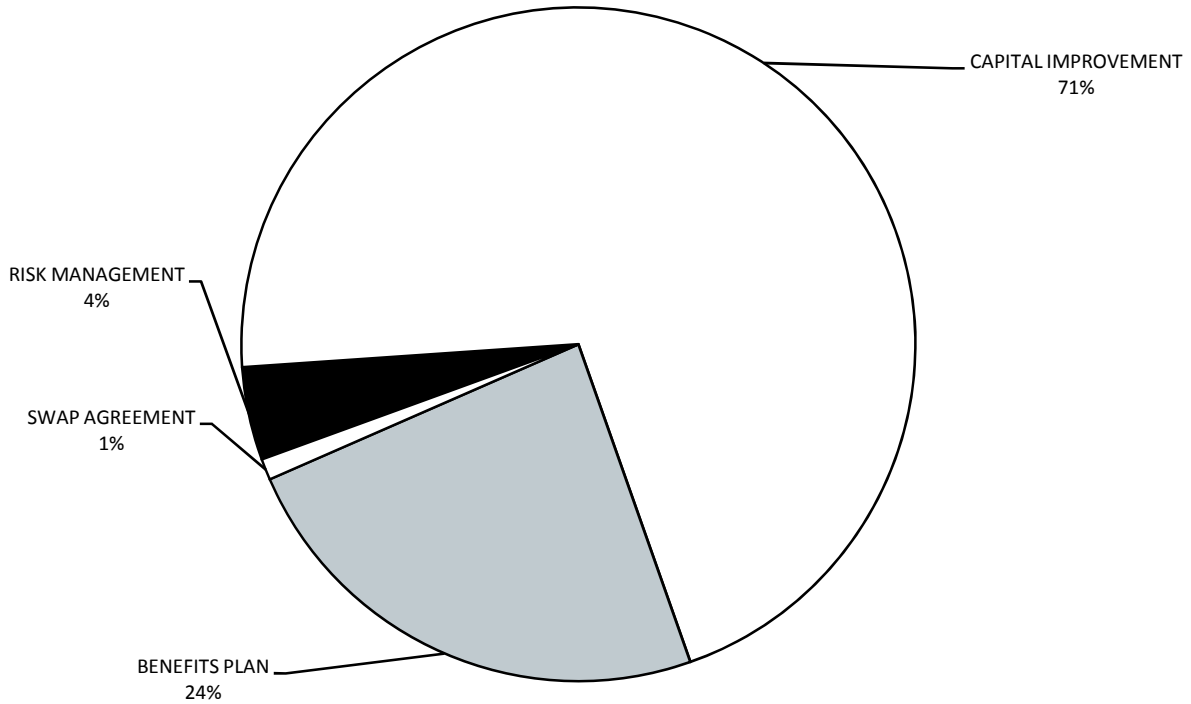


Other General Funds Approved Budget



Fund	2007-2008 Actual Expenditures	2008-2009 Original Budget	2008-2009 12 Month Estimate	2009-2010 Department Requested	2009-2010 Commissioner Approved
RISK MANAGEMENT	\$ 1,684,681	\$ 2,433,685	\$ 1,914,862	\$ 2,430,287	\$2,430,287
CAPITAL IMPROVEMENT	\$ 39,168,933	\$ 37,554,082	\$ 35,862,105	\$ 39,594,421	\$38,385,437
BENEFITS PLAN	\$ 1,160,443	\$ 1,416,449	\$ 1,170,510	\$ 13,067,614	\$12,937,614
SWAP AGREEMENT	\$ 517,443	\$700,000	\$700,000	\$550,000	\$550,000
Overall Result	\$ 42,531,500	\$ 42,104,216	\$ 39,647,477	\$ 55,642,322	\$54,303,338

