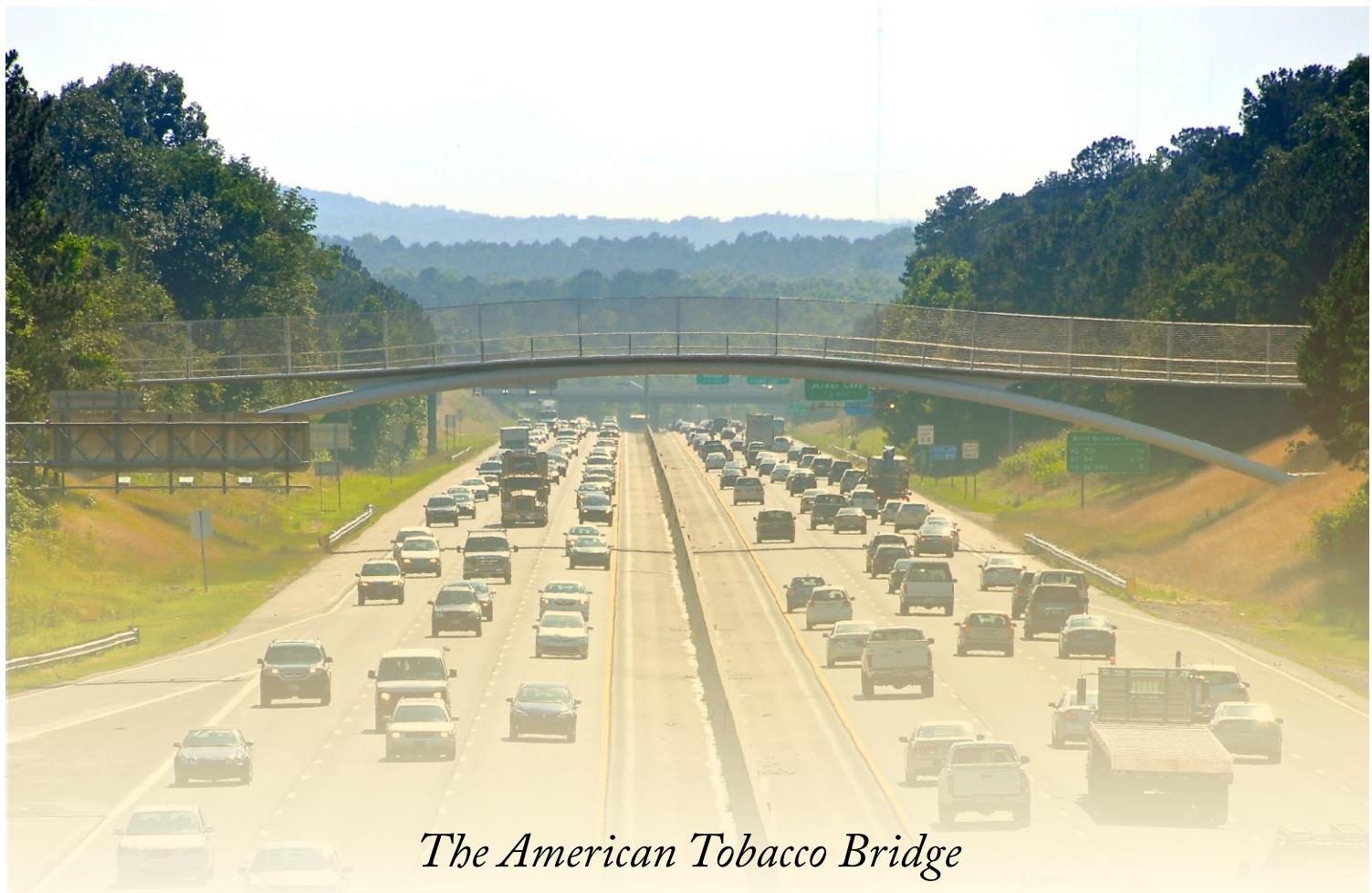




The City of **Durham**
Budget | Fiscal Year 2014-15

Building thriving, livable neighborhoods!





The American Tobacco Bridge

The recently-completed American Tobacco Trail (ATT) Bridge connects existing sections of the ATT and fills the gap in a longer system. The 270-foot-long bridge crosses I-40 between Fayetteville Street and Hope Valley Road and is adjacent to the Streets at Southpoint Mall. The bridge allows walkers, runners, and bicyclists to enjoy 22 miles of uninterrupted trail from downtown Durham into Chatham and Wake counties. This trail segment and bridge forms a link in the East Coast Greenway which runs from Florida to Maine. Construction on the \$11 million project began in 2012 and was completed in 2014. Funding for the project came from several sources, including the North Carolina Department of Transportation, developer impact fees, and voter approved debt.





CITY OF DURHAM, NORTH CAROLINA BUDGET

FISCAL YEAR 2014 - 2015



Durham – Where Great Things Happen



City Vision Statement

Durham is the leading city in providing an excellent and sustainable quality of life.

City Mission Statement

To provide quality services to make Durham a great place to live, work and play.

Council Goals

- ❖ Strong and Diverse Economy
- ❖ Safe and Secure Community
- ❖ Thriving Livable Neighborhoods
- ❖ Well Managed City
- ❖ Stewardship of City's Physical Assets

About the Cover

The Southside project is a neighborhood revitalization project. The project area consists of approximately 125 acres located on the southern edge of downtown Durham and just north of North Carolina Central University (NCCU).

The first phase of the Southside Revitalization Project is located on the southeast corner of Lakewood Avenue and Roxboro Street. The 132 unit multi-family rental project will consist of 12 buildings to include 80 affordable rental units as follows: 42 single bedroom units, 34 two-bedroom units and 4 three-bedroom units. In addition, there will be 39 market rate units and 13 commercial live/work units. Amenities include a computer room, exercise room, community supportive services, a community room, picnic areas and an outdoor swimming pool. The anticipated completion date for the project is Fall of 2014.



MAYOR

William V. "Bill" Bell

CITY COUNCIL

Eugene A. Brown

Diane Catotti

Cora M. Cole-McFadden

Eddie Davis

Don L. Moffitt

Steve Schewel

CITY MANAGER'S OFFICE

Thomas J. Bonfield, City Manager

Wanda Page, Deputy City Manager

Keith Chadwell, Deputy City Manager

W. Bowman Ferguson, Deputy City Manager

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Durham – Where Great Things Happen

The Government Finance Officers association of the United States and Canada (GFOA) presented an award for Distinguished Presentation to the City of Durham for its annual budget for the fiscal year beginning July 1, 2013.

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.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

City of Durham

North Carolina

For the Fiscal Year Beginning

July 1, 2013

A handwritten signature in black ink that reads "Jeffrey P. Evans".

Executive Director



Bell



Cole-McFadden



Brown



Catotti



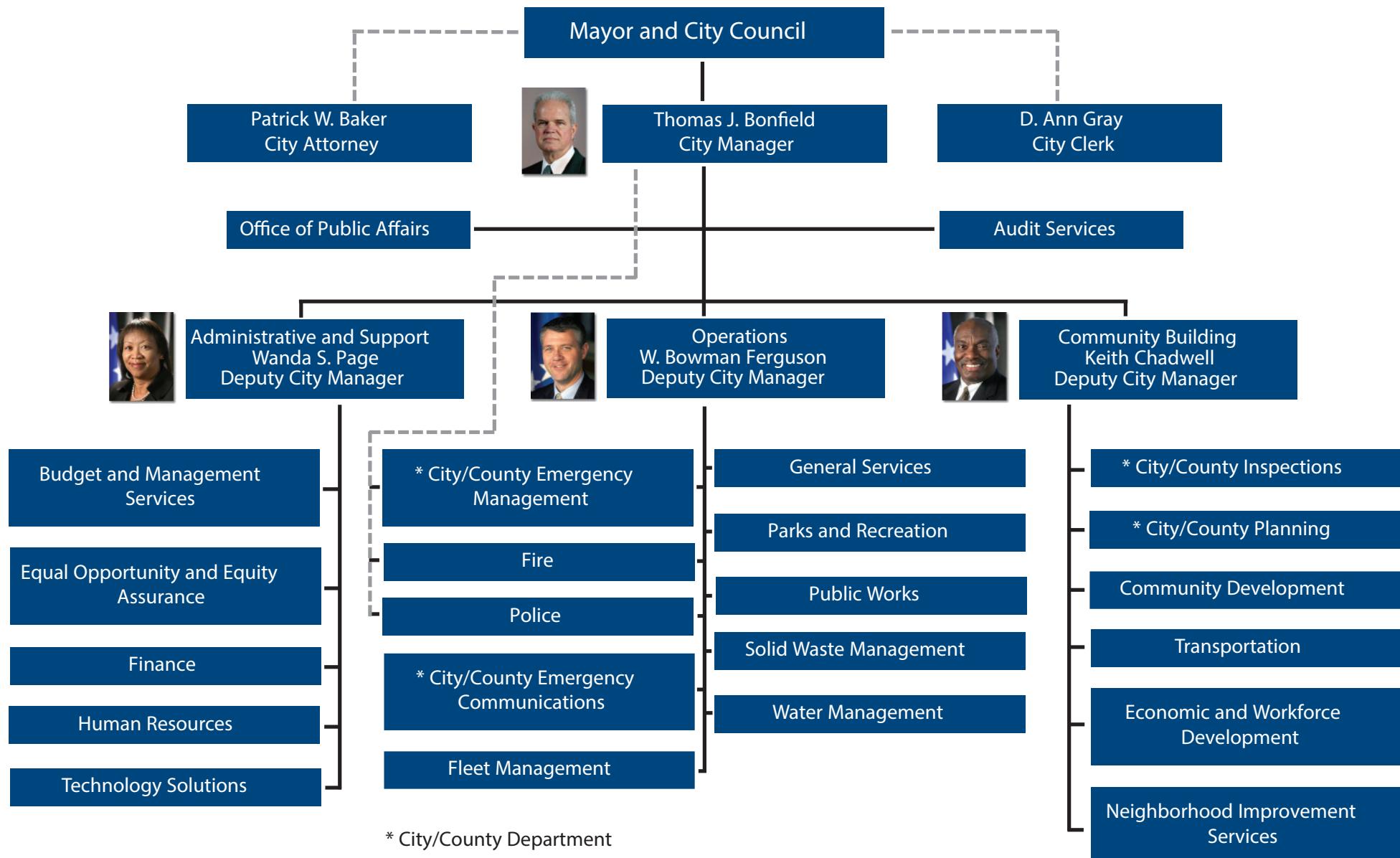
Davis



Moffitt



Schewel



* City/County Department



TABLE OF CONTENTS

Letter of Transmittal

Manager's Letter	I-1-16
------------------------	--------

City Priorities and Policies

Overview	II-1
Strategic Plan	II-2-34
Budget and Financial Policies	II-35-57
Crosswalk of Department Goals to City Goals	II-58-65

Multi-Year Projections

Overview	III-1
General Fund Appropriation and Revenue Projections	III-2-13

Budget Summaries

Summary - All Funds	IV-1-3
Summary of Revenues/Funds Recognized in Budget Ordinance	IV-4-6
Summary of Appropriations for all Funds	IV-7
Operating Funds by Appropriation Category	IV-8
Intrabudget Transfers	IV-9
Property Tax Base Information	IV-10
Tax Rate and Estimated Tax Collections	IV-11
Fund balance/Estimated changes in Unrestricted Fund Balance	IV-12-13
Summary of authorized positions by Fund	IV-14
Summary of authorized positions by Department	IV-15

Fund Summaries

Overview	V-1
General Fund Summary.....	V-2-4
General Fund Discretionary Revenue	V-5-9
General Fund - Program Revenues	V-10-13
General Fund – Non-Departmental Appropriations	V-14
Debt Service Fund.....	V-15
Water and Sewer Fund	V-16-20
Capital Facilities Fees Fund	V-21
Solid Waste Disposal Fund	V-22-23
Stormwater Management Fund.....	V-24-25
Transit Fund	V-26
Parking Facilities Fund.....	V-27
Ballpark Fund	V-28-29
Law Enforcement Officers' Separation Allowance Fund	V-30
Cemetery Fund	V-31
Other Post-Employment Benefits Fund.....	V-32

Emergency Telephone System Surcharge Fund.....	V-33
Durham Performing Arts Center Fund	V-34
Impact Fee Fund	V-35
Business Improvement District Fund.....	V-36
Risk Reduction Fund.....	V-37
Employee Insurance Fund.....	V-38
Watershed Protection Fund	V-39
Dedicated Housing Fund	V-40

Governance

Budget Summary	VI-1-2
City Council.....	VI-3-4
City Attorney	VI-5-7
City Clerk	VI-8-12
City Manager	VI-13-17

Administrative and Support Services

Budget Summary	VII-1-2
Audit Services.....	VII-3-7
Budget and Management Services	VII-8-14
Equal Opportunity and Equity Assurance.....	VII-15-19
Finance	VII-20-29
Human Resources.....	VII-30-36
Technology Solutions	VII-37-41

Community Building

Budget Summary	VIII-1-2
City/County Inspections.....	VIII-3-7
City/County Planning	VII-8-17
Community Development.....	VIII-18-25
Economic and Workforce Development	VIII-26-36
Neighborhood Improvement Services	VIII-37-46
Contract Agencies - Arts and Culture	VIII-47
Contract Agencies - Community Development.....	VIII-48

Public Safety

Budget Summary	IX-1-2
Emergency Communications.....	IX-3-6
Emergency Management.....	IX-7-9
Fire	IX-10-19
Police	IX-20-26

Public Services

Budget Summary	X-1-2
Fleet Management	X-3-7
General Services	X-8-16
Parks and Recreation.....	X-17-27
Public Works.....	X-28-36

Solid Waste.....	X-37-44
Transportation.....	X-45-51
Water Management.....	X-52-60

Debt Management

Debt Management	XI-1-5
-----------------------	--------

Capital and Grant Project Information

Capital Improvement Program Process and Revenue sources	XII-1-7
Operating Costs from Associated Capital Expenditures	XII-8
Ball Park Capital Improvement Project Ordinance	XII-9
General Capital Improvement Project Ordinance	XII-10-17
Durham Performing Arts Center Capital Improvement Project Ordinance.....	XII-18
Parking Capital Improvement Project Ordinance	XII-19
Solid Waste Capital Improvement Project Ordinance	XII-20
Stormwater Capital Improvement Project Ordinance	XII-21
Transit Fund Capital Improvement Project Ordinance	XII-22
Water and Wastewater Capital Improvement Project Ordinance	XII-21-25
Employment and Training fund Summary	XII-26
Employment and Training Grants	XII-27
Community Development Block Grants	XII-28
HOME Grant	XII-29
Emergency Solutions Grant.....	XII-30
Hud Ordinance	XII-31
Apprentice Program Grant	XII-32
Transit Grants	XII-33-36
Transportation Grant	XII-37
Police Grants Summary	XII-38-40
Police Grants	XII-41-52

Supplemental Information

Annual Budget Process	XIII-1
Fy14-15 Adopted Ordinances and Resolutions	XIII-2-8
Pertinent Facts about Durham, North Carolina	XIII-9-17
Glossary.....	XIII-18-23
Index	XIII-24-26

INTRODUCTION

The budget document is the annual financial plan for City operations for the period covering one fiscal year, July 1 - June 30. This plan describes sources of revenues and how funds will be spent during the year.



The Annual Budget has four basic functions. First, it expresses the policy of the City Council. Through the budget, the City Council exercises its authority to increase services in some areas of City operations and decrease them in others.

As a part of the budget review process, the City Council determines the tax rate for each fiscal year. Other fees, such as water and sewer rates, tipping fees, parking rates and cemeteries fees, may be reviewed and adjusted if necessary. At that time, the Council also makes appropriate salary modifications.

Secondly, the budget process is a management and planning tool. The budget and subsequent accounting reports allow managers to isolate potential problems and ensure that City resources are used effectively and efficiently. The process of preparing the budget provides the opportunity for managers to evaluate their operations and to formulate goals and objectives for the upcoming year. The budget system also provides a means of monitoring progress toward those goals throughout the year.

Thirdly, the Annual Budget is a means of communicating to the citizens of Durham and others how public funds are spent. The budget is a tangible expression of the City Council's policy direction. To citizens, the budget is a symbol of the policy of the City Council and the actions of the City Administration.

Finally, the budget is the foundation for the proper accounting of City funds. It expresses in financial terms the goals and plans of the City Council.

The types and amounts of authorized expenditures and the means for financing them are set forth in the budget. Once the budget is recorded in the accounting system, it serves as a control device to keep spending within authorized limits.

BUDGET DOCUMENT ORGANIZATION

The **Letter of Transmittal** is the first and most important section of the budget document. The Letter of Transmittal is the City Manager's proposed plan for service for the coming fiscal year. Also included in the letter are some of the operational issues that the administration has faced in the current fiscal year. In addition, the Manager outlines the financial plan for the following fiscal year.

Another indication of the City's plan for service is expressed in the **City Priorities and Policies** section. This section contains the performance indicators that measure the City's success in achieving the community's goals as well as strategies that departments will employ for the upcoming fiscal year.

The actions that a city takes in one year may affect its ability to fund other initiatives in future years. The **Multi-Year Fund Projections** section includes five-year projections for the General Fund and the Enterprise Funds.

The next two sections, **Budget Summaries** and **Fund Summaries**, show the actual amount spent in each of the funds in the prior fiscal year, the budget for the current year, an estimate of revenues received and expenditures made at June 30, and the new budget as adopted by the City Council. The Budget Summaries look broadly at revenues and expenditures on a fund level. The sections are provided to give the reader an overview of the adopted budget. Although the budget ordinance represents the official adopted ordinance, the total revenues and appropriations in terms of actual dollars is net of intrabudget transactions. This prevents counting the transfer amounts twice, once in the receiving fund and once in the sending fund.

The Fund Summaries look more specifically at revenues and expenditures by appropriation categories and revenue categories.

The next five sections show budgetary, performance and operational information by functional category: Governance, Administrative and Support, Community Building, Public Safety and Public Services. Each department describes its mission statement, overall performance and context indicators and service changes requested for the proposed budget. A budget summary is provided on appropriation and program revenue information by departments for the previous year (actual), the current year (budgeted and estimated) and the new budget year (adopted).

The **Debt Management** section is provided to give the reader an overview of the city's debt service obligations, both for the following fiscal year and in the future. The section also provides information on the City's legal debt limit and the City's overlapping debt (County debt borne by City taxpayers).

The **Capital and Grant Project Information** section of the budget describes the capital projects that have been approved as part of the Capital Improvements Program (CIP). The CIP is the companion document to the budget and outlines the plan of capital improvements over a six-year cycle. In order to be included in the CIP, a project must require the expenditure of at least \$100,000 in any one of the six years. Projects associated with normal scheduled maintenance activities are not included in the CIP.

Supplemental Information provides information on the Budget Ordinance and the Financial Plan that the City Council adopts in June. Also, information on the City of Durham and a glossary are provided in this section.

ADHERENCE TO STATE STATUTES

The General Statutes of North Carolina require that the City adopt an annual balanced budget. The annual budget is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a

modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred.

The General Fund has an officially adopted annual budget. The appropriations in the budget ordinance for the various operating funds are on a functional basis. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, they do have legally adopted balanced budgets.

The adopted Budget Ordinance includes the budget for the General Fund, the Enterprise Funds and the Fiduciary Funds. The Special Revenue Funds are comprised of grant funds that are included in grant project ordinances. State Statutes give local governments the option of either including grant funds in the operating funds or approving grants through grant project ordinances. Financial plans for each of the City's internal service funds are adopted by the City Council in a separate document that conforms to State Statutes.



The General Statutes also require balanced project ordinances for the life of projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. The descriptions of capital projects included in the budget document are also provided in order to conform to State Statutes that require the inclusion of this information.



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June 16, 2014

Mayor William V. Bell and Members of the Durham City Council:

I am pleased to present the budget for Fiscal Year 2014-15. The budget reflects a new fiscal reality that governmental agencies have to adapt to in order to continue providing core services, such as police, fire, street repair, and recreation services to the community. The budget challenges we face are not new and, unfortunately, they will not end this fiscal year or even the next fiscal year. The national economy and the resulting changes to the state and local economy have made what appear to be permanent changes in our ability to provide services and, as a result, the financial challenges are likely to remain beyond even the 2019-2020 fiscal year. The challenge now is to make the structural adjustments necessary to keep the City financially sound. I am confident that if we stay the course and continue to make the necessary hard decisions, and modify some of the ways in which we deliver services to the community, we will emerge from the aftermath of the nation's longest recession as a stronger community.

Durham citizens' participation in the budget process has been nationally recognized and the City continues to develop in that effort. Once again, five "Coffees with Council" were held to obtain input on the development of the upcoming year's budget and Capital Improvement Plan (CIP). Neighborhood Improvement Services, in an effort to engage underrepresented residents, conducted community listening sessions throughout the community. This pilot project, using the Dynamic Facilitation Method, was successful in increasing participation and will become a part of the City's continued community engagement efforts.

DESIGNATED
**Citizen-Engaged
Community**



Two Public Hearings were held to receive comments from residents. The first, to receive input on priorities for the upcoming year, was held on March 3rd. The second Public Hearing was held on June 2nd in conjunction with our annual e-Town Hall. This event was moderated by Ken Smith, the reporter/anchor at WRAL. Similar to last year, residents had an opportunity to submit questions in advance via e-mail, YouTube, Facebook and Twitter and hear City Council responses to those questions live on Durham Television Network (DTN) or via live stream on our website at DurhamNC.gov.

City Council budget retreats were held in February which gave City Council members an opportunity to discuss and confirm priorities for the upcoming fiscal year and allowed the Administration to brief City Council on financial projections and major initiatives for the upcoming budget. The result of these transparent interactions yielded generally the same major community priorities, all of which are included in one or more of the City Council goals:

- Strong and Diverse Economy
- Safe and Secure Community

- Thriving and Livable Neighborhoods
- Well-Managed City
- Stewardship of City's Physical Assets

City Council adopted **budget guidelines** to inform the development of the budget. These guidelines, along with the strategic plan, served as the framework for developing the budget, and included:

- A tax increase of **0.73 cents** (per \$100 assessed value) will be used in the **debt service fund** to cover increases in debt service costs.
- A tax increase of **0.56 cents** (per \$100 assessed value) will be proposed for the General Fund to cover pay and benefit expenses assumed with the expiration of public safety grants **Certificate of Participation** (COPs) and **Staffing for Adequate Fire and Emergency Response** (SAFER).
- General Fund **savings balance** will not be projected to fall **below 12%** at the end of FY2014-15. Projected General Fund balance over 12% may be considered for one-time (non-recurring) expenditures.
- Funding of the Downtown **Business Improvement District (BID)** will continue with a tax rate appropriation of **7 cents** (per \$100 assessed value) on the property within the boundaries of the BID.
- The dedicated **Housing Fund** will continue with a tax rate appropriation of **1 cent** (per \$100 assessed value) property tax.
- **Non-recurring funds shall not be directed toward recurring uses.**
- **Fee adjustments will be considered**, as appropriate, to align fee revenues with cost of services for better cost recovery rates.
- Proposed **water and sewer rate** increases will not exceed an average of **3.0%**.
- Proposed **stormwater rate** increases will not exceed **8.5%** for National Pollution Discharge Elimination System (NPDES) required monitoring, maintenance and watershed plan implementation.
- A tax rate increase of **0.60 cents** (per \$100 assessed value) will be considered to replace the revenue loss of eliminating the monthly **Solid Waste Fee (\$1.80/monthly)**.
- Property tax dedicated to support **debt service** paid from the Debt Service Fund should **not exceed 15%** of total expected property tax collections plus all other General Fund and Debt Service Fund revenues.
- To balance expenditures against forecasted revenue reductions, the City Manager shall continue focused discussions with City departments regarding **program and service priorities**, possible areas for elimination, reduction, reorganization, and/or alternative service delivery models that address the performance and efficiency of City programs.
- Program and service reductions may result in elimination of authorized positions, reductions in force or employee furloughs within departments, as appropriate, based on service/demand.

- **City employees** are at the core of City services. Attracting and retaining a competent, high quality workforce is essential even in an environment of high unemployment. **The 2013 Resident Survey rated overall satisfaction with customer service for City employees at 67%. And, 83% of residents were satisfied with the courtesy of our employees.** We must commit to consider employee compensation adjustments as a priority; therefore, the following **pay and benefit** components will be proposed:

- Pay for Performance (P4P) pay plan for General employees (3%)
- Pay Plan for sworn Police and Fire employees (3.5% average)
- Supplemental Retirement - 401K – remain at 4.5%
- Medical and Dental insurance – the priority will be to limit increased costs for the City and employees
- **Priority** will be given to those requests that support **strategic plan initiatives**.
- Funding for **deferred maintenance** will remain at **\$500,000** for FY2014-15.
- Dedicated funding for **paving and maintenance of streets and sidewalks** will be increased to **\$1,000,000** (an increase of \$250,000 compared to the FY2013-14 budget).
- Funding for **capital projects** will be provided in the form of pay-go funding or for debt service payments, and will be established at a minimum of **\$500,000**.
- Existing public **transit services** should be considered within the **3.87 cents** (per \$100 assessed value) allocated for Transit Services.
- **Fleet** funding will be maintained to replace vehicles with costs not to exceed **\$3,000,000** for the General Fund.
- **New positions** will only be funded for a partial year when warranted by the timing of the actual operational impact on the budget.

