



FY 2014-15 Manager's Recommended Budget

May 27th 2014

Wendell Davis, Durham County Manager

Special Thanks

- Deputy Managers
 - Lee Worsley
 - Marqueta Welton
- Assistant County Managers
 - Deborah Craig-Ray
 - Drew Cummings
- Budget Department
- Department Heads
- Interns
 - Dionne Hines
 - Eric Reese
 - Mattie Sue Stevens



FY 2014-15 Manager's Recommended Budget

- Maintenance Budget
 - Supports “human capital”
 - Compensation study implementation
 - New positions
 - Operational increases for public safety
 - Emergency Medical Services
 - Fire District operations
 - Meets debt obligations
 - Holds Durham Public Schools funding flat



FY 2014-15 Budget Process

November 2013	Non-Profit budget process started
February 2014	Departmental budget process started
March 2014	BOCC and department budget retreat
March-May 2014	Recommended Budget development
May-June 2014	Budget worksessions
June 23, 2014	FY 2014-15 Budget approval



All Funds Summary

Fund	2013-2014 Original Budget	2014-2015 Manager Recommended	% Difference
General Fund	\$ 360,340,396	\$ 378,722,435	5.10%
Total All Funds	\$ 526,440,431	\$ 552,364,861	4.92%



Property Tax “Natural” Growth

- Tax base valuation growth of \$3,522,963 from FY 2013-14
 - Collection Rate increases from 98.80% to 98.89% = \$217,931
-
- Total: An additional **\$3.74 million** for General Fund and Capital Finance Fund



FY 2014-15 Sales Tax

Durham County estimates an overall **4.84%** increase in all local sales taxes for FY 2014-15.

	FY2013-14 Budget	FY 2013-14 Estimate	% Estimate From FY 2013- 14 Budget	FY 2014-15 Budget	% From FY 2013-14 Budget
Article 39	\$16,962,829	\$17,663,761	4.13%	\$17,899,671	5.52%
Article 40	\$9,630,019	\$10,071,902	4.59%	\$10,137,717	5.27%
Article 42	\$11,553,634	\$12,083,341	4.58%	\$12,211,133	5.69%
<i>Article 44</i>	<i>\$0</i>	<i>\$18,037</i>	<i>N/A</i>	<i>\$0</i>	<i>N/A</i>
Article 46	\$9,900,000	\$10,275,517	3.79%	\$10,300,000	4.04%
Interlocal	\$9,683,585	\$9,869,219	1.92%	\$9,976,851	3.03%
Total	\$57,730,067	\$59,981,777	3.90%	\$60,525,372	4.84%

FY 2014-15 Article 46 (1/4 Cent) Sales Tax

- Tax is distributed only to Durham County
- Per BOCC Resolution:
 - **67.12% for Durham Public Schools (\$6,779,120)**
 - Plus one-time prior year collection amount - \$475,870
 - **21.74% for education-related debt service (\$2,195,740)**
 - Plus one-time prior year collection amount - \$154,133
 - **8.97% for DTCC need-based scholarships (\$905,970)**
 - Plus one-time prior year collection amount - \$63,596
 - **2.17% for Pre-K support (\$419,170)**
 - Plus one-time prior year collection amount - \$15,385

