Live, Grow, Thrive.

Vision: “A thriving, vibrant, diverse community with abundant opportunity for all residents to live, work, learn, play, and grow.”
Accolades

• “Tastiest Town in the South” – Southern Living

• #1 Public High School in North Carolina (Durham School of the Arts) – U.S. News and World Report

• 5th Most Attended Theater in the U.S. (DPAC) – Pollstar

• #1 U.S. Metropolitan Area in “Creative Class” – The Rise of the Creative Class Revisited
Accolades

• 12th Strongest Economy in America – American City Business Journal

• #1 in Large Counties Best Positioned for Growth – Fourth Economy Community Index

• 6th in America’s Top 10 Cities for Small Business – The Washington Post
A Great Community

Sources: Scientific Properties and DCVB
Dedicated Staff
Challenges

- Slow economy producing insufficient revenue, as service demand rises
- DPS funding needs increase as state continues cuts
- Debt service management
- Maintaining strong fiscal position
## Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>All 18 Funds</td>
<td>$525,783,524</td>
</tr>
<tr>
<td>General Fund</td>
<td>$359,677,234</td>
</tr>
<tr>
<td>General Fund Change (since FY13)</td>
<td>3.23%</td>
</tr>
<tr>
<td>Full-Time Equivalents</td>
<td>2.58 net increase</td>
</tr>
<tr>
<td>Non-profit Funding</td>
<td>$798,976</td>
</tr>
<tr>
<td>Non-profits Funded</td>
<td>46 (11 are new)</td>
</tr>
</tbody>
</table>
Welton’s Departments

• **General Government:** Tax, Register of Deeds, Elections, General Services, Library

• **Health & Human Services:** Public Health, Social Services, Mental Health, Veterans Services, Cooperative Extension

• **Economic Development**
Staff Recognition

Gayle Harris, Public Health
- Duke University School of Nursing’s “2012 Distinguished Alumna Award”

Kim Simpson, Tax
- North Carolina Tax Collectors Association’s “2012 Tax Collector of the Year”

Delphine Sellars, Cooperative Extension
- “Distinguished Community Extension Development Service Award”

Alliance Behavioral Healthcare
- North Carolina Council for Community “Program of Excellence” awards
Social Services

• Mission:
  o “To partner with families and communities in achieving well-being through prosperity, permanence, safety, and support”

• Since 2008…
  o Service-related phone calls up........70%
  o Food Stamps recipients up...........104%
  o Medicaid enrollment up...............54%
Social Services

- Increased demand for services and for NC FAST (a state-mandated computer system)
- Affordable Care Act
  - Should result in 6,000 more people (mostly children) eligible for Medicaid
- Recommendation: 13 positions to meet demand
  - At least 50% of salaries offset by outside dollars; six positions using lapsed salaries
Public Health

- Visits increasing, patients see long lines
- Proposal to make Physician Extender full-time

**Total Clinic Visits**

<table>
<thead>
<tr>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>36000</td>
<td>37000</td>
<td>38000</td>
</tr>
</tbody>
</table>
Public Health

• About 30% of patients speak Spanish
• Recommendation: Increase Spanish interpreter to full-time
• Will improve access to Public Health services for Spanish speakers
Public Health

Food Code Changes

• Updates to state law
• Require staff to spend about 50% more time on-site for inspections
• Recommendation: New Environmental Health Specialist position
Public Health

Smoking Rule

• Recommendation: New Public Health Educator position

• Funded by Home Health Agency sale proceeds
Solid Waste

Convenience Sites and Roadside Recycling Services

- Durham County residents pay $105
- Cost to provide services $122
- FY12-13 General Fund subsidy $17
Solid Waste

Convenience Sites and Roadside Recycling Services

- Recommendations:
  - Eliminate $17 subsidy
  - Begin analysis to make Solid Waste an enterprise fund
Animal Tax

• Levied on dogs and cats
• Challenges of the tax:
  o Low rate of collection
  o High cost of collection
  o Inaccurate billing database
• Recommendation:
  o Animal Tax repeal to go before the Board at June 3 worksession

Source: Animal Protection Society
Economic Development

Greater Durham Chamber of Commerce

- An instrumental partner in our economic development efforts
- Chamber-assisted impact in 2012:
  - $330 million in investment
  - 955 new jobs
- Recommendation: Increase County contract with Chamber by $55,000, from $140,000 to $195,000
Worsley’s Departments

