

**DURHAM COUNTY, NORTH CAROLINA
FY 2010-11 APPROVED BUDGET**

BOARD OF COUNTY COMMISSIONERS



Michael D. Page, Chairman



Ellen W. Reckhow, Vice-Chairman



Joe W. Bowser



Becky M. Heron



Brenda A. Howerton

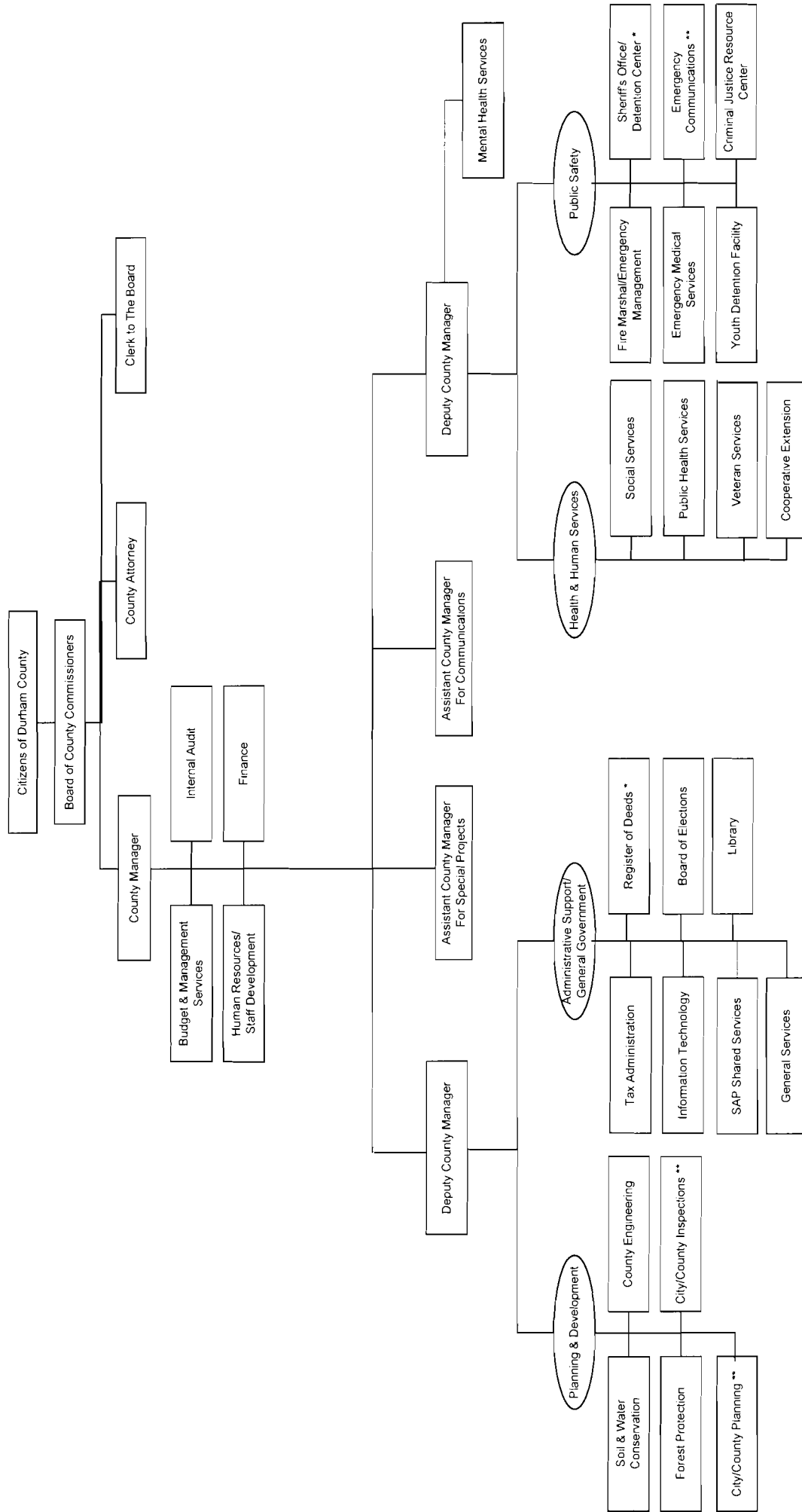
COUNTY OFFICIALS:

Mike Ruffin, County Manager
Carolyn Titus, Deputy County Manager
Wendell Davis, Deputy County Manager
Lowell Siler, County Attorney
Michelle Parker-Evans, Clerk to the Board
George Quick, Finance Director

BUDGET AND MANAGEMENT STAFF:

Pamela Meyer, Director
S. Keith Lane, Senior Budget Analyst
Kim Connally, Budget Analyst
Gene Hodges, Budget Analyst
Laura Jensen, Assistant to the Co. Manager

Durham County, North Carolina General Administration Organizational Chart



* Elected Officials

** Joint City/County Departments



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Durham County

North Carolina

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Durham County, North Carolina** for its annual budget for the fiscal year beginning **July 1, 2009**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

READER'S GUIDE

This section is designed to help the reader understand the budget by explaining how the document is organized. This document is a financial plan for Durham County Government operations for the July 1, 2010 through June 30, 2011 fiscal year and shows how funds are allocated and how they will be spent.