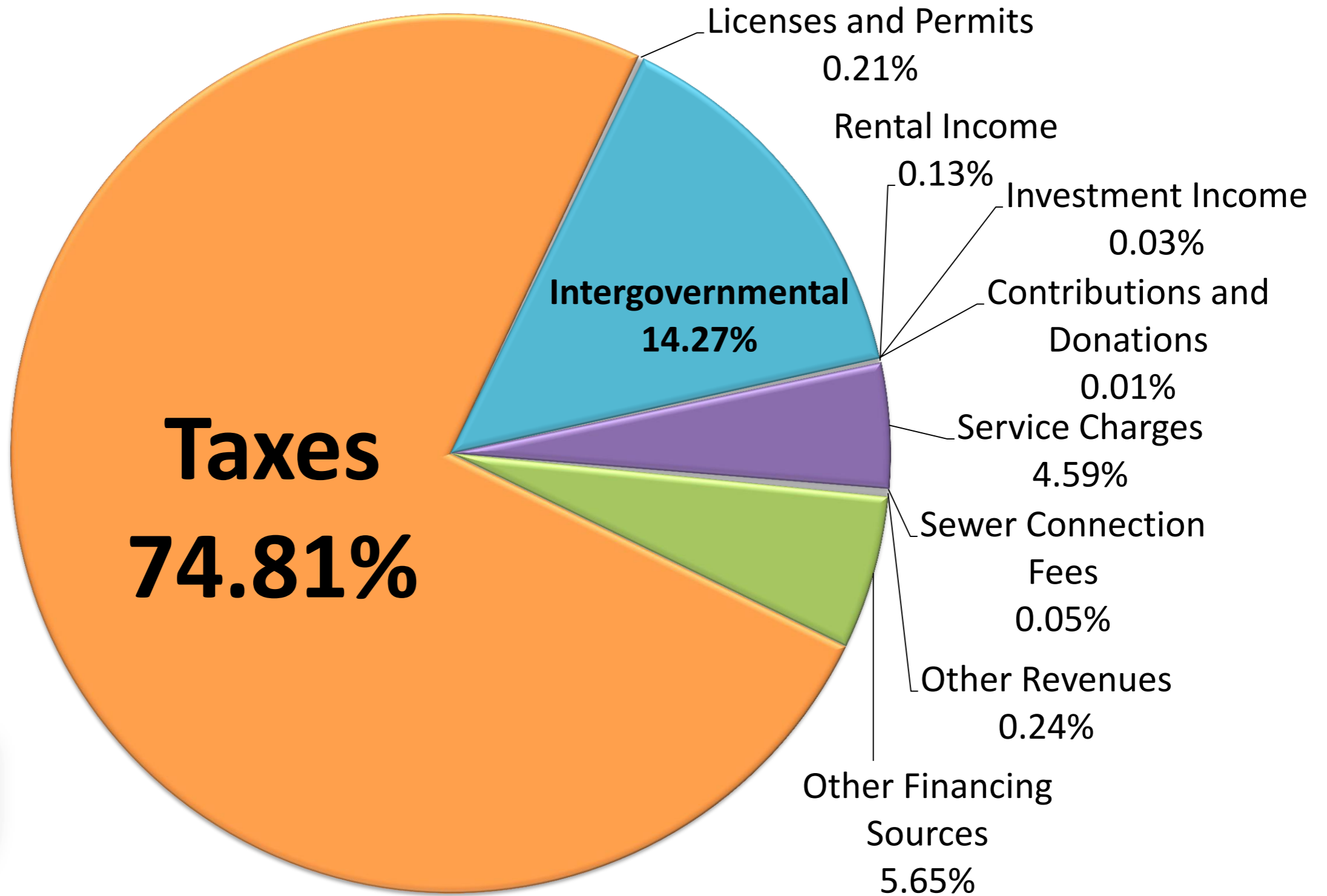


Revenue Highlights

Other Key Revenues	2012-13 Actual Revenues	2013-14 Original Budget	2013-14 12 Month Estimate	2014-15 Manager Recommended
ABC Profit Distribution	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Investment Income	\$156,519	\$130,000	\$145,381	\$130,000
Solid Waste Management Fee	\$1,487,189	\$1,713,324	\$1,704,425	\$1,704,425
Register of Deeds Fees	\$2,868,267	\$2,800,000	\$2,470,004	\$2,550,000
EMS Patient Income <i>(Includes fees formerly going to Parkwood Fire Dept.)</i>	\$5,325,577	\$5,793,268	\$5,843,268	\$7,020,900