- **Planning & Development**: Soil & Water Conservation; Forest Protection; Planning; Engineering & Environmental Services; Inspections; GIS
- **Public Safety**: Fire Marshal/Emergency Management; EMS; Youth Home; Sheriff’s Office; Emergency Communications (911); Criminal Justice Resource Center
- **IT & SAP Enterprise Resource Planning**
Accolades

• Recognized at three industry meetings this year
• STEMI Activation HOTLINE is a model for other states
• Participated in 12 Lead Electro Cardiogram Studies and transmission of Electro Cardiograms to area hospitals
• Durham Model adopted by American Heart Association
• Recognized for excellent service by Durham residents
EMS Director
Mike Smith

• 38 years of service
• Retiring June 28, 2013
EMS

• High performing, but increasingly busy

EMS Call Volume and Transports

<table>
<thead>
<tr>
<th></th>
<th>FY10-11</th>
<th>FY11-12</th>
<th>FY12-13 est.</th>
<th>FY13-14 est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Volume</td>
<td>26696</td>
<td>27699</td>
<td>28547</td>
<td>28690</td>
</tr>
<tr>
<td>Transports</td>
<td>16224</td>
<td>18624</td>
<td>18952</td>
<td>19046</td>
</tr>
</tbody>
</table>

Four-Year Trend:
8.5% increase in call volume
18.5% increase in transports
Recommend Budget

- Proposed $1 fee increase from $9 to $10 to maintain service levels and keep property tax from funding EMS

Durham County EMS: Proposed Free Increase

<table>
<thead>
<tr>
<th></th>
<th>Basic Life Support w/ Mileage</th>
<th>Advanced LifeSupport #1 w/ Mileage</th>
<th>Advanced LifeSupport #2 w/ Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$525.00</td>
<td>$610.00</td>
<td>$635.00</td>
</tr>
<tr>
<td>Proposed</td>
<td>$575.00</td>
<td>$660.00</td>
<td>$685.00</td>
</tr>
</tbody>
</table>
EMS

• Fee increase helps EMS continue to be a self-sustaining, high quality service while remaining comparable to other counties
Sheriff’s Office

Transition of Animal Services to Sheriff’s Office

- Average response time: 43 minutes
- Increased on-duty hours for Animal Services Officers
- Impact of sworn deputies serving as Animal Services Officers
Sheriff’s Office

- Strategic use of social media
- DCo brand launch
- Recommendation: Funding for in-car cameras
Fire Service

Overview

- 7 non-profit contracted fire departments
- Fire study of districts and services approved in April 2012
- Recommendations prepared for November 2013 worksession
Fire Service

FY13-14 Recommended Tax Rates

- Bethesda: 13¢
- Parkwood: 11.50¢
- Redwood: 11.25¢
- Lebanon: 10¢
- Bahama: 6¢
- New Hope: 9.45¢
- Eno: 7.99¢
Fire Service

Comparison of Fire Tax Rates

<table>
<thead>
<tr>
<th>Fire Service</th>
<th>FY 12-13 Adopted Tax Rate</th>
<th>Proposed Change FY 13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethesda</td>
<td>12c</td>
<td>14c</td>
</tr>
<tr>
<td>Parkwood</td>
<td>10c</td>
<td>12c</td>
</tr>
<tr>
<td>Redwood</td>
<td>10c</td>
<td>10c</td>
</tr>
<tr>
<td>Lebanon</td>
<td>8c</td>
<td>8c</td>
</tr>
<tr>
<td>Bahama</td>
<td>6c</td>
<td>6c</td>
</tr>
<tr>
<td>New Hope</td>
<td>5c</td>
<td>5c</td>
</tr>
<tr>
<td>Eno</td>
<td>4c</td>
<td>4c</td>
</tr>
</tbody>
</table>
Fire Service

Bethesda Fire Department

• Asked Durham County to assume operations in July 2013
• Tax increase needed to maintain current service levels
• Public hearing scheduled for June 10, 2013
Triangle Wastewater

- Serves RTP and surrounding areas
- Total of 10,700 customers
- No property tax dollars used for operations or capital needs
Triangle Wastewater

- Recommendation: 1.8% increase in sewer rates
- Sewer bill for family of 4 remains **lowest** in the area