RISK MANAGEMENT FUND

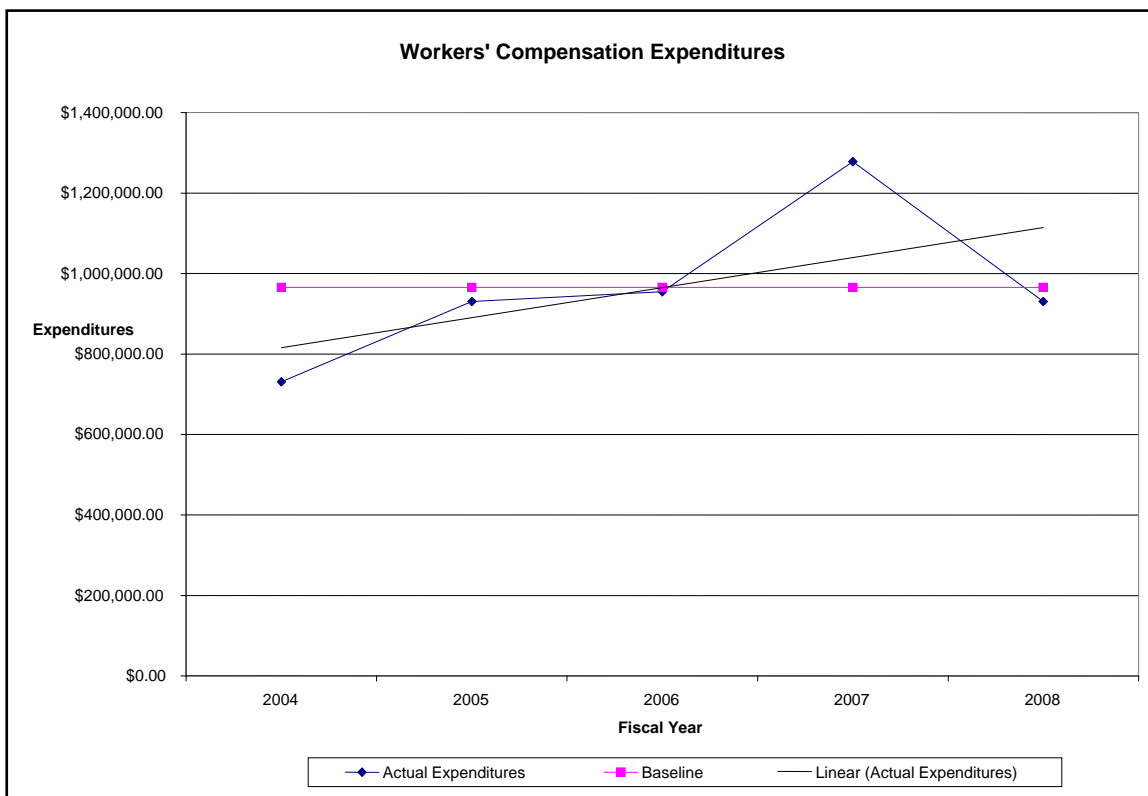
PROGRAM DESCRIPTION

The risk management function assists in protecting the employees, resources, operations and activities of Durham County from damage and/or loss for the least possible cost while still ensuring and maintaining the best interests of employees and citizens. This process is a coordinated and ongoing effort to identify, analyze and control the risk of accidental loss in which the county is exposed; arrange appropriate funding mechanisms for covered losses; and ensure the financial integrity of the county is not impaired should significant loss occur.

The safety component provides for development, organization, coordination, and implementation of safety programs and safety education and includes work-site inspections, hazard reduction/elimination, and accident/injury investigation, reporting and management.

2009-10 PERFORMANCE MEASURES

Performance Measure: Workers' Compensation Program



Story Behind the Last Two Years of Performance

While the number of injuries has increased somewhat significantly, the seriousness of the injuries has decreased, thereby causing the cost of medical treatment to decrease this year. However, without additional intervention, the cost of workers' compensation is projected to continue to climb.

Strategies: What do you propose to do to improve program performance?

Continue higher scrutiny of case management on all workers' compensation claims.