BUDGET OVERVIEW

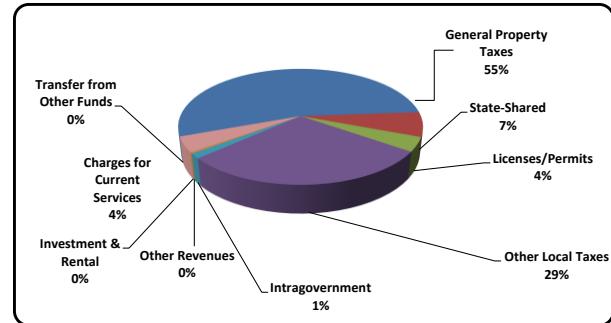
The total **budget** for **FY2014-15** is **\$389.9 million** compared to \$376.5 million for FY2013-14, an **increase of \$13.4 million** (3.6%).

GENERAL FUND

The **General Fund budget** (which provides funding for core city services) is **\$175 million** and represents a **\$5.4 million (3.2%) budget increase** from the FY2013-14 budget of \$169.6 million.

Revenues (budget-to-budget)

- The General Fund shows:
- **A 4.6% increase in property tax revenues** recognized in the General Fund.



- A **28.9% increase in sales tax revenue** of which **3%** represents growth and **25.9%** represents the additional revenue generated from tax reform – eliminating gas and electric franchise tax and replacing with a state sales tax which will be shared with cities.
- A **4.8% decrease in Business Licenses** revenue.
- Due to Tax Reform an overall decrease in **State Collected Local Government Revenues** of **43.2%**.
 - Elimination of Electric and Gas Franchise Tax (replaced with sales tax).
 - A 4.7% increase in Powell Bill revenues
 - A 2.0% increase in Beer and Wine tax
 - A 3% decrease in Telecomm and Video Utility Franchise tax
- A **106.7% increase** in transfer from **fund balance**.
- A **6.1% decrease** in **inspection fee** revenues and a **3.3% decrease** in **planning fee** revenues due to the completion of several large commercial projects in FY2013-2014.
- A **100% decrease** in **investment earnings** as a result of moving this revenue to the **Capital Projects Fund**.

Property Taxes

The property tax rate will increase by **2.37 cents** to **59.12 cents** per \$100 of assessed value. A tax increase of 0.73 cents (per \$100 assessed value) will be used in the debt service fund to cover increases in debt service costs. A tax increase of 0.56 cents (per \$100 assessed value) will be used in the General Fund to cover pay and benefit expenses assumed with the expiration of public safety grants (COPs and SAFER). An additional half-cent of the new tax will hire 12 new employees with full-time assignments for inspecting, repairing, cleaning, neatening and landscaping the City's parks and greenways. A futher 0.58 cents will be used to cover solid waste fleet capital needs, which had previously been collected with a \$1.80 monthly fee is eliminated effective July 1, 2014.

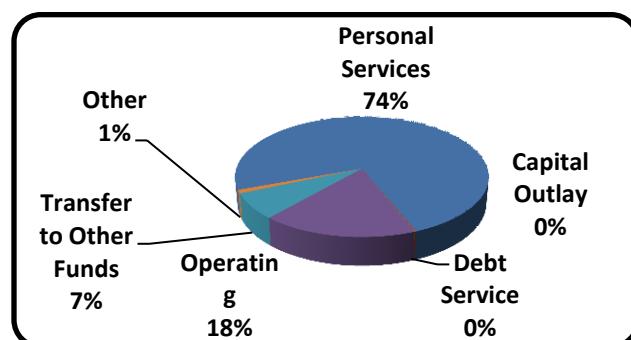
The tax rate is allocated as follows:

- **38.43 cents per \$100 for General Fund operations** (increase of **0.56 cents** for continuation of COPs and SAFER grants and **0.50 cents** for parks maintenance per **\$100 assessed value**)
- **15.82 cents per \$100 for Debt** (increase of **1.31 cents per \$100 of asssed value**: **0.73 cents** for voter approved debt service and **0.58 cents** for solid waste fleet capital needs)
- **3.87 cents per \$100 for Transit**
- **1.0 cent per \$100 for Dedicated Housing Fund**

A tax rate of 59.12 per \$100 assessed value generates a tax bill of \$986.12 on a house valued at \$166,753, which is the median house value for the City of Durham according to the Durham County Office of Tax Administration .

Expenditures (budget-to-budget)

- **Personnel** expenditures increased by \$2.3 million (1.8%).
- **Operating** expenditures decreased by \$0.07 million (0.2%)
- **Transfers** increased by \$1.46 million (13.6%).



WATER AND SEWER FUND

The **Water and Sewer Fund** budget of **\$85.3 million** adequately supports water and sewer operations and increased infrastructure debt service costs.

Revenues

Moderate increases for water and sewer volume charges and service charges are budgeted for FY2014-15. The total rate increase to **the average customer is about 3%.** Rate changes were approved at the May 19, 2014 City Council meeting and will be effective July 1, 2014, with implementation in the August and September billings.

	FY 14 Rates	FY 15 Rates
Monthly Water Rates		
Service Charge	\$ 6.15	\$ 6.36
Volume Charge - Tiered Rates (per 100 cubic foot - ccf)		
Tier 1 (0 - 2 ccf)	\$ 1.75	\$ 1.77
Tier 2 (>2 - 5 ccf)	\$ 2.63	\$ 2.67
Tier 3 (>5 - 8 ccf)	\$ 2.88	\$ 2.92
Tier 4 (>8 - 15 ccf)	\$ 3.76	\$ 3.82
Tier 5 (>15 ccf)	\$ 5.63	\$ 5.72
Monthly Sewer Rates		
Service Charge	\$ 7.02	\$ 7.26
Volume Charge (per ccf)	\$ 3.75	\$ 3.89

These rate changes account for the increase in water and sewer user revenues over the FY2013-14 budget. Lower consumption continues to drive customers into the lower rate tiers. Overall Water and Sewer Fund revenues (excluding use of fund balance) are budgeted to increase 2.5%.

Expenditures

Water Capital Improvement Program (CIP) projects total **\$18.75 million to improve the infrastructure** required to ensure adequate water supply, treatment and delivery, and an additional **\$1.75 million for wastewater projects** for FY2014-15. A \$16.1 million transfer to the CIP is planned for FY2014-15, about \$0.8 million more than the amount transferred in FY2013-14.

Operating expenses are projected to increase by about \$451,000 (1.6%). This is primarily due to higher contributions to the Risk internal service fund (\$50,000), and increases to departmental operating items including supplies, maintenance and repair cost

HIGHLIGHTS OF THE FY2014-15 BUDGET

The city aligns all of its activities with the citywide Strategic Plan goals (1) Strong and Diverse Economy (2) Safe and Secure Community (3) Thriving, Livable Neighborhoods (4) Well-Managed City and (5) Stewardship of City's Physical Assets.

WELL-MANAGED CITY – provide professional management that is accountable, efficient and transparent.

Employee Compensation and Benefits

- Funding is provided to support an average **general employee pay increase of 3%** and to support **the police and fire pay plans (3%-5%)**.
- This budget includes an **increase to the minimum pay step** (minimum wage) for the department of **Parks and Recreation (DPR)** **part-time** employees by **\$0.75 per hour**, from \$7.25 to \$8.00 per hour. It will also maintain a 3% variance in the 5-step DPR Part-time Pay Plan for each position.
- The City's contribution to the employee **401K** provides additional retirement savings for employees. This budget proposes to maintain the City's contribution at **4.5% of eligible employees' salary**. State statute requires local governments to contribute 5% for sworn law enforcement officers.
- In accordance with State Statute, the retirement rate for general employees stayed the same at **7.07%**. Law enforcement officers, however, saw an increase from **7.28% to 7.41%** for the **Local Government Employees Retirement System (LGERS)**, requiring the City to increase its retirement contribution for law enforcement employees.
- **One of the objectives of our Strategic Plan; Goal 4: Well Managed City is to establish an exceptional, diverse, healthy and engaged workforce.** Our focus has been on greater analysis of benefits plan design, claims trends, and medical costs to ensure that we are managing our health care costs to the greatest extent possible. This is a nearly \$30 million fund insuring over 5,184 people. The Administration also collaborated with the insurance broker to assist in identifying ways to reduce the cost of health insurance while continuing to provide a quality insurance program plan for its employees. Due to the efforts above, there are **no proposed increases to the health insurance premiums. Dental insurance premiums will increase by 5.0%** for FY2014-15.
- As a result of program prioritization and the resources required and available, a total of **4 positions** will be **permanently eliminated**. Additionally, based on program prioritization and needs, funding is included for a total of **8 new positions**.

Strategic Plan

- The adoption of the City's first overall **Strategic Plan** by City Council set the direction for the future of the City and resource allocation. During the Strategic Plan update process in late 2012, goals, objectives, outcome measures, initiatives and key priorities were all assessed with new measures and initiatives added along with some additional completed modifications. **The recently updated Strategic Plan was adopted by City Council on April 15, 2013.** A major component of the update was to engage our residents, stakeholders, City staff, and the Partners Against Crime Districts (PACs) in an effort to understand their vision of the five strategic plan goals and their ideas for specific projects and activities that the City can take on to realize



these visions. Information obtained from the visioning sessions and surveys was used to guide the strategic plan update. The Strategic Plan outcome measures, objectives, intermediate measures, and initiatives have all made significant progress during the past twelve months with a majority meeting or exceeding target. The organization is definitely trending in the right direction.

- In 2013, the City of Durham and Durham County aligned their strategic plans and collaborated on nine **Joint City/County Initiatives** with a focus **on youth, beautification, health, sustainability, economic development, resident safety, and the community**. This partnership has greatly improved communication, saved taxpayer dollars by pooling resources and has enabled the organizations to more effectively streamline their processes. Durham Public Schools has also partnered with the City on three of the nine joint initiatives.

Technology

- **AT & T and Google are exploring the feasibility of building a high speed fiber network** which will provide internet speeds up to 100 times faster than current connections. AT & T has already executed a Master Network Agreement with the City of Durham as an initial step toward development, and Google will make a decision on the Raleigh-Durham metropolitan area by the end of the calendar year.
- The City and County will partner to implement **a joint Open Data project**, which will support both jurisdictions' goal to use technology to foster open, transparent, accessible, and collaborative government by sharing data freely. Funding is included for the Open Data portal and a consultant to implement the program.
- Funding is included to upgrade to **Web 2.0 to increase citizen engagement**, through added features which enable two-way communication with residents. These features include notifications of updates to the City website, surveys, commenting, and other social networking functionalities.
- Funding is included to purchase and implement software that would enable the City to provide a comprehensive **Applicant Tracking system**. This unique feature will enhance Human Resources services to both internal and external customers.
- The **Performance Management System dashboard** was launched for the public to use in August 2011 and has been updated and enhanced six times since implementation to include the addition of several new features. This is a tool to report progress made on the citywide measures and initiatives, providing a snapshot of performance to our residents. It enables management to make more effective decisions about programs and services using a wide range of data.

An update of the **General Fund multi-year financial plan** was completed in November 2013. It provided information to clearly identify the gap faced at the beginning of the budget development process. This is a crucial component of planning for the future as this plan projects the financial impact of achieving the objectives in the Strategic Plan.

The biennial **Employee Opinion Survey** will be conducted again in Fall 2014. Overall employee satisfaction with the organization increased from 72.6% in 2010 to 78.8% in 2012. Ratings above 75% are considered indicative of a "Quite Meaningful Positive Response." A subset of items has been designated as our Employee Engagement Index. We are anticipating similar or higher levels of employee engagement mainly due to the focused attention directors have placed on work units that scored low in the last survey.

The **Culture of Service** organizational renewal and employee engagement effort continues to serve the community through Habitat for Humanity and volunteer initiatives with schools and nonprofit agencies.



A new program, focusing on Service to Self and internal sustainability, has certified 23 champions who completed values training and voluntary service projects. The entire Neighborhood Improvement Services (NIS) department will be participating in the next **Culture of Service Certification Program** session.

Accountability - The City continues to maintain its excellent fiscal status evidenced by:

- A continuing **AAA bond rating** by all three rating agencies, the highest measure of financial security and one attained by only 37 of the nation's more than 22,500 cities;
- **Unqualified opinions by independent auditors** of the City's financial statements and compliance with major federal and state grants;
- **A strong Audit Services department**, ensuring compliance with applicable laws, policies and procedures, in addition to operating a "fraud, waste and abuse" hotline;
- Continued effort to develop meaningful **performance measures** for all programs and services to communicate the return on the taxpayer's investment. These measures will also help us to continually improve as an organization by monitoring progress toward our stated goals.

Awards and Recognitions – The City continues to be recognized for its best practices.

- In 2013, The **International City/County Management Association (ICMA)** recognized the City of Durham with the **Certificate of Excellence** from the ICMA Center for Performance Measurement, for superior performance management along with leadership in continuous improvement and community engagement. Durham is one of only 28 jurisdictions in the United States to receive this honor and the only one in North Carolina.
- Durham is the 2013 recipient of an **Honorable Mention** for the "**The Richard Goodman**" **Strategic Planning Award** from the Association of Strategic Planning (ASP). The award recognizes distinction in the practice of strategy, innovation in the strategic planning process, and honors organizations at the leading edge of strategic practice.
- The City of Durham ranked 25th place for having **one of the Best Fleets in the country** in the April 2014 Government Fleet magazine.
- The Purchasing Division was awarded the **Sustained Professional Purchasing Award (SPPA)** for 2013. The SPPA is the highest award a purchasing department or division can obtain within the Carolinas Association of Governmental Purchasing (CAGP). The award recognizes sustained excellence in purchasing standards during the previous calendar year. The criteria for the award includes the use of technology, minority outreach, staff certification, customer training, vendor training, and the use of recycled products.
- The **North Carolina City and County Communicators (NC3C)** awarded the City of Durham **first place in the Marketing Tools** category to encourage citizen participation for the first annual **E-town Hall event** held on June 3, 2013.
- The Government Finance Officers Association (GFOA) presented the **Distinguished Budget Presentation Award** to the City's Budget and Management Services department for its 2013-2014 fiscal year annual budget. The GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting and more than 1,250 entries were submitted for this award.
- The City's Comprehensive Annual Financial Report (CAFR) was acknowledged by the **Government Finance Officers Association (GFOA)**. The City's Fiscal Year 2012-13 CAFR was recognized with the **Certificate of Achievement for Excellence in Financial Reporting**, the GFOA's highest form of recognition in the area of government accounting and financial reporting.

SAFE AND SECURE COMMUNITY – provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality of the City.

Public Safety Services - Crime continues to be a concern of most residents. According to the results of the 2013 Resident Survey even though 86% of residents feel safe walking alone in their neighborhood during the day, only 49% feel safe walking in their neighborhood at night. Feeling safe and lowering the crime rate continue to be important issues voiced by the Council and Durham residents during the “Coffees with Council” and other public input meetings. Ensuring that the Police department, Fire department and Emergency Communications Center (911) are staffed and properly equipped to protect our citizens continues to be a high priority in the FY2014-15 budget.

- Funding is included to replace the remaining aged **Mobile Data Computers (MDC)** on all patrol vehicles to improve responder safety and response times.
- In October 2010, the Police department was awarded grant funding through the 2010 **COPS Hiring Program (CHP)** for 16 police officers. The estimated amount of the award over the three year funding period is \$2.5 million. This allowed the department to fill 16 positions unfunded during the FY2009-10 budget process. The grant funds ended in February 2014 and the **City will assume funding for these 16 positions effective FY2014-15.** With this funding **all authorized sworn positions in the department are fully funded.**
- In July 2012, the Fire department was awarded the **2011 Staffing for Adequate Fire and Emergency Response (SAFER) Grant** for 15 additional firefighters to increase the department’s “two-in, two-out” capability within existing districts, improving response times and staffing levels. With the additional staff, the department’s minimum staffing levels have shown significant improvements moving from 136 days below minimum staffing in FY2011-12 to two days below minimum staffing in FY2013-14. For FY2014-15, funding is included to permanently retain the SAFER funded positions after the Grant Period ends during the first quarter of 2015.
- Funding is included in the to replace outdated **extrication equipment** in the fire department order to adequately deliver safe and timely emergency services.
- Funding is included in the Emergency Communication Department to address declining **response times** due to the increase call volume associated with the establishment of the ten digit dialing system.
- The Transportation department has various functional activities that support Crime Prevention. **Funding is included to maintain existing lighting and provide additional lighting in both residential and thoroughfare areas.**
- Funding is included to support contracts with the Administrative Office of the Courts (AOC) for a **Domestic Violence Judge, Witness/Victim Legal Assistant, and Gang Assistant District Attorney.**
- Funding is included for the joint City/County **Gang Reduction Strategy** initiative. The City contributes 50% for this initiative.
- The Police department successfully received its **Forensic Accreditation** in the areas of latent prints and firearms. Funding is included to receive accreditation in the area of digital forensic examination. This will enhance the department’s ability to provide greater efficiencies of crime analysis in all three key areas: latent prints, firearms and digital forensic examination.
- The Emergency Communications Center is the only 9-1-1 center in the United States to enable **Text-to-9-1-1 technology** using 9-1-1 digits and live-call takers using all 3 major carriers: Sprint, Verizon Wireless and AT&T Wireless.

THRIVING AND LIVABLE NEIGHBORHOODS – strengthen the foundation, enhance the value and improve the quality and sustainability of neighborhoods.

Housing and Code Enforcement - Vacant and boarded properties continue to affect many neighborhoods in the community and are tied to property value decline and increases in crime. A systematic approach has been established to bring unsafe and deteriorating rental properties into compliance with the minimum housing code, and to reduce the number of vacant and boarded houses. The original assessment of boarded structures in 2011 revealed 502 boarded properties city-wide. This number was reduced to 125 during FY2013-14 and is anticipated to be reduced further to 75 by the completion of the 2015 fiscal year. A key focus has been to educate landlords of their rights and responsibilities to support safe housing, in compliance with the minimum housing code.

- **Code enforcement** efforts will continue to focus on compelling property owners to remediate code violations. The primary focus of FY2014-15 housing code enforcement will be the continued proactive inspection of rental property (PRIP) and remediation of boarded residential structures.
- Neighborhood Improvement Services will continue to **enforce compliance** at substandard properties, **remediate unsafe houses, clean up weedy lots and remove graffiti and abandoned vehicles** from neighborhoods.

Targeting Distressed Neighborhoods – Staff continues to take a holistic approach to improve Durham's most distressed neighborhoods.

- Funding the **Dedicated Housing Fund** with 1 cent (per \$100 assessed value) of the property tax rate to address housing needs.
- In FY2014-15, implementation of the **Southside Redevelopment project** will continue. The construction and sale of 16-24 additional homeownership units is expected along with the completion of the **9-unit Piedmont Rentals project**. A major focus during the year will be on the design and completion of the site preparation and infrastructure improvements associated with the second phase of homeownership development on the Beamon/Piedmont assemblage and the second phase of rental development on the east side of Roxboro Street. It is also anticipated that Low Income Housing Tax Credits will be awarded to the Whitted School project in August 2014.
- In support of the Mayor's initiative to address poverty, **Community Development** will be providing funds to **Habitat for Humanity for nine projects in the Northeast Central Neighborhood**.
- **The Neighborhood Compass formerly known as the Neighborhood Vitality Index (NVI)**, is a collection of data on a wide set of variables (social, physical, crime, economic, etc.) that evaluates and improves the quality of life in Durham neighborhoods and helps City government allocate resources and establish partnerships to increase accountability and target services to improve community conditions. The Compass was released to the public in May 2014 and included over 45 measurements of neighborhood quality of life, the built and natural environment, essential demographics and more. In FY2014-15, the Compass will see further enhancements including a public outreach phase.
- In 2012, the Neighborhood Improvements Services' departmental external SWAT survey indicated a need for **greater outreach into the Latino community**. In response to this need, NIS was awarded \$96,720 in HUD Partnership Grant funding that will be used to continue research on affirmatively furthering fair housing in Durham and to assist with bilingual fair housing intake. Priority will be given to complaint intake and screening, identifying jurisdictional complaints (in accordance with HUD guidelines and the City ordinance) and developing relationships and conducting outreach with current and new Hispanic-Latino agencies. A portion of the grant award will support a day-long training co-hosted with the National Center for Lesbian Rights (NCLR) to provide education and outreach on HUD's new equal access rule for the lesbian, gay, bisexual, and transgender

(LGBT) community. The event will target LGBT community members, fair housing advocates, and housing providers.

- **Joint City/County Neighborhood Healthy Living** initiative which included implementing the \$50,000 grant from A Partnership for a Healthier America to hold five Play Streets events in 2013 and 2014 will continue into 2015 with \$25,000 city support. Bull City Play Streets events are a high-impact, low-cost way to encourage healthier behaviors by taking what we already have in our communities to help kids get active.
- A total of **\$4.3 million** is being dedicated for **Parks & Recreation Capital Improvement projects** (CIP) through debt service, impact fees and grant funding. Projects included in the funding are: ADA improvements to Valley Springs and West Point on the Eno parks, athletic court improvements at East End, Forest Hills, and Pineywoods parks, improvements to Edgemont and CR Woods parks, soccer field improvements at Herndon and Twin Lakes parks, and the completion of the funding for phase II of the West Ellerbee Creek Trail.
- **A 0.50 cent tax increase will provide \$1,208,698** to support park and trail maintenance efforts. Funding will be shared among Parks and Recreation and General Services, each receiving 6 new positions to support the increased maintenance efforts.

Transit Services and Durham Area Transit Authority (DATA) – The budget includes **3.87 cents per \$100 of the property tax rate** to provide continued funding to core transit services.

- Funding from the new ½ cent sales tax and \$7 motor vehicle fee enacted in 2013 for **Bus service improvements** helped to increase the frequency of bus services on overcrowded routes. These revenue sources in the FY2014-15 budget provide funding for needs identified in the **Bus and Rail Investment Plan** and the **Designing Better Bus Service Plan** and include new routes to get riders to work destinations more quickly, with **increased frequency** to ease overcrowding, **improvements to bus stops and facilities, and security enhancements**.
- **Fare free transit service on the Bull City Connector** continues, providing fast, frequent fare free transit service between Duke Hospital, Downtown and Golden Belt. This service is provided in partnership with Duke University.
- Efforts continue to develop and implement a **regional plan for transit**, including but not limited to integration of light rail, commuter rail, high speed rail and bus following a successful referendum in Durham in November 2011 for a ½ cent sales tax to support transit service improvements.

Solid Waste Services

- The department will no longer charge a \$1.80 monthly solid waste fee per household to cover capital expenditures for Solid Waste Services. **The transfer from the Debt Service fund will be increased by \$1.39 million for FY 2014-15 to cover the revenue previously generated by the fee.**
- For FY2014-15 the department will **increase Yard Waste Subscriber fees by \$1 a month, which is anticipated to generate an additional \$87,614 in revenue**. Subscriber fees will generate \$1,224,414 in revenue for FY 15.
- Recycling tonnage is projected to be 13,700 tons for FY2013-14. For FY2014-15, the department **expects to collect 13,800 tons of recyclable material**. At today's Average Market Value, as a result of contract negotiations, the City would receive \$36.72 a ton for recyclable materials. The sale of recyclable materials is anticipated to generate \$255,000 in revenue for FY 15.
- **New Transfer Station** – Construction on a new 15,000 sq. ft. transfer station at the City's Waste Disposal and Recycling Center (WDRC) is currently in progress and anticipated to be complete in January 2015. Waste Industries, LLC. is constructing the facility at no

- cost to the City, and will operate the new Transfer Station upon completion. **This is an approximate \$3.4 million capital investment by Waste Industries.** The City will assume ownership of the new facility once a Certificate of Occupancy has been issued.
- Solid Waste Management will **increase the mixed solid waste tipping fee by two dollars, to \$44.50/ton.** The increase in tipping fees is in response to decreasing tonnage from commercial users of the transfer station. The increase to the tipping fee is anticipated to generate an additional \$156,000 in revenue for the Solid Waste Fund for FY 14. The total revenue generated by the fee is projected at \$3.9M.

- **The department has reduced operating costs by \$890,420** through making significant reductions to code enforcement (\$146,694) and Waste Reduction (\$79,189), and freezing an Assistant Solid Waste Manager Position (\$64,537). Other employees within the department will assume these duties. **Additionally, \$600,000 of savings in the Waste Disposal contract has been identified.** These budget reductions will not affect core services, such as garbage, yard waste, and recycling collections.

Protecting the Environment - The City maintains an enhanced focus on sustainability to reduce greenhouse gas emissions and protect our environment.

- The City will be expanding the **Trees Across Durham** effort, including launching a tree recognition program, targeted efforts to protect against damaging pests, and planting more trees.
- The City will launch a **Green Business Challenge and Recognition program** to encourage businesses to take more voluntary efforts to reduce their environmental impacts and recognize those that lead in this effort.
- The City will complete **Charge Ahead Durham**, a social marketing campaign to increase awareness of environmental issues and encourage citizens to conserve resources and protect the environment.