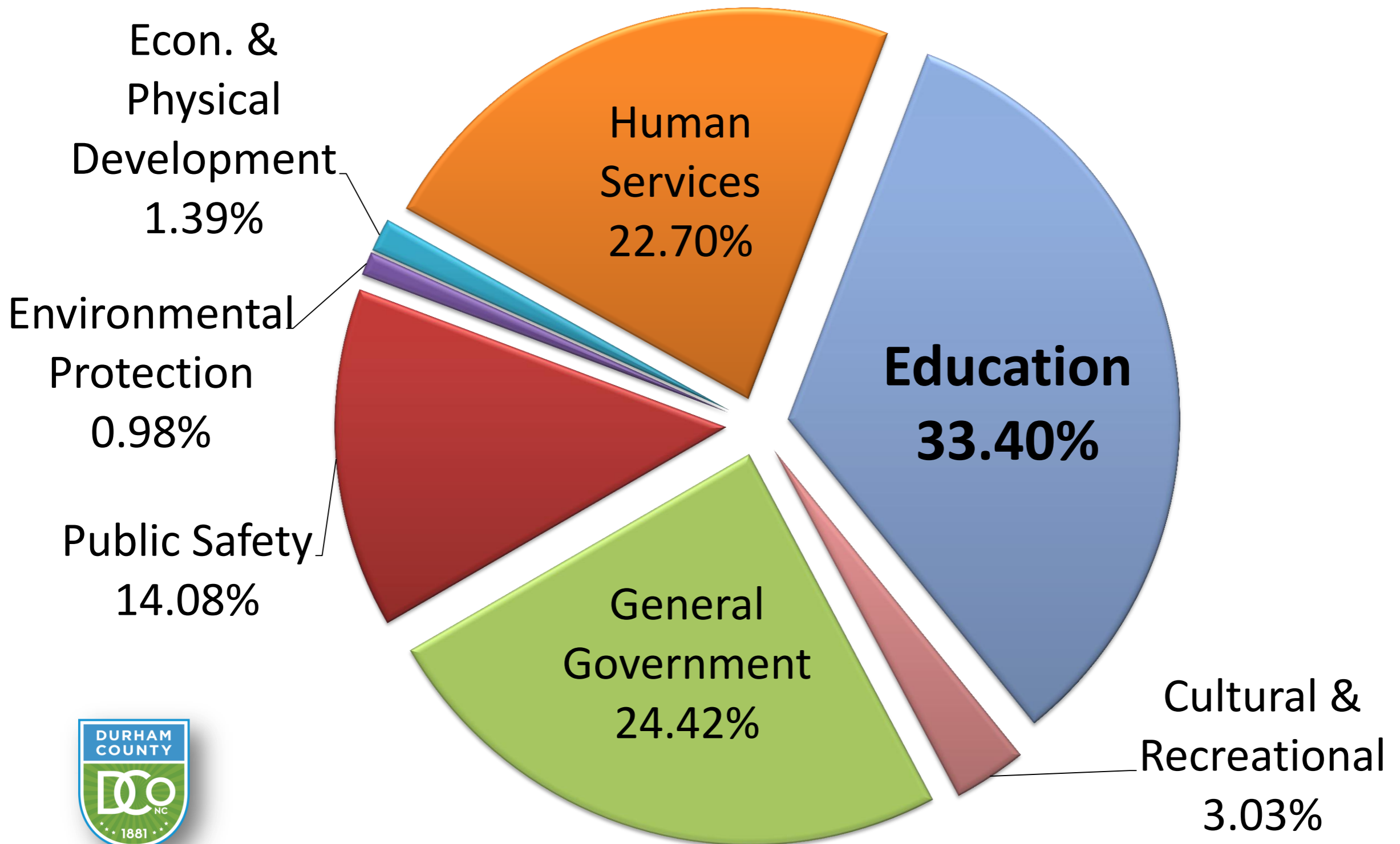


General Fund Revenues by Source



Total FY15 General Fund Revenue: **\$378,722,435**

General Fund Expenditures by Area



Total FY15 General Fund Expenditures: **\$378,722,435**

Recommended FY15 Property Tax Rate

- Recommended FY 2014-15 property tax rate = **80.17 cents**
- Includes a recommended County property tax increase of **2.73 cents** (\$8,441,645)



Recommended FY15 Property Tax Rate

- 2.73 cent property tax increase includes:
 - **General Fund = 1.87 cents (\$5,782,372)**
 - 1.0 cent for compensation study
 - 0.87 cents for operational needs
 - **Capital Financing Fund (*Debt Service*) = 0.86 cents (\$2,659,273)**



Budget Highlights

- Compensation Study Implementation
- EMS
- Fire Study Implementation
- Debt Service
- New Positions
- Non-Profit Agency Funding Program