Risk Management Fund

Fund: 1001020000

Summary	2007-2008 Actual Exp/Rev	2008-2009 Original Budget	2008-2009 12 Month Estimate	2009-2010 Department Requested	2009-2010 Commissioner Approved
▽ <i>Expenditures</i>					
Personnel	\$157,377	\$161,680	\$169,106	\$161,781	\$161,781
Operating	\$1,527,304	\$2,272,005	\$1,745,756	\$2,268,506	\$2,268,506
Total Expenditures	\$1,684,681	\$2,433,685	\$1,914,862	\$2,430,287	\$2,430,287
▽ <i>Revenues</i>					
Investment Income	\$262,730	\$256	\$105,706	\$4,052	\$4,052
Service Charges	\$2,293,336	\$2,433,429	\$2,433,429	\$2,426,235	\$2,426,235
Other Revenues	\$71,582	\$0	\$10,843	\$0	\$0
Total Revenues	\$2,627,648	\$2,433,685	\$2,549,978	\$2,430,287	\$2,430,287
Net Expenditures	(\$942,967)	\$0	(\$635,116)	\$0	\$0
FTEs	2.00	2.00	2.00	2.00	2.00

SWAP FUND

PROGRAM DESCRIPTION

On July 30, 2004, the county entered into a floating, or basis swap, on \$125,810,000 of its outstanding fixed rate bonds. The notional amount of the swap agreement is equal to the par value of selected bonds. The swap agreement allows the county to make payments to the counterparty based on the taxable-equivalent Bond Market Association (BMA) index and for the counterparty to make reciprocal payments based on a floating rate priced at six-month LIBOR (London Interbank Offered Rate) plus a net amount of .952%. The agreement matures March 1, 2023. The balance in this fund is the reflection of this agreement, which calls for net payments to be made on March 15 and September 15 each year. Payments are accrued on a monthly basis and paid every six months.

The Board of County Commissioners established a policy requiring 50% of the savings be placed in a restricted account and the balance available to support unrestricted needs. A total of \$3,862,966 has been received to date. Of these funds, \$1,931,483 is restricted and \$1,688,319 was budgeted in prior years, leaving a balance of \$243,164 available from previous years to be budgeted. The county will get two payments in FY 2009-10 (September 2009 and March 2010), and a conservative estimate is the county will receive \$400,000. Of the total already received and available, adding another \$400,000 in FY 2009-10 brings the total available amount to \$643,164. However, in order to let this fund grow and have larger amounts available for the Capital Improvement Plan in future years, only \$550,000 of the total available amount is budgeted.

These budgeted funds will be transferred to the Debt Service Fund to support debt service payments on the loans earning this revenue.

SWAP Fund

Fund: 1001030000

Summary	2007-2008 Actual Exp/Rev	2008-2009 Original Budget	2008-2009 12 Month Estimate	2009-2010 Department Requested	2009-2010 Manager Recommended
▽ <i>Expenditures</i>					
Transfers	\$517,443	\$700,000	\$700,000	\$550,000	\$550,000
Total Expenditures	\$517,443	\$700,000	\$700,000	\$550,000	\$550,000
▽ <i>Revenues</i>					
Investment Income	\$8,321	\$0	\$3,634	\$0	\$0
Other Revenues	\$1,253,817	\$700,000	\$700,000	\$550,000	\$550,000
Total Revenues	\$1,262,138	\$700,000	\$703,634	\$550,000	\$550,000
Net Expenditures	(\$744,695)	\$0	(\$3,634)	\$0	\$0
FTEs	0.00	0.00	0.00	0.00	0.00

CAPITAL FINANCING PLAN FUND

PROGRAM DESCRIPTION

Concurrent with the 1986 bond referendum described in the Debt Service Fund section, the Board of County Commissioners established a Capital Financing Plan for the purpose of funding all major capital projects undertaken by the county. Revenues dedicated to the Capital Financing Plan are listed below with estimates for the upcoming fiscal year. In addition to debt service on general obligation bonds, these monies will be spent to retire debt associated with certificates of participation as well as to fund pay-as-you-go (county contribution) projects. Effective July 1, 1990, up to 20% of the fund's proceeds (computation limited to the first 5 cents of property taxes) could be dedicated to financing capital projects funded on a pay-as-you-go basis. The percentage dedicated to pay-as-you-go is 7.15% for FY 2009-10 in an effort to fund capital facility improvements. The long-range Capital Financing Plan can be found in the FY 2010-19 Capital Improvement Plan. Durham County's Capital Financing Policy follows.

