



# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



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### OVERVIEW

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The accompanying tables summarize the recognized revenues and expenditures for Durham County's General Fund, Capital Improvement Fund and Reappraisal Reserve Fund through March 31, 2021. Please note that 4-year Third Quarter Averages have been provided for comparison. These averages reflect what was reported in the Third Quarter Report for the four preceding fiscal years.

Additionally, a dashboard representation is provided as a convenient way to monitor the progress of FY 2020-21 revenues and expenditures. The dashboard uses a "traffic light" indicator to represent where agencies' revenues and expenditures are in comparison to a 4-year Third Quarter Average. The simple indicator alone is not a cause for concern, rather an area that merits a second look. For all "red light" indicators an overview of the cause is provided.

For revenues, green represents revenues at 90% or greater than the 4-year average, yellow represents revenues between 70% and up to 90% of the 4-year average, and red represents revenues below 70% of the average. For expenditures, green represents expenditures not more than 2% greater than the 4-year average, yellow represents expenditures between 2% and 5% greater than the average, and red represents expenditures greater than 5% of the average.

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### REVENUE SUMMARY

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Through March 31, 2021, the County collected \$465,593,639 or 78.40% of the budgeted General Fund, Capital Improvement Fund and Reappraisal Reserve Fund revenue. Two of the most significant revenues in these funds, property tax and sales tax revenue collections, traditionally, the majority of funds are received throughout the second quarter of the fiscal year. Therefore, the third quarter report should be a reliable indicator of any positive or negative trend for the year.

Current year property tax collection, the largest single revenue source for Durham County, is significantly above the 3rd Quarter 4-year average (102.70% collected, vs a 100.79% four-year average respectively). This is primarily due to significantly higher "billed" property valuation than what was budgeted. This higher "actual" valuation means, in turn, that the County is experiencing higher than expected actual property tax collection. Fiscal year end property tax revenue collection is projected to be 102-103% of budget which is well above typical years. Property valuation is significantly higher compared to the budgeted amount, for the current year, due to the conservative budgeting approach used last spring related to the potential economic impacts of COVID.

Sales Tax collection is higher across all major sales tax articles than the 4-year average due to a lowered budget amount estimated as part of the FY 2020-21 budget process. Back in March 2020, sales tax revenue estimates were being developed under the beginning economic pressures and downturn related to COVID. The Budget Office had a difficult time trying to predict how the local and state economy might react over the next 15 months (from March 2020 to June 2021) and decided to budget sales tax somewhat conservatively. Current sales tax collection is on pace to exceed those conservatively budgeted amounts for the current fiscal year. It remains to be seen



# Quarterly Budget Report

## Third Quarter of Fiscal Year 2020-21



what the long-term economic impacts of COVID will be on Durham County's overall economy and related revenue collection.

Key Revenues	Current Budget	Revenues End of Qtr.	% Revenues	4 Prior Year Qtr. Average	Status of Revenues
ABC Net Profit Distribution	\$2,400,000	\$1,005,045	41.88%	35.85%	●
Animal Control Fees	\$40,000	\$19,621	49.05%	65.51%	●
Article 39 (1 Cent)	\$25,061,015	\$13,340,433	53.23%	48.42%	●
Article 40 (1/2 Cent)	\$14,028,246	\$8,639,834	61.59%	51.83%	●
Article 42 (1/2 Cent)	\$17,328,568	\$9,819,639	56.67%	50.62%	●
Article 44 (1/2 Cent)		\$200	0.00%		
Article 46 (1/2 Cent)	\$15,200,000	\$8,538,170	56.17%	52.68%	●
City Sales Tax ILA	\$11,821,383	\$7,515,087	63.57%	54.69%	●
Community Health Fund	\$2,606,506	\$2,606,506	100.00%	98.05%	●
Court Facilities Fees	\$240,000	\$125,136	52.14%	65.39%	●
Deed Registratration and Transfer Fees	\$5,400,000	\$5,111,363	94.65%	80.94%	●
EMS Patient Fees	\$9,030,000	\$6,155,517	68.17%	72.32%	●
Fund Balance Appropriated	\$28,676,607	\$0	0.00%		●
Intergovernmental Items	\$79,324,136	\$42,828,885	53.99%	72.29%	●
Investment Revenue	\$2,010,000	\$252,671	12.57%	184.30%	●
Local Occupancy Tax (General Fund)	\$2,823,264	\$1,094,754	38.78%	71.24%	●
Local Occupancy Tax (NCMLS)	\$500,000	\$0	0.00%	100.00%	●
Other General Funds Revenues	\$9,294,553	\$6,305,932	67.85%	81.02%	●
Property Tax (All Except Vehicle)	\$294,244,482	\$302,193,919	102.70%	100.79%	●
Property Tax (Vehicles Only)	\$16,887,703	\$13,012,376	77.05%	70.45%	●
Sheriff Fees	\$750,000	\$226,748	30.23%	69.63%	●
Solid Waste Management Fee Co	\$2,371,725	\$2,349,365	99.06%	101.56%	●
Transfers From Other Funds	\$53,817,980	\$34,452,438	64.02%	31.04%	●
<b>Total</b>	<b>\$593,856,168</b>	<b>\$465,593,639</b>	<b>78.40%</b>	<b>76.67%</b>	