Youth Programs - Providing year-round positive activities for youth is a continuing priority. Our goal is to engage youth through our city departments and support of local non-profits. The following points highlight activities for youth, teens and others:

- Parks and Recreation will continue to **offer youth care programs (Afterschool, Summer Camp, Intersession camps, and Fun Days)** offered throughout seven City Recreation Centers (Irwin R. Holmes, Sr. Recreation Center, Edison Johnson Recreation Center, Weaver Street Recreation Center, Walltown Park Recreation Center, W. D. Hill Recreation Center, East Durham Recreation Center, and the W. I. Patterson Recreation Center), two shared-use sites (Holton Career and Resource Center and Community Family Life and Recreation Center at Lyon Park), and one outdoor park (West Point on the Eno).
- Sustaining youth and family-oriented programs is a priority for the Parks and Recreation department. The **Jr. NBA/Jr. WNBA provides basketball opportunities for approximately 600 youth, while the Durham Girls Soccer League (DGSL) provides soccer programming for approximately 300 youth.** Outdoor recreation programs continue to be a success: low ropes course programs and high ropes discovery course programs at Bethesda Park, the adventure outings (kayaking, canoeing, etc.), community campouts, and community campfire programs.
- The City Manager's Office will partner with Durham County and Durham Public Schools to fund **two new positions for the Durham System of Care, at a cost of \$60,000 to the City.** These positions will facilitate the planning and implementation of programs which aim to **improve opportunities for at-risk and high risk youth.** These positions will work to implement the recommendations provided by IBM in its study of local youth services. A portion of the funding will also support strategic plan consultation to ensure that the positions are implementing IBM's recommendations as planned.

Arts and Culture – Durham's arts and culture is enriched by its history, heritage, and diversity. Thoughtful investment in arts and culture initiatives also generate significant economic benefits for cities.

- The City will continue its management agreements with the **Carolina Theatre**, the **Durham Arts Council** and **St. Joseph's Historic Foundation** for \$635,000, \$649,500 and \$292,000 respectively. This budget also includes funding for the agreement with **Lyon Park** in an amount up to \$189,934. In addition, funding is included to support the continuation of **public art** facilitated through the City's **Public Art Policy**.

A STRONG AND DIVERSE ECONOMY – Durham continues to maintain and grow a strong and diverse economy through a variety of business, industrial and employment opportunities for the community.

Downtown Revitalization and Parrish Street - The Office of Economic and Workforce Development (OEWD) will continue efforts to engage business interests in the downtown tier, building on the successes of recent years to make the downtown area a destination for Durham citizens and visitors.

- City Council has approved **changes to the Economic Development, Financial Assistance and Incentive Policy** for Job Creation, Job Retention and Capital Investment originally adopted in April 2011. The major policy change included the expansion of the defined Community Development Area to include the Ninth Street Commercial District to be eligible for grants and incentive dollars.
- This budget allocates **\$137,467 for Downtown Revitalization** to provide grants, incentives, professional services and special event-related costs to build economic strength in the expanded Downtown Tier.
- This budget allocates **\$153,227 in Parrish Street** funds for Building Improvement Grants, Retail, Service and Professional Grants, Historic Parrish Street Forum operating expenses and associated educational programming to further preserve the history, highlight the unique character, and promote the future of Parrish Street.

Job Preparation and Placement - The Office of Economic and Workforce Development (OEWD) will continue to provide services based upon the Durham Workforce Development Board FY2012-2014 Strategic Plan and delivered through the Durham JobLink Career Center system to connect Durham businesses with local talent.

- This budget allows for OEWD to **provide high quality services to businesses** in conjunction with partnerships with the Greater Durham Chamber of Commerce, Durham Technical Community College, North Carolina Central University, Duke University and Healthcare System, Downtown Durham, Inc. and the City's Office of Equal Opportunity and Equity Assurance. OEWD will also work with other not-for-profit and governmental entities that provide resources related to the recruitment, retention, expansion and startups of businesses.
- OEWD will continue with state-mandated integrated service delivery to help improve customer service and create a seamless delivery system to assist jobseekers with the services they need and help connect businesses to qualified workers. This will be achieved through the **JobLink Career Center System** which focuses on preparation, training, placement and retention of Durham residents in career opportunities, especially those in high growth industries.

Youth Employment Opportunities

- City and County departments, as well as other public and private sector entities will continue to hire youth for year round jobs through **Durham YouthWork Internship Program**, a partnership between the City of Durham, Durham County, Durham Public Schools, the Durham JobLink Career Center System, Durham Workforce Development Board, and private sector businesses.
- Parks and Recreation provides a **free aquatic school** to train teens to attain lifeguard certifications, **leading to employment with the department**.
- **Job skills trainings** (Safe Sitter, Job Readiness Programs) are offered for teens at many recreation centers. **Campus tours** offer teens an opportunity to visit and learn about programs at local colleges.
- The Office of Economic and Workforce Development will maintain the **Youth Employed and Succeeding (YES)** Program, the **Youth Work Experience** program and the **Working Hard on Achieving (WHOA)** program.
- In addition, \$101,000 is earmarked for the **Made in Durham** taskforce. The taskforce requested funding from Durham Public Schools, Durham County, and the City of Durham with the remaining balance to be raised by the private sector. The focus of the taskforce is to provide an education and training system that prepares youth to attain successful employment opportunities in the Triangle region.

STEWARDSHIP OF CITY'S PHYSICAL ASSETS – plan, provide, and maintain adequate infrastructure which supports quality of life and serves as a foundation of a healthy economy.

The **FY2015-2020 Capital Improvement Program (CIP)** is presented to the City Council in a companion document to the FY2014-15 annual budget. The capital improvement budget **includes \$100.9 million for new projects and to complete existing projects**. Funding is provided through impact fees, Water and Sewer revenues and revenue bonds, General Fund financings, pay-as-go funding, and Stormwater fees.

Funding was granted for **\$73 million in General Fund capital projects** for projects that were deemed a priority and essential to the City's capital infrastructure needs. The remaining **\$27.9 million of CIP funding was dedicated to Water and Sewer and Stormwater enterprise projects**. The City is committed to providing complete and ongoing communications to citizens and the City Council about the progress of all projects. To monitor the status of any capital project, citizens can visit our website at (<http://www.durhamnc.gov/cip>).

During the bond campaigns in 2005, 2007 and 2010, voters were informed of possible tax increases to pay debt service on bonds issued for projects. **The FY2014-15 budget includes a 1.31 cents per \$100 tax increase for debt**. The projected General Fund debt to appropriations ratio for **FY2014-15 is 14.47%**.

The CIP budget includes:

- **General Capital Projects:**
 - \$44.2 million for Police Headquarters
 - \$10.7 million for Emergency Communications Relocation
 - \$0.35 million for ADA Compliance
 - \$0.34 million for Cemetery Repairs
 - \$0.57 million for Durham Armory repairs
 - \$0.39 million for Energy Management projects
 - \$1.80 million for Fire Breathing Apparatus Replacement (SCBA)
 - \$0.40 million for Petition Sidewalk Construction
 - \$0.45 million for Dirt Streets

- \$5.20 million for Fire Station 17
- \$0.40 million for Twin Lakes soccer field repair
- \$1.50 million for West Ellerbe Creek Trail
- \$0.63 million for Athletic Court Renovations (Tennis & Basketball)
- \$0.01 million for American Tobacco Trail Parking Lot (Scott King Rd.)
- **Parks, Recreation and Open Space Impact Fees:**
 - \$0.20 million for Edgemont Park repairs
 - \$0.90 million for Herndon Park soccer field repairs
 - \$0.25 million for restroom refurbishing at CR Woods Park
 - \$0.37 million for West Ellerbe Creek Trail
- **Stormwater Projects:**
 - \$3.90 million to address flood plain management, drainage repairs, retrofits and major stormwater infrastructure
- **Water and Sewer Projects:**
 - \$20.50 million for water and sewer improvements including water and sewer rehabilitation, distribution, and construction.
- **Fleet:**
 - \$6.02 million for General Fund, Solid Waste, Stormwater and Water Management fleet vehicles.
- **Street Maintenance:**
 - **\$1,000,000** to address annual **ongoing maintenance of streets and sidewalks**. The allocation was increased by \$250,000 from the previous fiscal year, and the budget was moved from Public Works operating to the CIP.
 - **An additional \$0.125 million to repair City sidewalks.**

Other capital needs will be met in the operating budget:

- **\$500,000 for deferred maintenance** to continue to address needs outside of the CIP. All deferred maintenance projects have been prioritized and funding will be applied in priority order.

CONCLUSION

The Fiscal Year 2014-15 budget is the result of a series of reviews and decisions that focus on where we have been, where the economy has taken us, and thoughtfully places us on solid footing for the future. We are in a place where we have developed a track record of open and honest dialogue, transparent decision making with a clear strategic vision of where we want to be in the coming years. The Mayor and City Council have laid the foundation for fiscal sustainability in the often times difficult reductions made over the last several years. We must continue this practice to ensure our ability to meet and support the highest priorities of the community. These priorities were communicated via the Resident Survey and include the quality of police services, maintenance of city streets, and the flow of traffic in the city. Although we are experiencing the positive effects of recovery, we must remain vigilant and reserved in our approach in this and coming budgets and continue to focus on community priorities and core services if we are to maintain our strong financial stability.

Financial projections of revenue and expenditure models continue to indicate that future expenses for public safety and transportation (including transit) alone will outpace property tax and sales tax growth over the next five years. This along with many unknowns as a result of the State General Assembly's overhaul of the State tax system will require even more financial discipline, along with deliberate program evaluation and prioritization of all City services and expenditures.

The budget challenges we face are not new. As a community, we must recognize that changes in the national economy and the City's revenue situation are unlikely to support the service costs that we have had in the past. We must adapt and make changes to our City government that emphasizes a balance of core services – those services that are most important to us. We must provide these services in a quality manner at the least possible cost. At the same time, we must increase revenues wherever possible and fine-tune our City's economy to maximize the generation of revenue that can be used to provide services to our community. City leaders, employees and residents working together have successfully overcome fiscal challenges in the past. Not only were we able to balance our budgets and maintain excellent credit ratings, we have achieved a great deal during that time as well.

I look forward to working with the Mayor and City Council as we continue to address the fiscal challenges posed by an uncertain economy and approaching cost increases. My appreciation to the management team for their creativity and prudent management, to all City employees who have continued to provide the best service possible with limited resources, and to all departments for all their good work in developing this budget. In closing, special recognition and thanks are provided to Budget and Management Services Director, Bertha Johnson and the entire Budget and Management Services staff (BMS) as they have been at the forefront of not just the budget development process but also the continued execution of our Strategic Plan. Together we will continue to strive to make Durham the leading City in providing an excellent and sustainable quality of life.

Great things continue to happen in Durham!

Respectfully Submitted,

Thomas J. Bonfield
City Manager

CITY OF DURHAM GOALS & STRATEGIC PLAN **ADOPTED APRIL 15th, 2013**

At the April 15th, 2013 Council Meeting the Durham City Council adopted the current Strategic Plan for the City and five over-arching goals:

1. Strong and Diverse Economy
2. Safe and Secure Community
3. Thriving Livable Neighborhoods
4. Well Managed City
5. Stewardship of City's Physical Assets

To achieve consistent and planned results, it is essential that all organizational efforts are pointed in the same direction. The Strategic Planning process involves City Council, the City Manager's Office, employees, residents and other stakeholders. During the Strategic Plan update process in late 2012, goals, objectives, outcome measures, initiatives and the key priorities were all assessed with new measures and initiatives added along with some additional modifications. The Strategic Plan continues to serve as the framework for accomplishing these priorities. To ensure success, the organization has integrated the plan into annual budgets, daily operations, and organizational measurements in an effort to direct our financial resources and planning in almost every area of government.

To monitor the Strategic Plan, the performance dashboard allows residents to easily view progress made on specific citywide measures and initiatives, while also identifying potential trends. The performance dashboard is updated biannually with data displayed from the first six months of the fiscal year as well as year-end results. The data is refreshed in February and August. As of December 2013, 27 initiatives have been completed from the Strategic Plan.

In addition to citywide Strategic Plan monitoring, departments continue to create and implement department strategic plans. These plans align resources and provide ownership of citywide initiatives and long-term department goals. Of 24 departments, 16 currently have approved department strategic plans. It is anticipated that by the end of FY15, all departments will have an approved plan.

This fall, the citywide Strategic Plan will begin its biennial update. During the process we will seek input and direction from City Council, the City Manager's Office, employees, residents and other community stakeholders.



FY 2013-2014

www.DurhamNC.gov/StrategicPlan

Revised April 15, 2013



Table of Contents

City Council.....	2
City Council FY12/13.....	3
Introduction	4
Letter from the City Manager	4
About Durham	6
The Mission	6
The Vision.....	6
Why Prepare a Strategic Plan?.....	7
Creating the Strategic Plan	8
Core Products and Services	8
Key Stakeholders	9
Resident/Stakeholder/Employee Input.....	9
Core Organizational Values	14
Goals/Objectives/Measures/Intiatives.....	15
Strategic Plan Implementation	27
The Approach	27
Implementation Team & ClearPoint/Dashboard Team	28
Community Partnerships.....	30
Appendix	33
Definition of Terms.....	33

City Council FY12/13



Mayor
William V. 'Bill' Bell



Mayor Pro-Tem
Cora Cole-McFadden



Eugene A. Brown



Diane N. Catotti



Howard Clement, III



Steve Schewel



Don Moffitt

Introduction

Letter from the City Manager

Dear City Residents and Employees,

For the past two years, together we have worked intently to lay the building blocks that support the city's mission to be, in a phrase, "*A great place to live, work, and play.*" That means that our communities are safe and thriving, businesses are growing and employing our residents, and that your government manages your tax dollars well.

The Strategic Plan has been the guide that we use to direct our energies, our financial resources and our planning in almost every area of government... from developing our annual budget to performing day-to-day operations. Because of your input, employees, residents, businesses and other stakeholders, this is now a Strategic Plan that not only captures current needs and goals, but also is fluid enough to adjust and grow along with our city.

Your recent input during the Strategic Plan update process was more than welcomed; it was vital. Whether we live in, or serve the residents of Durham, determining what's important at any given time helps define our actions and, indeed, our future. The updated Strategic Plan will provide long-term direction and action steps for the organization.

Many successes can be attributed to the City's Strategic Plan, including the following:

1. **Joint City/County initiatives** - The City began working with Durham County, in an effort to align strategic plans with the six joint initiatives that focus on youth, health and wellness, housing, sustainability, and community beautification.
2. **ICMA Award of Distinction** - The City was one of only 15 cities in the United States recognized for using a performance management system dashboard along with a strategic plan to inform residents with progress made on objectives, measures, and initiatives.



3. **Citizen Engaged Community 2011-2013** – The City was one of only 20 cities in the United States receiving this designation for our use of technology to engage residents.



4. **Performance Management** implemented an external analysis and updates on and initiatives.

System Dashboard - The City dashboard, providing residents with existing goals, objectives, measures,



5. **Budget alignment** - All departmental and citywide new programs or services should support a strategic plan goal to be considered for funding

The City of Durham Strategic Plan identifies five goals, or focus areas, that the City Council and City management will advance during the next two-to-three years. City services and programs, including new ones, should support specific strategic goals, and contain measures that show their success. The five City Goals are:

1. Strong and Diverse Economy
2. Safe and Secure Community
3. Thriving, Livable Neighborhoods
4. Well-Managed City
5. Stewardship of City's Physical Assets

I am proud to present the City of Durham's citywide Strategic Plan, refreshed and realigned in February 2013. This document serves as an organizational blueprint and foundation that positions Durham to be a leader in providing an excellent and sustainable quality of life.

I wish to thank the City Council for their support and direction during this process. Your leadership and vision continues to allow the City to excel in meeting the needs of our community today and in the future.

Sincerely,

A handwritten signature in blue ink that reads "Thomas J. Bonfield".

Thomas J. Bonfield
City Manager

About Durham

The City of Durham has operated under the Council-Manager form of government since 1921. The Durham City Council is comprised of seven members: the Mayor, three members from specific wards, and three at-large members. The terms for City Council seats are staggered. Nonpartisan elections are held every two years. The City covers about 108 square miles and serves a population approaching 234,000. Durham is a community that embraces its diversity. It is proud to be the home of Duke University, North Carolina Central University, and the Research Triangle Park.

Organization Profile

City Budget, FY 2012-2013	\$372.2 million
General Fund Budget, FY 2012-2013	\$176.7 million
Full-Time Employees	2,384
Departments	24
Bond Rating	AAA

The Mission

To provide quality services to make Durham a great place to live, work, and play.

The Vision

Durham is the leading city in providing an excellent and sustainable quality of life.

Why Prepare a Strategic Plan?

The Administration implemented a citywide Strategic Plan to set direction for the future of the city and guide decision-making and resource allocation. Knowing the vision for a community is one required element for a city's success; another is having a roadmap, or a strategic plan, that improves efficiency and effectiveness along with promoting strategic thinking, acting, and learning. The resulting plan translates the community's vision and City Council's goals into actions by the City, enabling the organization to better serve the community.

The City's Strategic Plan outlines the goals, objectives, measures, and includes a list of specific initiatives the City will focus on to accomplish the objectives. By looking ahead and asking our stakeholders what they need, we establish a vision for what level of service we will provide, along with an understanding of what resources will be necessary to provide them.

This plan is prioritized around key initiatives developed with input from the City Council, key stakeholders, residents, and staff. Since the community, the economy, and the organization are continually changing, this plan should be considered as a beginning, rather than an end.



Department Director Retreat

Creating the Strategic Plan

The City adopted an innovative approach for creating the citywide Strategic Plan. The process involved thinking about the nature of the City government as an organization. It was important to identify the core products and services the City provides. The City cannot be all things to all people, so the focus had to be on the City's fundamental purposes. Likewise, it was important to recognize the key customers of the City's products and services. While the City's residents are the primary beneficiaries' of its services, there are, in fact, many others.

Core Products and Services

Deliverables
Public Safety Respond to emergencies, prevent emergencies from occurring, mitigate human suffering, prepare for disasters
Community Development Provide neighborhood planning, improvements, redevelopment and ensure compliance with City codes
Public Works Maintain the City's physical assets (buildings, roads, etc.), manage solid waste and water resources, build new infrastructure and protect the environment
Transportation Plan and operate the City road systems and provide public transportation and parking
Public Information Ensure the public is informed about the City and has opportunities for engagement
Recreational Cultural Programs Maintain parks and recreation facilities and offer various recreational activities

Key Stakeholders

- | | |
|--|--|
| <ul style="list-style-type: none">• Residents• Visitors• Business and Industry• Community Organizations | <ul style="list-style-type: none">• Other Government Entities• Property Owners• Higher Education Institutions• Medical Institutions |
|--|--|

Resident/Stakeholder/Employee Input

Executive Summary

As one of the steps to updating the Strategic Plan, the City engaged residents, stakeholders, City staff, and the Partners Against Crime Districts (PACs). The purpose of the engagement was to understand the various groups' vision of the five strategic goals and their ideas for specific projects and activities that the City can take on to realize these visions. Information obtained from the sessions was used to guide the Strategic Plan update.

Methodology

Both online surveys and face-to-face meetings were used to obtain input from residents, stakeholders, and employees. Details about the input methodology employed for each group are listed below.

Residents

To obtain input from Durham residents, City staff conducted three community meetings. The meetings were held at North Regional Library, South Regional Library, and Holton Career and Resource Center during September 2012. Residents discussed two of the strategic goals during each meeting. In total, four goals were discussed. Residents were asked the following three questions about each of the goals they discussed during their meeting:

1. What does this goal look like to you?
2. Of the list you've generated, what should be the first area of focus? The second? The third? We don't need to come to a group consensus necessarily, but we are very interested in seeing the ideas that generally rise to the top.
3. What specific projects or activities should the City take on, or continue with renewed effort, to achieve these priorities?

Responses were recorded on a flip chart during the meeting, and later analyzed for common themes.

City Staff

To obtain input from City staff, an online survey was conducted. A total of 106 staff members provided responses to the online survey. This survey asked respondents to answer the following three questions about all five strategic goals:

1. What would this look like to you?
2. Prioritize your list with the top 3 choices?
3. What projects /initiatives should the City take on or continue to achieve these priorities?

An employee focus group with 52 front-line staff was conducted for several operations departments (Solid Waste Management, Water Management, Fleet Management, Public Works, and General Services). This focus group answered the three questions about two goals: "Well-Managed City" and "Stewardship of the City's Physical Assets and Environment."

Stakeholders

To obtain input from Durham stakeholders, City staff issued an online survey with the same questions as the survey used for City staff. A total of 37 responses were received. This survey was distributed to representatives of the following groups/organizations:

- County Commissioners
- County Manager
- Downtown Durham, Inc.
- Duke University
- Duke University Health System
- Durham Convention & Visitors Bureau
- Durham Public School Board
- Durham County Department of Social Services
- Durham Technical Community College
- The Herald Sun
- Greater Durham Chamber of Commerce
- RDU Airport Authority
- North Carolina Central University
- Research Triangle Foundation
- Triangle Transit
- Durham Homebuilders Association
- Durham Realtors Association
- Inter-Neighborhood Coalition
- Durham Housing Authority
- Self-Help
- United Way

Partners Against Crime Districts (PACs)

The same survey was sent to representatives of all five Durham's PACs with 33 responding to the survey.

Resident/Stakeholder/Employee Findings

Goal 1: Strong and Diverse Economy

The first two questions respondents were asked was: "What does a strong and diverse economy look like to you?" and "What should be the City's top three priorities?"

Common responses from community members, stakeholders, City staff, and PACs were tallied to create the following list of "*vision themes*" for a strong and diverse economy:

1. Competitive wages
2. Variety of employment opportunities to take advantage of our diverse community
3. Low unemployment
4. Incentives for business to locate in Durham
5. Stable jobs with potential for growth
6. Promotion of small business and local businesses
7. Well-trained workforce
8. Vibrant downtown where people live and work
9. Accessible and affordable public transportation
10. Recruitment of "green" businesses

Goal 2: Safe and Secure Community

The first two questions respondents were asked was: "What does a safe and secure community look like to you?" and "What should be the City's top three priorities?"

Common responses from community members, stakeholders, city staff, and PACs were tallied to create the following list of "*vision themes*" for a safe and secure community:

1. Fast response times
2. Well-lit community
3. Visible police presence
4. Active, engaged, and educated community

5. Low crime rates
6. Partnerships between community organizations and City
7. Proficient police officers and 911 responders

Goal 3: Thriving, Livable Neighborhoods

The first two questions respondents were asked was: “What does a thriving, livable neighborhood look like to you?” and “What should be the City’s top three priorities?”

Common responses from community members, stakeholders, city staff, and PACs were tallied to create the following list of “*vision themes*” for a thriving, livable neighborhood:

1. Sidewalks, bike lanes, good public transportation
2. Clean and well-maintained public assets
3. Public-private partnerships to improve neighborhoods
4. Lots of green and open spaces
5. Strong community/neighborhood groups that work with the City
6. Environmental stewardship
7. Public parks, events, activities for families and youth

Goal 4: Well-Managed City

Stakeholder input on goal 4 was obtained solely from City employees.

The first two questions employees were asked was: “What does a well-managed city look like to you?” and “What should be the City’s top three priorities?”

Common responses were tallied to create the following list of “*vision themes*” for a well-managed city:

1. Well-trained employees
2. Competitive compensation
3. Good communication and transparency across the organization (especially with employees without email)

- 4. Employees at all levels that are accountable for their job
- 5. Delegated authority
- 6. Meetings held with a respect for time

Goal 5: Stewardship of the City's Physical Assets

The first two questions respondents were asked was: “What stewardship of the City’s physical assets look like to you?” and “What should be the City’s top three priorities?”

Common responses from community members, stakeholders, city staff, and PACs were tallied to create the following list of “*vision themes*” for stewardship of the City’s physical assets:

- 1. Plenty of green and open spaces that are well-maintained
- 2. Safe and well-maintained sidewalks, streets, trails
- 3. Reliable water source
- 4. Sustainable practices
- 5. Light rail to connect the Triangle region
- 6. Underground power lines
- 7. Energy efficiency

Core Organizational Values

The City of Durham used an inclusive process to determine its core values, involving hundreds of employees from across all departments and all levels of the organization. Employees met in groups and shared what was important to them and what they thought should guide interactions with each other and with residents. A list of 57 potential values was generated from these sessions. At the first ice cream social, employees voted on the values they believed were most important. From this prioritization, the City arrived at 12 possible values that were narrowed down to our final seven by the task teams involved in the DurhamFirst initiative.

City of Durham Values	
Our Employees	Essential to our success Do the right thing for the right reasons Stewards of our community Maintain professional behavior and image Strive to exceed our internal customers' service expectations
Integrity	Honesty – consistently telling the truth Trust – keeping commitments and confidences Accountability – being responsible for our actions Respect – treating people the way we want to be treated A strong work ethic – doing our best for the community
Customer Service	Constantly and consistently exceeding our customers' expectations Listening completely and understanding Responding and following through Patience and courtesy
Teamwork	Working together for a common goal Embracing diversity Being open to new ideas Finding strength in unity Recognizing individual strengths
Leadership	Recognizing that everyone is a leader Taking personal responsibility for our actions Being credible Leading by example Serving a higher purpose
Open Communication	Listening for understanding Being honest Respecting others' opinions Giving constructive feedback Knowing it is ok to say, "I don't understand" Knowing we communicate by our appearance, our action and our words
Fairness	Doing the right things for the right reasons Giving everyone the opportunity to grow and succeed Providing good services to ALL of our citizens Taking the needs of the organization and the employee into account

Goals, Objectives, Measures and Initiatives

Durham's citywide Strategic Plan is based on the Durham City Council's vision for the community. In developing the Strategic Plan, the five goal teams met for approximately three months to review the existing plan and recommend changes based on stakeholder, resident, and staff input. All major changes to the plan including realignment were approved by the City Council on April 15, 2013.