Revenues	FY 2009-10
Property Taxes (4.77 cents)	\$13,545,488
One-half Cent Sales Taxes (Art. 40 & 42)	\$19,234,985
Occupancy Taxes	\$2,313,707
Interest Earnings	\$100,000
Property Sales	\$1,800,000
Miscellaneous Revenue (American Tobacco)	\$391,257
Fund Balance	\$1,000,000
TOTAL RESOURCES	\$38,385,437

Expenditures	FY 2009-10
Transfer to Debt Service	\$36,640,437
County Contribution*	\$1,745,000
TOTAL EXPENDITURES	\$38,385,437
<i>*Projects funded with county contribution. These projects include: Open Space Land Acquisition: \$550,000 Administration Building Refurbishment: \$1,125,000 Judicial Building Refurbishment: \$70,000</i>	

For FY 2009-10, the portion of the county-wide tax rate dedicated to the Capital Financing Plan is 4.77 cents, a decrease of 0.10 cents from FY 2008-09.

While there was a significant increase in the amount of debt service payment needed for FY 2009-10, the amount of property tax needed to support this increased debt service stayed almost flat. This is largely due to other revenues, collected in the Debt Service Fund, being used to support debt service. The Community Health Trust Fund is supporting the new Human Services Complex debt payment with \$4.56 million, while \$1.2 million in debt issuance premium funds (extra revenue from the sale of debt) also are budgeted. Finally, \$1 million in North Carolina Education Lottery funds are budgeted to support Durham Public Schools' debt service payments.

A graphical representation of the Capital Financing Plan Debt Funding is included in this section. For more information on bonded capital projects, debt service, debt limits and principal and interest payments, refer to the Debt Service Fund section of the budget.

Capital Financing Plan Fund

Fund: 1001250000

Summary	2007-2008 Actual Exp/Rev	2008-2009 Original Budget	2008-2009 12 Month Estimate	2009-2010 Department Requested	2009-2010 Commissioner Approved
▽ <i>Expenditures</i>					
Transfers	\$39,168,933	\$37,554,082	\$35,862,105	\$39,594,421	\$38,385,437
Total Expenditures	\$39,168,933	\$37,554,082	\$35,862,105	\$39,594,421	\$38,385,437
▽ <i>Revenues</i>					
Taxes	\$12,933,208	\$13,658,322	\$13,673,606	\$13,923,985	\$13,545,488
Investment Income	\$158,184	\$100,000	\$100,000	\$100,000	\$100,000
Rental Income	\$405,611	\$399,631	\$399,631	\$391,257	\$391,257
Other Revenues	\$0	\$0	\$0	\$1,800,000	\$1,800,000
Other Fin. Sources	\$20,761,677	\$23,396,129	\$20,839,806	\$23,379,179	\$22,548,692
Total Revenues	\$34,258,681	\$37,554,082	\$35,013,043	\$39,594,421	\$38,385,437
Net Expenditures	\$4,910,252	\$0	\$849,062	\$0	\$0
FTEs	0.00	0.00	0.00	0.00	0.00

DURHAM COUNTY CAPITAL FINANCING POLICY

Durham County recognizes the goal of the Capital Financing Policy is to provide for the adequate funding of the county's capital program while avoiding erratic increases and decreases in the county's property tax rate. Thus, a Capital Financing Plan for the payment of debt related to projects financed by long-term borrowing shall be updated annually.

The county currently dedicates the following revenues to the payment of debt and pay-as-you-go (county contribution) capital projects:

- Article 40 and Article 42 one-half cent sales taxes;
- County share of the Occupancy Tax; and
- County-wide property taxes.