FUND STRUCTURE

The Durham County operating budget is organized into funds with corresponding tabs in this booklet. The **General Fund** (Fund 1001010000) is the primary fund where the majority of county services are accounted. The General Fund is further divided into functional areas which include General Government, Public Safety, Transportation, Environmental Protection, Economic/Physical Development, Human Services, Education, and Culture and Recreation.

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

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

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

The remaining budgeted funds are described below.

Other General Funds

Risk Management (Fund 1001020000): This fund focuses on minimizing operational risks and promoting workplace safety.

SWAP Fund (Fund 1001030000): This fund represents the county's Swap agreement.

Capital Financing Plan Fund (Fund 1001250000): This fund accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities. The capital projects fund also is used to accumulate funds to finance a CIP.

Benefits Plan Fund (Fund 1001500000): This fund represents the budget for the benefits offered to eligible county employees and retirees.

Debt Service Fund

The **Debt Service Fund (Fund 3003040000)** is used to account for the payment of principal, interest and related costs for all general, long term debt other than debt issued for and serviced by proprietary funds.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted for specific purposes. The county budgets the following special revenue funds: **Bethesda Fire District (Fund 2002130000)**, **Lebanon Fire District (Fund 2002140000)**, **Parkwood Fire District (Fund 2002150000)**, **Redwood Fire District (Fund 2002160000)**, **New Hope Fire District (Fund 2002170000)**, **Eno Fire District (Fund 2002190000)**, **Bahama Fire District (Fund 2002210000)**, **Special Butner District (Fund 2002250000)**, **Special Park District (Fund 2002220000)**, and **Emergency Services Telephone System (Fund 2002240000)**.

Enterprise Funds

The **Sewer Utility Fund (Fund 6006600000)** is used to account for the revenues and expenses related to the provision of sewer service as well as the debt service for the fund.

Trust Funds

George R. Linder Memorial Trust Fund (Fund 7007050000): This private purpose trust fund is used to account for resources legally held in trust specifically for the Library.

Law Enforcement Officer's Retirement Trust Fund (Fund 7007700000): The pension trust fund accounts for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees.

Community Health Trust Fund (Fund 7007080000): This fund accounts for the financial resources acquired through the leasing of Durham Regional Hospital to Duke University and accounts for the earnings of these financial resources and ensures the financial resources are used for health related operating and capital expenditures.

SUPPLEMENTAL SECTIONS

The **Summary** section provides a summary of sources of revenue and expenditures from the General Fund. An overview of revenue sources is included. This section also provides a brief account and graphs of all funds budgeted for the fiscal year beginning July 1, 2010. In addition, the section contains a summary of FTEs for all funds.

The **Appendix** contains supplemental information that includes the FY 2010 11 Budget Calendar and the FY 2010 11 Nonprofit budget request. The **Glossary**, also found in the Appendix, contains information to help the reader understand the terminology used in the budget document.

ADDITIONAL INFORMATION

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

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

The annual operating budget includes information from the **Results Based Accountability (RBA)** initiative on departmental pages. Departments were asked to submit a graph, a two year history, and strategies for improvement for two to three key performance measures.

This document was prepared by the Durham County Budget and Management Services Department and is available online at www.durhamcountync.gov. If further information is needed, contact Budget and Management Services at 200 East Main Street, 4th Floor, Durham, North Carolina 27701, by phone at (919) 560-0012, or by e-mail at budget@durhamcountync.gov.

This page intentionally blank.

**DURHAM COUNTY
FY 2010-11 APPROVED BUDGET**

TABLE OF CONTENTS

	<u>Page</u>
Message to Durham County Residents	1
FY 2010 11 Budget Highlights	9
Annual Budget Ordinance FY 2010 11	11

SUMMARIES ALL FUNDS

General Fund Revenues	27
Revenue Highlights	31
General Fund Expenditures.....	35
All Funds Summary of Revenues.....	38
All Funds Summary of Expenditures	39
All Funds FTEs.....	40
Approved New/Eliminated/Reduced Positions	42

GENERAL FUNDS

General Government:

General Fund.....	43
General Government	45
Board of County Commissioners Summary	47
Board of County Commissioners	48
Clerk to the Board.....	50
County Administration Summary.....	53
County Manager	54
Internal Audit	57
Public Information Broadcasting.....	58
Results Based Accountability (RBA)	60
Finance	62
Tax Administration	64
Legal	70
Court Supportive Services.....	73
District Attorney.....	75
Clerk of Superior Court	75
Adult Probation and Parole Facilities.....	75
Public Defender.....	76
Superior Court.....	76
Department of Juvenile Justice.....	76
District Court.....	77
Elections	78
Register of Deeds	83
Register of Deeds Automation.....	87
General Services Summary	89
General Services Administration	90
General Services Public Buildings.....	92