<h2 style="text-align: center;">Goal 1: Strong and Diverse Economy</h2> <p style="text-align: center;">Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities for the community.</p>			
Outcome Measures			
<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> Mean Salary Median Salary Percent Growth in Tax Base </td><td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> Employment Growth Percent of Jobs within High Growth Sectors Poverty Indicators </td></tr> </table>		<ul style="list-style-type: none"> Mean Salary Median Salary Percent Growth in Tax Base 	<ul style="list-style-type: none"> Employment Growth Percent of Jobs within High Growth Sectors Poverty Indicators
<ul style="list-style-type: none"> Mean Salary Median Salary Percent Growth in Tax Base 	<ul style="list-style-type: none"> Employment Growth Percent of Jobs within High Growth Sectors Poverty Indicators 		
Objectives and Intermediate Measures	Initiatives		
Objective: Target Business/Industry Recruitment Efforts Intermediate Measures: <ul style="list-style-type: none"> Number and Value of Non-Residential Building Permits Net Gain in Jobs Net Gain in Businesses Number of high growth industry jobs created annually Announced Capital Investment by Industry annually 	<ul style="list-style-type: none"> Assess Existing Technical and Financial business programs supportive of Small Business/Start Ups to determine most responsive programs/gaps to be addressed 		
Objective: Ensure Well Trained, Qualified Community Workforce Intermediate Measures: <ul style="list-style-type: none"> High School Graduation Rate and GED attainment Percent of Community with a post-secondary credential % of students graduated from Local Jobs Training Programs obtaining employment Percent of Durham population enrolled in Adult Literacy or Basic Education classes Percent increase of students completing training programs 	<ul style="list-style-type: none"> Increase number and type of opportunities in Durham YouthWork Internship Program – in conjunction with County, Durham Public Schools and economic development partners (<u>Joint City-County-DPS Initiative</u>) Increase administration of Career Readiness Certification Tool Assess Training Opportunities at Area Schools and DTCC based on Key Industries Survey Major Employers in target industries to determine employment percentages of Durham residents at their companies 		

<p>Objective: Sustain a Favorable Development Climate</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Number and Value of Residential and Commercial Building Permits • Ratio of Commercial/Industrial/Residential Tax Base 	<ul style="list-style-type: none"> • Develop two pilot programs and implement two regulatory changes impacting components of the Development Review Process
<p>Objective: Encourage Startup, Retention and Expansion of Current Businesses</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Number of businesses locating into and out of Durham • Percent increase of sales tax revenue • Percent increase of tax revenue 	<ul style="list-style-type: none"> • Evaluate the Effectiveness of Existing Incentive Policies and Programs (Financial, Workforce Development and Infrastructure Based) that are Focused on Business Development • Develop Communication Strategy to inform start-ups and existing businesses about resources
<p>Objective: Leverage Local and Regional Workforce Development Partnerships</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of JobLink Openings filled within current FY • Number of Job Placements Overall filled within current FY 	<ul style="list-style-type: none"> • Enhance and Promote Apprenticeship and Internship Programs in conjunction with state and local partners • Employ new tracking software in Durham JobLink Career Center System that helps with matching and tracking • Expand network of places to recruit qualified, but unemployed job seekers to include university career centers and staffing agencies

Goal 2: Safe and Secure Community

Provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality of the city.

Outcome Measures

- | | |
|--|--|
| <ul style="list-style-type: none"> Part 1 Property Crimes Per 100,000 Residents Part 1 Violent Crimes Per 100,000 Residents Property Crime Clearance Rate Violent Crime Clearance Rate | <ul style="list-style-type: none"> Residents' Perception of Safetyⁱ Cardiac arrest resuscitation rateⁱⁱ Resident or FF injury/fatality rateⁱⁱⁱ Fire property loss (dollar amt.) |
|--|--|

Objectives and Intermediate Measures	Initiatives
Objective: Reduce the Occurrence and Severity of Crime Intermediate Measures: <ul style="list-style-type: none"> Percent of robberies/aggravated assaults committed w/firearms Percent of Priority 1^{iv} emergency calls meeting response time standards 	<ul style="list-style-type: none"> Expand the Forensic Services Division for improved lab analysis and completion of evidence processing Implement a mental health initiative to route patients to proper care while reducing the impact on the emergency response system
Objective: Improve Public Perception of Safety Intermediate Measures: <ul style="list-style-type: none"> Percent favorable in "Visitor Safety Perception"^v Percent favorable in "Nearby Resident Perception of Durham" 	<ul style="list-style-type: none"> Implement a neighborhood canvassing program which ensures regular public education activity in neighborhoods with high crime and/or fire incidence Expand the Crime Prevention through Environmental Design (CPTED) program to maximize safety for American Tobacco Trail users Partner with the Durham Public School system (DPS) and local, private entities to

ⁱ Refers to the biennial survey of residents conducted by the city organization; specifically the question(s) regarding 'perception of safety'

ⁱⁱ This is defined as the patient having a pulse at the time of transfer to advanced medical care and/or hospital care

ⁱⁱⁱ Refers to injuries and/or fatalities recurring at a fire incident or relating to a fire incident

^{iv} Priority 1 calls refers to crimes in progress, and/or calls indicating an immediate threat to life or property exists

^v Data derived from the annual survey conducted by the Durham Convention and Visitors Bureau

	provide training on how to handle active shooter incidents
<p>Objective: Ensure high survivability of fire, medical, and other hazardous emergencies</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> Percent of emergency calls meeting response time standards 	<ul style="list-style-type: none"> Expand inter-agency collaboration to maximize code compliance for commercial structures Provide CPR/AED training or certification for all requesting City and County employees Partner with Durham County and Durham Public Schools to provide CPR/AED training or certification in the community (<u>Joint City-County-DPS Initiative</u>) Utilize automatic vehicle locator technology (AVL) on emergency apparatus to reduce response times

Goal 3: Thriving, Livable Neighborhoods

Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods.

Outcome Measures

- Resident Perception of Overall Quality of Neighborhoods
- Measure of Community Health(via NVI)
- Affordable, Safe, and Healthy Housing
- Access to Transit, Pedestrian, and Bicycle Facilities and Services
- Access to Open Space and Recreational Opportunities
- Environmental Stewardship

Objectives and Intermediate Measures	Initiatives
<p>Objective: Improving the Quality of Neighborhoods</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent increase of neighborhoods with improving quality of life variables • Percent of residents who are satisfied or very satisfied with the quality of life in their neighborhood 	<ul style="list-style-type: none"> • Develop a Neighborhood Vitality Index (NVI) model and use the data to improve the quality of neighborhoods • Target resources to neighborhoods scoring below the benchmark on NVI • Establish a partnership targeted at revitalizing Southside neighborhood • Develop partnership activities for “Durham on the Move” (<u>Joint City-County Initiative</u>)
<p>Objective: Increase Access to Affordable, Safe, and Healthy Housing</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of households represented by a neighborhood association • Number of homeless persons from Point in Time Count • Percent of households paying no more than 30% of Income for Rent • Percent of noncompliant houses that become code compliant annually 	<ul style="list-style-type: none"> • Develop a long-term plan to end homelessness • Develop white papers that highlight best practices to inform future actionable outcomes by using data • Develop a plan to respond to Housing Impediment study
<p>Objective: Increase value and Stability of Neighborhoods through access to transportation choices, open space</p>	<ul style="list-style-type: none"> • Implement adopted plans to improve visibility and accessibility of alternate

<p>and recreational facilities</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of recreational types in the citywide park system that have at least one accessible location • Percent of residents who take transit, walk, bike, or less polluting options to work • Percent of residents within a quarter mile of bus service that runs at least every 30 minutes 	<p>modes of transportation, open space, parks and recreational facilities (ie: Durham Walks! Pedestrian Plan, the Durham Comprehensive Bicycle Transportation Plan, the Durham County Bus and Rail Investment Plan, and the Durham Trails and Greenways Master Plan)</p> <ul style="list-style-type: none"> • Map Durham City-County public/private Open Space by 2014
<p>Objective: Increase Environmental Awareness and Action in the Community</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of Residential Greenhouse Gas Emissions reduced by program participants • Number of trees planted through partnerships and City efforts • Percent decrease in litter in targeted areas following education campaign • Waste stream diversion rate 	<ul style="list-style-type: none"> • Teach Environmental Stewardship (e.g. Education and Training about Energy, Solid Waste, and Water) (<u>Joint City-County Initiative</u>) <ul style="list-style-type: none"> a. Conduct energy education outreach in neighborhoods including the Spanish speaking community in Durham b. Implement comprehensive campaign to increase residents' awareness and actions to address environmental issues. c. Develop and implement a program to plant trees throughout Durham in conjunction with community partners • Create and market an on-line resource for businesses to access information and resources to reduce their environmental impact • Implement new awareness program to decrease litter and improve appearance

Goal 4: Well-Managed City

Provide professional management that is accountable, efficient, and transparent.

Outcome Measures

- | | |
|--|---|
| <ul style="list-style-type: none"> • Resident Satisfaction Rating • Employee Satisfaction Rating | <ul style="list-style-type: none"> • Per Capita Tax Burden • Fiscal Wellness Index (debt ratio, bond rating and fund balance) |
|--|---|

Objectives and Measures	Initiatives
<p>Objective: Provide Seamless Services</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of residents that are satisfied or very satisfied with the accuracy of information received by City employees • Percent of residents that are satisfied or very satisfied with the resolution of an issue or concern • Percent of Durham One Call complaints that are resolved within the set benchmark • Resident Satisfaction with Service Delivery • Percent increase of number of calls to Durham One Call 	<ul style="list-style-type: none"> • Promote increased use of Durham One call through education, promotions, etc. to streamline and enhance residents' experiences with the City departments
<p>Objective: Promote Strong Financial Management</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Quarterly Financial Report results (Percent of Revenues Projected at Year-End Compared to Budget and Percent of Departments within Budget) • Percent of Fees Collected • Number of Significant Material Findings in Internal and External Audits • Percent of Revenue from Property Tax, Sales Tax, and State Shared Revenues and Fees for Services • Percent of performance measures at or 	<ul style="list-style-type: none"> • Coordinate the development of multi-year financial plans for all enterprise funds • Develop a strategy to fund the Capital Improvement Plan • Develop a tool for tracking performance measures • Develop revenue diversification model

above target	
<p>Objective: Align Resources with City Priorities</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent/Number of City Departments with Strategic Plans and Performance Measures Aligned with the City's Strategic Plan • Percent of new funding that is tied to plan initiatives 	<ul style="list-style-type: none"> • Identify and analyze key organizational processes to ensure alignment with organizational priorities • Use performance and benchmarking data to improve low performing areas and ensure operational excellence and use of best practices • Increase and diversify resident engagement
<p>Objective: Establish an Exceptional, Diverse, Engaged and Healthy Workforce</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Employee Turnover Rate • Employee Satisfaction Rating on Biennial Employee Opinion Survey • Employee Engagement Index • EEOC Statistics 	<ul style="list-style-type: none"> • Implement Culture of Service certification program • Develop and Deploy a Comprehensive Employee Wellness Program • Maximize employee development through training opportunities (<u>Joint City-County Initiative</u>) • Develop a citywide Communication Strategy using the Intranet as the communication hub • Develop recruitment strategies to address EEOC deficiencies • Establish Joint City-County Habitat for Humanity partnership (<u>Joint City-County Initiative</u>)

Goal 5: Stewardship of City's Physical Assets

Plan, provide, and maintain adequate infrastructure which supports quality of life and serves as a foundation of a healthy economy.

Outcome Measures	
Objectives and Measures	
<ul style="list-style-type: none"> Percentage of assets (by category) performing at or above established standards Resident satisfaction survey responses 	
<p>Objective: Develop and maintain transportation system to an established target level of effectiveness and quality</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> Pavement Condition Ratings Linear feet of new sidewalks constructed or repaired/replaced to meet ADA requirements Number of new bicycle route miles constructed Percent of arterial streets with pedestrian facilities Percent of residents within $\frac{1}{4}$ mile of bus service Percent of residents who take transit, walk, or bike to work On-time performance of transit system Occupancy rates of public parking facilities 	<ul style="list-style-type: none"> Develop Transportation Asset Management Plan Develop/Implement a Transportation Asset Management System Identify Critical Transportation Assets Develop a Transportation Asset Maintenance Plan Develop a 10-year pavement rehabilitation program Improve gateways/entryways to City as approved by Council through work with Durham City-County Appearance Commission and Durham Appearance Advocacy Group (Joint City-County Initiative) Implement the Designing Better Bus Service plan recommendations Implement the Durham Bus and Rail Investment plan

	<ul style="list-style-type: none"> • Implement the Durham Trails and Greenways Plan • Implement the Durham Walks Pedestrian Plan • Implement Downtown Parking Study recommendations
<p>Objective: Develop and maintain facilities, parks/open space, and equipment to an established target level of effectiveness and quality</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent of City's property inventory that has been verified as accurate and current • Percent of facilities for which maintenance plans have been developed • Percent of facilities maintained pursuant to developed plan • Number of recreational facilities per capita • Number of acres of open space per capita 	<ul style="list-style-type: none"> • Develop Facility, Parks/Open Space and Equipment Asset Management Plans • Develop/Implement Facility, Parks/Open Space and Equipment Asset Management Systems • Identify Critical Facilities, Parks/Open Space and Equipment • Develop Facility, Parks/Open Space and Equipment Asset Maintenance Plans • Determine feasibility to implement Citywide Fiber Optic Network
<p>Objective: Develop and maintain water/wastewater systems to an established target level of effectiveness and quality</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Percent compliance with drinking water standards • Percent compliance with water quality standards (WRF discharge) • Number of repeat SSOs • Number of water main breaks per 100 miles of distribution system 	<ul style="list-style-type: none"> • Develop water/wastewater Asset Management Plan • Develop/Implement a water/wastewater Asset Management System • Identify Critical water/wastewater Assets • Develop a water/wastewater Asset Maintenance Plan for critical assets • Plan, Design and Construct new

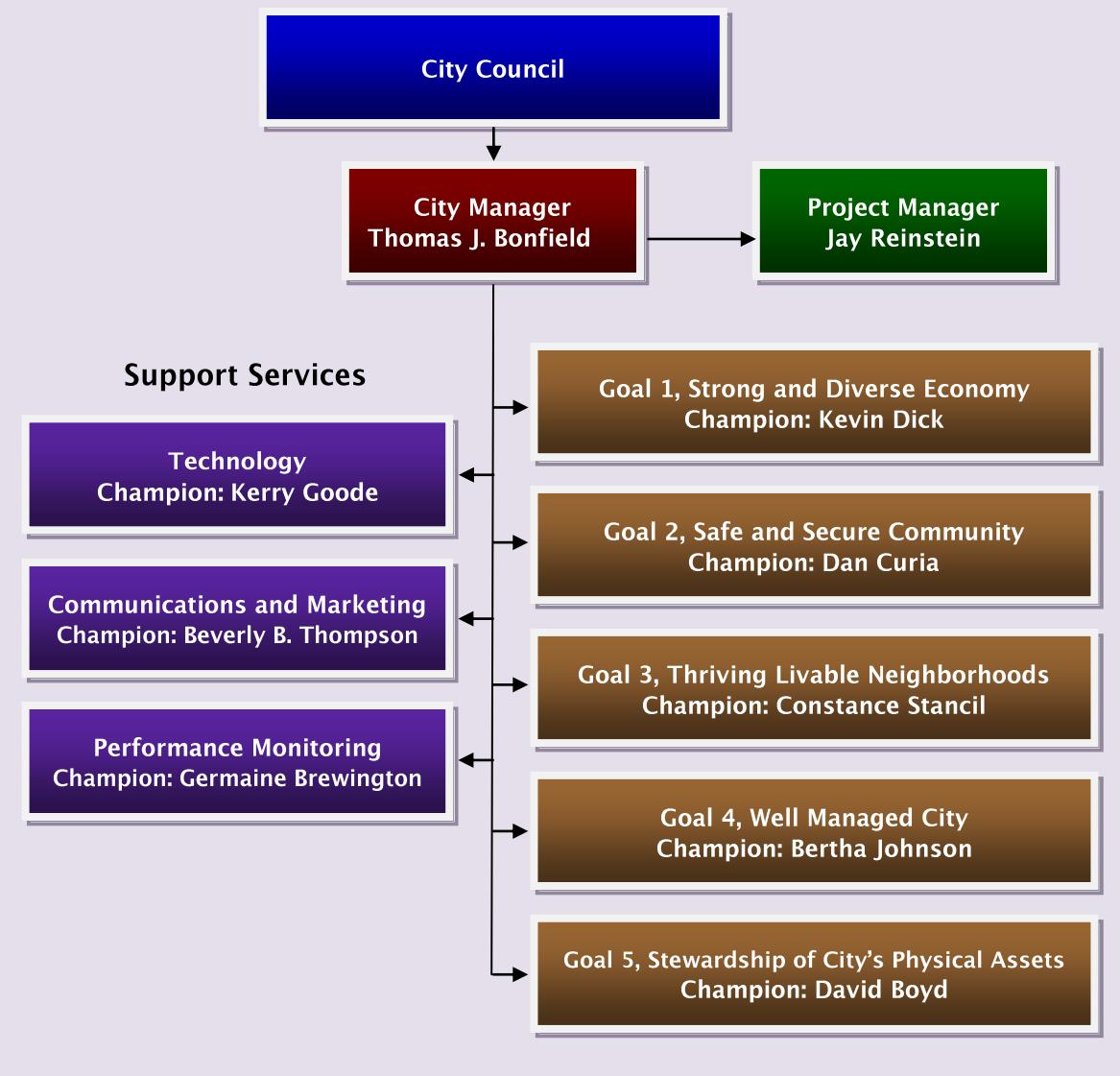
	facilities for compliance with the 2016 Falls Lake and Jordan Lake Rules
<p>Objective: Develop and maintain stormwater system to an established target level of effectiveness and quality</p> <p>Intermediate Measures:</p> <ul style="list-style-type: none"> • Linear feet of storm drain infrastructure installed/replaced • Linear feet of stormwater pipe video inspections performed • Stream Quality Index 	<ul style="list-style-type: none"> • Develop stormwater Asset Management Plan • Develop/Implement a stormwater Asset Management System • Identify Critical stormwater Assets • Develop a stormwater Asset Maintenance Plan • Enhance efforts to detect and control stormwater pollution sources

Strategic Plan Implementation

The Approach

It is important to institutionalize planning as a process that is used to guide the organization in making key decisions and tracking progress towards achieving its goals. Therefore strategic planning must be implemented as a process not just the production of annual documents.

Strategic Plan Implementation Model



Implementation Team

The purpose of the Strategic Plan Implementation Team is to ensure the plan is used as the roadmap for present and future organizational efforts. In addition to this overarching purpose, there are a number of specific responsibilities detailed below:

- Institutionalize and promote the strategic planning process
- Shift to a performance-managed organization
- Promote collaboration across departments and divisions
- Guide decision-making based on data including allocation of resources
- Ensure continuous organizational education and learning in related subjects

Goal Champions

- Point-of-contact for information and reporting progress associated with all aspects of assigned goal
- Ensure progress is being made and milestones met
- Liaison to ad hoc teams

Performance Monitoring

- Establish data collection protocols and schedule
- Oversee data analysis and reporting functions

Communication and Marketing

- Develop an internal and external communication plan to include marketing and branding the Strategic Plan

Technology

- Provide technology support to the Goal Champions and Initiative teams
- Increase the effectiveness and efficiency of the processes associated with strategic plan execution through the use of technology

Implementation Team	
Kevin Dick (Goal 1/Champion)	Office of Economic and Workforce Development
Alysia Bailey-Taylor (Goal 1/Vice Chair)	City-County Planning Department
Dan Curia (Goal 2/Champion)	Fire Department
Jim Soukup (Goal 2/Vice Chair)	Durham Emergency Communications Center
Larry Smith (Goal 2 Vice Chair)	Police Department
Constance Stancil (Goal 3/Champion)	Neighborhood Improvement Services Department
Keith Herrmann (Goal 3/Vice Chair)	Finance Department
Bertha Johnson (Goal 4/Champion)	Budget and Management Services Department
David Boyd (Goal 5/Champion)	Finance Department
Steve Medlin (Goal 5 Vice Chair)	City-County Planning Department
Chris Boyer (Goal 5/Vice Chair)	General Services Department
Beverly Thompson (Champion/ Communication)	Office of Public Affairs
Amy Blalock (Vice Chair/Communication)	Office of Public Affairs
Kerry Goode (Champion/Technology)	Technology Solutions Department
John Stinson (Vice Chair/Technology)	Technology Solutions Department
Germaine Brewington (Champion/ Performance Monitoring)	Audit Services Department
Gina Morais (Core team)	Parks and Recreation Department
Maria Ratliff (Core team)	Fire Department
Jay Reinstein (Project Manager)	Budget and Management Services Department

ClearPoint/Dashboard Team

Mary Beth Hollmann	City Manager's Office
Fred McCurdy	Technology Solutions Department
John Stinson	Technology Solutions Department

Community Partnerships

Goal	Partners
1. Strong and Diverse Economy	<ul style="list-style-type: none"> • Duke University • Duke University Health System • Downtown Durham, Inc. • Durham Technical Community College • N.C. Employment Security Commission • Small Business Advisory Committee • Durham Workforce Development Board • Durham Housing Authority • North Carolina Central University • Greater Durham Chamber of Commerce • N.C. Division of Workforce Solutions • Durham County Government • Durham Convention and Visitors Bureau • Durham Public Schools • Durham Literacy Center • PACs/Inter-Neighborhood Council (INC)
2. Safe and Secure Community	<ul style="list-style-type: none"> • PACs/INC • Durham Public Schools • Durham County Manager's Office • Durham County EMS • Durham Housing Authority • Durham Tech Community College • Duke University • Center for Public Safety Excellence • Alliance Behavioral Healthcare • Durham Crisis Response Center • Medic 1 Foundation • N.C. Office of the State Fire Marshall • FEMA • Media • Crime Stoppers • N.C. Child Response Initiative • BECOMING • Juvenile Crime Prevention Council • District Attorney's Office • Durham County Sheriff's Office • SBI

	<ul style="list-style-type: none"> • FBI • U.S. Immigration and Customs Enforcement • Bureau of Alcohol Tobacco and Firearms • DEA • Division of Alcohol Law Enforcement • U.S. Marshall's Office • US Secret Service • Red Cross • Probation and Parole • Residents
3. Thriving Livable Neighborhoods	<ul style="list-style-type: none"> • Durham Area Transit Authority (DATA) • Triangle Transit • Duke University/Duke University Health System • North Carolina Central University • Durham County Government • PACs/INC • Neighborhood Associations • Clean Energy Durham • Habitat for Humanity • DHA • Environmental Protection Agency (Region 4) • Federal Highway Administration • Department of Transportation • Housing & Urban Development • NC Department of Commerce • NC Department of Transportation • NC Department of Environmental Natural & Resources • Triangle J Council of Governments • University of North Carolina – Chapel Hill • North Carolina State University • Research Triangle Park • Preservation North Carolina • El Centro Hispano, Durham • Durham Public Schools • Durham Rescue Mission • Residents
4. Well-Managed City	<ul style="list-style-type: none"> • Blue Cross Blue Shield • PACs/INC • Residents
5. Stewardship of City's Physical	<ul style="list-style-type: none"> • Triangle Transit Authority (TTA)

Assets	<ul style="list-style-type: none">• DOST• Durham City-County Appearance Commission• NCDOT• Development Community• Utility Service Providers• Residents
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Appendix

Definition of Terms

- Core Values** Principles that govern our behavior and the way we do business.
- External Opportunities** The factors or situations that exist beyond our organization that may have a favorable effect on it.
- External Challenges** The factors or situations that exist beyond our organization that can negatively affect it.
- Goals** Broad statements of measurable outcomes to be achieved on behalf of customers.
- Initiatives** Specific programs, strategies and activities that will help us meet our performance targets.
- Measures** Meaningful indicators that assess progress toward the accomplishment of our goals and measures.
- Internal Strengths** The resources or capabilities our organization has that can be used for accomplishing our mission and vision.
- Internal Weaknesses** The deficiencies in resources or capabilities that currently exist that might hinder our organization's ability to be successful.
- Key Customers** Any person, group or organization receiving our product(s) and/or service(s).
- Mission Statement** Statement of purpose; fundamental reason for an organization's existence.
- Outcome Measures** Purpose, direction, or priorities of plan that can be measured.
- Objectives** Statements of what we must do well or barriers that we must overcome to achieve a specific goal.
- Core Products and Services** Deliverables that the customer receives.
- SWOC** Assessment of internal strengths, internal weaknesses, external opportunities, and external challenges.
- Targets** The numerical value of the performance measure we hope to achieve.
- Vision Statement** A word picture of the future that the organization intends ultimately to become or to influence.

