including 5 ambulances).

Sheriff's Office: \$845,101 (excluding vehicles)

- **SHI/Microsoft Services - \$282,000**
Additional funding is provided for the continuation of a contract with SHI International Corporation for Microsoft email and cloud-based services.
- **Fuel Cost Increases - \$170,000**
Additional funding is included for gasoline, a result of an increase in detainee transports, additional calls for service, and rising fuel costs.
- **Aramark Food Contract Increase - \$350,000**
The budget contains additional funding for Aramark food service contract in the detention center. This is a result of increased detainee population and increases in food costs.
- **Animal Protective Services Contract Increase - \$43,101**
An increase in the contract with Animal Protective Services is included in the budget.
- **Vehicle Replacements: \$2.1 million (see vehicle & equipment summary below)**
Replacement funding is provided for 27 vehicles and associated upfit costs. These replacements will enable the Sheriff's Office to continue to provide efficient and effective responses to county emergencies.

Volunteer Fire Districts

- **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 that provides fire protection for the district. Due to this growth and relatively fixed expenses the District is requesting a 1½ cent decrease in the tax rate for FY 2024-25 while maintaining all planned services.
- **RTP Special Park District: No County funding impact**
Natural growth of \$435,000 allows them to continue efforts to revitalize and plan the future of the district. A fund balance appropriation of \$173,000, from the prior fiscal year over-collection of property taxes, continues to support their Park Trail Improvement and transportation projects.
- **Redwood Volunteer Fire Department: No County funding impact**
A ½ cent tax rate increase for FY 2024-25 will allow Redwood VFD to cover increased expenses related to personnel costs, inflation, and other pressures on the department.



Community Stewardship

General Services: \$600,000

- **Contract Security Officer Positions: \$600,000**
Increase to the Nighthawk Contract Security Services contract to provide security staffing at the new Durham County Youth Home, new Board of Elections Operational Facility, and Stanford L. Warren Library, as well as bolster patrol coverage in county parking decks.
- **Solid Waste Sticker Fee**
Despite increases in labor, utility, and vendor costs, the fee will remain flat at \$169.63 for the FY 2024-25 budget. Improved efficiencies in operating costs have kept the sticker fee increase modest.
- **Replacement Vehicles: (see vehicle & equipment summary below)**
Replacement funding is provided for 9 vehicles and associated upfit costs.

Register of Deeds: (\$2,000,000)

- FY 2024-25 deed registration revenue has been reduced by \$2 million, from \$8 million budgeted in FY 2023-24 to \$6 million in FY 2024-25, based off current year trending. This revenue collection is collected from County home sales, and rising interest rates slowed – and will likely continue to slow – the pace of County home sales.

County Engineering & Environmental Services:

- **Orange Factory Road Farm Campus: \$500,000**
Funding in the Open Space and Real Estate fund center to support property management, repairs, and ongoing operations of the Orange Factory Road Farm Campus that Durham County purchased in November 2023. The 129-acre site will provide training in urban farming, community meeting space, dry and cold storage, and a commercial kitchen.
- **Public Art Coordinator Contract Position: \$95,000**
The contracted position will oversee the Durham County Public Art Program, which County Commissioners approved in September 2019.
- **Shoppes of Hope Valley Shopping Center**
The budget also supports the operations and revenue collection associated with the Shoppes of Hope Valley Shopping Center. The county expects to collect \$541,800 in revenue from the center in FY 2024-25, and the FY 2024-25 Budget includes \$243,000 to support the development process and \$50,000 to cover any emergency maintenance.

Soil and Water Conservation: \$71,086

- **Environmental Education Contractor: \$41,086**
This contracted position will assist with education and outreach programs for both the Soil and Water Department and the Durham Soil and Water Conservation District Board. The department has re-aligned \$13,914 for this contract.
- **Impaired Stream Improvement Program: \$30,000**
The budget also supports an expansion of the Impaired Stream Improvement Program (ISIP). The expansion will allow the program to install streambank stabilizations in low-income communities to reduce nutrients and sediment from entering the drinking water supply.

Sewer Utility Enterprise Fund: \$864,666 (all additional costs are supported with revenue within the Fund)

- **Vacuum Truck - \$670,005 and Crane Truck - \$194,661**
The truck will be used by the division's maintenance and collection staff for small sanitary spill cleanups.
- **Sewer Utility Fees**
The Sewer Utility monthly consumption rate will increase from \$6.36/hundred cubic feet to \$7.19/hundred cubic feet, which is projected to bring in an additional revenue of more than \$1,635,000, a 13% increase from the previous fiscal year. The funding will be used to support new positions, capital costs and annual capital debt.