The county reserves up to 20% of these annually-dedicated revenues for pay-as-you-go projects. In addition, the Pay-As-You-Go Policy restricts dedicated property tax revenue to 20% of a maximum of 5 cents, or 1 cent, in county-wide property taxes. The portion of annual revenues reserved for pay-as-you-go is 7.15% for the FY 2009-10 budget.

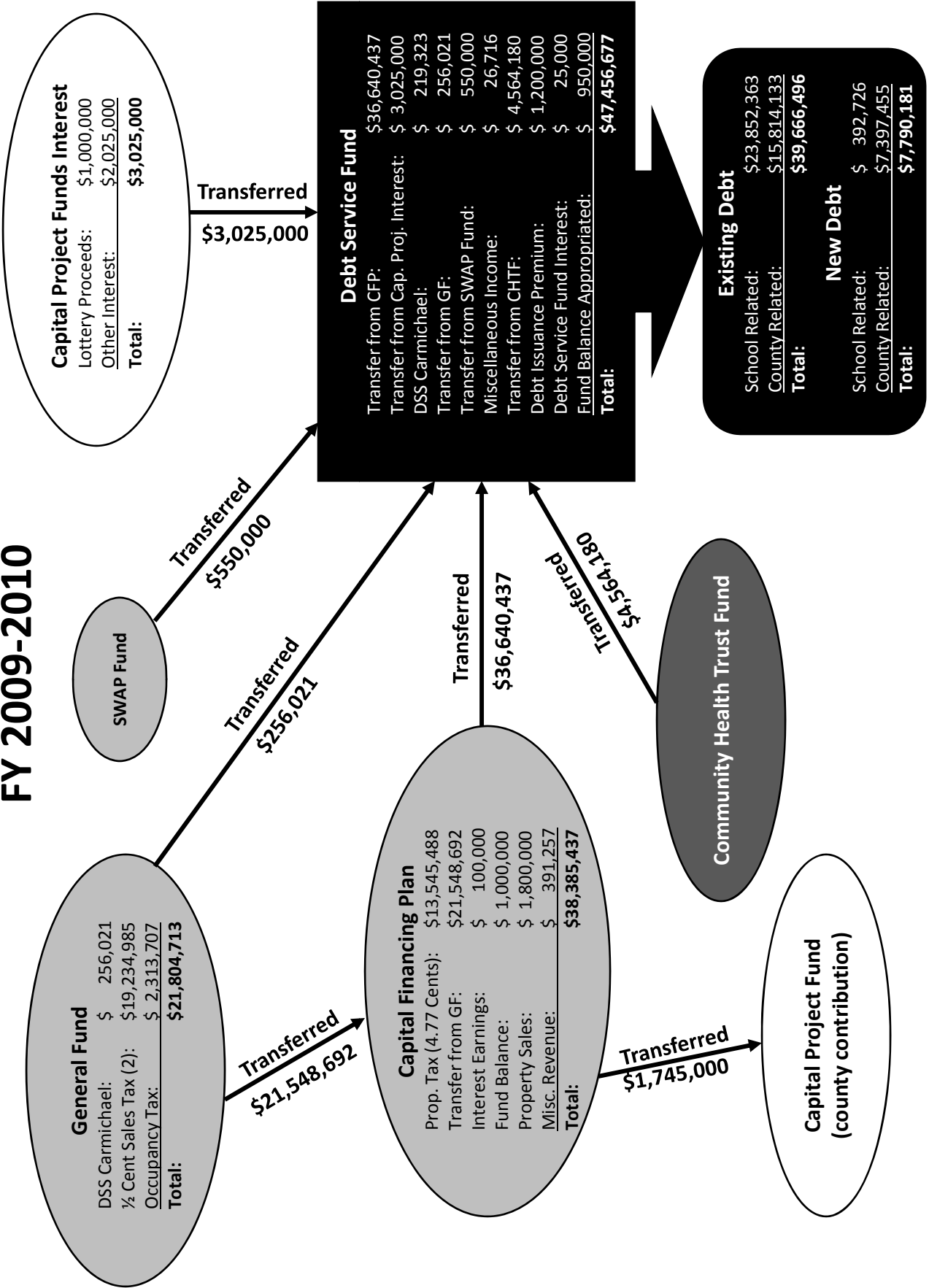
Investment earnings on unexpended debt proceeds shall be restricted to the payment of debt. Investment earnings on amounts restricted for the payment of debt and pay-as-you-go funds shall bear the same restrictions as the principal amounts generating these investment earnings.