BUDGET AND FINANCIAL POLICIES

The City of Durham's budget and financial policies serve as the basis for developing the annual operating budget and the six-year Capital Improvement Program. The policies also serve as the basis for the City's overall financial management.

The Local Government Budget and Fiscal Control Act governs much of the activities that occur in budget preparation and execution. The City has instituted other policies voluntarily in order to address issues that are specific to Durham. Both types of policies are noted below.

Operating Budget Policies

State Statutes:

- The City of Durham will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations.
- By State Statute, the annual budget for all City funds, including enterprise funds, is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred. Beginning with the FY 2001-02 Comprehensive Annual Financial Report, the City is accounting for its funds on both a full accrual and a modified accrual basis, in compliance with GASB 34.
- The General Fund has an officially adopted annual budget. The appropriations in the budget ordinance within the General Fund are shown at the fund level. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, all governmental and enterprise funds have legally adopted balanced budgets.
- The City may establish and operate one or more internal service funds. At the same time that it adopts the budget ordinance, the City Council must approve a balanced financial plan for each internal service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenue.
- All grants received from the federal or state governments for operating or capital purposes will be recognized in separate grant project ordinances. A balanced grant project ordinance must be adopted prior to beginning the project. A grant project ordinance is balanced when estimated expenditures do not exceed estimated revenue. Information on each grant project ordinance is included in the Annual Budget.
- The City's budget ordinance will cover a fiscal year beginning July 1 and ending June 30. In order to have the budget ordinance approved by July 1, the Preliminary Budget, together with a budget message, will be submitted to the City Council no later than June 1.
- A public hearing will be held on the Preliminary Budget prior to adoption of the budget ordinance. Notice of this public hearing will be published in the Herald-Sun. This notice will

also state that the Preliminary Budget has been submitted to the City Council and that a copy of the budget is available for review in the City Clerk's office.

City Policies:

- The City's budget will be presented in a program budget format that includes program summaries, current year accomplishments, proposed year budgetary changes, proposed strategies to be employed, and performance measures for each major program or service.
- The City's budget will include five-year revenue and appropriation projections for the General Fund and major enterprise funds. These projections integrate the current financial picture with the outlook over the next five years.
- The City Manager has the authority to transfer funds within a departmental budget or within a fund as set in the budget ordinance. The Budget and Management Services Department staff reviews all budget transfer requests and authorizes all transfers. All administrative budget transfers are documented by the Budget and Management Services Department and tracked in the City's general ledger.
- A budget ordinance amendment is necessary whenever a change is required in the original Budget Ordinance. Those changes primarily involve changes to a fund total. Any amendment must ensure that revenues and appropriations remain balanced. Budget ordinance amendments must be approved by the City Council. All budget ordinance amendments are documented by the City Clerk and the Budget and Management Services Department and tracked in the City's general ledger.

Fund Balance Levels

General Fund

- Fund balance and reserve maintenance are important because they provide financial safety nets in the event of emergencies, economic downturns, or other unforeseen circumstances. Fund balance and reserve maintenance are also major factors considered by bond rating agencies when evaluating the City's credit worthiness.
- To maintain Unassigned Fund Balance ("UFB") in an amount no less than the greater of 12% of the current year's originally adopted Adjusted Budgeted Expenditures, or the amount required by the Local Government Commission (LGC).
- UFB could fall to a level below 12% only at the direction of Council and if it is determined that it is prudent to do so to mitigate current or future risks (e.g., significant revenue shortfalls or unanticipated expenditures), to address unforeseen opportunities or for other emergency purposes.
- If Council directs actions which result in a UFB of less than 12%, then the next year's budget must include a plan to restore the UFB to the minimum level within a reasonable amount of time.
- Any portion of the UFB in excess of 12% of Adjusted Budgeted Expenditures may be considered only for one-time (i.e., non-recurring) expenditures.

Capital Improvement Program

State Statutes

- The City will appropriate all funds for capital projects with a capital project ordinance in accordance with State Statutes.

City Policies

- The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, each project must require a total expenditure of \$100,000.
- In all likelihood, the completion of capital projects will impact the departments' operating budgets as projects are completed and require maintenance and upkeep. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP.
- It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.
- The CIP assumes the use of installment sales financing exclusively for either facilities that house City functions or facilities that are joint private-public ventures. This assumption is consistent with the stated goals of maintaining the existing infrastructure and providing City services in an effective and efficient manner.
- The CIP assumes the dedication of investment income toward general capital projects. By City Council resolution, all investment income derived by the General and Capital Projects Funds is dedicated to the Capital Projects Fund. This allows the City flexibility to accelerate or decelerate the spending schedules for capital projects funded on a pay-as-you-go basis, depending on the rate of return received for the City's pooled cash.
- The City will plan the use of Water and Sewer Operating Fund appropriations to capital projects on a multi-year basis to ensure that any future rate increases will be as level as possible throughout the planning period.

City of Durham, NC

Investment Policy

I. Purpose

To provide guidance for the investment of all City funds in conformance with federal, state, and other legal requirements, including *North Carolina General Statute (“NCGS”) 159-30*.

This policy applies to the investment of all funds in the City’s Consolidated Investment Portfolio, excluding the investment of employees’ retirement funds, separate foundation or endowment assets and funds managed by external investment advisors.

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances (“Consolidated Operating Portfolio”) from all funds to optimize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles as required by N.C.G.S. 159-30(e).

II. Policy

The investment program shall be operated in conformance with federal, state, and other legal requirements, including *North Carolina General Statute (“NCGS”) 159-30*.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and market risk.

a. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by:

- Limiting investments to the types listed in Section VII of this Investment Policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of investment or from any one individual issuer will be minimized, where appropriate.

b. Market Risk

The City will minimize market risk, which is the risk that the liquidation value of certain investments in the portfolio will fall due to changes in interest rates, by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell or redeem investments prior to maturity.

- Investing operating funds primarily in shorter-term investments, money market mutual funds or similar local government investment pools, and limiting the average maturity of the portfolio in accordance with this Policy.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should maintain minimum amounts in cash equivalent investment alternatives (e.g. demand accounts, money market accounts, money market mutual funds, and local government investment pools). The securities portion of the total portfolio should consist largely of securities with active secondary or resale markets.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments shall generally be held until maturity with the following exceptions:

- An investment with declining credit quality may be sold or redeemed early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the investment be sold or redeemed.

4. Local Considerations

Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.

III. Definitions

IV. Procedures

Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate actions are taken in accordance with the terms of this Policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest

The Investment Officers (defined as the Finance Officer, Treasury Manager and Senior Treasury Analyst/Treasury Analyst, hereafter) and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority

Authority to manage the investment program is granted to the Finance Officer and derived from N.C.G.S. 159-30. Under the direction of the Finance Officer, the Treasury Manager and Senior Treasury Analyst/Treasury Analyst have responsibility of the day to day management of City funds. The Investment Officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

Procedures should include references to: safekeeping, delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures approved by the Finance Officer. The Investment Officers shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials.

Investment Providers

1. Broker/Dealers

The City shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed by the Investment Officers and a recommendation will be made for approval by the Finance Officer.

An "approved broker/dealer list" shall be maintained by the Investment Officers at all times and periodically approved by the Finance Officer. The City shall not enter into transactions with a broker/dealer until approved.

All broker/dealers who desire to become approved must supply the following:

- Proof of Financial Industry Regulatory Authority ("FINRA") registration
- Proof of state registration
- Completed broker/dealer questionnaire

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Investment Officer.

2. Financial Institutions

The City shall select a primary depository bank in compliance with the City's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of City funds.

The City may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of City

funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements. No deposit shall be made except in a qualified public depository as established by State law.

3. Minority and Community Financial Institutions

From time to time, the Investment Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Section V.1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law.

Safekeeping and Custody

1. Delivery versus Payment

All trades of marketable securities will be executed by delivery versus payment (DVP) to ensure that securities are deposited in a City-approved safekeeping agent prior to the release of funds.

2. Safekeeping

Securities will be held by an independent third-party safekeeping agent selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls

The Treasury Manager shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Finance Officer and the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

Suitable and Authorized Investments

1. Investment Types

Consistent with the NCGS 159-30, the following investments will be permitted:

- A. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- B. Obligations of government-sponsored agencies and instrumentalities listed in NCGS 159-30 (c) (2).
- C. Obligations of State of North Carolina.
- D. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- E. Time deposits placed with any North Carolina financial institution, secured in accordance with NCGS 159-31(b).
- F. Prime quality commercial paper rated the highest by one of the rating agencies and meeting the standards of NCGS 159-30 (c) (6).
- G. Bankers Acceptance of a commercial bank. Either highest long term debt rating of at least one nationally recognized rating service, or the bank or its holding company is incorporated

in North Carolina. In either event the security shall meet the standards of NCGS 159-30 (c) (7).

- H. Mutual funds certified by the Local Government Commission (LGC) and meeting the standards of NCGS 159-30 (c) (8).
- I. A comingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- J. A comingled investment pool established by Interlocal agreement that meets the standards of NCGS 159-30 (c) (10).
- K. Repurchase agreements meeting the standards of NCGS 159-30 (c) (12).
- L. Mortgage-backed obligations that:
 - i. Pass the Federal Financial Instrumentality Examination Council (“FFIEC”) High Risk Security Test.
 - ii. Is an obligation of a federal agency or instrumentality as listed in NCGS 159-30(c) (2).

2. Collateralization

The City requires collateralization for financial institution deposits in which the depository does not participate in the “Pooled Method” collateralization program of the State Treasurer. If a depository will utilize the “Dedicated Method” collateralization approach, the market value of the required collateral level shall equal or exceed 105% of the principal and accrued interest of any non-federally insured deposit amount. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards deposits.

All financial institutions pledging securities as collateral shall be required to sign a security or collateralization agreement with the City. The agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the financial institution and the City contemporaneously with the deposit;
- The agreement must be approved by the Board of Directors or designated committee of the financial institution and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the financial institution’s “official record” continuously since its execution.

Collateral will be held by an independent third party with whom the City has an escrow agent or custodial agreement. Pledge receipts and monthly reports must be supplied directly to the City by the escrow agent or custodian.

The City shall use State law and the GFOA's Recommended Practices on the Collateralization of Public Deposits as a guide on making adjustments to this collateralization policy for all financial institution accounts, including transaction accounts and certificates of deposit.

3. Repurchase Agreements

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. At the discretion of the Investment Officer, the minimum collateral level shall be 102%.

Investment Parameters

1. Diversification

The following diversification limitations shall be imposed on the portfolio:

Type of Investment	Maximum percentage
U.S. Obligations (1A)	90% of Portfolio
Federal Agencies and Instrumentalities (1B)	90% of Portfolio
North Carolina State and Local Bonds (1C and 1D)	75% of Portfolio
Time Deposits (1E)	90% of Portfolio
Commercial Paper (1F)	25% of Portfolio 5% per Issuer
Bankers Acceptances (1G)	25% of Portfolio 5% per Issuer
LGC certified money market mutual funds (1H)	100% of Portfolio
Comingled investment pool (1I and J)	100% of Portfolio
Repurchase Agreements (1K)	25% of Portfolio Exclusive of bond proceeds
Mortgage-backed Obligation (1L)	25% of Portfolio 10% per Security
Callable Securities	50% of Portfolio

Note: Parenthetical references to section VII of this policy.

2. Maximum Maturities

To the extent possible, the City's Consolidated Operating Portfolio shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City's Consolidated Operating Portfolio should not directly invest in securities maturing more than five (5) years from the date of purchase. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment. The maximum weighted average maturity for the City's Consolidated Operating Portfolio (including cash equivalent balances) shall be thirty months.

Reserve funds and other funds with longer-term investment horizons may be invested in maturities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as financial institution transaction accounts, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

3. Competitive Environment

It is the policy of the City to provide a competitive environment for all individual security purchases and sales, financial institution deposits, and repurchase agreement, money market mutual fund and local government investment pool selections. The Investment Officer shall develop and maintain procedures for ensuring competition in the investment of the City's funds.

4. Outside Discretionary Investment Managers

With the approval of the City Manager, the City may contract with a discretionary investment manager(s) to invest a portion of the City's overall portfolio. The manager shall be selected based on the appropriateness of its management style and risk/return objectives, and must adhere to the investment objectives, parameters and restrictions as determined by the Finance Officer and detailed in the executed management agreement. The manager shall operate in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*, but will not be required to adhere to this Policy.

Reporting

1. Methods

The Investment Officers shall submit to the Finance Director, not less than quarterly, an investment report that summarizes the investment strategies employed in the most recent period, and describe the portfolio in terms of investments, maturities, risk characteristics, and other features. The report shall explain the period's total investment income and compare the amount with budgetary expectations. The report shall include all transactions during the past quarter.

Within a timely manner of the end of the fiscal year, the Investment Officer shall present an annual report on the investment program and investment activity. The annual report shall suggest improvements that might be made in the investment program.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Weighted average yield to maturity shall be the portfolio performance standard for reporting purposes. For management purposes, a series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

3. Market Valuation

The market value of the portfolio shall be calculated at least quarterly and included in the concurrent report. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

Other Considerations

1. Exemption

Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy. The purchase of any investment that does not meet the guidelines of this Policy will require written approval of the Finance Director prior to transaction commitment.

2. Review and Amendment

The Investment Policy shall be reviewed periodically and any changes shall be approved through the City's policy approval framework.

**Policy Subject**

Debt Policy

Revision 1**Effective Date**

09-17-2012

**Policy
Number**

FP 707

Department

FINANCE

To City Employees

Thomas J. Bonfield, City Manager

I. Purpose

To provide guidance for the issuance of City debt and the maintenance of the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment beneficial to the City and necessary for essential services. The City of Durham issues and manages debt in accordance with the Local Government Bond Act, North Carolina General Statutes (N.C.G.S.) Chapter 159 Article 4 which prescribes a uniform system of limitations upon and procedures for the exercise by all units of local government in North Carolina of the power to borrow money secured by a pledge of the taxing power; and the limitations on local debt as noted in N.C.G.S. 159-55. Other applicable provisions to certain debt and debt refunding actions are contained within N.C.G.S. Chapter 159, Local Government Finance. Long term planning to meet the current and future capital needs of Durham require a sound debt position and guidelines that protect the credit quality of the City.

II. Policy

It is the policy of the City of Durham to establish the scope and purpose for the issuance of debt instruments consistent with the limitations of the North Carolina Local Government Bond Act. This policy specifies Uses of Debt Financings, Responsibility, Service Providers and Oversight, Refundings, Arbitrage Compliance, Credit Ratings, Reporting and Disclosure, Capital Acquisition,

Interest Rate Exchange Agreements, and any Exceptions to the Policy.

III. Definition

Advance Refunding - A refunding in which the refunding bonds are issued more than 90 days prior to (in advance of) the date upon which the refunded bonds will be repaid. Typically, the proceeds of the refunding bonds are placed in escrow and invested in obligations of the federal government. Payments received on the investments held in escrow are then applied to make payments on the refunded bonds as they become due (including by redemption).

Arbitrage - With respect to the issuance of municipal securities, arbitrage refers to the difference between the interest paid on bonds that are subject to the Code and the interest earned by investing the proceeds of the bonds in higher-yielding securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with bonds that are issued subject to the Code. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Bond Counsel - The attorney or firm of attorneys that gives the legal opinion delivered with the bonds confirming that the bonds are valid and binding obligations of the issuer and whether interest on the bonds is exempt from federal and state income taxes.

Bonds - A debt obligation, or a written promise to pay back an amount (face value of the bond), plus interest, by way of periodic payments within a specified period of time.

Bond Rating - An evaluation of the credit risk associated with a particular bond issue by internationally recognized independent rating agencies (Fitch, Moody's or Standard & Poor's). The City of Durham general obligation bond ratings are currently Aaa/Aaa/AAA ratings, respectively.

Capital Projects - Generally, major City projects with a cost of at least \$100,000. Capital projects can include the cost of land acquisition, construction, renovation and/or the acquisition of major equipment.

Certificates of Participation (COPs)/Limited Obligation Bonds (LOBs) - Alternative financing method requiring no voter approval. The City may issue COPs and LOBs for buildings or equipment using the building or equipment to secure the financing. COPs/LOBs should only be used when the property being financed has sufficient value to secure the debt and will survive the term of the financing. Issuance of COPs/LOBs will be made in accordance with the provisions of N.C.G.S. 159-153 and with the approval of the Local Government Commission.

Competitive Sale - The sale of bonds to the bidder presenting the best sealed bid at the time and

place specified in a published notice of sale. See also Negotiated Sale.

Credit Enhancement - Credit enhancement encompasses a variety of provisions that may be used to reduce the credit risk of an obligation. Credit enhancements are often incorporated into debt instruments. Techniques of credit enhancement include: Collateralization where one or more parties may agree to post collateral and collateral levels may be fixed or vary over time; third party loan guarantees; letters of credit issued by a financial institution; bond insurance where an insurance policy may provide for compensation in the event that a party defaults and surety bonds where a surety (third party) ensures that the principal party (the City) obligations to the obligee (bond holders) will be performed.

Current Refunding - A refunding in which refunding bonds are issued not more than 90 days before the date upon which the refunded bonds will be paid. Generally, the proceeds of the refunding bonds are applied immediately to pay the refunded bonds. Thereafter, the revenues originally pledged to the payment of the refunded bonds are pledged to the payment of the refunding bonds.

Debt Coverage Ratio - A bond covenant or obligation, the ratio is a stipulated formula measurement of the amount of net revenues available from specified revenues to cover required annual debt service payments. The ratio amount and formula for calculation are included in the bond document.

Debt or Bond Covenant - Legal obligations contained in a bond issue document such as a covenant for a specified debt service coverage ratio.

Debt Restructuring - The City is authorized to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management.

Debt Service - The periodic repayment to creditors/holders of debt principal and interest on debt obligations.

Defeasance - To set aside sufficient money to retire outstanding debt. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Derivative or Swap Advisor - A specialized firm hired by the City to provide a review and analysis of derivative or swap alternatives and can assist in the procurement of the swap, including conducting a competitive bid. The advisor provides ongoing monitoring of swap market conditions, advice about rates and structure, and participates in reviewing the closing documentation.

Enterprise Fund - A separate fund used to account for operations in which the cost of providing services is recovered primarily through user charges or fees.

Escrow Agent - With respect to an advance refunding, the commercial bank or trust company retained to hold the investments purchased with the proceeds of the refunding and, customarily, to use the amounts received as payments on such investments to pay debt service on the refunded

bonds.

Financing Team - The group of professional services firms needed use to complete a financing. Primarily, this group will include bond counsel, a financial advisor and an underwriter but other firms may also be included on the financing team.

Financial Advisor - A professional consultant retained (customarily by the issuer) to advise and assist the issuer in formulating and/or executing a debt financing plan to accomplish the public purposes chosen by the issuer.

Finance Officer - The City officer performing the duties of finance officer of a unit of local government pursuant to N.C.G.S. 159-24 of the Local Government Budget and Fiscal Control Act. The City of Durham's Finance Officer is the Director of Finance.

Fixed Rate Security - A debt obligation which is sold with a set interest rate when issued and that does not vary during the term of the obligation.

General Obligation Bonds - General Obligation bonds ("G.O.") are secured by a pledge of the full faith and credit of the City to pay the loan through tax revenue or other revenues. General Obligation ("G.O.") bonds are the simplest form of bond security type. The issuance of G.O. Bonds requires an approval of the majority of voters and the approval of the Local Government Commission. The City may sell general obligation bonds (G.O. bonds) to pay for expenses associated with capital projects or any public improvement as described in NC Statute 159-48.

Installment Purchase Contract - An agreement entered into by the City to:

- a. Purchase real and personal property,
- b. Enter into installment purchase contracts to finance the purchase of real and personal property used, or to be used, for public purposes, and
- c. Finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction within the provisions of G.S. 160A-19 or 160A-20.

Lease/Purchase Agreements - An agreement entered into by the City to lease real and personal property from a third party with the option to purchase the property upon expiration of the lease within the provisions of G.S. 160A-19 and with the approval of the Local Government Commission.

Lessor - One who lets property under a lease. The party leasing the property is known as the lessee.

Local Government Commission - The Local Government Commission (LGC) is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue, and five others by appointment. The State Treasurer serves as Chairman and selects the Secretary of the Commission, who heads the administrative staff serving the Commission. A major

function of the Commission is the approval, sale, and delivery of substantially all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by the Local Government Budget and Fiscal Control Act.

Negotiated Sale - A method of bond sale in which the terms and price of the bonds are negotiated by the issuer through an exclusive agreement with a previously selected underwriter and/or underwriting syndicate. In addition to negotiating the terms and covenants of the issue, the issuer and the underwriter also negotiate pricing of the issue.

Net Interest Cost (NIC) - Net Interest Cost (NIC) is an average interest cost rate for a bond issue, calculated on the basis of simple interest (not compound interest). The NIC calculation does not take into consideration the time value of money. The winning NIC bid may not provide the lowest effective interest cost in present value terms. Because True Interest Cost IC takes into account the time value of money, it generally more accurately measures the issuer's true cost of borrowing than does the NIC. See also TIC.

Parity Debt - With regard to the City's use of revenue bonds to finance enterprise fund capital acquisition, such as water and sewer capital projects; parity debt is the debt associated with the issue of revenue bonds, which are secured by the charges and fees of the City's enterprise fund, such as the water and sewer utility. Subordinate or other debt may exist (such as general obligation bonds issued specifically for water and sewer capital projects and repaid by charges and fees of the utility) without being specifically secured by current utility charges or fees. Parity debt generally requires a higher debt coverage ratio than all debt (parity debt plus subordinate or other debt) in that it is not secured by the full faith and credit of the City.

Private Placements - The offer and sale of a financing by the City directly to one or more investors, rather than through an underwriter. The terms of the placement are often negotiated directly with the investor or lending institution.

Refunding - An issue of new bonds (the refunding bonds) to pay debt service on a prior issue (the refunded bonds). Generally, the purpose of a refunding is either to reduce the debt service on the financing or to remove or replace a restrictive covenant imposed by the terms of the refunded bonds (for example, an excessive coverage ratio). The proceeds of the refunding bonds are either deposited in escrow to pay the refunded bonds when subsequently due (see Advance Refunding) or applied immediately to the payment of the refunded bonds (see Current Refunding). For accounting purposes, refunded bonds are not considered part of the issuer's outstanding debt because the refunded bonds are to be paid from the proceeds of the refunding bonds and not from the revenues originally pledged. Refunded bonds may continue to hold a lien on the revenues originally pledged, however, unless the indenture or bond resolution provides for defeasance of the refunded bonds prior to maturity or redemption.

Revenue Bonds - Bonds issued by the City which are backed with specified revenue sources from an enterprise fund for which the bonds were issued. The City's enterprise funds include fee for service business activities such as the Water and Sewer Fund and the Storm Water Fund. The City

may borrow money from lenders, pledging the revenues from charges and fees of the enterprise fund activities to repay the debt. Revenue bonds do not require voter approval. Issuance of revenue bonds will be made in accordance with the provisions of G.S 159-5 and with the approval of the Local Government Commission.

Trustee - The firm that the City hires to perform one or more of several administrative duties relating to a bond issue.

True Interest Cost (TIC) - True Interest Cost (TIC) is the internal rate of return that will be paid by the issuer to investors. It is the interest rate that discounts the debt service payable for a bond issue to its present value, or net proceeds. The TIC is one of two primary methods used to select the lowest effective interest cost bid in competitive bid sales. Because TIC takes into account the time value of money, it generally more accurately measures the issuer's true cost of borrowing than does the NIC. See also NIC.

Two-Thirds Bonds - The City is authorized to issue general obligation debt under the 2/3 rule, established by G.S. 159-49(2), wherein the City may issue new G.O. bonds up to 2/3 the value of the general obligation debt retired in the prior fiscal year so long as no other new general obligation debt was issued in the same year.

Underwriter or Underwriting Syndicate - Investment banking entity or groups of such entities that purchase, for resale to the public, bonds or other debt obligations issued by the City and/or the LGC on behalf of the City.

Variable Rate Securities - A debt obligation that does not have a fixed interest rate at closing. The interest rate periodically changes based upon an index or a pricing procedure.

Verification Agent - The company hired by the City to verify that the investment of bond proceeds in a refunding or other defeasance have been invested at a rate that does not exceed the amount permitted under federal arbitrage rules.

IV. Procedure

A. Responsibility

The Finance Officer (Director of Finance) has the primary responsibility for developing, recommending and monitoring debt financing and debt refunding/restructuring strategies and instruments. The selection and sourcing of financial consultants and service providers is also within the scope of duties of the Director of Finance. The Treasury Manager, under the direction of the Director of Finance, is tasked with daily operational debt responsibility.

All debt issued by the City will be issued pursuant to the rules, regulations and procedures of the LGC and the laws of the State of North Carolina.

B. Debt Issuance

Subject to the purposes for bond issue noted in NCGS 159-48, the City issues bond financing for the acquisition of or construction of major capital projects. Other debt financing such as COPs, are also available for use on capital projects as deemed in the best interest of the City. Similarly, revenue bonds may be utilized for enterprise fund debt for major capital projects.