Budget Highlights

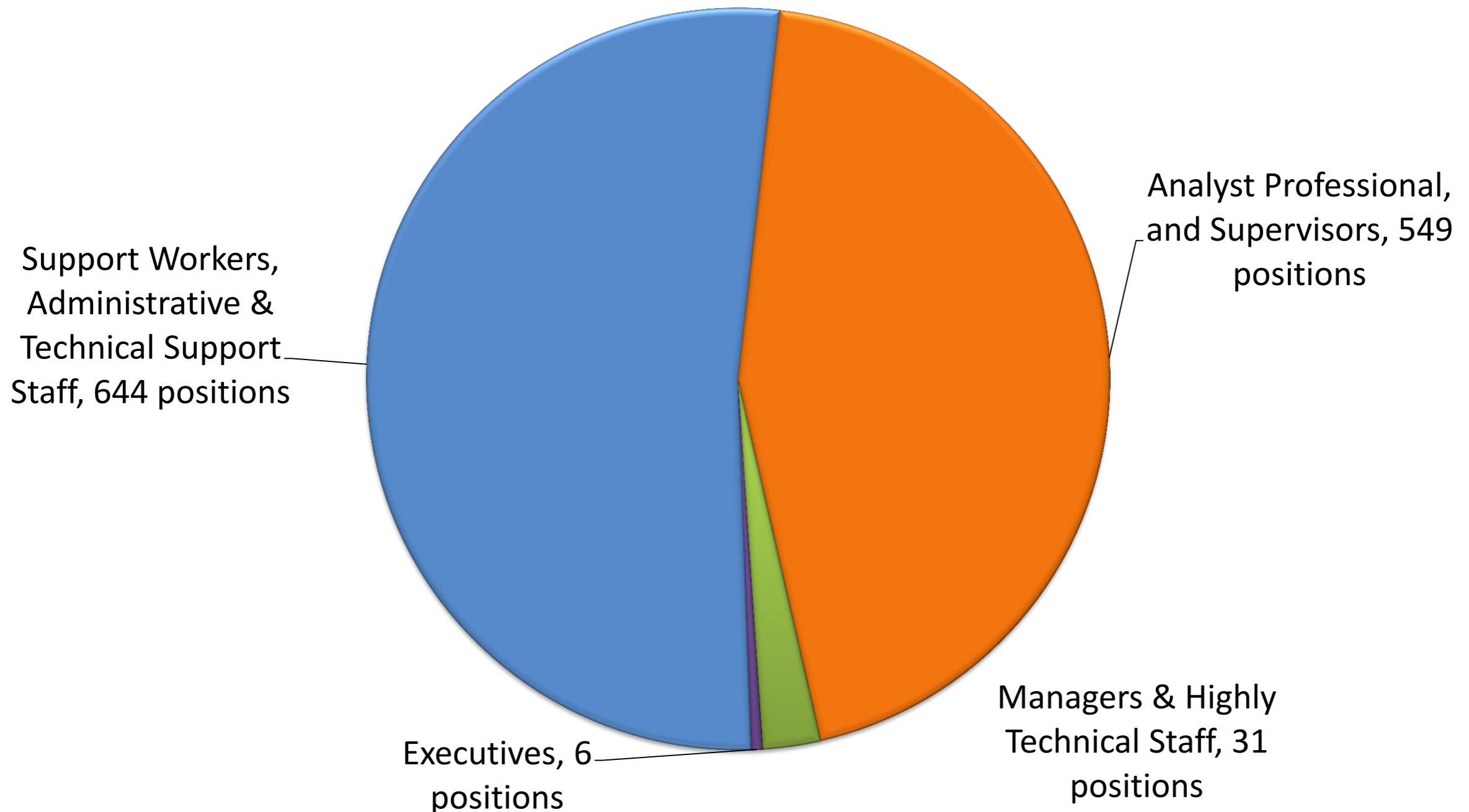
Compensation Study Implementation

- Study conducted in current fiscal year
 - Last study implemented in 1986
 - 3.7%-6.4% below Public Sector market rates
 - 5.5%-16.8% below Private Sector market rates
- 2 year implementation
- Year 1 – \$3.8 million – 1,200 employees affected
 - Pay for performance 2%-3%



Number of Employees Receiving Increase From Compensation Study

1,230 Total Positions Affected



Job Classifications With Most Number of Employees Experiencing Changes

Classification	Number of Employees
Detention Officer I	109
Deputy Sheriff	92
Income Maintenance Caseworker II	79
Social Worker III	67
Social Worker II	60
Paramedic I	47
Total	454



Current Salaries By Workforce Percentage

Category	Workforce %	Average Salary
Less than \$40,000	42.7%	\$32,392
\$40k but less than \$50k	25.4%	\$44,660
\$50k but less than \$60k	15.1%	\$54,591
\$60k but less than \$70k	7.5%	\$64,554
\$70k and above	9.3%	\$90,111

- 68% of Durham County employees make under \$50,000



Budget Highlights

EMS

- **Issue:** Goal of 9 minute response time, 90% of the time
 - Currently meeting response time goal less than 65% of time
 - Actual 90% number is 16 minutes or less
- **Solutions:** Begin addressing capacity and equipment needs
 - 15 new positions
 - Replacement equipment and vehicles
 - Multi-year process
- **Efficiencies**
 - Decreased maintenance and fuel costs
 - Standardized equipment
 - Improved deployment



Budget Highlights

Fire Study Implementation

- Study conducted in current year to address need for consistent and more efficient Fire service delivery
- Management and Analysis Support
 - Fire Operations Analyst
 - Division Chief
 - Partially supported by Fire Districts
- Minimum Staffing needs
 - Bahama – equivalent of 9 FTEs
 - Redwood – equivalent of 3 FTEs
 - Lebanon – 1 FTE



