



## **ANNUAL BUDGET ORDINANCE**

**Durham County**

**North Carolina**

**FY2019-20**

WHEREAS, the proposed budget for FY2019-20 was submitted to the Board of Commissioners on May 13, 2019 by the Durham County Manager and filed with the Clerk to the Board on that date pursuant to G.S. 159-11;

WHEREAS, on June 10, 2019, the Durham County Board of Commissioners held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 24, 2019, the Durham County Board of Commissioners adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Commissioners considers sufficient and proper in accordance with G.S. 159-13;

**BE IT ORDAINED** by the Durham County Board of Commissioners that for the purpose of financing the operations of Durham County, North Carolina for the fiscal year beginning July 1, 2019 and ending June 30, 2020, there are hereby appropriated from taxes and other revenues the following by function and fund.

### Section 1. Summary of Appropriations by Fund and Function - FY2019-20

| Function                  | General Fund         | Swap Fund          | Capital<br>Financing Fund | Reappraisal<br>Reserve Fund | LEO Separation<br>Allowance Fund | Special<br>Revenue Funds | Debt Service<br>Fund | Enterprise<br>Fund | Total<br>Appropriation |
|---------------------------|----------------------|--------------------|---------------------------|-----------------------------|----------------------------------|--------------------------|----------------------|--------------------|------------------------|
| General Government        | \$124,755,964        | \$1,000,000        | \$79,256,388              | \$874,981                   | \$420,000                        | \$3,760,195              | \$63,974,554         | \$750,000          | \$274,792,082          |
| Public Safety             | \$65,703,543         | ---                | ---                       | ---                         | ---                              | \$7,649,393              | ---                  | ---                | \$73,352,936           |
| Transportation            | \$412,500            | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$412,500              |
| Environmental Protection  | \$5,035,563          | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$5,035,563            |
| Econom. & Physical Devlp. | \$6,616,072          | ---                | ---                       | ---                         | ---                              | \$1,156,496              | ---                  | ---                | \$7,772,568            |
| Human Services            | \$81,859,393         | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$81,859,393           |
| Education                 | \$159,419,265        | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$159,419,265          |
| Cultural & Recreational   | \$12,985,559         | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$12,985,559           |
| Utilities                 | ---                  | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | \$9,161,600        | \$9,161,600            |
| <b>Grand Total</b>        | <b>\$456,787,859</b> | <b>\$1,000,000</b> | <b>\$79,256,388</b>       | <b>\$874,981</b>            | <b>\$420,000</b>                 | <b>\$12,566,084</b>      | <b>\$63,974,554</b>  | <b>\$9,911,600</b> | <b>\$624,791,466</b>   |

### Section 2. Summary of Revenues by Fund and Revenue Category - FY2019-20

| Function                    | General Fund         | Swap Fund          | Capital<br>Financing Fund | Reappraisal<br>Reserve Fund | LEO Separation<br>Allowance Fund | Special<br>Revenue Funds | Debt Service<br>Fund | Enterprise<br>Fund | Total<br>Appropriation |
|-----------------------------|----------------------|--------------------|---------------------------|-----------------------------|----------------------------------|--------------------------|----------------------|--------------------|------------------------|
| Taxes                       | \$362,977,603        | ---                | \$37,064,199              | ---                         | ---                              | \$9,716,084              | ---                  | ---                | \$409,757,886          |
| Licenses and Permits        | \$1,124,500          | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | \$5,000            | \$1,129,500            |
| Intergovernmental           | \$43,908,719         | ---                | ---                       | ---                         | ---                              | \$1,250,000              | ---                  | ---                | \$45,158,719           |
| Contributions and Donations | \$191,678            | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$191,678              |
| Investment Income           | \$2,010,000          | ---                | \$110,000                 | ---                         | ---                              | ---                      | \$348,409            | \$300,000          | \$2,768,409            |
| Rental Income               | \$297,937            | ---                | \$598,280                 | ---                         | ---                              | ---                      | ---                  | ---                | \$896,217              |
| Sewer Connection Fees       | \$5,000              | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | \$794,000          | \$799,000              |
| Service Charges             | \$24,139,175         | ---                | ---                       | ---                         | ---                              | ---                      | \$500,000            | ---                | \$24,639,175           |
| Enterprise Charges          | \$14,000             | ---                | ---                       | ---                         | ---                              | ---                      | ---                  | \$8,812,600        | \$8,826,600            |
| Other Revenues              | \$466,257            | \$1,000,000        | ---                       | ---                         | ---                              | ---                      | ---                  | ---                | \$1,466,257            |
| Transfers In                | \$21,652,990         | ---                | \$41,483,909              | \$874,981                   | \$420,000                        | \$1,600,000              | \$63,126,145         | ---                | \$129,158,025          |
| <b>Grand Total</b>          | <b>\$456,787,859</b> | <b>\$1,000,000</b> | <b>\$79,256,388</b>       | <b>\$874,981</b>            | <b>\$420,000</b>                 | <b>\$12,566,084</b>      | <b>\$63,974,554</b>  | <b>\$9,911,600</b> | <b>\$624,791,466</b>   |