Consistent with the limitations of the Local Government Bond Act the City provides for long-term financing needs through the issuance of multiple types of financings. Debt obligations are approved locally and by the Local government Commission as required by state statute. Referendums, notices and public hearings, as required by state statutes, are conducted prior to final debt approval and issuance.

C. Debt Limits

The City will use the following limitations as guidance for debt issuance:

1. **Debt as a Percentage of Assessed Valuation:** The City will not exceed a debt to assessed value ratio of 2.50% for debt paid with property taxes. Debt that is paid from the revenues of one of the City's revenue producing enterprises is excluded from this calculation.
2. **General Fund Debt Service Limitation:** Property tax revenue in the Debt Service Fund less transfers to enterprise funds to pay debt service should not exceed 15% of total expected non-dedicated property tax collections plus all other General Fund revenues. For purposes of this calculation, revenues do not include any expected debt proceeds, transfers in, or use of fund balance. Debt service that is supported by a dedicated revenue stream or anticipated increase in General Fund revenue (i.e. real or synthetic TIF) or paid from enterprise funds is excluded from this calculation.
3. **Ten Year Principal Payout:** The City will seek to amortize debt as rapidly as possible given certain budget constraints. The City will maintain a percentage of payout in excess of 60% in 10-years.

D. Principles for Debt Issuance

Throughout the debt issuance process, the City will follow the following general principles for the issuance of debt:

1. The City shall seek to maintain the highest possible bond rating without compromising the policy objectives of City.
2. The City will use long-term debt to for the purposes of constructing or acquiring capital assets or for making major renovations to existing capital projects.
3. Long-term debt will not be used to finance current operations or to capitalize expenses. The City will avoid the use of long-term debt to finance on-going maintenance.

4. All debt will be issued to reflect the useful life of the projects. At no time will the City issue debt with a maturity date beyond the useful life of the projects being financed.
5. The City will ensure that adequate systems of internal controls exist to provide reasonable assurance as to compliance with applicable laws, regulations and covenants.
6. The City shall seek to fund projects on a pay-as-you go basis and to obtain other sources of capital besides debt in order to minimize debt levels. However, the City will also seek to balance the tax-burden on current taxpayers with the applicable useful life of the projects in question.
7. All general fund projects to be financed will have been previously included in the City's Capital Improvements Plan (CIP). Any projects not included in the CIP will require specific approval of the City Council/City Manager prior to inclusion in a financing.
8. The City will monitor its debt portfolio in relation to current market conditions in order to refinance debt where sufficient savings will be realized.

E. Types of Debt

State law allows the City to utilize a wide-variety of tools to finance capital projects. Throughout the financing process, the City will evaluate these requirements in conjunction with the timing requirements of each project and select the financing vehicle which will offer the best combination of lowest cost of borrowing and meet the other applicable requirements of the financing. The following list outlines only the most common financing vehicles available to the City:

1. General Obligation Bonds
2. 2/3rds Bonds
3. Enterprise Revenue Bonds
4. Certificates of Participation/Limited Obligation Bonds
5. Installment Purchase Contracts

The is list is not an exhaustive list of options available to the City. The City will evaluate other financing options, their legality under state statutes and whether their use would result in improved financing results for the City.

In addition to the financing options listed above, the City will consider the following factors when financing City projects and evaluating conduit financings:

1. G.O. Bonds: The City will seek voter authorization to issue GO Bonds as directed by the City Council, and in accordance with North Carolina General Statute (NCGS) 159-49. Such authority will be sought only after it is determined that the project costs

are eligible and appropriate for multi-year financing.

2. Enterprise Supported Debt: The City may finance the needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to the issuance of any revenue-secured debt, the City will develop a financial plan and projection showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners and other affected parties.

3. Conduit Debt: The City may sponsor conduit financing for activities that have a general public purpose (economic development, affordable housing, etc.) and are consistent with the City's public policy objectives. All conduit financings must insulate the City from any credit risk or exposure. The Conduit borrower will be responsible for complying with all arbitrage rebate requirements or other regulations related to the issuance of the bonds. Prior to closing the bonds, the borrower will enter into a contract for arbitrage rebate service with a firm approved by the Director of Finance or designee.

4. Short-term Debt: As part of the City's capital planning process, the City will actively engage in the analysis of short-term and/or interim financing. The use of these products/services will be used to lower the overall borrowing costs of a project or series of projects and will be evaluated by the Treasury Manager and Director of Finance. They will only be used when they are advantageous to the City. The financing options include Lines/Letters of Credit, Bond Anticipation Notes (BANs), Tax and Revenue Anticipation Notes (TRANS) and Commercial Paper (CP). Other legally available short-term solutions will also be evaluated.

5. Internal Financing: As an additional financing option, the City will evaluate the use of internal sources to finance capital improvement projects or other purchases (in place of third-party financing). The City will evaluate the use of this type of financing when it creates either economic or administrative efficiencies. The loans will be repaid in full and may not be forgiven except with the written authorization of the Director of Finance or City Manager.

6. Interest Rate Exchange Agreements: As an additional financing options, the City will evaluate the use of Interest Rate Exchange agreement that conform to the City's Interest Rate Exchange Agreement Policy, FP 708.

F. Method of Sale

The City will evaluate debt obligations on a case-by-case basis and select a type of offering that will result in the best financing outcome for the City. Generally, the City will seek to issue its debt obligations using a competitive process unless it is determined by the Director of Finance that an alternative sale method will produce better results for the City. When bonds are to be sold at a competitive sale, the City specifies all the terms of the issue other than interest rates and purchase price.

Prior to presenting bids the underwriters evaluate the credit quality of the issue and the municipal market and may form syndicates or selling groups. The bonds are awarded to the underwriters presenting the best bid based on the criteria specified in the notice of sale. When determined to be appropriate by the Director of Finance, the City may elect to sell its

debt obligations through a negotiated sale. During a negotiated sale, the Underwriter is customarily active in all aspects of structuring the negotiated deal. Selection of the underwriter can be based on many different considerations including, but not limited to, expertise with a particular type of issue, market expertise, reputation, guaranties of maintaining a maximum gross spread, as well as prior relationships with the issuer.

Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program in accordance with North Carolina General Statute (NCGS) 159-49as allowed by state law.

Alternatively, the City may elect to sell its debt obligations through a private placement to a specific investor. Such a determination may be made on an issue-by-issue basis, for a series of issues, or for part of or all of a specific financing program. As a practice, the City will solicit investor interest prior to selecting a specific investor.

G. Debt Refunding

The City will evaluate the opportunity to refinance outstanding debt to realize economic savings or to accomplish strategic public policy objectives within the following parameters:

1. Advance refundings of outstanding bonds for economic savings may be undertaken when initial estimates illustrate net present value (NPV) savings of at least five percent (5%) of the refunded debt on a stand-alone basis. Lower savings targets may be acceptable if PV savings are over \$1 million, or if the refunding will be completed in conjunction with a new issue and realize economies of scale due to the combination of multiple issues.
2. Current refundings of outstanding bonds for economic savings may be undertaken when initial estimates illustrate net present value (NPV) savings of at least three percent (3%) of the refunded debt on a stand-alone basis or NPV savings are over \$1 million. The City will evaluate all current refunding opportunities when it is preparing to issue other debt.
3. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Director of Finance upon a finding that such a restructuring is in the City's overall best financial interests. A refunding with negative savings will not be considered unless it fulfills a compelling public policy objective.
4. Financial transactions, using Swaps or other derivative products, intended to produce the effect of a synthetic advance refunding, must generate significantly greater savings than the benefit thresholds outlined in this section. Additionally, the City will not move forward with a synthetic refunding unless a traditional transaction would meet the savings targets outlined in this section.
5. Open Market Purchase of City Securities: The City may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible.

H. Fixed Rate and Variable-Rate Securities:

The City will issue the majority of its debt at fixed rates. In response to market conditions including an analysis of interest rate risk, the City may choose to issue securities that pay a

rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds. The City will have no more than twenty percent (20%) of its outstanding bonds in variable rate form.

I. Service Providers and Oversight:

The City will evaluate the use of external service providers on a case by case basis. The City will seek to hire firms that are experts in their field of expertise and will aid the City in achieving the lowest cost of funds for a given financing. These firms may include but are not limited to the following categories:

1. Bond Counsel: The City will retain external bond counsel for all debt issues. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The selection criteria for bond counsel will include comprehensive municipal debt experience, experience with complex financings and a high level of expertise with state and federal laws related to the municipal borrowing activities.
2. Financial Advisor: The City will retain an external financial advisor. The utilization of the financial advisor for certain bond sales will be at the discretion of the Department of Finance on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements and pricing of municipal securities.
3. Underwriters: The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. If a negotiated sale is selected, the City will select an underwriter based on results of a competitive process. The City reserves the right to maintain a pool of qualified underwriters and select participants on an issue based on each firms' strengths.
4. Other Services: The Director of Finance shall periodically solicit other service providers (escrow agents, verification agents, trustees, swap advisors, arbitrage compliance consultants, etc.) as needed to facilitate the sale of bonds or the post-sale management of bond issues. The City's financial advisor will, on occasion, facilitate the selection process. The City will seek to fund all bond related costs from bond proceeds at closing.

All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in N.C.G.S. 159-51 for a bond issue to the LGC is contingent on criteria established in N.C.G.S. 159-52.

J. Investment of Bond Proceeds and Arbitrage Compliance

Proceeds from the sale of bonds should be invested up to the bond yield on each bond issue when possible. It will be the goal of the City to maximize these earnings while maintaining the appropriate liquidity to ensure availability of funds for the projects. This will include the

evaluation of all legally available investment vehicles. The investment strategy for bond proceeds will be set on a case-by-case basis.

Federal law requires that certain investment earnings in excess of the bond yield (arbitrage earnings) must be paid to the Federal Government under specific circumstances in the form of arbitrage rebate payments. The Department of Finance will invest bond proceeds at the highest yield possible, consistent with the City's investment policy and any restrictions imposed by the governing documents of each series of bonds. The Department of Finance is responsible for monitoring investments and cash flows of the City's bond funds, and contracting for third party arbitrage compliance calculations, if deemed necessary. The Department of Finance will pay arbitrage rebates due from investment earnings on the related bond proceeds pursuant to federal law.

The payment of arbitrage rebate will be viewed positively by the City and it should be the goal of each bond sale to owe arbitrage rebate as it reflects a maximization of investment earnings on a bond issue.

K. Credit Ratings

Rating Agency Relationships: The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

Use of Rating Agencies: The Director of Finance shall be responsible for determining if a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Credit Enhancement: The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers should be conducted using a competitive process when practical.

L. Reporting and Disclosure:

Required annual reporting on debt is contained in the Comprehensive Annual Financial Report (CAFR) as well as the City of Durham, North Carolina Final Budget. Additionally, the City Council holds annual budget and fiscal retreats where the Director of Finance presents details of the City's debt issuance plans. The City's current and future debt positions, debt capacity, and debt planning are outlined and ratios and trends are discussed. The City will provide ongoing disclosure information to established information repositories and remain in compliance with disclosure standards promulgated by state and national regulatory bodies.

M. Policy Exceptions

Any deviation from this policy must be confirmed in advance and in writing by the Finance Officer to the City Manager. The Finance Officer is not authorized to override any policy, procedure or provision that is legally mandated or the result of City Council action.

V. Other

N/A

VI. Attachment

N/A

CITY OF DURHAM CROSSWALK DEPARTMENT GOALS, OBJECTIVES & STRATEGIES TO CITY GOALS

City department budget pages list departmental goals, objectives and strategies that are tracked and managed at the department level in support of City Council goals in the Strategic Plan.

Departmental goals, objectives and strategies in support of these Council goals are outlined in the crosswalk produced below. The reference noting which Council goals the departmental goals support is as follows (see reference word in parentheses):

Goal 1: Strong and Diverse Economy. (ECONOMY)

Goal 2: Safe and Secure Community. (SAFE)

Goal 3: Thriving Livable Neighborhoods. (NEIGHBORHOODS)

Goal 4: Well-Managed City. (WELL-MANAGED)

Goal 5: Stewardship of City's Physical Assets. (ASSETS)

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals			
			Economy	Safe	Neighborhoods	Well-Managed
City Clerk	Citizenry aware of public meetings	VI-10				
City Clerk	Execute contracts in a timely manner	VI-10				
City Clerk	Timely provide Council adopted documents to departments	VI-10				
City Clerk	Prepare agenda items in a timely manner	VI-10				
City Clerk	Attend meetings and prepare Council minutes	VI-11				
City Clerk	Provide administrative support to Mayor and members of Council	VI-11				
City Clerk	Enhance Employee Morale	VI-11				
City Manager	Improve communications with citizens	VI-16				
City Manager	Increase awareness by public and employees about City of Durham	VI-16				
City Manager	Stewardship of the City's financial condition	VI-16				
City Manager	Improve citizen experience	VI-16				
City Manager	Provide organizational climate for excellent service delivery	VI-17				
City Manager	Increase overall efficiency and customer satisfaction	VI-17				
City Manager	Increase teen participation in programs	VI-17				
Audit Services	Increase awareness of fraud, waste and abuse	VII-5				
Audit Services	Complete comprehensive audits	VII-6				
Audit Services	Ensure effective communication	VII-6				
Audit Services	Conform to contracting requirements for annual audit	VII-6				
Budget	Provide quality budget document	VII-10				
Budget	Accurately project General Fund discretionary revenues	VII-10				
Budget	Provide timely and accurate reports	VII-11				
Budget	Project City department budgets and fund budgets at or below budget	VII-11				
Budget	To invest in public infrastructure	VII-11				
Budget	Implement process improvement initiatives	VII-11				
Budget	Ensure implementation of strategic plan initiatives	VII-12				
Budget	Establish an exceptional, diverse, and engaged workforce	VII-12				
Budget	Manage talent and ensure continuity of leadership	VII-13				
Budget	Ensure effective communication / satisfaction	VII-13				

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals				
			Economy	Safe	Neighborhoods	Well-Managed	Assets
EOEA	Make available business development opportunities for SDBE firms	VII-17					
EOEA	Implement Small Business Enterprise Program	VII-18					
EOEA	Contract compliance	VII-18					
EOEA	Department employee satisfaction	VII-18					
EOEA	Provide educational programs	VII-18					
Finance	Maintain the highest possible credit ratings	VII-22					
Finance	Ensure effective communication	VII-23					
Finance	Process payroll on time	VII-23					
Finance	Reconcile balance sheet general ledger accounts	VII-23					
Finance	Pay invoices in a timely fashion	VII-23					
Finance	Prepare timely financial reports	VII-24					
Finance	Purchasing cycle in a timely fashion	VII-24					
Finance	Complete pre-audit in timely fashion	VII-25					
Finance	Actively manage City's investment portfolio	VII-25					
Finance	Best practices to improve collection rate	VII-25					
Finance	Improve billing services	VII-25					
Finance	Improve business license discovery process	VII-26					
Finance	Same day posting of payments	VII-26					
Finance	To reduce delinquent accounts	VII-26					
Finance	Increase safety at City facilities	VII-27					
Finance	Reduce number of loss workdays per claim	VII-27					
Finance	Reduce at fault automobile accidents	VII-27					
Finance	Utilize best practices and manage expenses	VII-27					
Human Resources	Provide comprehensive and secure information and data	VII-34					
Human Resources	To have a healthy workforce	VII-34					
Human Resources	Maintain satisfaction with salary and classification services	VII-34					
Human Resources	To recruit and retain applicants for City employment	VII-35					
Human Resources	Ensure effective communication / satisfaction	VII-35					
Human Resources	To promote a positive work environment	VII-35					

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals				
			Economy	Safe	Neighborhoods	Well Managed	Assets
Human Resources	Provide training and enhance career development	VII-35					
Human Resources	Promote a positive work environment	VII-36					
Technology Solutions	Align IT resources with business needs	VII-39					
Technology Solutions	Improve IT customer service	VII-39					
Inspections	Building code compliance	VIII-5					
Inspections	Accurate & prompt plan review	VIII-6					
Inspections	Timely response to customer requests	VIII-6					
Inspections	Develop action plan to address Employee Opinion Survey results	VIII-6					
Planning	Review development proposals in timely and quality fashion	VIII-11					
Planning	Evaluate caseload trends	VIII-11					
Planning	Ensure customer satisfaction	VIII-12					
Planning	Timely response to customer complaints	VIII-12					
Planning	Enforce and administer regulations	VIII-12					
Planning	Provide timely information to customers	VIII-13					
Planning	Monthly reporting on progress of department strategic plan	VIII-13					
Planning	Overall compliance with annual departmental work program	VIII-13					
Planning	Ensure employee engagement with departmental operations	VIII-13					
Community Development	Create thriving and sustainable neighborhoods	VIII-20					
Community Development	To retain and increase the number of participants in programs	VIII-21					
Community Development	To provide comprehensive housing and counseling services	VIII-21					
Community Development	To provide urgent repairs and housing rehab	VIII-22					
Community Development	To partner with nonprofit organizations in targeted areas	VIII-22					
Community Development	Compliance with HUD requirements	VIII-23					
Community Development	Increase permanent housing units, assist homeless persons, reduce risk of homelessness	VIII-23					
Economic Development	Drive commercial activity and job creation	VIII-30					

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals				
			Economy	Safe	Neighborhoods	Well Managed	Assets
Economic Development	Improve business prospects for small businesses	VIII-31					
Economic Development	Develop public arts program	VIII-32					
Economic Development	Job creation and placement for residents aged 24 and older	VIII-32					
Economic Development	Help youth achieve educational and employment success	VIII-33					
Economic Development	Establish sound fiscal admin reporting structure	VIII-33					
Neighborhood Improvement Services	Enforce Minimum Housing Code / reduce code violations	VIII-40					
Neighborhood Improvement Services	Remediate unsafe residential and non-residential properties	VIII-41					
Neighborhood Improvement Services	Reduce response time to public nuisances	VIII-41					
Neighborhood Improvement Services	Expand outreach activities	VIII-42					
Neighborhood Improvement Services	Expand the Impact of the Neighborhood Compass	VIII-42					
Neighborhood Improvement Services	Publish public policy research briefs	VIII-43					
Neighborhood Improvement Services	Ensure compliance with Fair Housing Ordinance	VIII-43					
Neighborhood Improvement Services	Maximize efficiency and effectiveness of department employees	VIII-43					
Emergency Communications	Answer 90% of 911 calls in 10 seconds or less	IX-5					
Emergency Communications	Maintain a highly accurate 911 database	IX-5					
Emergency Communications	Maintain operations vacancy rate at or below 15% for employees who have passed probationary status	IX-5					
Emergency Communications	Ensure accuracy of Emergency Medical Dispatch pre-arrival instructions at 90%	IX-5					

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals			
			Economy	Safe	Neighborhoods	Well Managed
Emergency Communications	Dispatch all priority calls within 90 seconds or less	IX-5		█		
Emergency Communications	Ensure effective communication	IX-6			█	
Fire	Meet response standards to maximize citizen and firefighter safety	IX-14		█		
Fire	Ensure all inspected businesses are in compliance with the International Fire Code	IX-14		█		
Fire	Engage in continuous process improvement	IX-14			█	
Fire	Ensure effective communication	IX-14			█	
Fire	Develop a depreciation and replacement schedule for equipment	IX-15				█
Fire	Develop asset management plan	IX-16				█
Fire	Ensure appropriate training for staff	IX-16			█	
Police	Maintain the number of violent crimes at or below 700 per 100,000	IX-23		█		
Police	Maintain the number of property crimes at or below 4,800 per 100,000	IX-23		█		
Police	Ensure average response time of 5.8 minutes or less to Priority 1 calls	IX-23		█		
Police	Respond to 57% or more Priority 1 calls in less than 5 minutes	IX-23		█		
Police	Maintain a minimum Violent Crime Clearance Rate of 50% or higher	IX-23		█		
Police	Maintain a minimum Property Crime Clearance Rate of 23% or higher	IX-24		█		
Police	Achieve a real vacancy rate of 0% or lower per month	IX-24			█	
Police	Achieve an operational vacancy rate of 6% or lower per month	IX-24			█	
Police	Conduct citywide survey to measure perception of safety	IX-24			█	
Fleet Management	Efficient and reliable service to vehicles and equipment	X-5			█	█
Fleet Management	Ensure repairs are made properly and effectively	X-5			█	█
Fleet Management	Provide efficient and effective radio maintenance	X-6		█		
Fleet Management	Ensure effective communications	X-6			█	
General Services	Utilize work order system to improve responsiveness	X-10			█	█
General Services	Ensure ADA compliance	X-10			█	

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals				
			Economy	Safe	Neighborhoods	Well Managed	Assets
General Services	To develop a facility database to manage City assets	X-11					Green
General Services	To perform maintenance in a systematic manner	X-11					Green
General Services	Maintain project scope, schedule and budget	X-12					Green
General Services	Manage the City's use of energy to reduce costs / carbon footprint	X-13				Green	
General Services	Maintain high quality record keeping...	X-13					Green
General Services	Portfolio management for real estate services	X-14				Green	
General Services	Strengthen City partnerships	X-14		Green			
Parks & Recreation	Provide responsive and accessible recreation programs	X-21			Green	Green	
Parks & Recreation	Provide programs at affordable, reasonable fee rates	X-22			Green	Green	
Parks & Recreation	Provide aesthetically pleasing and safe parks and playgrounds and recreation facilities	X-23		Green			
Public Works	Ensure streets are repaved efficiently and effectively	X-32	Green				Green
Public Works	To protect and restore the drainage system and floodplain	X-32					Green
Public Works	Ensure that surface water quality is in compliance with the NPDES permit	X-32					Green
Public Works	Ensure storm drainage system is inspected and maintained per NPDES	X-33					Green
Public Works	Manage stormwater billing program	X-33				Green	
Public Works	Ensure City infrastructure complies with City codes and laws	X-33					Green
Public Works	Provide prompt, accurate information to customers	X-34			Green		Green
Public Works	Monitor and track failed developments	X-34		Green			Green
Public Works	Promote satisfaction and safety	X-34				Green	
Solid Waste	Provide citizens and departments with accurate information	X-40				Green	
Solid Waste	Maintain or reduce collection costs	X-40				Green	
Solid Waste	Divert recyclables and reusable earth materials from the waste stream	X-41			Green		
Solid Waste	Continuous efficient refuse collections	X-41					
Solid Waste	Enforce the City's Solid Waste Ordinance	X-42					
Solid Waste	Educate public on solid waste programs	X-42					
Solid Waste	Increase citizen use of convenience center	X-42					
Solid Waste	Safely operate a full-service yard waste disposal site	X-43			Green		

Goal Crosswalk FY-15

Department	Departmental Objective / Initiative	Budget Page	Council Goals				
			Economy	Safe	Neighborhoods	Well Managed	Assets
Solid Waste	Divert household hazardous waste from waste stream	X-43					
Solid Waste	Recycle tires to prevent entrance to waste stream	X-44					
Transportation	Plan, operate, maintain safe and efficient public transportation services	X-48					
Transportation	Ensure safe, reliable, & customer friendly taxi service	X-48					
Transportation	Operate well-managed traffic signal system / 90%	X-48					
Transportation	Maintain pavement markings	X-49					
Transportation	Maintain efficient traffic operations	X-49					
Transportation	Efficient street lighting	X-49					
Transportation	Efficient public transportation	X-49					
Transportation	Provide ADA paratransit service	X-50					
Transportation	Increase performance of parking operations	X-50					
Transportation	Increase use of off-street parking facilities	X-50					
Water Management	Sufficient quantities of high quality water	X-55					
Water Management	Effective wastewater treatment	X-56					
Water Management	Accurate and timely billing of water services	X-56					
Water Management	Enhance customer responsiveness	X-56					
Water Management	Enforce ordinances and collection policies	X-57					
Water Management	Provide maintenance and minor construction support	X-57					
Water Management	Protect City's water and sewer systems	X-57					
Water Management	Maintain database, conduct inspections	X-57					
Water Management	Educate customers regarding water efficiency	X-57					
Water Management	Produce drinking water that meets regulatory requirements	X-57					
Water Management	Provide water free of tastes and odors	X-57					
Water Management	Provide cost effective wastewater treatment	X-58					
Water Management	Maintain sewer collection system in good order	X-58					
Water Management	Measure amount of water sold accurately and responsibly	X-58					
Water Management	Maintain the integrity of the City's sewer collection system	X-58					



Multi-Year Fund Projections

The City includes fund projections in the annual budget. These projections incorporate the current year budget information with the budget outlook over the next five years. Projections include only the current levels of activity and do not include estimates of future service expansions.

Multi-year projections are prepared for the General Fund, the Debt Fund, and major Enterprise Funds.