General Services Pest Control	95
General Services Mail Room.....	96
Information Technology Summary	97
Information Technology.....	98
Voice Communications	103
Human Resources	104
Budget and Management Services	110
Veterans Services	114
Geographic Information System (GIS).....	118
SAP Shared Services	120
Nondepartmental	124
Transfers	126
Vehicles and Equipment.....	128

Public Safety:

Public Safety Summary	131
Animal Control	132
Sheriff Summary.....	135
Sheriff Law Enforcement Services	136
Sheriff Detention Services	140
Criminal Justice Resource Center.....	144
Emergency Communications	152
Fire Marshal Summary	155
Fire Marshal	156
Lebanon Fire Department	160
Bethesda Fire Department	161
Emergency Management	162
Medical Examiner.....	164
Volunteer Fire Departments – Paramedic Services	165
Youth Home	166
Emergency Medical Services (EMS)	170
Public Safety Nonprofit Agencies.....	176

Transportation:

Raleigh Durham Airport Authority.....	179
---------------------------------------	-----

Environmental Protection:

Environmental Protection Summary.....	181
General Services Solid Waste	182
County Engineering & Environmental Services Summary	187
Sustainability	188
Erosion Control.....	190
Project Management	192
Open Space & Real Estate Management	194
County Transportation Demand Management.....	196
Forest Protection	197

Economic/Physical Development:

Economic/Physical Development Summary 199
Open Space Matching Grants 200
City/County Planning 202
Cooperative Extension Service..... 204
Soil and Water Conservation 210
Economic Development 214

Human Services:

Human Services Summary 217
Public Health 218
Mental Health (The Durham Center) 236
Social Services Summary 242
 Social Services Administration..... 244
 Social Services Services..... 248
 Social Services Public Assistance 252
 Social Services Child Support Enforcement 254
Juvenile Crime Prevention Council (JCPC)..... 258
Homelessness Services 259
Coordinated Transportation System..... 260
Human Services Nonprofit Agencies..... 262

Education:

Education Summary 265
Durham Public Schools..... 266
Durham Technical Community College 268
Education Nonprofit Agencies 270

Culture/Recreation:

Culture/Recreation Summary 273
Library 274
North Carolina Museum of Life and Science..... 278
Durham Convention Center 282
Culture/Recreation Nonprofit Agencies 284

OTHER GENERAL FUNDS

Other General Funds Summary..... 287
Risk Management Fund 288
SWAP Fund..... 290
Capital Financing Plan Fund 292
Durham County Policy on Financing Capital Projects 294
Capital Improvement Plan Debt Funding 296
Benefits Plan Fund 298

SPECIAL REVENUE FUNDS

Special Revenue Funds Summary	301
Fire Districts	302
Bethesda Fire District Fund	303
Lebanon Fire District Fund	303
Parkwood Fire District Fund	304
Redwood Fire District Fund	304
New Hope Fire District Fund	305
Eno Fire District Fund	305
Bahama Fire District Fund	306
Special Butner District Fund	306
Special Park District Fund	307
Emergency Services Telephone System	308

DEBT SERVICE FUND

Debt Service Fund	309
-------------------------	-----

ENTERPRISE FUND

Enterprise Fund	311
-----------------------	-----

TRUST FUNDS

Trust Funds Summary	315
George R. Linder Memorial Fund	316
Law Enforcement Officers Trust Fund	317
Community Health Trust Fund	318

APPENDIX

Additional Fee Schedules	321
Nonprofit Funding	333
Statements of Revenues, Expenditures, and Changes in Fund Balance	
General Funds	339
Special Revenue Funds	340
Debt Service Fund	341
Highlights of Durham County Fiscal Policies	342
Capital Improvement Plan Overview	347
FY 2010 19 Capital Improvement Plan Summary of Projects	348
FY 2010 19 Capital Finance Plan Model	349
Durham County Budget and Amendment Process	350
FY 2010 11 Budget Calendar	351
Glossary Terms	352
Glossary Codes	355
Durham County Background	358
Durham County Community Information	359



County of Durham

Michael M. Ruffin
County Manager

July 1, 2010

Dear Durham County Residents:

I am pleased to present a document that lays out a comprehensive spending plan for Fiscal Year 2010 11. This is the tenth budget which I have prepared for Durham County and the thirty second budget I have prepared over my career. It is, without exception, the most difficult budget with which I ever have been tasked. While both Durham County's overall budget and the General Fund budget – where most of the costs for county services are reported – are down, the County will continue the same high quality services that have distinguished Durham for years.