- Current year collections equal 90% or greater than 4-year same quarter average
- Current year collections equal 90% to 70% of 4-year same quarter average
- Current year collections equal 70% or less than 4-year same quarter average

### Key revenue items with red indicator include:

- **Investment Revenue:** Investment revenue is significantly lower for the fiscal year due to the Federal Government's interest rate reaction to the pandemic. In this case, the higher interest rates that provided investment revenue in recent years have dropped markedly, with minimal related investment revenue return. Fortunately, this is also a very significant positive factor in the very low long-term interest rate obtained for the County's recent issuance of debt service financing. A County LOBs issuance was sold at 1.25% interest over



# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



20 years. This long-term low interest rate savings will likely far surpass the short-term decrease in the annual investment revenue collected.

- **Local Occupancy Tax (General Fund and NCMLS):** Through the third quarter, actual occupancy tax collections continue to be down approximately 60% from the amount received last fiscal year. Despite having adjusted this revenue budget downward prior to the start of the fiscal year, the duration or magnitude of the impact on the hotel and tourism industry was/is simply not known, nor projected to be this significant. Through conversations with our partners at Discover Durham, updated projections through the end of FY 2020-21 have this revenue coming in around 40%-50% under budget (\$1.4M - \$1.8M vs. budgeted amount of \$2.8M) and 60% below last year's actual collection. Efforts continue to accurately project a realistic amount for FY 2021-22.
- **Sheriff Fees:** The Durham County Courthouse was closed for an extended period due to COVID-19 and as a result, court cases were delayed. There was a significant related reduction in the collection of several categories of fees that comprise the Sheriff Fee line: fees for a deputy to serve papers, fees from accident & incident reports, and commission from auctioned repossessed property. As court activity increases (timing of which is not currently known) there should be a related increase in revenue, although it is unlikely that the full budget will be realized this fiscal year. Sheriff budget staff estimates that end-of-year revenues will be about \$300K, about \$100K less than it anticipated in the first quarter.



# Quarterly Budget Report

## Third Quarter of Fiscal Year 2020-21



Revenues by Department	Current Budget	Revenues End of Qtr.	% Revenues	4 Prior Year Qtr. Average	Status of Revenues
County Administration	\$151,694	\$128,429	84.66%	100.64%	●
Finance	\$126,975,910	\$58,653,511	46.19%	43.48%	●
Tax Administration	\$317,365,374	\$319,482,249	100.67%	98.63%	●
Legal		(\$1,000)	0.00%	147.14%	●
Elections	\$1,936,573	\$2,000,783	103.32%	87.04%	●
Register Of Deeds	\$5,600,000	\$5,281,826	94.32%	80.78%	●
General Services	\$2,854,825	\$2,597,629	90.99%	94.27%	●
Human Resources	\$35,000	\$12,177	34.79%	94.38%	●
Veterans Services	\$2,000	\$2,084	104.19%	76.31%	●
County Sheriff	\$3,242,946	\$2,049,642	63.20%	78.38%	●
Office of Emergency Services	\$14,476,690	\$9,123,251	63.02%	77.47%	●
Criminal Justice Resource Center	\$1,509,737	\$994,390	65.87%	59.45%	●
Youth Home	\$570,000	\$410,331	71.99%	65.09%	●
Engineering & Environ Svcs	\$206,350	\$8,442	4.09%	90.20%	●
Cooperative Extension Service	\$288,200	\$133,867	46.45%	65.71%	●
Soil And Water Conservation	\$214,760	\$20,285	9.45%	64.85%	●
Economic Development	\$250,000	\$170,000	68.00%	31.13%	●
Public Health	\$11,770,853	\$5,501,671	46.74%	72.01%	●
Social Services	\$51,263,811	\$24,260,542	47.32%	65.63%	●
Other Human Services	\$581,025	\$0	0.00%	42.30%	●
Library	\$742,440	\$311,094	41.90%	63.78%	●
Nondepartmental	\$53,817,980	\$34,452,438	64.02%	31.03%	●
<b>Total</b>	<b>\$593,856,168</b>	<b>\$465,593,639</b>	<b>78.40%</b>	<b>76.67%</b>	