Excess funds, if available, within the Debt Service Fund may be used to provide advance funding for capital projects pending bond sale. Such advances, or loans would be repaid with interest based on the monthly yield of the North Carolina Cash Management Trust short-term investment fund.

This policy applies to the Board of County Commissioners and county administration and may be revised by the Board as it deems appropriate to meet the changing needs of the county for capital financing.

Capital Improvement Plan Debt Funding

FY 2009-2010



BENEFITS PLAN FUND

PROGRAM DESCRIPTION

In FY 2009-10, the benefits plan has been aligned with the county’s fiscal year. Whereas previously the plan followed a calendar year, the new plan will begin July 1, 2009 and run through June 30, 2010. Having the plan run on a fiscal year enables staff to budget more accurately without having to estimate what costs will be for the last six months of the fiscal year. The benefits plan also has been redesigned to move the employees’ health insurance plan from fully insured to partially self-funded. This change will allow for more effective and efficient management of health care costs for both the county and its employees. By retaining profits that would normally accrue to the administrator of a fully-insured plan, the county is able to provide health, dental and vision coverage for all employees and to offer dependent coverage that more employees can afford. Employees will no longer be given a flexible benefits credit (FBEN) from which to purchase benefits. The county will fund a core plan.

By eliminating the FBEN credit, it is no longer necessary to budget this item within most of the departmental budgets as was done in previous years. There are a few exceptions. Agencies which pay for their own benefits (Mental Health, Enterprise Fund and Special Revenue Fund) have the benefits costs budgeted and agencies that are able to draw down revenues for these expenditures (Department of Social Services) also have the benefits costs budgeted. Beginning this fiscal year, \$12,634,614 will be transferred from the General Fund, \$175,740 will be transferred from the Special Revenue Fund, and \$127,260 will be transferred from the Enterprise Fund to the Benefits Plan Fund to cover the cost of the plan.

Note: This fund was previously named Cafeteria Plan Fund. The name was changed to reflect the county’s discontinuation of the cafeteria-style benefits package.

FY 2009-10 Benefits Plan Fund Budget

Health,Dental,Vision,Life & AD&D, COBRA/FSA/HAS/Parking/Transportation	\$ 12,567,276
Wellness Clinic	\$ 325,352
Administration Expenses	\$ 44,986
TOTAL:	\$ 12,937,614

Benefits Plan Fund

Fund: 1001500000

Summary	2007-2008 Actual Exp/Rev	2008-2009 Original Budget	2008-2009 12 Month Estimate	2009-2010 Department Requested	2009-2010 Commissioner Approved
▽ <i>Expenditures</i>					
Personnel	\$1,123,311	\$2,492,743	\$1,120,510	\$11,125,536	\$12,521,676
Operating	\$37,132	\$340,155	\$50,000	\$1,942,078	\$415,938
Total Expenditures	\$1,160,443	\$2,832,898	\$1,170,510	\$13,067,614	\$12,937,614
▽ <i>Revenues</i>					
Contrib. & Donations	\$1,220	\$0	\$620	\$0	\$0
Investment Income	\$31,589	\$0	\$11,324	\$0	\$0
Other Fin. Sources	\$1,424,723	\$1,416,449	\$1,416,449	\$13,067,614	\$12,937,614
Total Revenues	\$1,457,532	\$1,416,449	\$1,428,393	\$13,067,614	\$12,937,614
Net Expenditures	(\$297,089)	\$1,416,449	(\$257,883)	\$0	\$0
FTEs	0.00	0.00	0.00	0.00	0.00

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