Goals of the FY 2010-11 Budget

North Carolina counties are required to pass a balanced budget by June 30 each year. If requested expenditures exceed projected revenues, as was the case for FY 2010 11, it is the difficult, but necessary, task of the Board of County Commissioners to cut expenditures, increase property taxes – the County's only real source of controllable revenues – or do a combination of both. Clearly, the first priority was to adjust spending to levels that would maximize resources and require the least supplement from a tax increase. Beyond that, the priority was to increase taxes only as necessary to avoid eliminating jobs and services.

For FY 2010 11, the property tax rate will increase from 70.81 cents per \$100 of valuation to 74.59 cents/\$100 of valuation. This 3.78 cent increase includes 0.71 cents for debt service and 3.07 cents for Durham Public Schools current expense funding.

This budget represents a roadmap for accomplishing the priorities of the Board of County Commissioners and the long standing goals of Durham County. While the robust economy we enjoyed for decades is gone, I am proud to present a budget to you that ensures Durham County continues to meet its goals, including:

- ✓ Maintaining fiscal strength;
- ✓ Providing services at current levels;
- ✓ Holding property taxes as low as possible;
- ✓ Providing adequate funding for Durham Public Schools;
- ✓ Providing adequate funding for planned capital projects;
- ✓ Supporting the community wide Results Based Accountability initiative to improve the quality of life in the county and city; and
- ✓ Partnering with nonprofit agencies for important county services.

Maintaining Fiscal Strength

One of the primary goals in preparing the budget each year is maintaining the County's strong financial position. In January 2009, Moody's Investors Service, one of the world's most respected and widely utilized sources for credit ratings, reaffirmed the county's AAA bond rating – the highest rating attainable. One part of ensuring the county's financial strength is maintaining appropriate levels of fund balance. While it seemingly would be easy to tap fund balance for the current economic recession, AAA rated local governments, like Durham County, are expected to show leadership and the financial fortitude to responsibly manage their finances from year to year by balancing expenditures with available revenues.

The following table shows Durham County's projected fund balance at the end of FY 2009 10. The County projects a modest decrease of 0.38% in its General Fund fund balance from 16.50% to 16.12%.

General Fund Fund Balance: Comparison of FY 2009 Actual and FY 2010 Projected			
	FY 2009 Actual	FY 2010 Projected	Anticipated Change
Total Fund Balance	\$ 92,187,744.00	\$ 87,755,250.65	\$ (4,432,493.35)
Less:			
Reserved by state statute	\$ 21,970,076.00	\$ 21,500,000.00	\$ (470,076.00)
Reserved by state statute Mental Health	\$ 1,214,112.00	\$ 1,200,000.00	\$ (14,112.00)
Reserved for encumbrances	\$ 1,320,643.00	\$ 1,350,000.00	\$ 29,357.00
Reserved by state statute Mental Health	\$	\$	\$
Reserved for other purposes	\$ 5,830,176.00	\$ 5,800,000.00	\$ (30,176.00)
Net Unreserved	\$ 61,852,737.00	\$ 57,905,250.65	\$ (3,947,486.35)
Designated for Mental Health	\$ 129,335.00	\$ 466,800.23	\$ 337,465.23
Designated for Social Services	\$ 609,104.00	\$ 397,599.00	\$ (211,505.00)
Designated for subsequent years	\$ 7,592,000.00	\$ 6,203,505.00	\$ (1,388,495.00)
Designated for Risk Management	\$ 4,285,668.00	\$ 4,285,668.00	\$
Designated for debt service	\$ 2,718,074.00	\$ 3,403,118.11	\$ 685,044.11
Designated for Other Post Employment Benefits	\$ 10,409,715.00	\$ 14,414,859.27	\$ 4,005,144.27
Undesignated	\$ 36,108,841.00	\$ 28,733,701.04	\$ (7,375,139.96)
Local Government Commission recommended 8% minimum	16.50%	16.12%	0.38%

Providing Services at Current Levels

Durham County is known throughout the country as a leading provider of services that matter most in the lives of citizens. During periods of economic recession, many county services experience increased demand. Durham County's unemployment rate, while considerably lower than the rest of the country, has experienced a steady climb and is now at nearly 8%. Consequently, it is no surprise that requests for public assistance are on the upswing. This recession is having a tremendous impact on families, and it is imperative for the County to respond. While the County has made necessary reductions to its operating budget, the FY 2010 11 budget guarantees we will continue to meet the needs of our citizens.

In FY 2010 11, the County will maintain its services at current levels because of the cooperation and dedication of its employees who rolled up their sleeves and found creative ways to cut their budgets and save money. County departmental budgets, including those of County Administration and the Board of County Commissioners, were reduced an average of 1.3% in order to meet targeted budget reductions. Durham Technical Community College and the North Carolina Museum of Life and Science each experienced a 3.0%

reduction in funding from the County. Additionally, no annual salary increases or longevity payments for county employees were budgeted for FY 2010 11, allowing additional savings to the county.