- Current year collections equal 90% or greater than 4-year same quarter average
- Current year collections equal 90% to 70% of 4-year same quarter average
- Current year collections equal 70% or less than 4-year same quarter average

### Agency specific revenue items with red indicator include:

- **Legal:** This posting is an administrative action that is a one-time occurrence and is not a cause for concern.
- **Human Resources:** Revenues received in this department are for the Employee appreciation program. The program is funded with County vending machine income. Due to the COVID-19 pandemic, less employees are working in Durham County facilities and using vending machines.
- **Engineering and Environmental Services:** This is related to grant revenues for the Open Space and Real Estate Division. On September 8, Open Space and Real Estate was awarded a grant from the Burt's Bees Foundation to support an ecological modeling study in the Durham County Neuse River Basin area, as well as a grant from Triangle J Council of Governments (TJCOG) toward land acquisition. The grants had not yet posted against the





# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



budget at the end of the third quarter. They will be posted before the end of the fiscal year. The updates will be captured in the fourth quarter report.

- **Soil and Water Conservation:** This is related to a grant from the City of Durham to implement the Southern Sustainability Community Fund Project. The grant was not recorded when the third-quarter report was generated. However, the grant was recorded later in April and will be captured in the fourth quarter report.
- **Public Health:** Revenues associated with immunizations (due to Covid-19) have continued to increase compared to previous fiscal years. However, revenues such as “grants” and “state aid” in other fund centers (ex. Dental, Administration) continue to have delayed collections, or grant reimbursement rates have slowed as the focus at the local, state, and federal level continues to be on combatting the Covid-19 Pandemic rather than reimbursing counties. Public Health has also seen a reduction in “Service Fee” collection as Public Health services have decreased due to reduced hours of operation and a new appointment policy reducing the number of citizens seen. Additionally, Public Health’s total budgeted revenue, through mid-year budget amendments, for FY 2020-21 has increased by roughly \$1.2 million, including an increase in Medicaid Cost Settlement and multiple Covid-19 related grant revenues. While these revenues have been budgeted, Medicaid Cost Settlement revenue has seen no actuals posted and only a portion of revenues related to Covid-19 grants have been posted, skewing revenue collection rates. Public Health’s revenues will need to be monitored as there is a realistic chance that revenue associated with areas unrelated to the Covid-19 pandemic will continue to be under-collected throughout the remainder of the fiscal year.
- **Other Human Services:** The issue is related to the Durham ACCESS business area where revenue has not been recorded/posted yet from GoTriangle due to a delay in the reimbursement process. In addition, the FY 2020-21 State budget eliminated the Rural Operating Assistance Program (ROAP) which had been included in the County budget. Lastly, When the third-quarter report was generated, Durham ACCESS had been moved and reclassified from the Human Services functional area to the Transportation functional area. Hence, the report shows zero revenue collected at the end of the quarter, which triggered the red-light indicator. However, by the time the fourth quarter report is generated, updates to this functional area should be captured.
- **Library:** The Library has seen an overall reduction in service fees revenue due to physical locations being closed to citizens during the Covid-19 pandemic. Revenues such as printing and room rentals have seen extremely low collection throughout the fiscal year and will continue to see low collection as physical library locations will only open for short periods of time throughout the remainder of the fiscal year. Additionally, due to the approval of the “Fine Free” Initiative for FY 2020-21, which eliminates overdue fines for books and audiovisuals to remove barriers to library access, revenues for fine collection are significantly down. With the passage of this initiative, revenue collection for fees were expected to decrease for FY 2020-21 and subsequent fiscal years will continue to see decreased revenue collections. As Durham County continues to implement the “Fine Free” initiative in future fiscal years, the four-year quarter average will reflect a new baseline for revenue collection and revenue collection will no longer be in the red.



# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



### EXPENDITURE SUMMARY

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General Fund, Capital Improvement Fund and Reappraisal Reserve Fund expenditures and encumbrances through March 31, 2021 total \$432,561,247 or 72.84% of the budget. The percentage is slightly higher than the 4-year average of 68.76%.

During the third quarter, expenditure percentages for some departments exceeded the 4-year average spending levels due in part to the timing of encumbered contracts. Based on past trends as the fiscal year progresses, a normal expenditure pattern usually emerges. All expenditure levels were reviewed and a brief explanation for those trending at the higher levels noted in red follows.

#### **Agency specific expenditure items in red include:**

- **County Administration:** County Administration's budget has increased this fiscal year due to a reorganization of employees and moving part of the Non-Profit Funding Program's budget from Non-departmental to County Administration. The expenditures related to the reorganizations are spent and encumbered earlier in the fiscal year than previous year average expenditures, leading to a red-light indicator, by the end of year expenditures are expected to be aligned with the budget.
- **Finance:** The red-light indicator is due to a greater than average expenses of temporary staffing contracts. Typically, additional staffing contracts are a minimal and only used on a short-term basis. Due to the COVID-19 pandemic and subsequent Federal relief funding (CARES and ARPA) actions the Finance department required additional assistance for compliance and reporting to the Federal government. There are no concerns with the end of year budget.
- **Court Facilities:** The Court Facilities expenditure line represents the budgets of seven different Court-Related cost centers. The Court Facilities expenditure rate exceeded its four-year average for several reasons: The Public Defender's office carried forward \$50K in funding for office renovations that have been completed, and it has fully encumbered the Assistant Public Defender annual contract. Also, the Court Facilities fund center has fully encumbered a lease on Chapel Hill Street, which is the entirety of its county budget.
- **Elections:** The majority of the Board of Election's budget was funding for the November 2020 presidential election. Expenses for the department were largely accrued in preparation for that election, thus the percentage spent for the current fiscal year is higher than the average of previous (non-election) years. This budget will be fully spent because of the election and the related effects and precautions around COVID. Because election cycles differ from year-to-year, the four-year average for the Board of Election is typically skewed due to the number and time of year of elections.
- **Register of Deeds (ROD):** The red-light indicator in this business area is due to a one-time contract execution to purchase ROD software in the Automation fund center. On March 8, ROD appropriated \$187,106 of ROD Automation Fund fund-balance to purchase Eagle System Software to update and maintain ROD vital records. The previous software was a decade old. This one-time purchase made the expenditures at the end of the third quarter higher than the 4-year average. However, the expenses are on track and within the budget; there is no reason for concern.