Stormwater Enterprise Fund

- **Stormwater Utility Fee Increase**

Fee increases from \$64 per Equivalent Residential Unit, or ERU, to \$80 per ERU in FY 2024-25. The rate increase is one step in a larger plan to 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. The Stormwater Enterprise Fund estimates that fee revenue will increase from \$2,241,056 to \$2,750,000.

External Affairs

Economic Development:

- **Industrial Extension Policy payments: \$2,657,731**

Economic Development Incentive payments are for businesses if they meet scheduled performance criteria. The funding is a \$683,572 increase from last fiscal year.

Transportation: \$2,745,751 from external funding; \$0 County Contribution

- **Durham Comprehensive Bicycle, Pedestrian, and Greenways Plan: \$2,670,000**

Supports funding for the East Durham Railroad Crossing study, which will explore the feasibility of changing county railroad crossings. The cost of the study will be covered by funding from the Durham County Transit Plan and the Federal Railroad Administration. The grant does not require a County match.

- **Education and Employment Access Project: \$75,751**

A Transit-plan funded initiative that will provide 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. The cost will be fully reimbursed with Transit Plan grant revenue from GoTriangle.

Joint City-County Departments

Operations based in City; partial funding from Durham County

Planning: (\$15,372)

- Small decrease in cost due to revenue collection; budget supports new Planner and Senior Planner positions.

Emergency Communications: \$4,869

- Supports directional finding equipment to locate Radio Frequency Interference on the Durham City radio system, as well as 16 new Motorola radios.

GIS: \$2,064

- Incremental increases to operating budget

Open Data: \$14,542

- Incremental increases to operating budget

Inspections: No Change

- Fully funded from Inspection related fees

Other Departments or Funds

Benefits Plan: \$5,592,544 million

- The total Benefits plan is recommended to increase by \$5.6 million to \$44,343,109 in FY 2024-25 (14.8%). This is a substantial increase in the Benefits Fund compared to previous fiscal years and can be attributed to several variables:
 - As the County vacancy rate has decreased and additional positions are created, the Benefits Plan will increase to accommodate the healthcare of our employees and their family members.
 - Despite a new pharmacy provider contract, overall prices have had a year over year percentage increase in the double digits that accounts for expenditure growth in pharmacy related costs.
 - The Benefits Plan has also grown to accommodate market rate inflation that is being seen across the healthcare setting and by other local government organizations.



FY 2024-25 Budget Highlights – Manager Recommended



- To alleviate some of the increased benefits cost burden to the County, a 2-tiered plan model for health insurance is being implemented. Changing to a tiered plan will generate an estimated \$1.75 million in additional revenue to the Benefits plan.
 - With an increase in premiums paid (vs. previous fiscal year), employees can opt to continue the same plan with current deductibles, copays, etc. If the employee chooses the lower-tiered plan the premiums will remain the same, and there will be potential increases during the year through higher deductibles and copays.
- Additionally, the County is transitioning the County's Life and Disability Insurance to a different provider, which should provide a 2% reduction in expenditure costs related to those insurances.

Vehicles and Equipment: \$5.612 million

- This budget supports 50 replacement vehicles and some of these replacement vehicles comply with the County's 2030 Green Initiative.

Department	New / Replacement	Type	Quantity	Vehicle Cost	Upfit Costs	Total DCo Expense
Sheriff	Replacement	SUV	24	\$64,000	\$15,576	\$1,909,824
		Van	2	\$62,000	\$15,516	\$155,032
		Specialty ATV	1	\$23,000	\$14,346	\$37,346
Emergency Services	Replacement	SUV	3	\$64,000	\$21,926	\$257,778
		SUV II	1	\$64,000	\$12,911	\$76,911
		Ambulance	5	\$385,350	\$102,725	\$2,440,375
		Van	1	\$62,000	\$16,866	\$78,866
General Services	Replacement	Electrical Truck	1	\$56,500	\$4,126	\$60,626
	Replacement	Mid-Sized Truck	1	\$30,000	\$2,106	\$32,106
	Replacement	Grounds Truck	1	\$48,000	\$1,946	\$49,946
	Replacement	HVAC Truck	1	\$54,000	\$2,126	\$56,126
	Replacement	SUV	1	\$64,000	\$2,426	\$66,426
	Replacement	Tractor	3	\$14,000	\$426	\$43,278
	Replacement	Specialty Vehicle	1	\$75,000	\$2,756	\$77,756
Social Services	Replacement	SUV	4	\$64,000	\$3,566	\$270,264
Total			50	\$1,129,850	\$219,344	\$5,612,660