The FY 2010 11 budget does eliminate 41.78 county non grant supported full time equivalents (FTEs). Losing these positions will add to the County's challenge of serving its citizens, but it is an important sacrifice to balance the budget. Additionally, 9 new positions are being added in order to fulfill needs in General Services and Public Health. Only 3 of these positions are entirely county funded, with the remaining positions being funded with income from other revenue streams. The following table outlines the newly added positions.

FY 2010-11 Approved New Positions			
	Full-time Equivalency	Salary and Benefits	Start Date
Stadium Manager (General Services)	1.00	\$ 80,968	07/01/10
Senior Equipment Technician (General Services)	1.00	\$ 39,344	07/01/10
Equipment Technician (General Services)	1.00	\$ 18,722	01/01/11
Assistant Health Director (Public Health)	1.00	\$ 107,163	07/01/10
Medical Lab Assistant III (Public Health)	1.00	\$ 38,560	07/01/10
Medical Lab Assistant III (Public Health)	1.00	\$ 36,733	07/01/10
Medical Lab Technician II (Public Health)	1.00	\$ 27,460	12/01/10
Medical Lab Technician II (Public Health)	1.00	\$ 27,460	12/01/10
Pretreatment Lab Technician (Enterprise Fund)	1.00	\$ 43,428	07/01/10
TOTAL	9.00	\$419,838	

The following table shows the funds comprising Durham County's budget. The total appropriation for all funds in FY 2010 11 is just over \$461 million.

FY 2010-11 Total Appropriation for All Funds				
	2009-10 Modified Budget	2010-11 Department Requested	2010-11 Commissioner Adopted	Percent Change FY 2010-11 from FY 2009-10
General Fund	\$ 355,188,811	\$ 349,821,859	\$ 343,550,235	3.28%
Risk Management Fund	\$ 2,430,287	\$ 2,463,115	\$ 2,463,115	1.35%
SWAP Fund	\$ 670,000	\$ 550,000	\$ 750,000	11.94%
Capital Financing Plan Fund	\$ 38,385,437	\$ 43,123,385	\$ 35,621,302	7.20%
Benefits Plan Fund	\$ 13,018,848	\$ 15,261,793	\$ 15,261,793	17.23%
Bethesda Fire District Fund	\$ 1,557,900	\$ 1,611,368	\$ 1,611,368	3.43%
Lebanon Fire District Fund	\$ 1,182,490	\$ 1,055,275	\$ 1,055,275	10.76%
Parkwood Fire District Fund	\$ 1,352,975	\$ 1,519,444	\$ 1,644,444	21.54%
Redwood Fire District Fund	\$ 724,597	\$ 746,895	\$ 746,895	3.08%
New Hope Fire District Fund	\$ 43,334	\$ 59,874	\$ 59,874	38.17%
Eno Fire District Fund	\$ 19,676	\$ 23,594	\$ 23,594	19.91%
Bahama Fire District Fund	\$ 970,168	\$ 683,755	\$ 683,755	29.52%
Special Park District Fund	\$ 619,487	\$ 637,161	\$ 637,161	2.85%
Emergency Services Telephone System Fund	\$ 410,636	\$ 0	\$ 0	100.00%
Special Butner District Fund	\$ 16,415	\$ 17,559	\$ 17,559	6.97%
Debt Service Fund	\$ 97,169,236	\$ 45,489,512	\$ 43,687,782	55.04%
Sewer Utility Fund	\$ 14,041,581	\$ 8,912,355	\$ 8,912,355	36.53%
George R. Linder Memorial Fund	\$ 250	\$ 250	\$ 250	0.00%
Community Health Trust Fund	\$ 8,327,697	\$ 3,950,000	\$ 4,250,000	48.97%
Law Enforcement Officers Trust Fund	\$ 210,849	\$ 214,535	\$ 204,734	2.90%
TOTAL	\$536,340,674	\$476,174,423	\$461,181,491	-14.01%

Holding Property Taxes as Low as Possible

Families in Durham County are hurting. People are out of work, and in this economy, return to gainful employment may take longer than usual. Home sales and new residential construction are down. On top of this, bankruptcies and foreclosures are up. Additionally, more than 9% of Durham County's population is 60 years old and older and 15% lives below the poverty line. Given the current economic environment, the approved budget contains only a modest increase in property taxes, from the \$0.7081 rate set in FY 2009 10 to \$0.7459 in FY 2010 11. For the owner of a \$150,000 home this tax rate, levied per \$100 of assessed property value, results in an increase of \$56.70 on the annual property tax bill.

Each year there is natural growth in the tax base due to new commercial and residential construction. Next year's property tax base is up, but only 1.31%, far less than in previous years when the county saw increases of 4% or greater. Every 1% of tax base growth equates to \$2.85 million in additional tax dollars. In other words, a 4% growth would have meant an additional \$11.4 million for the County compared to the 1.31% increase, which only provides \$3.7 million for the County. This recession is deep and property tax base growth, at 1.31% growth as compared to an average 4% growth, is where the county is taking the biggest hit. The following table presents the estimated property values that were used to develop the budget.