# Quarterly Budget Report

## Third Quarter of Fiscal Year 2020-21



Expenses by Department	Current Budget	Expenses and Encumbrances End of Qtr.	% Expenses and Encumbrances	4 Prior Year Qtr. Average	Status of Expenses
Board Of County Commissioners	\$639,548	\$490,862	76.75%	71.90%	●
County Administration	\$3,355,003	\$2,519,419	75.09%	69.98%	●
Finance	\$3,899,279	\$2,473,530	63.44%	54.12%	●
Tax Administration	\$7,515,677	\$5,282,281	70.28%	74.09%	●
Legal	\$2,867,840	\$1,905,728	66.45%	70.84%	●
Court Facilities	\$394,929	\$351,593	89.03%	76.69%	●
Elections	\$4,529,518	\$4,156,204	91.76%	77.72%	●
Register Of Deeds	\$2,299,485	\$1,930,068	83.93%	71.70%	●
General Services	\$17,525,499	\$14,072,996	80.30%	75.79%	●
Information Technology	\$12,821,784	\$9,721,337	75.82%	74.07%	●
Human Resources	\$2,775,276	\$2,132,290	76.83%	71.39%	●
Budget & Management Services	\$847,903	\$597,352	70.45%	58.93%	●
Veterans Services	\$396,927	\$303,983	76.58%	65.47%	●
Geographic Information Systems	\$519,091	\$389,318	75.00%	71.83%	●
County Sheriff	\$39,173,836	\$30,810,344	78.65%	76.74%	●
Emergency Communications	\$1,514,937	\$1,173,799	77.48%	71.62%	●
Office of Emergency Services	\$22,865,302	\$16,096,984	70.40%	71.35%	●
Medical Examiner	\$269,900	\$268,950	99.65%	73.56%	●
Criminal Justice Resource Center	\$5,544,385	\$3,699,585	66.73%	69.37%	●
Youth Home	\$1,380,989	\$1,105,209	80.03%	72.44%	●
Other Transportation	\$412,500	\$118,039	28.62%	42.61%	●
Engineering & Environ Svcs	\$3,461,187	\$2,561,112	74.00%	68.77%	●
Other Environmental Protection	\$68,987	\$68,987	100.00%	100.00%	●
Open Space Management	\$264,257	\$187,082	70.80%	72.08%	●
Planning	\$1,461,777	\$1,096,333	75.00%	68.02%	●
Cooperative Extension Service	\$2,900,655	\$2,261,651	77.97%	66.92%	●
Soil And Water Conservation	\$840,528	\$509,723	60.64%	77.14%	●
Economic Development	\$3,836,862	\$2,068,769	53.92%	49.67%	●
Public Health	\$33,135,831	\$23,648,705	71.37%	76.08%	●
Mental Health	\$6,336,751	\$6,336,751	100.00%	100.00%	●
Social Services	\$73,766,035	\$41,137,576	55.77%	69.61%	●
Other Human Services	\$1,274,883	\$478,858	37.56%	85.91%	●
Durham Public Schools	\$155,077,778	\$128,598,148	82.92%	83.33%	●
Community Colleges	\$7,872,799	\$6,560,666	83.33%	83.33%	●
Other Education	\$6,965,224	\$6,366,000	91.40%	80.84%	●
Library	\$11,728,776	\$8,721,650	74.36%	77.81%	●
Other Cultural & Recreational	\$1,967,841	\$1,967,841	100.00%	91.61%	●
Nondepartmental	\$151,346,391	\$100,377,864	66.32%	46.57%	●
<b>Total</b>	<b>\$593,856,168</b>	<b>\$432,547,586</b>	<b>72.84%</b>	<b>68.76%</b>	

- Current year expenditures are up to 2% greater than 4-year same quarter average
- Current year expenditures are between 2% to 5% greater of 4-year same quarter average
- Current year expenditures are more than 5% greater than 4-year same quarter average





# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



- **Human Resources:** Human Resources expenditures are higher than the four-year average due to a significant increase in contracted services expenses. The County contracts COVID-19 screening to be conducted at all County facilities of employees and resident in the Human Resources department. Year-end expenditures are on track to end within budget allotment.
- **Budget and Management Services:** The Budget Office had two major expenses this fiscal year, printing the annual budget document and purchasing a computer. Those expenses caused the overall expenditures to be higher than the 4-year average, which triggered the red-light indicator. There is no reason for concerns as this is simply a change in expenditures pattern compared to previous years. Expenses are within the budget, and the year-to-date expenses are on track.
- **Veteran Services:** The higher-than-normal spending percentage is related to a vehicle purchase that rolled forward from last fiscal year. Veteran Services needed to purchase a “My DCo Van” to serve veterans in Durham County. The encumbrance of the funds triggered the red-light indicator showing a larger percent spent than prior years. There are no concerns for the end of year budget.
- **Emergency Communications:** Emergency Communications expenditures are higher than the department’s four-year average because the budget doesn’t include reimbursements from Bahama VFD, Lebanon VFD, Redwood VFD, Durham Public Schools and Durham Technical Community College, for radio maintenance fees. Reimbursement payments have in previous years been received in the second or third quarters. This year, some of the reimbursements were received in late April and some are still outstanding.
- **Medical Examiner:** The Medical Examiner has exceeded its four-year average due to an increase in autopsies related to COVID. The Office of Emergency Services in April transferred \$83K into the department’s budget to cover outstanding invoices, and, as of mid-May, the Medical Examiner has currently expended 78.83 percent of its annual budget. The FY 2021-22 Manager’s Recommended budget has an increase of \$75K to fully cover next year’s costs.
- **Youth Home:** The Youth Home’s third-quarter expenditures have exceeded its four-year average due to an increase in overtime and part-time pay caused by staff vacancies, FMLA-leave, and COVID-quarantine leave. The department has also had several unanticipated vehicle repairs; and has had to cover the rising cost of placing juveniles outside of the county because the Youth Home is at full capacity. Due to a combination of new laws and COVID precautions, the capacity of the Youth Home shrunk, and a greater number of juveniles must be housed for longer periods of time. The Board of County Commissioners has approved two supplements this fiscal year to cover these out-of-county placement costs and next year’s budget has been increased accordingly.
- **Engineering and Environmental Protection:** The red-light indicator in this business area is related to the Stormwater and Erosion Control fund center. Stormwater and Erosion Control has been moved from the General Fund to an Enterprise Fund in FY 2020-21. However, there have been posting errors of expenses (automated forms with old codes of that fund center in the General Fund), causing the red-light indicator to be triggered (expenses against zero budget). Finance has been notified, and finance staff is working on reclassing those posting entries. This is an administrative issue that will be cleared up by the end of the fiscal year.





# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



- **Planning:** Expenses in this business area are related to payments to the City of Durham Planning Department through an interlocal agreement. The payments vary from one quarter to another, but they are within the budget. At the end of this quarter, the payment was higher than the previous quarter, which caused the red-light indicator to be triggered. The higher percentage of expenses in this quarter could be for many reasons; however, expenses will be within the budget by the end of the fiscal year.
- **Cooperative Extension:** Cooperative Extension's personnel expenditures have increased for FY 2020-21 compared to previous fiscal years due to the newly hired Food Security Coordinator position. The Food Security Coordinator position was approved by the Board of County Commissioners in FY 2019-20, and the budget for this position was placed in the Cooperative Extension budget in Quarter 3. Additionally, Cooperative Extension has increased Miscellaneous Contracted Services expenditures related to COVID-19 food security initiatives. Funding and contract approval for the FIG program, a program that works with local area restaurants to provide home delivered meals to COVID-positive low-income families, was placed in Cooperative Extension and has been extended multiple times.
- **Other Education:** Expenditures for this business area are not reflective of the four-year average due to a reorganization of the accounting area, including the transfer of the Early Childhood Coordinator and associated operating costs to the fund center and the restructuring of the non-profit process, which transferred funding out of the business area. There is no reason for concern.
- **Other Cultural and Recreational:** The red-light indicator in this business area is related to Durham Convention Center. The County pays the Durham Convention Center through an Interlocal Agreement. Historically, the payment is made at the end of the fourth quarter of the fiscal year. However, Covid-19 pandemic brought negative economic impacts on Durham Convention Center, which led to immediate financial needs; therefore, the payment was made during the third quarter of this fiscal year, this has caused the expenses in this quarter to be higher than the previous quarters. For this reason, the red-light indicator was triggered. However, expenses are on track and within the budget; this is simply a change in the expenditure pattern.
- **Non-Departmental:** Expenditures for this Business Area will adhere to budget, with no need for concern. This issue is entirely related to the timing of transfers between funds. This fiscal year some of them were posted earlier than in previous years. At the end of the year all appropriate remaining transfers will be completed.



# Quarterly Budget Report

## *Third Quarter of Fiscal Year 2020-21*



### SUMMARY

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The first two quarters of FY 2020-21 were active from a budget amendment perspective. Use of COVID relief set-aside funding has been significant, with nearly all the \$4.5 million budgeted for various uses. Additional revenue support of \$8.7 million related to FY 2019-20 and FY 2020-21 (first two quarters) came by way of CARES ACT support. This revenue offset salary and operational costs related to COVID and has helped the overall General Fund budget weather unexpected expenditures related to the pandemic. Finally, additional grant funding related to COVID needs has come into the County through budget amendments all through the first two quarters, and additional grant funding is expected throughout the rest of the fiscal year.

Through the third quarter General Fund expenditure trending is on pace with budget, if not slightly higher than normal, which is to be expected given the unexpected and therefore unbudgeted direct and indirect COVID needs that arose throughout the year.

So far, the County has been judicious in its use of General Fund fund balance, in support of largely one time cost issues, but will continue needing to be vigilant about FY 2020-21 spending choices that may have an effect on future year General Fund spending.

General Fund revenues are expected to be significantly higher than budgeted largely because of expected economic downturns, again related, to COVID, that have not come to pass (so far). People still spent dollars locally, just on different items, while new real estate investments drove up County property valuation higher than expected. The growth in these revenues compared to budget is largely due to “belt tightening” that after three quarters of the year in hindsight, may have been tightened a little too much.

As always, the third quarter budget report brings into better focus overall revenue and expenditure trends that more accurately predict end of year revenue collection and actual expenditures. At this point the County is seeing reasonable, if not very good, growth in General Fund(s) fund balance at the end of this fiscal year, based on current trending and continued prudent operations and service delivery by the County.