**Section 3.** For purpose of raising revenues to finance appropriations for the foregoing expenditures, the following ad valorem taxes are hereby levied on all property subject to ad valorem taxes within the county on January 1, 2019 at an anticipated collection rate of 99.60 percent. Rates are per \$100.00 of assessed valuation of taxable property.

| District                 | Rate    |
|--------------------------|---------|
| Durham County-countywide | \$.7122 |

**Section 4.** For purpose of raising revenues to finance appropriations for the foregoing expenditures, the following ad valorem taxes are hereby levied on all property subject to ad valorem taxes within the county on January 1, 2019 at the anticipated collection rates noted below. Rates are per \$100.00 of assessed valuation of taxable property.

| District              | Rate    | Collection Rate | District              | Rate    | Collection Rate |
|-----------------------|---------|-----------------|-----------------------|---------|-----------------|
| Bahama Fire District  | \$.0987 | 98.7%           | Redwood Fire District | \$.1225 | 98.3%           |
| Eno Fire District     | \$.0786 | 98.3%           | Durham Fire & Rescue  |         |                 |
| Lebanon Fire District | \$.1176 | 98.7%           | Service District      | \$.1349 | 98.7%           |
| New Hope District     | \$.0756 | 98.7%           |                       |         |                 |

**Section 5.** There is hereby levied a tax at the rate shown below, per \$100.00 valuation of property listed for taxes as of January 1, 2019, for property located within the Durham County portion of the Durham-Wake Counties Research Triangle Park Research and Production Service District for the raising of revenue for said district. The anticipated collection rate is 98.7 percent.

|                                        | Tax Rate | Appropriation |
|----------------------------------------|----------|---------------|
| Research & Production Service District | \$.0629  | \$1,156,496   |

There is hereby appropriated to the Durham-Wake Counties Research and Production Service District from the net proceeds of this tax the amount of \$1,144,636 for use in said district in such manner and for such expenditures as is permitted by law from the net proceeds of this tax. In the event the actual net proceeds from the tax levy of the Research and Production Service District exceed the appropriated amount, the actual net proceeds from the tax shall constitute the appropriation from said tax levy.

**Section 6.** Charges for services and fees by county departments are levied in the amounts set forth in the attached Fee and Other Charges Schedules. (See Attachment 1)

**Section 7.** The following authorities shall apply to transfers and adjustments within the budget:

- a) The County Manager may authorize transfers within a function up to 15% cumulatively without report to the Board.
- b) The County Manager may transfer amounts up to \$20,000 between functions of the same fund with a report to the Board of Commissioners at the subsequent regular meeting of the Board.
- c) The Budget Officer may approve intradepartmental transfer requests between appropriation units and between departmental programs within the limits of the approved budget.
- d) The County Manager may enter into the following agreements within funds:
  - Form and execute grant agreements within budgeted appropriations;
  - Execute leases of up to \$15,000 for normal and routine business within budgeted appropriations (County as Tenant only);
  - Enter consultant, professional, maintenance, or other service agreements of up to \$40,000 within budgeted appropriations;
  - Approve renewals for service and maintenance contracts and leases;
  - Purchase of apparatus, supplies, materials or equipment and construction or repair work not requiring formal bids by law;
  - Reject any and all bids and re-advertise to receive bids;
  - Waive any bonds or deposits, or performance and payment bonds requirements when authorized or permitted by applicable law.
- e) County Manager can transfer between functions, and/or funds for merit, pay plan adjustments, health benefits, reclassifications and LEO Separation Allowance.
- f) Transfers between funds and transfers from the contingency account may be executed **only** by the Board of Commissioners.