<table>
<thead>
<tr>
<th>Provider</th>
<th>Service Charge</th>
<th>Sewer Use</th>
<th>Total Sewer Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durham County</td>
<td>$3.93</td>
<td>$25.86</td>
<td>$29.80</td>
</tr>
<tr>
<td>City of Durham (inside city)</td>
<td>$7.02</td>
<td>$25.06</td>
<td>$32.08</td>
</tr>
<tr>
<td>City of Raleigh (inside city)</td>
<td>$6.56</td>
<td>$25.53</td>
<td>$32.09</td>
</tr>
<tr>
<td>OWASA</td>
<td>$12.00</td>
<td>$32.40</td>
<td>$44.40</td>
</tr>
<tr>
<td>Town of Cary (inside town )</td>
<td>$3.07</td>
<td>$46.19</td>
<td>$49.25</td>
</tr>
<tr>
<td>City of Durham (outside city)</td>
<td>$14.04</td>
<td>$50.12</td>
<td>$64.16</td>
</tr>
<tr>
<td>City of Raleigh (outside city )</td>
<td>$13.12</td>
<td>$51.06</td>
<td>$64.18</td>
</tr>
<tr>
<td>Town of Cary (outside town)</td>
<td>$9.21</td>
<td>$138.57</td>
<td>$147.78</td>
</tr>
</tbody>
</table>
Technology

• SAP and IT have merged

• New Initiatives:
  • Open data to engage public
  • Collaboration between public and private sectors
  • Improving capacity for computer applications
    • Recommendation: Additional Database Administrator to manage workload
Economy in Rebound

• Investment keeps coming as leaders continue to promote job creation
Economy in Rebound

- $318 million in new investment
- 2,100 new jobs

Sources: Advanced Aerial Photography and Durham Convention & Visitors Bureau
Unemployment Rate

• The picture is improving

2013 rate covers only January through March
Building Permits

- Number of building permits is growing across the City and County.
Deeds Recorded

- Real estate market is improving
More Excise Tax Funds

- Revenue growth for property transfers
Property Tax Base

- Tax base is increasing steadily
Fund Balance

- Projected to be 30.91% at end of FY12-13
Financial Health

- Higher fund balance has helped maintain Triple-A bond rating
- Our fiscal strength will continue, even if $9.9 million IBM refund required
- But, must continue strong management
  - Risk losing Triple-A rating if debt not addressed
Tax Proposal for Debt

• Recommendation: 3-cent increase
• Still, tax rate remains relatively low
  o FY00-01: 5th highest rate
  o Today: 24th highest rate
• For home valued at $150,000:
  o $45 increase per year
• Durham County offers deeper services to address greater needs
Durham Tech:
County Appropriations and Enrollment

18% growth in enrollment since 2008
Durham Tech

- Big part of comprehensive economic development strategy
- New ¼- cent sales tax has meant $881,000 for local education assistance
Durham Tech

• “Durham ConnectFunds” make a difference
  o Increase educational attainment
  o Raise standard of living
  o Compete for 21st century jobs
Durham Public Schools

- DPS request: $4.8 million increase
- Recommendation: Flat funding
- County would back-stop DPS reserves up to $2.4 million, if needed, to replenish unassigned fund balance reserves to $4 million
- Schools must rethink funding model
Per-Pupil Spending

- In FY 12-13, per pupil spending in Durham remained higher than peer counties.

![Bar chart showing per pupil spending in Durham compared to other counties. Durham has the highest spending at $3,165, followed by Guilford at $2,354, Mecklenburg at $2,277, Forsyth at $2,013, and Wake at $2,012. Cumberland has the lowest at $1,459.]
Additional Initiatives

1. Potential Youth Home closure
   - Detention is not a best practice
   - $3-4 million renovation bill imminent

2. Employee Compensation Study
   - 70% of positions paid below market

3. Review of City-County arrangements

4. Elimination of desktop & laser printers
   - Savings: $25,000 a year in ink
Budget Calendar

• Public Hearing
  o June 10  7 p.m.

• Worksessions
  o May 29  11:30 a.m. to 2:30 p.m.
  o May 30  11:30 a.m. to 4 p.m.
  o June 3  1 p.m. to 3 p.m.
  o June 10  4 p.m. to 6 p.m.
  o June 11  9 a.m. to 11 a.m.

• All sessions in BOCC chambers
For More Information

• Online: www.dconc.gov
  o Manager’s remarks
  o Budget presentation
  o Copy of proposed FY13-14 Budget

• Print copies of budget available for review
  o Clerk’s Office
  o Main Library