Tax Rate Changes for Fire Tax Districts (Cents)

District	FY 2013-14 Adopted Tax Rate	FY 2014-15 Requested Tax Rate	FY 2014-15 Recommended Tax Rate	Change from FY 2013-14
<i>Bethesda Fire**</i>	0.00	0.00	0.00	-
Lebanon	10.00	10.70	10.70	0.70
Parkwood	11.50	11.50	11.50	-
Redwood	11.25	14.00	14.00	2.75
New Hope*	0.95	0.95	0.95	-
Eno*	7.99	7.99	7.99	-
Bahama	6.00	9.90	9.90	3.90
Bethesda Service**	13.00	13.00	13.50	0.50

*The New Hope and Eno fire tax district rates are established by neighboring Orange County through an interlocal agreement.

**The Bethesda Fire and Bethesda Fire & Rescue Service Districts share geographic boundaries. The Bethesda Fire & Rescue Service District provides funding to operate the County-owned Bethesda Fire Service.

Debt Service FY 2014-15 Payments

Debt Areas

Durham Public Schools:	\$30,114,672
Durham Tech Comm. College:	\$1,044,066
NC Museum of Life & Science:	\$1,544,043
<u>County Related:</u>	<u>\$28,668,795</u>
Total FY 2014-15 Payments:	\$61,371,576