Property Values: Comparison of FY 2009-10 Actual and FY 2010-11 Projected				
	FY 2009-10 Adopted	FY 200910 Actual	FY 2010-11 Projected	% Change FY 11 from FY 10 Actual
Real Property	\$ 24,001,391,153	\$ 24,003,807,911	\$ 24,457,564,864	1.89%
Auto Value	\$ 1,706,590,960	\$ 1,638,162,100	\$ 1,690,000,380	3.16%
Personal Value	\$ 2,839,459,382	\$ 2,917,563,657	\$ 2,806,047,732	3.82%
Public Service	\$ 480,000,000	\$ 524,524,630	\$ 512,746,790	2.25%
TOTAL	\$29,027,441,495	\$29,084,058,298	\$29,466,359,766	1.31%

Additionally, there are other property taxes that some Durham County citizens pay. Durham County has seven fire districts serving its unincorporated areas. Durham County citizens in six of the seven districts will see no increase in property taxes. The five districts solely located in Durham County – Bahama, Bethesda, Lebanon, Parkwood, and Redwood – requested no tax rate increases.

Fire District Tax Rates: Comparison of FY 2009-10 and FY 2010-11		
	FY 2009-10 Adopted	FY 2010-11 Adopted
Bahama	0.0600	0.0600
Bethesda	0.0900	0.0900
Lebanon	0.1000	0.1000
Parkwood	0.1100	0.1100
Redwood	0.1075	0.1075
Eno	0.0599	0.0599
New Hope	0.0570	0.0695

Providing Adequate Funding for Durham Public Schools

The most difficult decision the County had to reach was how to fund Durham Public Schools. Due to major cuts in funding at the state level, 237 teaching positions in Durham Public Schools were in danger of being eliminated. Without any expectation of additional funding from the state, the burden fell on the county to find a way to save these jobs. Through a number of measures, including the property tax increase, the county was able to bring current expense funding for Durham Public Schools up to \$107 million, which is an increase of \$7.2 million or 7.24% over FY 2009 10. Of the 3.78 cent property tax increase, 3.07 cents is allocated to funding for Durham Public Schools.

For many years, Durham County has ranked first in per pupil funding among North Carolina's most populous counties. For FY 2010 11, Durham County remains in the top position. The following table shows the total per pupil current expense funding among North Carolina's 10 most populous counties. These numbers were calculated using the FY 2010 11 planning allotments issued by the North Carolina Department of Public Instruction and each county's approved current expense funding.

FY 2010-11 Total Per Pupil Funding Among 10 Most Populous Counties		
Rank	County	Total Per Pupil Funding
1	Durham	\$ 3,050
2	New Hanover	\$ 2,488
3	Guilford	\$ 2,386
4	Mecklenburg	\$ 2,110
5	Wake	\$ 2,071
6	Forsyth	\$ 2,028
7	Buncombe	\$ 1,748
8	Cumberland	\$ 1,453
9	Onslow	\$ 1,437
10	Gaston	\$ 1,307

Capital outlay funding for FY 2010 11 has been reduced to \$1.37 million due to a reallocation of \$1 million in capital outlay funds to current expense funding, which was intended to save as many of the 237 endangered teaching positions as possible. If capital outlay and debt service funding are included, Durham County supports public education at a total of \$3,766 per pupil.

Supporting the Community-wide Results Based Accountability Initiative to Improve the Quality of Life in the County and City

This budget also continues to address the important goals of the Board of County Commissioners through the Results Based Accountability (RBA) initiative, a community wide effort to improve the quality of life in the county and city of Durham. Major emphasis continues to be placed on achieving the following outcomes:

- ✓ Durham citizens are safe.
- ✓ Durham enjoys a prosperous economy.
- ✓ Durham citizens enjoy a healthy environment.
- ✓ Durham citizens enjoy a community that is vibrant, rich in aesthetic beauty, and embraces and promotes its cultural heritage.
- ✓ Children are ready for and succeeding in school.
- ✓ Every citizen in Durham has access to adequate, safe, and affordable housing.
- ✓ Durham citizens are healthy.
- ✓ Durham citizens enjoy sustainable, thriving neighborhoods with efficient and well maintained infrastructure.
- ✓ Senior adults in Durham have optimum choices for the highest quality of life.

Every service the county provides touches on one, and in some cases, several of these outcomes. For our community to genuinely prosper, citizens must see and experience these outcomes throughout our community. That is why citizen groups help develop indicators to measure how the initiative is doing.