**GENERAL FUND
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
General Property Taxes	\$ 92,900,534	\$ 95,556,125	\$ 98,298,045	\$ 101,120,099	\$ 104,024,654	\$ 107,014,145
Taxes: Prior Year Levy/Interest	1,917,941	1,969,816	2,036,889	2,093,770	2,146,732	2,095,778
Other Local Taxes	50,189,456	51,926,080	53,723,216	55,582,972	57,507,532	59,499,157
State-Shared Revenues	12,002,635	12,252,596	12,508,687	12,771,142	13,040,212	13,316,171
Licenses and Permits	6,875,000	7,083,894	7,301,552	7,526,739	7,719,166	7,836,208
Investment/Rental Income	48,672	48,672	48,672	48,672	52,332	52,332
Charges for Current Services	7,280,727	7,386,662	7,494,487	7,605,291	7,719,166	7,836,208
Intragovernmental Services	2,307,616	2,353,768	2,400,845	2,448,863	2,497,841	2,547,798
Other Revenues	666,783	666,783	666,783	666,783	663,123	663,123
Additional Revenues	815,250	5,732,963	6,497,878	7,797,217	10,052,847	11,414,694
Total Revenues	\$ 175,004,614	\$ 184,977,359	\$ 190,977,054	\$ 197,661,548	\$ 205,423,605	\$ 212,275,615
Appropriations						
Personal Services	\$ 130,267,401	\$ 137,951,132	\$ 142,828,693	\$ 147,789,330	\$ 152,811,338	\$ 158,018,995
Operating	30,542,643	33,237,225	34,738,616	36,976,488	38,504,233	40,262,498
Capital Outlay	285,509	166,529	173,191	180,118	187,323	194,817
Debt Service	50,000	50,000	50,000	50,000	50,000	50,000
Others	1,654,476	1,553,476	1,553,476	1,553,476	1,553,476	1,553,476
Transfers to Other Funds	12,204,585	12,018,997	11,633,078	11,112,136	12,317,235	12,195,829
Total Appropriations	\$ 175,004,614	\$ 184,977,359	\$ 190,977,054	\$ 197,661,548	\$ 205,423,605	\$ 212,275,615
Property Taxes Needed	\$ 92,900,534	\$ 101,289,088	\$ 104,795,923	\$ 108,917,316	\$ 114,077,501	\$ 118,428,839
Projected Levy	92,900,534	95,556,125	98,298,045	101,120,099	104,024,654	107,014,145
Surplus/(Shortfall)	\$ -	\$ (5,732,963)	\$ (6,497,878)	\$ (7,797,217)	\$ (10,052,847)	\$ (11,414,694)
One Cent on Tax Rate	\$ 2,417,396	\$ 2,479,190	\$ 2,550,329	\$ 2,623,546	\$ 2,698,905	\$ 2,776,467
Tax Rate (General Fund Only)	0.3843	0.3853	0.3853	0.3853	0.3853	0.3853
Tax Rate Equivalent	0.0000	0.0231	0.0255	0.0297	0.0372	0.0411
Tax Rate (cents)	0.3843	0.4085	0.4108	0.4151	0.4226	0.4265
12% Undesignated Fund Balance	\$ 19,530,003	\$ 20,749,003	\$ 21,515,277	\$ 22,379,929	\$ 23,166,764	\$ 24,003,574
Undesignated Fund Balance	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808
Fund Balance %	13.15%	12.38%	11.94%	11.48%	11.09%	10.70%

GENERAL FUND PROJECTION

Revenue Assumptions FY2016 – FY2020

- Property Tax Base is projected to grow at 2.87% annually overall.
- FY 2015-16 is a revaluation year in which property tax values will be reappraised.
- Other Local Taxes (Sales and Hotel/Motel) are projected at 3.38% growth annually.
- Intergovernmental projection: State Collected Revenues are assumed to have slow growth of 2%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Rental Income is projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have slow growth (between 1% and 2%).
- Other revenue is projected to grow at 0.5% annually.

Appropriation Assumptions FY2016 – FY2020

- Personal Services (all salaries and benefits) appropriations are projected to grow at 3.5% overall.
- Operating appropriations are generally projected to grow at 1%. Other periodic costs such as election year expenses, as well as gradual increases for deferred maintenance and street maintenance funding are also included in future years.
- Capital outlay is projected to stay flat.
- Transfers to Other Funds are generally projected to grow overall by 2%, but fund subsidies are also included with best estimates based upon multi-year projections for those funds.

DEBT FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Property Taxes	\$ 36,841,117	\$ 35,849,417	\$ 39,750,154	\$ 39,675,265	\$ 37,700,333	\$ 36,779,935
Other Revenue	642,660	617,123	603,896	580,772	555,495	537,874
Intergovernmental	2,505,000	1,350,000	-	-	-	-
Transfer from General Fund	172,125	162,500	156,650	150,150	143,650	137,150
Appropriation from Fund Balance	1,508,641	-	-	-	-	-
Total Revenues	\$ 41,669,543	\$ 37,979,040	\$ 40,510,700	\$ 40,406,187	\$ 38,399,478	\$ 37,454,959
Appropriations						
Debt Service	\$ 35,239,091	\$ 31,632,788	\$ 34,078,630	\$ 34,213,925	\$ 33,073,662	\$ 32,339,547
Tax Collection Fee	424,631	413,224	440,769	439,632	417,798	407,522
Transfer to Other Funds	6,005,821	5,933,028	5,991,301	5,752,630	4,908,018	4,707,890
Total Appropriations	\$ 41,669,543	\$ 37,979,040	\$ 40,510,700	\$ 40,406,187	\$ 38,399,478	\$ 37,454,959

DEBT PROJECTION

Revenue Assumptions

- Property Taxes – The portion of property tax allocated to pay for debt service.
- Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.
- Other Revenue – Subsidy payments from Build America Bonds (BABs).
- Intergovernmental – Transfers from Durham County to pay for a portion of a communications infrastructure project.
- Transfer from General Fund – Transfers from General Fund to pay for infrastructure upgrade project on 9th Street.
- Appropriation from Fund Balance – Any portion not covered by revenues must be covered by fund balance.

Appropriation Assumptions

- Debt Service – Principal and interest payments on the City's debt service.
- Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.
- Transfer to Other Funds – Transfers to funds that have debt obligations.

WATER AND SEWER FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Investment/Rental	\$ 492,862	\$ 502,719	\$ 512,773	\$ 523,028	\$ 533,489	\$ 544,159
Water & Sewer Sales	83,530,701	86,179,504	89,201,257	93,256,142	97,834,397	104,398,153
Other Operating Revenues	627,000	639,540	652,331	665,377	678,685	692,259
Licenses and Permits	83,000	84,660	86,353	88,080	89,842	91,639
Frontage Fees/Assessments	220,000	224,400	228,888	233,466	238,135	242,898
Other Revenues	50,138	51,141	52,164	53,207	54,271	55,356
Transfers From Other Funds	287,635	276,982	-	-	-	-
Total Revenues	\$ 85,291,336	\$ 87,958,946	\$ 90,733,766	\$ 94,819,300	\$ 99,428,819	\$ 106,024,464
Appropriations						
Personal Services	\$ 24,148,668	\$ 25,235,358	\$ 26,370,949	\$ 27,557,642	\$ 28,797,736	\$ 30,093,634
Operating	28,370,731	29,647,414	30,981,548	32,375,718	33,832,625	35,355,093
Transfer to CIP	16,140,000	17,200,000	3,550,000	5,500,000	1,300,000	4,800,000
Transfer to Other Funds	730,000	762,850	797,178	833,051	870,538	909,712
Debt Service	11,260,678	10,785,700	20,919,268	20,199,199	23,793,419	23,533,693
Appropriation to Fund Balance	4,641,259	4,327,624	8,114,823	8,353,690	10,834,501	11,332,332
Total Appropriations	\$ 85,291,336	\$ 87,958,946	\$ 90,733,766	\$ 94,819,300	\$ 99,428,819	\$ 106,024,464

Debt Coverage Ratio:

Parity Debt	5.50	5.68	2.22	2.32	1.99	2.16
All Debt	3.19	3.45	1.80	1.95	1.74	1.91

CIP Related:

Revenue or G.O. Bond Issue	\$ 43,555,630	\$ 150,973,130	\$ 97,228,305	\$ 59,742,075	\$ 50,384,640	\$ 97,322,140
CIP Appropriations	\$ 59,695,630	\$ 168,173,130	\$ 100,778,305	\$ 65,242,075	\$ 51,684,640	\$ 102,122,140
Rate Funded	\$ 16,140,000	\$ 17,200,000	\$ 3,550,000	\$ 5,500,000	\$ 1,300,000	\$ 4,800,000

WATER AND SEWER PROJECTION

Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges was approved for FY 2014-15. This rate increase is equates to about a 3% increase for the average residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 2% annually.
- Transfers From Other Funds is a repayment over five years from the General Fund for the financing of an information technology infrastructure upgrade project.

Appropriation Assumptions

- All Operational and Maintenance costs including personnel, operating and capital increase by 4.5% each year to cover expected system expansions and increased regulatory requirements.
- Transfer to CIP represents the amount of cash projected to be transferred from the Water and Sewer Fund to the Capital Projects fund for water and sewer construction projects.
- Transfers to Other Funds include a transfer to Stormwater to cover an arrangement regarding the Household Hazardous Waste program, and transfers to capital funds to pay for fleet needs.
- Debt Service projections are provided by the City's Finance Department and includes all existing and estimated future debt service to be paid by the Utility System.

**SOLID WASTE FUND
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Interest and Rental Income	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Charges for Current Services	6,215,160	5,879,407	5,890,695	5,902,179	5,913,859	5,925,734
Other Revenues	672	672	672	672	672	672
Landfill Gas	200,000	196,000	192,080	188,238	184,474	180,784
Transfers from Debt Service Fund	4,182,847	4,207,021	4,369,410	4,179,667	3,518,519	3,518,519
Transfer from General Fund	9,630,134	9,630,134	9,630,134	9,630,134	9,630,134	9,630,134
Transfer from BID	15,000	15,000	15,000	15,000	15,000	15,000
Additional Revenues	605,828	1,793,851	2,093,249	2,399,397	2,366,197	
Total Revenues	\$ 20,248,813	\$ 20,539,062	\$ 21,896,842	\$ 22,014,140	\$ 21,667,055	\$ 21,642,040
Appropriations						
Personal Services	\$ 6,210,096	\$ 6,396,399	\$ 6,588,291	\$ 6,785,940	\$ 6,989,518	\$ 7,199,203
Operating	9,837,269	9,935,642	10,939,142	11,048,533	11,159,018	11,270,608
Debt Service	4,201,448	4,207,021	4,369,410	4,179,667	3,518,519	3,172,228
Total Appropriations	\$ 20,248,813	\$ 20,539,062	\$ 21,896,842	\$ 22,014,140	\$ 21,667,055	\$ 21,642,040

SOLID WASTE PROJECTION

Revenue Assumptions

- Charges for Current Services represents all revenues which are received as a direct result of the department's operations. These revenues include the per ton tipping fee, fees for yard waste collection, disposal bin purchases, brush pickup fees, white good disposal revenue and the State Disposal Tax revenue. These fees are generally projected at an increase of 1% annually for future years. Some notes on specific revenue sources:
 - White good rebates and vendor sales are anticipated to decrease by 2% annually, due to a decrease in tonnage.
 - Beginning July 1, 2014, Mixed Solid Waste tipping fees will increase two dollars, to \$44.50, to address declining mixed solid waste tonnage. Increasing this fee is anticipated to raise an additional \$156,000 in revenue. Collection of MSW is anticipated to decline in FY 16, and then remain stable through FY 2020.
 - Beginning July 1, 2014, Yard Waste Subscriber fees will increase by \$12, to \$72 a year, to address increasing yard waste collection costs. Increasing this fee is projected to raise \$87,614 in additional revenue in FY 15.
- Interest and rental income is revenue earned through the commitment of City funds to investment instruments allowed under State statute.
- Methane produced by the landfill is a limited resource, and as production drops, revenue is projected to decrease by 2% annually.
- Other Revenues are subsidy payments from Build America Bonds (BABs), which are projected to remain flat.
- Transfer from the General Fund is projected to remain flat.
- Transfer from Debt Service Fund is used to pay for capital needs of the department. In FY 19 the transfer from debt service decreases by \$661,148 because the debt payments associated with the purchase of roll-out carts will be complete.
- The Transfer from the BID is used to partially recover costs associated with the provision enhanced collection services within the Business Improvement District. Annual changes in the transfer will be tied to the growth in assessed value of the BID, until collection costs are fully recovered. In the interest in conservative projections, a flat transfer has been assumed.
- Additional revenues will be required in future years to balance the fund.

Appropriation Assumptions

- Personal Services are projected to grow by 3% annually in future years.
- Operating costs are projected to grow by 1% annually.
- Debt service costs cover vehicle purchases and other capital needs. Debt Service estimates are provided by the Finance Department.

STORMWATER MANAGEMENT FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Operating Revenues	\$14,486,310	\$ 15,630,000	\$ 16,670,000	\$17,695,000	\$18,267,000	\$ 18,668,223
Interest and Rental Income	20,000	20,600	21,218	21,855	22,510	23,185
Miscellaneous Revenue	250,550	258,067	265,808	273,783	281,996	290,456
Transfers from Other Funds	232,047	232,047	232,047	232,047	232,047	232,047
Subtotal Revenues	\$14,988,907	\$ 16,140,714	\$ 17,189,073	\$18,222,684	\$18,803,553	\$ 19,213,912
Appropriation from Fund Balance	-	3,000,000	-	-	-	-
Total Revenues	\$14,988,907	\$ 19,140,714	\$ 17,189,073	\$18,222,684	\$18,803,553	\$ 19,213,912
Appropriations						
Personal Services	\$ 6,420,313	\$ 6,838,769	\$ 7,061,582	\$ 7,354,536	\$ 7,594,710	\$ 7,909,429
Operating	3,054,594	3,130,959	3,209,233	3,289,464	3,371,700	3,455,993
Capital Outlay	30,000	44,571	45,462	46,371	47,299	47,300
Transfers to Other Funds	4,562,000	9,040,000	6,415,000	7,365,000	7,615,000	6,500,000
Transfers to Fund Balance	922,000	86,415	457,797	167,313	174,845	1,301,190
Total Appropriations	\$14,988,907	\$ 19,140,714	\$ 17,189,073	\$18,222,684	\$18,803,553	\$ 19,213,912

STORMWATER MANAGEMENT PROJECTION

Revenue Assumptions

Stormwater Charges – Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). A 7.5% rate increase has been adopted for FY 2014-15.

The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface:

- \$3.26 for less than 2,000 square feet
- \$6.75 for more than 2,000 and less than 4,000 square feet
- \$13.52 for more than 4,000 square feet

The monthly charge for each commercial ERU is \$6.75. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees.

Miscellaneous revenues include permit fees for plan review and inspection of any required stormwater management facilities (e.g., detention basin, sand filter) associated with development plans. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. Increases are budgeted at approximately 3%.

Transfers from other funds includes transfers from the Water & Sewer Fund and Transit Fund.

Appropriation Assumptions

- Personal Services costs are projected to grow at a rate of approximately 3% annually, plus planned additional positions.
- Operating costs are projected to grow at approximately 2.5% annually.
- The Transfers to Other Funds includes the transfer from the Stormwater Fund to the CIP fund for private property projects and watershed planning and design and to the Fleet Fund for vehicle replacements.

**TRANSIT FUND
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
General Property Taxes	\$ 9,355,323	\$ 9,542,429	\$ 9,733,278	\$ 9,927,944	\$ 10,126,502	\$ 10,329,033
Licenses and Permits	2,431,883	2,480,521	2,530,131	2,580,734	2,632,348	2,684,995
Intergovernmental	3,356,952	4,524,478	5,051,686	5,653,146	5,711,143	5,604,210
Charges for Current Services	3,508,787	3,945,823	4,058,958	4,175,744	4,296,302	4,420,760
Other Revenue	209,182	174,709	152,329	154,045	143,865	121,793
Total Revenues	\$ 18,862,127	\$ 20,667,960	\$ 21,526,382	\$ 22,491,612	\$ 22,910,161	\$ 23,160,791
Appropriations						
Operating	17,421,487	18,654,461	19,748,115	20,937,071	21,387,963	21,769,787
Capital	55,000					
Debt Service	212,737	210,417	205,778	205,778	205,778	205,778
Transfers to Other Funds	1,172,903	1,558,681	1,348,305	1,319,112	1,316,420	1,185,226
Appropriation to Fund Balance	-	244,401	224,184	29,651	-	-
Total Appropriations	\$ 18,862,127	\$ 20,667,960	\$ 21,526,382	\$ 22,491,612	\$ 22,910,161	\$ 23,160,791

TRANSIT PROJECTION

Revenue Assumptions

- This fund does not capture the full revenues or costs associated with Transit operations. Several grants are accounted for in grant funds. Changes in future grant allocations affect overall Transit operations.
- The Transit Fund currently receives 3.87 cents of the tax rate, the same rate as in FY 2013-14. Growth in the tax base is projected at 2% annually.
- Licenses and Permits are projected to grow by 2% annually.
- Intergovernmental (State grant) revenue base is projected flat overall, but increases are tied to growth in the transit system as new service is added, based on the funding formula. This line also includes transfers from Triangle Transit for new services and approved transfers for existing service from the half cent sales tax and increased motor vehicle fee approved as part of the Bus and Rail Investment Plan.
- Charges for Services are projected to grow at 3% for Transit and Paratransit services after FY 2015-16.
- Other Revenue is variable based upon expected activities in each fiscal year.

Appropriation Assumptions

- As noted in Revenue Assumptions, some Transit operating costs are captured in grant funds and not shown here. Changes in those grant allocations will also affect Transit operations funding.
- This projection does not include capital costs for significant expansion of the fleet. Those costs are captured in grant and capital projects.
- Transit service operating costs are projected to rise at an annual rate of 3.05% on average without any increase in service levels. The other increases in FY 2015-16 through FY 2017-18 also reflect costs associated with projected new services as part of the Bus and Rail Investment Plan.
- Transfers to Other Funds show grant matches required to leverage grant funding for Transit operations.
- Appropriation to Fund Balance is present in years when revenues are projected to exceed expenses.

**PARKING FACILITIES FUND
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Interest and Rental Income	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082	\$ 1,104
Charges for Current Services	2,801,717	2,857,751	2,914,906	2,973,204	3,032,668	3,093,322
Transfers from Other Funds	1,987,324	1,924,735	1,856,505	1,790,185	1,778,144	1,713,229
Total Revenues	\$ 4,790,041	\$ 4,783,506	\$ 4,772,451	\$ 4,764,450	\$ 4,811,894	\$ 4,807,655
Appropriations						
Personal Services	\$ 146,435	\$ 150,828	\$ 155,353	\$ 160,014	\$ 164,814	\$ 169,758
Operating	2,656,281	2,707,943	2,760,593	2,814,251	2,868,936	2,924,668
Debt Service	1,987,325	1,924,735	1,856,505	1,790,185	1,778,144	1,713,229
Total Appropriations	\$ 4,790,041	\$ 4,783,506	\$ 4,772,451	\$ 4,764,450	\$ 4,811,894	\$ 4,807,655

PARKING FACILITIES PROJECTION

Revenue Assumptions

- Since FY 2002-2003 a private vendor is contracted to operate the City garages and parking lots.
- Charges for Current Services are generally projected to grow by 2% annually. The future of this fund could change substantially if the proposed changes in the recently completed downtown parking study are adopted. No assumptions are included in this projection for new garages or further implementation of the study.
- Transfers from Other Funds are a subsidy from the Debt Service Fund.

Appropriation Assumptions

- Personal Services are projected to grow by 3%.
- Operating costs are projected to grow by 1% annually, with the increased costs from expanding enforcement areas included in FY 2014-15.

**BALLPARK FUND
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Interest and Rental Income	\$ 182,788	\$ 209,328	\$ 238,075	\$ 213,001	\$ 229,466	\$ 246,446
Transfers from Other Funds	1,285,617	1,251,239	1,215,354	1,232,745	1,111,321	1,081,874
Total Revenues	\$ 1,468,405	\$ 1,460,567	\$ 1,453,429	\$ 1,445,746	\$ 1,340,787	\$ 1,328,320
Appropriations						
Debt Service	1,272,691	1,265,854	1,258,715	1,251,032	1,240,787	1,228,320
Transfer to Fund Balance	51,000	50,000	50,000	50,000	100,000	100,000
Transfers to Other Funds	144,714	144,713	144,714	144,714	-	-
Total Appropriations	\$ 1,468,405	\$ 1,460,567	\$ 1,453,429	\$ 1,445,746	\$ 1,340,787	\$ 1,328,320

BALLPARK PROJECTION

Revenue Assumptions

- Per the new lease agreement approved by City Council on May 6, 2013, the City will receive annual base rent of \$130,050, with a projected 2% escalation, based on CPI. Additionally, the City will receive 3% of any gross revenues in excess of \$10,750,000 as well as 1.25% of revenues collected from Third Party and Special Events. These figures and assumptions were used to calculate interest and rental income revenues.
- The Transfers from Other Funds represents a subsidy from the General Fund and Debt Service Fund. The General Fund is providing \$50,000 annually for the capital reserve fund, which will increase to \$100,000 for FY19 and beyond. The Debt Service Fund will subsidize the Ball Park Fund approximately \$1.2 million each year.

Appropriation Assumptions

- Debt Service costs account for the issuance of \$12 million in taxable limited obligation bonds per the development agreement approved by Council on May 6, 2013. These bonds were used to provide \$6 million in deferred maintenance repairs and \$6 million in renovations to the Ball Park, completed in April 2014. Of the total debt service payment in FY 2014-15, \$897,695 is associated with the new debt that was issued. Debt Service estimates are supplied by the Finance Department.
- Transfer to Fund Balance represents the amount set aside to fund a capital reserve for future needs.
- Transfers to Other Funds represent an inter-fund loan repayment projected to be complete in FY 2017-18.

DURHAM PERFORMING ARTS FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues						
Other Local Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Other Revenues	\$ 955,233	\$ 866,860	\$ 1,168,605	\$ 931,395	\$ 918,605	\$ 753,023
Interest Income	\$ 25,920	\$ 32,630	\$ 54,550	\$ 27,777	\$ 48,386	\$ 1,780
Operating Revenues	\$ 1,344,333	\$ 928,445	\$ 1,451,704	\$ 752,231	\$ 1,445,143	\$ 929,764
Appropriation from Fund Balance	\$ -	\$ -	\$ -	\$ 2,076,167	\$ -	\$ 2,376,923
Total Revenues	\$ 3,725,486	\$ 3,227,935	\$ 4,074,859	\$ 5,187,570	\$ 3,812,134	\$ 5,461,490
Appropriations						
Operating	\$ 916,764	\$ 714,355	\$ 540,198	\$ 2,700,858	\$ 468,550	\$ 2,974,716
Debt Service	\$ 2,540,719	\$ 2,488,549	\$ 2,486,467	\$ 2,486,712	\$ 2,490,950	\$ 2,486,774
Appropriation to Fund Balance	\$ 268,003	\$ 25,031	\$ 1,048,194	\$ -	\$ 852,634	
Total Appropriations	\$ 3,725,486	\$ 3,227,935	\$ 4,074,859	\$ 5,187,570	\$ 3,812,134	\$ 5,461,490

DURHAM PERFORMING ARTS PROJECTION

Revenue Assumptions

- Other Local Taxes represents Occupancy Tax collections from Durham County. Durham Performing Arts Center is funded with 1% of collections, up to a maximum of \$1,400,000 annually.
- Other revenues represent Ticket Facility Fee Revenue and Naming Rights. Ticket facility fees are a \$1.50 surcharge charged on each ticket purchased for events and performances held at DPAC. Naming Rights fluctuate year to year as organizations' contractual rights to naming change.
- Operating revenues represents the City's share of the net operating revenue of the facility. The City of Durham receives a percentage of net operating revenue, based upon how much revenue falls into various reimbursement tiers. The current reimbursement schedule is as follows:
 - Tier 1: 40% of revenue below \$2,000,000
 - Tier 2: 30% of revenue between \$2,000,000 and \$2,300,000
 - Tier 3: 40% of revenue between \$2,300,000 and \$3,000,000
 - Tier 4: 20% of revenue above \$3,000,000
- Interest Income represents revenues gained through the commitment of City funds to investment instruments allowed under State Statute.
- Appropriations from Fund Balance represents any costs not covered from revenue sources.