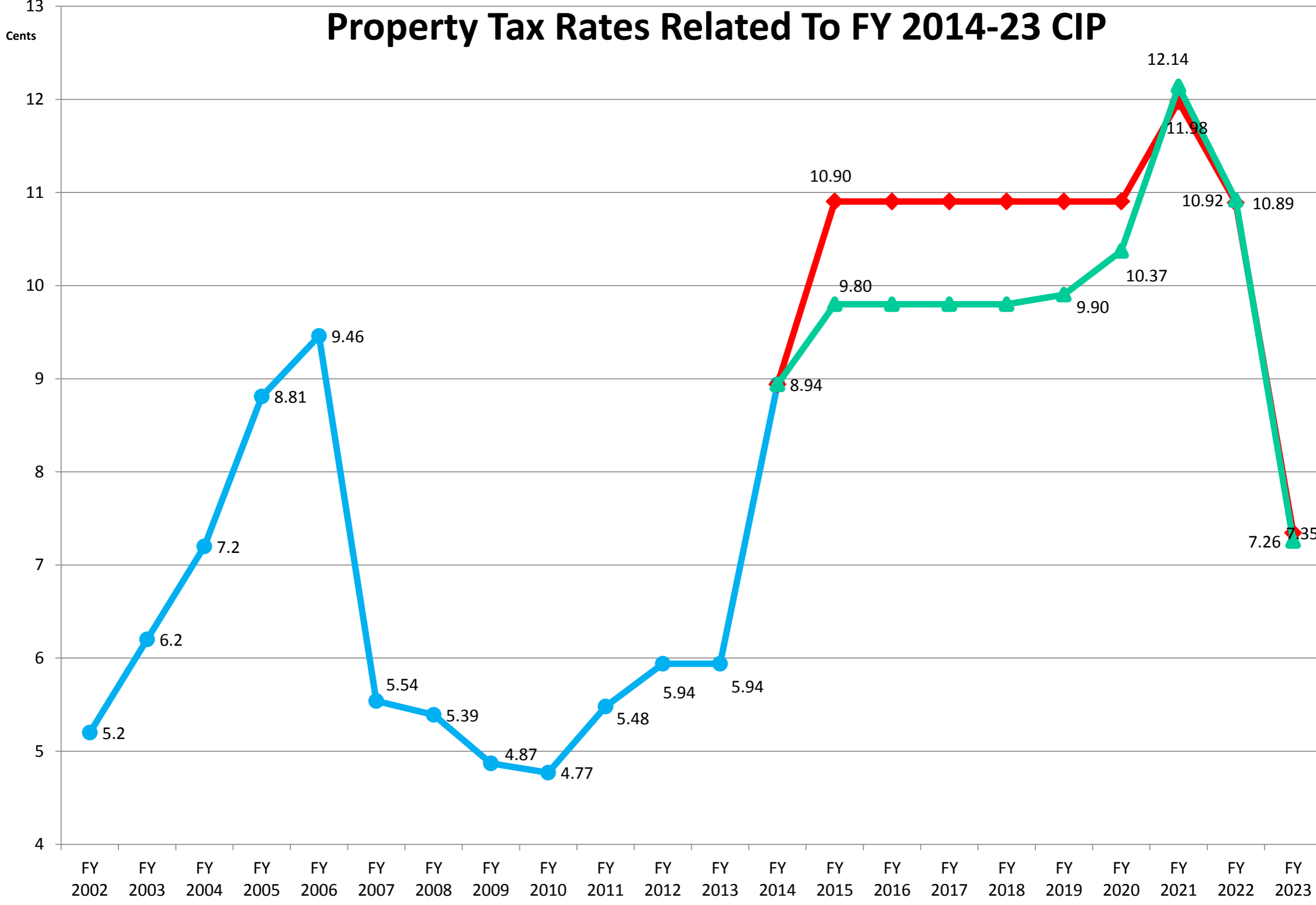


County Contribution Funding (Pay As You Go Support)

Admin. Building Refurb.:	\$531,744
Downtown Parking Deck:	\$500,000
Ongoing Roof Replacement :	\$1,864,550
Ongoing Parking Resurfacing:	\$243,553
<u>Open Space & Farmland:</u>	<u>\$500,000</u>
Total:	\$3,639,847



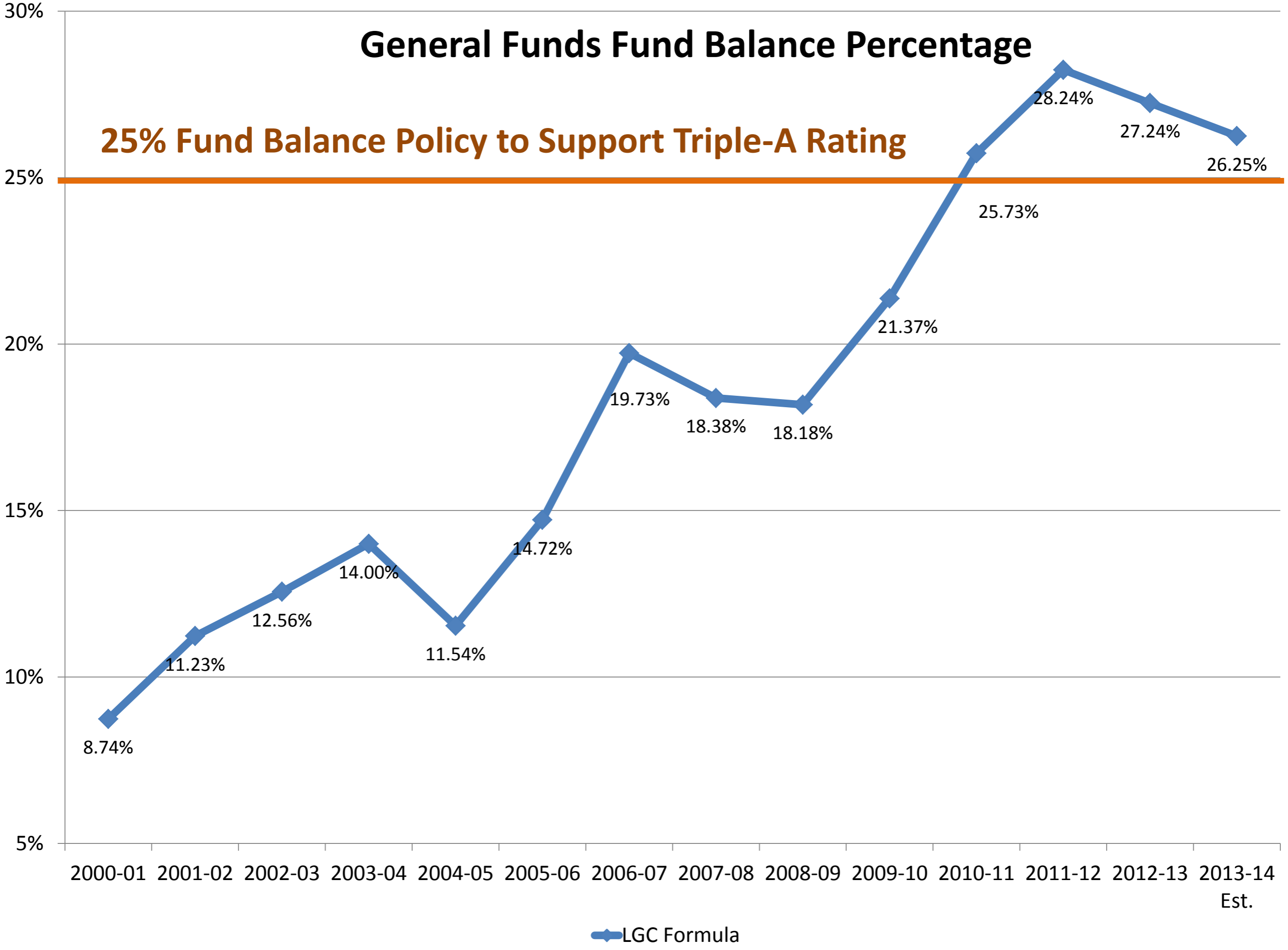
Property Tax Rates Related To FY 2014-23 CIP