**Section 8.** In accordance with North Carolina General Statute 115D-54, the following appropriations are made to Durham Technical Community College. All accumulated and unexpended and unencumbered amounts at the end of the fiscal year shall be reported to Durham County within 30 days of the completion of the external audit.

|                     |             |
|---------------------|-------------|
| Current Expense     | \$7,552,658 |
| Capital Outlay      | \$347,500   |
| Total Appropriation | \$7,900,158 |

- a) It is the intent of the Durham County Board of County Commissioners in appropriating these funds that Durham Technical Community College allocates current expense funding of \$1,426,230 for needs based financial assistance for enrolled students from Durham County and the Gateway to College program (an educational option for DPS students between the ages of 16-21 who have dropped out of high school but have a desire to now earn a diploma.)

**Section 9.** In accordance with G.S. 115C-429(b), the following appropriations are made to the Durham Public Schools. The budget resolution adopted by the Durham Public Schools Board of Education shall conform to the appropriations set forth in the budget ordinance.

The total local appropriation for Durham Public Schools for FY 2019-20 is as below:

|                     |               |                                         |              |           |
|---------------------|---------------|-----------------------------------------|--------------|-----------|
| Current Expense*    | \$144,600,717 | *Includes Article 46 Sales Tax Revenue: | DPS          | Pre-K     |
| Capital Outlay      | \$1,370,000   | <i>FY 2017-18 Over-collection</i>       | \$671,200    | \$0       |
| Total Appropriation | \$145,970,717 | <i>FY 2019-20 Estimated Revenue</i>     | \$10,133,663 | \$0       |
|                     |               | <i>Board Policy Pre-K amount</i>        |              | \$508,140 |
|                     |               | <i>FY 2019-20 Article 46 Total</i>      | \$10,672,080 | \$508,140 |

- a) In addition, the Durham Public Schools budget should reflect local appropriations by purpose, function, and object. Once adopted, such resolution shall not be amended without the prior approval of the Board of Commissioners if the cumulative effect of such amendment would be to increase or decrease the amount of county appropriations allocated by purpose, function, or object by 15 percent or more.
- b) The Board of Commissioners and the County Manager shall be informed in writing of the audited fund balance amounts within 30 days of completion of the external audit.
- c) Transfers between capital outlay and current expense shall be approved by the Board of Commissioners.
- d) Durham Public Schools is authorized to use Public School Building Capital Funds, and Lottery Funds for capital outlay requests, with the approval of the Board of Commissioners.
- e) It is the intent of the Durham County Board of County Commissioners in appropriating these funds that the Board of Education allocate current expense funding of \$508,140 for expanded support of Durham Public School related Pre-Kindergarten programs.

Funding (including debt service) exceeds the required merger agreement rate of \$1,960 per pupil.

**Section 10.** The 2019-20 local teacher salary supplement schedule starts at \$5,425 for a 1st-year teacher with a Bachelor's degree and increases by \$155 per year up to \$10,075 for teacher with a Bachelor's degree and 30 years of experience. The starting supplement and annual step increases are higher for teachers with advanced degrees and/or National Board certification. Full implementation of this structure is contingent on support of the requested increase in operating appropriations for K-12 education.

**Section 11.** In accordance with G.S. 159-13.1, the following financial plans for intragovernmental service funds are hereby approved.

**RISK MANAGEMENT FUND**

Revenue       \$3,646,478

Expense       \$3,646,478

**BENEFITS PLAN FUND**

Revenue       \$29,783,050

Expense       \$29,783,050

**Section 12.** This ordinance incorporates the County's Capital Financing Policy to designate up to 20% of dedicated revenues as County Contribution for pay-as-you-go projects. For Fiscal Year 2019-20, the County Contribution is designated at 19.56%.

**Section 13.** In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the County Manager, the Finance Officer, the Clerk to the Board, and the County Tax Administrator.

**Adopted this the 24<sup>th</sup> day of June 2019.**

  
Wendy Jacobs, Chair

  
Monica Toomer, Clerk to the Board