Each of the workgroups developing and monitoring the indicators realizes that short and long term strategies must be implemented to track progress from year to year. In FY 2009 10, the County and City awarded 13 mini grants totaling \$71,221. This incentive money is awarded to the RBA community outcome groups that implement strategies designed to show short term improvement in several indicators. Pleased by the

outcomes, mini grant program continuation was placed as a priority in FY 2010 11 by both the County and City. Additionally, due to the positive results that have been achieved, in FY 2010 11 the program will continue to be coordinated by United Way of the Greater Triangle, an organization known for its ability to bring together nonprofit agencies, governments, and experts to focus on lasting changes to key issues.

Partnering with Nonprofit Agencies for Important County Services

There are many important partners who help Durham County fulfill its mission by extending and enhancing the services the county provides. Each year the county invites nonprofit agencies to submit applications to provide services to citizens that accomplish one of the following:

- ✓ Provide a service to the community through more cost effective means than government;
- ✓ Supplement and/or extend current county human services at a reduced cost; or
- ✓ Fill in gaps that exist between the level of services the county provides and unmet community needs.

Durham County received 45 nonprofit funding applications from area organizations this year, with requests totaling over \$1.7 million. Unfortunately, the County was unable to fund every applicant. \$883,193 is allocated to support 37 non profit programs or organizations in FY 2010 2011. The following table lists the nonprofit agencies receiving funding.

Non-Profit Funding: Comparison of FY10 to FY11		
Non-Profit Agency Name	FY 09-10 Adopted	FY 10-11 Adopted
Achievement Academy	\$ 18,680	\$ 17,746
Alliance of AIDS Services Carolina	\$ 14,010	\$ 13,310
American Red Cross – Central NC Chapter	\$	\$
AnimalKind	\$ 12,340	\$ 11,723
Believers United for Progress	\$	\$
Big Brothers Big Sisters of the Triangle	\$ 32,690	\$ 27,787
Child Advocacy Commission of Durham, Inc.	\$ 37,827	\$ 35,936
Child and Parent Support Services	\$ 11,828	\$ 11,237
Child Care Services Association	\$ 31,350	\$ 29,783
Communities In Schools of Durham, Inc.	\$ 5,090	\$ 4,836
Coordinating Council for Senior Citizens	\$ 129,546	\$ 123,069
Durham Community Penalties Program, Inc.	\$ 4,670	\$ 18,900
Durham Companions	\$ 4,670	\$ 4,670
Durham Council for Children with Special Needs	\$ 12,142	\$ 11,535
Durham County Teen Court and Restitution Program	\$ 32,690	\$ 29,421
Durham Crisis Response Center	\$ 48,568	\$ 46,140
Durham Interfaith Hospitality Network	\$	\$ 13,000
Durham Literacy Center	\$ 28,020	\$ 26,619
Durham Striders Youth Association, Inc.	\$	\$ 10,000
Durham Teacher Warehouse Corporation	\$	\$
Durham's Partnership for Children	\$ 14,010	\$ 13,310
El Centro Hispano	\$ 32,690	\$ 29,421
Eno River Association	\$ 14,010	\$ 13,310
Food Bank of Central and Eastern North Carolina	\$	\$ 15,823
Genesis Home	\$ 22,883	\$ 21,739
InStepp, Inc.	\$	\$
Inter Faith Food Shuttle	\$ 9,340	\$ 8,873
John Avery Boys & Girls Club	\$ 41,189	\$ 35,011
Learning Assistance, Inc.	\$	\$
New Beginnings Outreach CDC	\$	\$
Operation Breakthrough	\$ 93,400	\$ 79,390
The People's Channel	\$	\$ 20,000
Piedmont Wildlife Center	\$	\$
Planned Parenthood of Central North Carolina	\$ 18,680	\$ 17,746
Project Graduation of Durham, Inc.	\$ 4,203	\$ 3,783
Reality Ministries, Inc.	\$	\$ 10,000
Salvation Army Boys & Girls Club	\$ 14,010	\$ 12,609
Senior PharmAssist, Inc.	\$ 88,043	\$ 87,641
Shodor Education Foundation	\$ 10,000	\$ 9,500
Triangle Champions Track Club	\$ 9,340	\$ 8,873
Triangle Radio Reading Service	\$ 4,320	\$ 3,888
Triangle Residential Options for Substance Abusers (TROSA)	\$ 24,341	\$ 23,124
Victorious Community Development Corporation	\$ 10,000	\$ 9,000
Volunteer Center of Durham	\$	\$
WoMen in Action for the Prevention of Violence and Its Causes	\$ 27,156	\$ 24,440
Organizations funded in FY10 without a FY11 request	\$ 9,340	
TOTAL	\$ 871,076	\$ 883,193

A County of Distinction

Even in the midst of difficult budget cuts, Durham County will continue to reap state and national awards for the services provided, as now more than ever, the County's leadership and workforce will put its creativity to work to make a difference in our community. Our employees' dedication is reflected by the awards and recognition received by departments and individuals. The following is a partial list of state and national accolades that have been bestowed upon Durham County, as well as highlights of new projects and initiatives currently underway.