● Actual Tax Rate Related To Debt
 ◆ 2014-23 Approved CIP
 ◆ 2014-23 CIP Flat As Far As Poss.

General Funds Fund Balance Percentage

25% Fund Balance Policy to Support Triple-A Rating



New Positions

	Position	FTEs	Salary and Benefits
Fire Study Implementation	Fire Operations Analyst	1.00	\$65,847
	Fire Inspector	0.50	\$35,916
	Fire Fighter (Lebanon Fire)	1.00	\$35,836
EMS	EMT Basic <i>1/1/15 Start Date</i>	6.00	\$113,148
	Paramedic I <i>1/1/15 Start Date</i>	9.00	\$188,208
Veteran Services	Veteran Services Officer	1.00	\$45,875
IS&T	Programmer Analyst (IST)	1.00	\$77,819
	ABAP Developer (IST)	1.00	\$101,763
Social Services	Assistant County Attorney (Legal)	1.00	\$82,974
	Child Support Agent I (DSS)	1.00	\$34,110
Jail Diversion	Case Manager/Coordinator (CJRC)	1.00	\$47,888
	Case Management Aide (CJRC)	1.00	\$29,931
Public Health	Environmental Health Specialist	2.00	\$61,623
	Public Health Nurse II	0.11	\$8,515
	Public Health Nurse I	0.20	\$17,218
General Government	Staff Assistant III (Clerk to the Board)	1.00	\$30,902
	Security Manager	1.00	\$95,782
Cooperative Extension	Volunteer Services Coordinator	0.47	\$20,819
Total		29.28	\$1,155,797

Eliminated Positions

Position	FTEs	Salary and Benefits
Pretreatment Laboratory Technician (Sewer Utility Fund)	1.00	\$35,836
Case Manager (CJRC)	1.00	\$39,559
PT Case Manager (CJRC)	0.53	\$20,966
Public Health Education Specialist (Public Health)	1.00	\$45,875
Human Services Coordinator III (Public Health)	1.00	\$48,200
Community Health Assistant (Public Health)	1.00	\$26,647
Total	5.53	\$217,083



Durham Public Schools Funding

	FY 2012-13 Actual	FY 2013-14 Approved	FY 2014-15 Recommended	FY 2014-15 Change
Current Expense	\$115,796,662	\$118,233,311	\$118,863,146	\$629,835
Capital Outlay	\$1,370,000	\$1,370,000	\$1,370,000	\$0
Total	\$117,166,662	\$119,603,311	\$120,233,146	\$629,835
School Debt Service	\$28,248,183	\$26,820,112	\$30,114,672	\$3,294,560
TOTAL FUNDING	\$145,414,845	\$146,423,423	\$150,347,818	\$3,924,395



Durham Public Schools Funding

Current Expense :	\$118,863,146
– DPS:	\$118,428,591
– Pre-K:	\$434,555

DPS Student Projections:

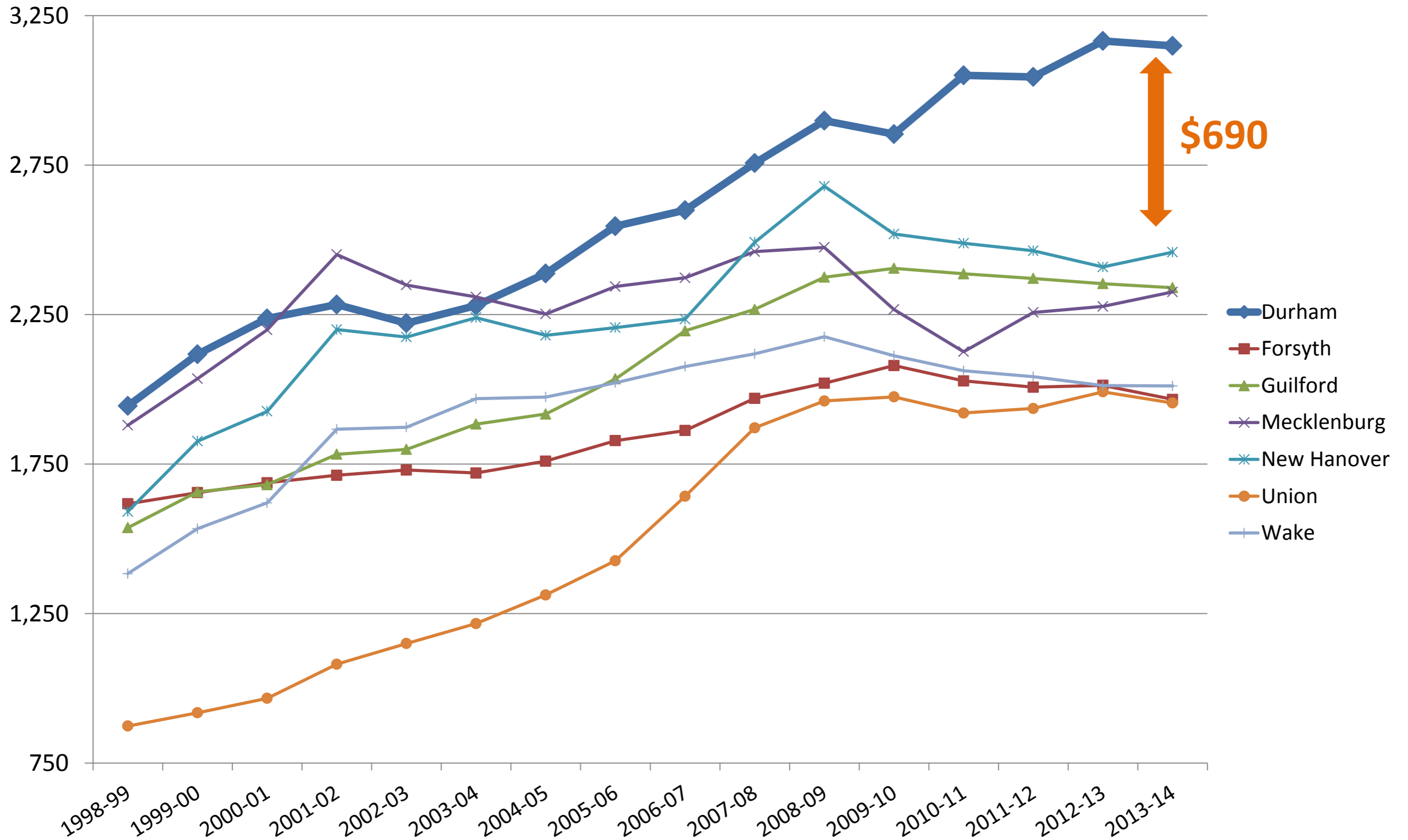
DPS:	33,650
Charter:	5,084
Total:	38,734

Per Pupil Funding: \$3,069 Per Pupil



FY 2013-14 Per Pupil Funding vs. Peers

Current Expense/ Allotted ADM



Non-Profit Funding

- In FY 2013-14, 52 agencies were funded (\$860,609)
 - Of these, 47 reapplied in FY 2014-15
 - 5 did not reapply*
- Flat funding recommended for agencies funded in FY 2013-14
- No new applicants funded in FY 2014-15
- **In FY 2014-15, 46 agencies funded**
 - One agency moved outside of non-profit funding program
- **Total: \$818,669**, a 4.9% reduction from FY 2013-14

**One merged with another funded applicant*



FY 2014-15 Strategic Plan

- Strategic Plan as road map for cultural change
 - Performance measurement
 - Management analysis and reporting
 - Internal customer service survey
- FY 2014-15 Priorities:
 - Community-wide poverty reduction initiative
 - Youth empowerment
 - Human capital development
 - Enhanced collaboration with City, DPS, higher education partners
 - Made in Durham
 - Ongoing EMS & fire study implementation



BOCC Budget Review Worksessions

Thursday, May 29	1 pm – 3 pm
Friday, May 30	9 am – 12 noon
Tuesday, June 10	1 pm – 3 pm
Thursday, June 12	1 pm – 3 pm



Public Hearing for the FY 2014-15 Budget

Monday June 9, 2014

7:00 PM

Commissioners' Chambers



Budget Adoption

Monday June 23, 2014

7:00 PM

Commissioners' Chambers



Other Information

- Budget Document Available For Public Viewing:
 - Clerk To the Board of County Commissioners Office
 - Second Floor Administrative Complex
 - Durham County Main Library
 - **Online: WWW.DCONC.GOV**
 - Government
 - Budget and Management Services