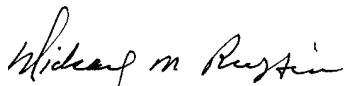
- ❖ The county retained its AAA bond rating from Moody's Investors Service rating agency.
- ❖ The Budget Department received the Government Finance Officers Association's Distinguished Budget Presentation Award for the FY 2009 10 budget document.
- ❖ The Human Resources Department was presented with an Outstanding County Program Award from the North Carolina Association of County Commissioners (NCACC) for their Dependent Eligibility Audit initiative.
- ❖ After unveiling the first tax payment kiosk in the state, the Tax Administration Department was awarded the Local Government Federal Credit Union Productivity Award presented by the North Carolina Association of County Commissioners (NCACC).
- ❖ Construction continues on the new Health and Human Services building, which began in May 2009. The new facility will house the Public Health Department, Department of Social Services, and the Durham Center (Mental Health) and will be built to pursue LEED Gold certification standards.
- ❖ In March 2010, Durham County Government broke ground on the new state of the art Durham County Courthouse. The new courthouse will improve service delivery and increase convenience for users as well as meet the long term needs of the Durham County court system.

In conclusion, the budget that follows was carefully and thoughtfully prepared. It adjusts spending to realistic levels while maintaining the priorities of the Board of County Commissioners and moving forward on the long standing goals of Durham County. In short, a reasonable spending plan was approved that ensures high levels of service at a cost our community can afford.

Thank you for your continued interest in and support of Durham County.

With highest regards, I am

Sincerely,



Michael M. Ruffin
County Manager

FY 2010-11 BUDGET HIGHLIGHTS

- The tax rate will increase from 70.81 cents/\$100 valuation to 74.59 cents/\$100 valuation (0.71 cents for debt service and 3.07 cents for increased Durham Public Schools current expense funding).
- Property tax revenue collection percentage stays flat at 97.5%, the same as budgeted in FY 2009 10.
- Sales taxes, including the Interlocal Agreement with the City of Durham, are estimated to decrease 4.13% in FY 2010 11 – due to the continued downturn in the economy as well as Medicaid Swap legislation changes with the State of North Carolina.
- Various fee increases in these departments: Sheriff, Erosion Control, Fire Marshal, Public Health and the Enterprise Fund.
- Increase the Solid Waste Management fee from \$90/annually to \$95/annually.
- Eliminate 41.78 General Fund FTEs (non grant supported).
- Eliminate 14.78 General Fund grant related FTEs.
- Adding 8 new General Fund FTE's (non grant supported).
- Net General Fund reduction of 48.56 FTEs for FY 2010 11.
- No furloughs planned.
- No reductions to employee 401(k) or health benefits plan.
- Eliminated pay for performance salary increases for employees for FY 2010 11.
- Suspension of the longevity program for FY 2010 11.
- The cost of the County benefits plan has increased 18% or \$1.96 million.
- Increase in the participation rate for the County contribution to the Local Government Employees Retirement System (LERS) from 4.87% to 6.42%, approximately \$1.4 million.
- Reduced Fund Balance appropriated from \$6.6 to \$6 million.
- Pass through funding for FY 2010 2011 will no longer be budgeted in the County's General Fund, decreasing the overall general fund budget by \$368.39 million.
- Departmental budgets were reduced an average of 1.63% in order to meet target budget reductions.
- \$3.9 million in Community Health Trust Fund annual lease revenues will be transferred to the General Fund and \$49,086 will be transferred to the Benefits Plan Fund to support health care related expenditures.
- 6.09% increase in overall funding to Durham Public Schools, 7.24% increase in current expense funding
- A Memorandum of Understanding (MOU) was signed by both the Board of County Commissioners and Board of Education allowing the County to use \$6,070,000 of lottery funds to support Durham Public School debt service, freeing up an equivalent amount of property tax to support Durham Public School current expense funding.
- Durham Technical Community College funding reduction of 3.0%.
- 3.0% reduction to North Carolina Museum of Life and Science current expense funding.
- Vehicle and equipment loan supports 19 vehicles (new (3) and replacement (16) vehicles) for the Sheriff, EMS and General Services, one ambulance box remount, equipment for 14 Sheriff vehicles, and other equipment for facilities (detailed on the Vehicle & Equipment page in the document).
- All Library facilities will close from 6pm to 9pm Wednesday evenings.
- The anticipated sale of Home Health program will reduce County appropriations by approximately \$500,000.
- Open Space Matching Grants funding suspended for FY 2010 11.
- The Warrant Control Center will see a reduction of four Deputy Sheriff positions; but will continue with the County and City jointly funding the cost of 9 clerical positions which will continue to work in the center.
- 45 nonprofit agencies applied for funding with requests totaling \$1,739,914; 37 agencies are approved for funding in FY 2010 11 for a total of \$883,193.

This page intentionally blank.