Appropriation Assumptions

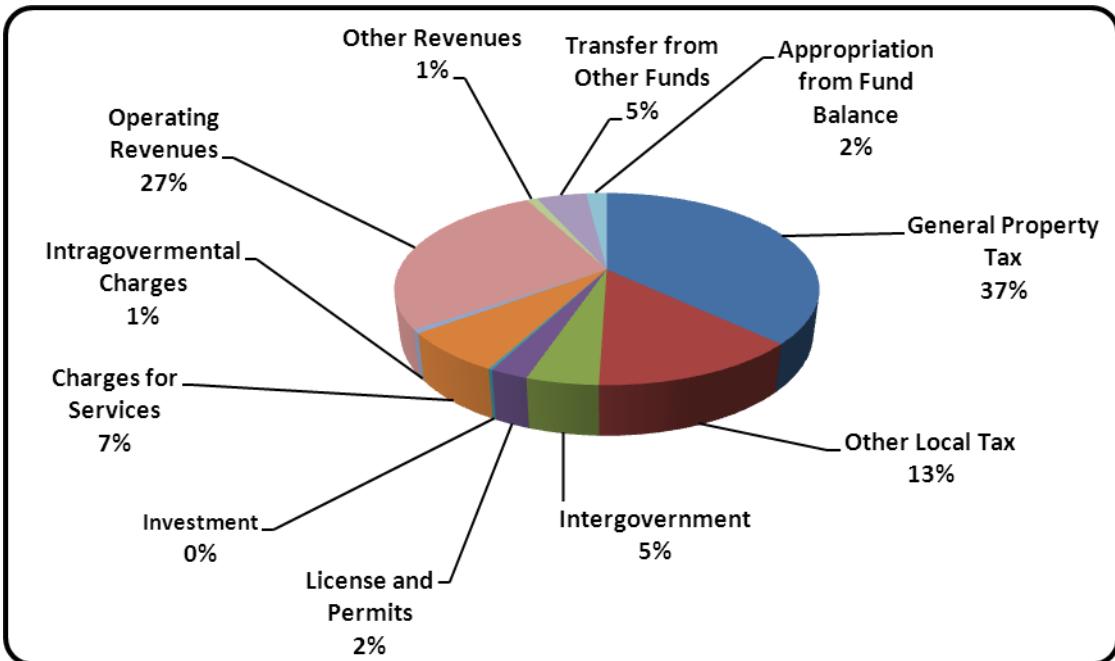
- Operating costs represent expenses related to maintenance and repairs to the facility. These expenses, previously captured in the DPAC Capital Facilities Fund, are proposed to be consolidated with the DPAC Operating Fund for the FY 15 Budget.
- Appropriation to Fund Balance represents transfers for any surplus revenue beyond expenditures.

**SUMMARY OF REVENUES AND APPROPRIATIONS
FOR ALL FUNDS**

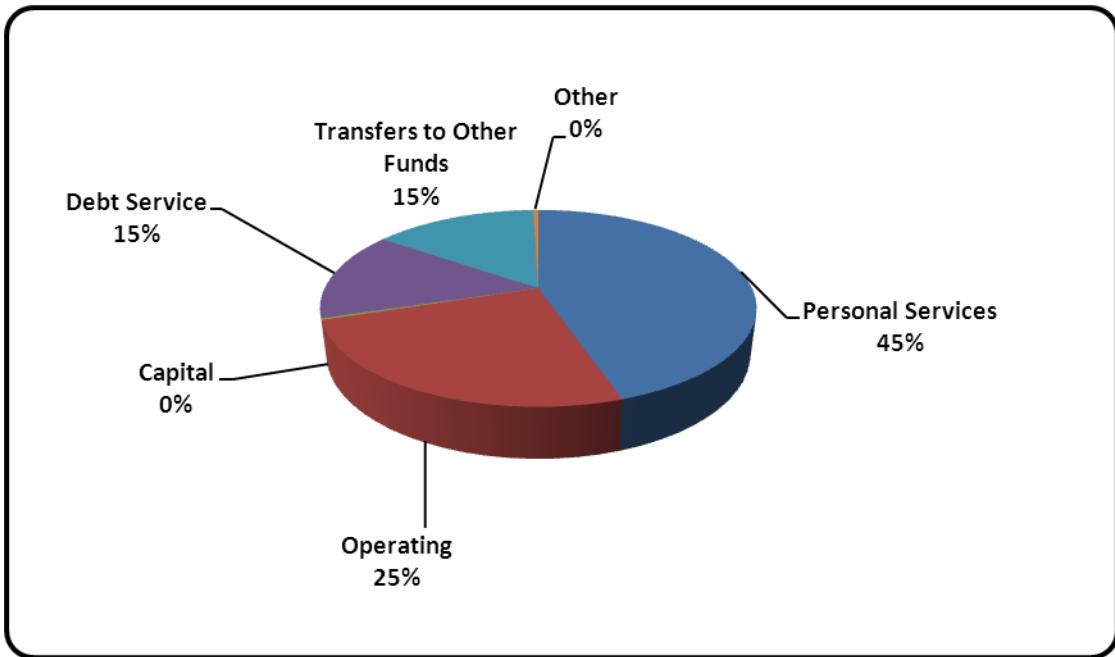
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
General Property Taxes	\$ 135,066,529	\$ 136,924,966	\$ 136,236,662	\$ 145,267,889
Other Local Taxes	38,486,351	40,722,477	40,788,671	51,589,456
Intergovernmental	23,118,936	26,089,691	26,516,804	17,752,271
Licenses and Permits	10,101,819	9,564,446	10,174,754	9,389,883
Investment and Rental Income	1,289,798	1,491,322	1,409,874	951,402
Charges for Current Services	26,128,773	27,251,814	25,228,095	26,935,675
Intragovernmental Charges	2,210,499	2,368,353	2,203,788	2,419,932
Operating Revenues	101,673,971	100,719,115	103,072,212	106,343,675
Other Revenues	18,497,741	7,970,090	8,994,505	3,757,437
Transfers from Other Funds	18,608,698	16,528,143	16,667,583	18,042,729
Appropriation from Fund Balance	7,695,091	6,915,126	9,671,547	7,483,281
Total Revenues	\$ 382,878,204	\$ 376,545,543	\$ 380,964,494	\$ 389,933,630
Personal Services	\$ 164,011,398	\$ 170,879,995	\$ 168,508,284	\$ 173,626,358
Operating	86,628,653	93,615,503	99,783,347	96,709,423
Capital	522,846	236,401	1,016,796	1,038,509
Debt Service	73,106,096	62,250,695	62,295,451	56,764,689
Transfers To Other Funds	45,504,132	45,648,566	46,583,232	56,962,341
Other	-	1,000,259	58,015	1,728,476
Transfer to Fund Balance	13,105,080	2,914,124	2,719,371	3,103,834
Total Appropriations	\$ 382,878,204	\$ 376,545,543	\$ 380,964,494	\$ 389,933,630

SUMMARY OF REVENUES AND APPROPRIATIONS FOR ALL FUNDS

FY 2014-2015 REVENUES

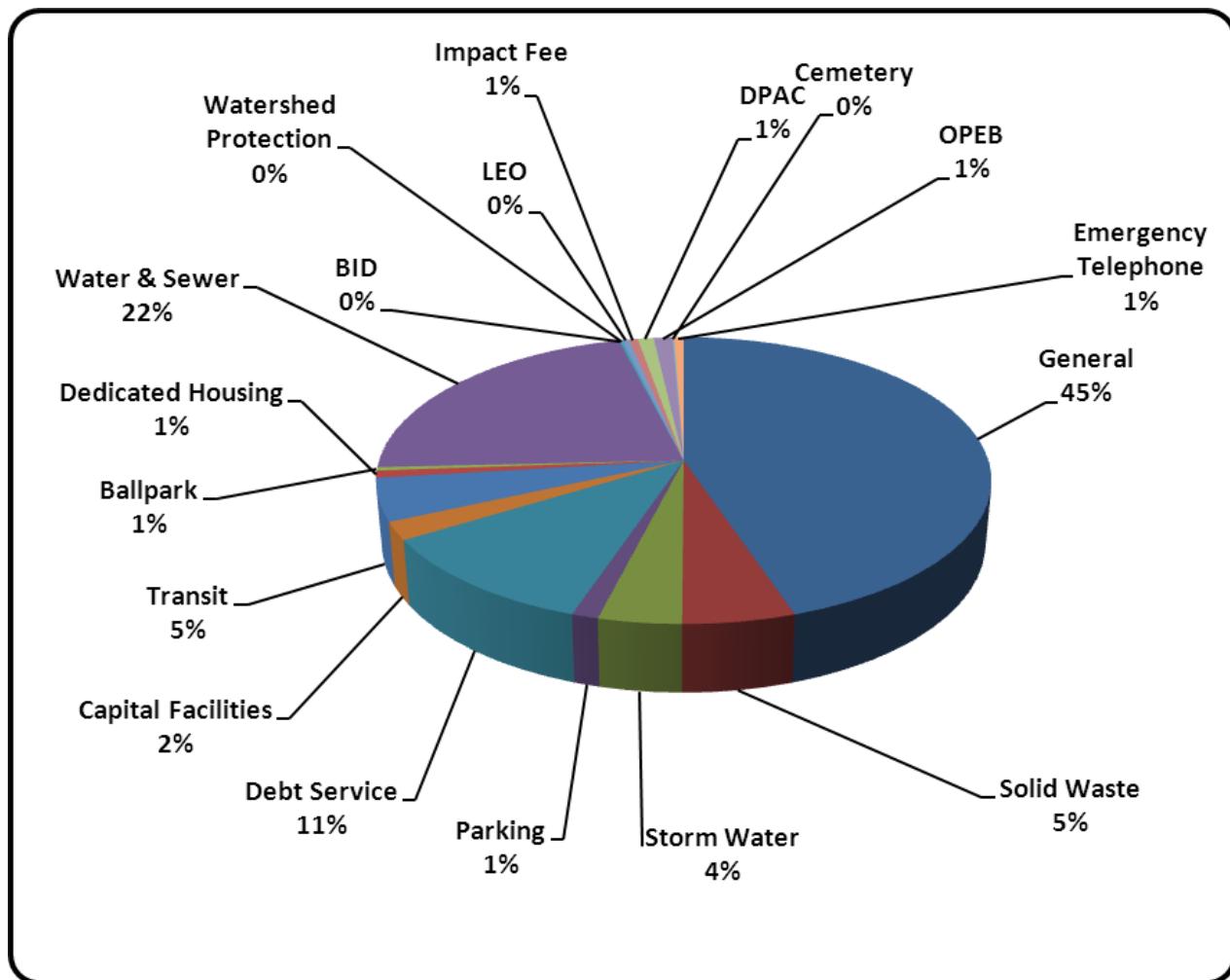


FY 2014-2015 APPROPRIATIONS



SUMMARY OF ALL FUNDS RECOGNIZED IN BUDGET ORDINANCE

Budget Ordinance



**SUMMARY OF REVENUES FOR ALL
FUNDS RECOGNIZED IN BUDGET ORDINANCE**

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
General Fund				
General Property Taxes	\$ 95,403,305	\$ 90,655,790	\$ 89,967,486	\$ 94,818,475
Other Local Taxes	37,073,528	39,372,477	39,432,301	50,189,456
State-Shared Revenues	20,861,376	20,882,132	21,131,062	11,890,319
Licenses and Permits	7,677,349	7,225,446	7,708,510	6,875,000
Interest and Rental Income	98,845	271,332	233,036	52,332
Charges for Current Services	8,318,266	7,531,050	6,469,280	7,280,727
Intragovernmental Revenues	2,210,499	2,368,353	2,203,788	2,419,932
Other Revenues	553,424	730,785	1,581,723	663,123
Transfers from Other Funds	112,300	200,000	200,000	-
Subtotal Current Revenues	\$ 172,308,892	\$ 169,237,365	\$ 168,927,186	\$ 174,189,364
Appropriation from Fund Balance	70	394,455	3,318,756	815,250
Total Revenues	\$ 172,308,962	\$ 169,631,820	\$ 172,245,942	\$ 175,004,614
Debt Service Fund				
General Property Taxes	\$ 29,377,415	\$ 34,390,211	\$ 34,390,211	\$ 38,243,207
Interest	51,716	14,000	-	-
Other Revenue	14,958,190	692,521	692,521	642,660
Transfers from Other Funds	1,656,637	-	-	172,125
Intergovernmental	-	2,950,000	2,950,000	2,505,000
Subtotal Current Revenues	\$ 46,043,958	\$ 38,046,732	\$ 38,032,732	\$ 41,562,992
Appropriations from Fund Balance	1,278,600	2,625,897	2,639,897	1,506,518
Total Revenues	\$ 47,322,558	\$ 40,672,629	\$ 40,672,629	\$ 43,069,510
Water and Sewer Fund				
Investment and Rental Income	\$ 458,690	\$ 525,600	\$ 476,723	\$ 492,862
Water and Sewer Sales	80,482,504	81,556,281	82,696,190	83,530,701
Other Operating Revenue	717,060	505,000	837,980	627,000
Licenses and Permits	87,020	59,000	83,000	83,000
Other	715,204	306,028	398,622	270,138
Transfer from Other Funds	308,942	298,288	298,288	287,635
Subtotal Current Revenues	\$ 82,769,421	\$ 83,250,197	\$ 84,790,803	\$ 85,291,336
Appropriations from Fund Balance	4,051,536	3,080,194	1,764,181	-
Total Revenues	\$ 86,820,957	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336
Solid Waste Disposal Fund				
Investment and Rental Income	\$ 5,812	\$ 15,000	\$ 15,000	\$ 5,000
Charges for Current Services	5,566,127	6,475,447	5,672,129	6,215,160
Solid Waste Fee	-	1,470,055	1,388,362	-
Other Revenue	725	725	725	672
Landfill Gas	205,911	190,000	200,000	200,000
Other Financing Sources	-	2,703,159	2,703,159	-
Transfers from Other Funds	13,706,256	11,914,510	11,914,510	13,827,981
Transfer from Reserves	619,455	-	623,555	-
Total Revenues	\$ 20,104,286	\$ 22,768,896	\$ 22,517,440	\$ 20,248,813
Stormwater Management Fund				
Operating Revenues	\$ 12,567,893	\$ 13,027,049	\$ 13,027,049	\$ 14,486,310
Interest and Rental Income	34,955	9,000	22,000	20,000
Miscellaneous Revenue	265,772	240,550	245,550	250,550
Transfer from Other Funds	232,047	232,047	232,047	232,047
Subtotal Current Revenues	\$ 13,100,667	\$ 13,508,646	\$ 13,526,646	\$ 14,988,907
Appropriations from Fund Balance	-	134,172	232,325	-
Total Revenues	\$ 13,100,667	\$ 13,642,818	\$ 13,758,971	\$ 14,988,907
Transit Fund				
General Property Taxes	\$ 7,597,235	\$ 9,172,303	\$ 9,172,303	\$ 9,355,323
Licenses and Permits	2,337,450	2,280,000	2,383,244	2,431,883
Intergovernmental	2,257,560	2,257,559	2,435,742	3,356,952
Charges for Current Services	3,362,828	3,526,329	3,415,208	3,508,787
Other Revenue	166,563	120,720	103,124	209,182
Subtotal Current Revenues	\$ 15,721,635	\$ 17,356,911	\$ 17,509,621	\$ 18,862,127
Appropriation from Fund Balance	518,985	-	19,315	-
Total Revenues	\$ 16,240,620	\$ 17,356,911	\$ 17,528,936	\$ 18,862,127

Parking Facilities Fund						
Interest and Rental Income	\$ 1,452	\$ 2,480	\$ 1,040	\$ 1,000		
Charges for Current Services	1,930,476	2,656,838	2,596,890	2,801,717		
Transfers from Other Funds	-	1,999,039	1,999,039	1,987,324		
Subtotal Current Revenues	\$ 1,931,928	\$ 4,658,357	\$ 4,596,969	\$ 4,790,041		
Appropriations from Fund Balance	466,920	-	181,890	-		
Total Revenues	\$ 2,398,848	\$ 4,658,357	\$ 4,778,859	\$ 4,790,041		
Ballpark Fund						
Interest and Rental Income	\$ 600,570	\$ 468,910	\$ 484,685	\$ 182,788		
Charges for Services	105,494	44,000	39,449	-		
Transfers from Other Funds	1,594,931	1,017,259	1,147,259	1,285,617		
Subtotal Current Revenues	\$ 2,300,995	\$ 1,530,169	\$ 1,671,393	\$ 1,468,405		
Appropriation from Fund Balance	-	-	-	-		
Total Revenues	\$ 2,300,995	\$ 1,530,169	\$ 1,671,393	\$ 1,468,405		
LEO Special Separation Fund						
Charges for Current Services	\$ 1,520,912	\$ 1,463,416	\$ 1,463,416	\$ 1,537,665		
Interest and Rental Income	2,322	8,000	5,000	5,000		
Subtotal Current Revenues	\$ 1,523,234	\$ 1,471,416	\$ 1,468,416	\$ 1,542,665		
Appropriation from Fund Balance	236,629	-	3,000	-		
Total Revenues	\$ 1,759,863	\$ 1,471,416	\$ 1,471,416	\$ 1,542,665		
Cemetery Fund						
Interest and Rental Income	\$ 2,356	\$ 10,000	\$ 6,000	\$ 6,000		
Subtotal Current Revenues	\$ 2,356	\$ 10,000	\$ 6,000	\$ 6,000		
Appropriations from Fund Balance	97,644	-	-	340,000		
Total Revenues	\$ 100,000	\$ 10,000	\$ 6,000	\$ 346,000		
Other Post Employment Benefits Fund						
Charges for Services	\$ 3,802,617	\$ 3,972,647	\$ 3,972,647	\$ 3,883,393		
Interest and Rental Income	508	1,000	2,000	1,000		
Contributions	719,642	645,547	795,719	565,879		
Subtotal Current Revenues	\$ 4,522,767	\$ 4,619,194	\$ 4,770,366	\$ 4,450,272		
Appropriations from Fund Balance	76,037	-	-	-		
Total Revenues	\$ 4,598,804	\$ 4,619,194	\$ 4,770,366	\$ 4,450,272		
Emergency Telephone Surcharge Fund						
Charges for Services	\$ 1,413,750	\$ 1,482,087	\$ 1,482,087	\$ 1,608,226		
Interest and Rental Income	932	5,000	2,000	2,000		
Subtotal Current Revenues	\$ 1,414,682	\$ 1,487,087	\$ 1,484,087	\$ 1,610,226		
Appropriations from Fund Balance	349,215	89,637	339,521	618,199		
Total Revenues	\$ 1,763,897	\$ 1,576,724	\$ 1,823,608	\$ 2,228,425		
Business Improvement District Fund						
General Property Taxes	\$ 336,554	\$ 336,558	\$ 336,558	\$ 433,488		
Transfers from Other Funds	250,000	250,000	250,000	250,000		
Subtotal Current Revenues	\$ 586,554	\$ 586,558	\$ 586,558	\$ 683,488		
Appropriations from Fund Balance	-	-	16,000	-		
Total Revenues	\$ 586,554	\$ 586,558	\$ 602,558	\$ 683,488		
Dedicated Housing Fund						
General Property Taxes	\$ 2,352,078	\$ 2,370,104	\$ 2,370,104	\$ 2,417,396		
Charges For Current Services	3,945	-	15,713	-		
Subtotal Current Revenues	\$ 2,356,023	\$ 2,370,104	\$ 2,385,817	\$ 2,417,396		
Appropriations from Fund Balance	-	-	-	716,215		
Total Revenues	\$ 2,356,023	\$ 2,370,104	\$ 2,385,817	\$ 3,133,611		
Durham Performing Arts Center Fund						
Other Local Taxes	\$ 1,412,823	\$ 1,350,000	\$ 1,356,370	\$ 1,400,000		
Other Revenues	912,309	870,000	885,000	955,233		
Interest and Rental Income	-	2,000	2,890	25,920		
Operating Revenues	1,342,495	930,000	930,000	1,344,333		
Subtotal Current Revenues	\$ 3,667,627	\$ 3,152,000	\$ 3,174,260	\$ 3,725,486		
Appropriation from Fund Balance	-	590,771	533,107	-		
Total Revenues	\$ 3,667,627	\$ 3,742,771	\$ 3,707,367	\$ 3,725,486		
DPAC Capital Reserve Fund						
Interest and Rental Income	\$ -	\$ 3,000	\$ 3,000	\$ -		
Transfer from Other Funds	459,000	617,000	626,440	-		
Total Revenues	\$ 459,000	\$ 620,000	\$ 629,440	\$ -		

Watershed Protection Fund					
Charges for Services	\$ 104,358	\$ 100,000	\$ 101,276	\$ 100,000	
Total Revenues	\$ 104,358	\$ 100,000	\$ 101,276	\$ 100,000	
Impact Fee Fund					
Operating Revenues	\$ 3,170,657	\$ 1,900,785	\$ 1,900,785	\$ 1,939,331	
Interest and Rental Income	31,136	123,500	123,500	124,500	
Total Revenues	\$ 3,201,793	\$ 2,024,285	\$ 2,024,285	\$ 2,063,831	
Capital Facilities Fees Fund					
Operating Revenues	\$ 3,393,304	\$ 2,800,000	\$ 3,680,208	\$ 4,416,000	
Interest and Rental Income	504	32,500	33,000	33,000	
Transfers from Other Funds	288,585	-	-	-	
Subtotal Current Revenues	\$ 3,682,393	\$ 2,832,500	\$ 3,713,208	\$ 4,449,000	
Appropriation from Fund Balance	-	-	-	3,487,099	
Total Revenues	\$ 3,682,393	\$ 2,832,500	\$ 3,713,208	\$ 7,936,099	
Total Budget Ordinance	\$ 382,878,204	\$ 376,545,543	\$ 380,964,494	\$ 389,933,630	

**SUMMARY OF ALL REVENUES FOR ALL
FUNDS RECOGNIZED IN INTERNAL SERVICE FUND SPENDING PLANS**

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Risk Reduction Fund				
Interest and Rental Income	\$ 22,579	\$ 54,000	\$ 30,000	\$ 30,000
Charges for Current Services	3,518,570	4,617,874	4,617,874	4,983,011
Transfer from Other Funds	48,709	48,709	48,709	48,709
Subtotal Current Revenues	\$ 3,589,858	\$ 4,720,583	\$ 4,696,583	\$ 5,061,720
Appropriation from Fund Balance	2,623,025	1,303,638	1,443,418	1,004,016
Total Revenues	\$ 6,212,883	\$ 6,024,221	\$ 6,140,001	\$ 6,065,736
Employee Insurance Fund				
Charges for Current Services	\$ 29,494,163	\$ 29,191,903	\$ 28,977,467	\$ 29,069,810
Interest	2,891	30,000	35,000	30,000
Subtotal Current Revenues	\$ 29,497,054	\$ 29,221,903	\$ 29,012,467	\$ 29,099,810
Appropriation from Fund Balance	-	655,062	655,062	502,707
Total Revenues	\$ 29,497,054	\$ 29,876,965	\$ 29,667,529	\$ 29,602,517
Total Internal Service Funds	\$ 35,709,937	\$ 35,901,186	\$ 35,807,530	\$ 35,668,253

**SUMMARY OF ALL REVENUES FOR ALL
FUNDS RECOGNIZED IN MAJOR GRANT FUND ORDINANCES**

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Community Development	4,669,164	2,952,390	2,935,817	3,721,494
Employment and Training	2,426,400	2,027,469	2,593,325	2,123,967
Transit	4,775,815	4,998,793	4,919,114	5,034,115
Transportation Planning	2,073,593	2,028,628	2,459,386	2,776,137
Law Enforcement	3,024,123	2,422,504	2,774,654	2,339,864
Total Major Grant Funds	\$ 16,969,095	\$ 14,429,784	\$ 15,682,295	\$ 15,995,577
TOTAL ALL REVENUES	\$ 435,557,236	\$ 426,876,513	\$ 432,454,319	\$ 441,597,460

SUMMARY OF APPROPRIATIONS FOR ALL FUNDS

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Budget Ordinance				
General Fund				
Governance	\$ 5,653,113	\$ 6,247,024	\$ 6,244,531	\$ 5,906,172
Administrative and Support	14,721,243	14,658,233	15,286,635	14,928,923
Community Building	14,808,347	15,358,243	16,485,989	15,761,722
Public Safety	78,789,701	82,273,644	81,949,833	84,404,654
Public Services	53,256,353	50,695,526	51,544,665	51,881,067
Non-assigned	5,080,205	399,150	734,289	2,122,076
Total General Fund	\$ 172,308,962	\$ 169,631,820	\$ 172,245,942	\$ 175,004,614
Water & Sewer Fund				
Public Services	\$ 40,729,387	\$ 44,133,490	\$ 44,445,711	\$ 44,601,616
Administrative and Support	188,173	190,960	191,064	193,602
Non-departmental	45,903,455	42,005,941	41,918,209	40,496,118
Total Water & Sewer Fund	\$ 86,821,015	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336
Ballpark Fund	2,300,995	1,530,169	1,671,393	1,468,405
Business Improvement District Fund	586,554	586,558	602,558	683,488
Capital Facilities Fee Fund	3,682,393	2,832,500	3,713,208	7,936,099
Cemetery Fund	100,000	10,000	6,000	346,000
Debt Service Fund	47,322,558	40,672,629	40,672,629	43,069,510
Dedicated Housing Fund	2,356,023	2,370,104	2,385,817	3,133,611
Durham Performing Arts Center Fund	3,667,627	3,742,771	3,707,367	3,725,486
DPAC Capital Reserve Fund	459,000	620,000	629,440	-
Emergency Telephone System Fund	1,763,897	1,576,724	1,823,608	2,228,425
Impact Fee Fund	3,201,793	2,024,285	2,024,285	2,063,831
LEO Special Allowance Fund	1,759,863	1,471,416	1,471,416	1,542,665
Other Post Employment Benefits Fund	4,598,804	4,619,194	4,770,366	4,450,272
Parking Facilities Fund	2,398,848	4,658,357	4,778,859	4,790,041
Solid Waste Disposal Fund	20,104,286	22,768,896	22,517,440	20,248,813
Stormwater Fund	13,100,607	13,642,818	13,758,971	14,988,907
Transit Fund	16,240,620	17,356,911	17,528,936	18,862,127
Watershed Protection Fund	104,358	100,000	101,276	100,000
Total Budget Ordinance	\$ 382,878,204	\$ 376,545,543	\$ 380,964,494	\$ 389,933,630
Internal Service Funds				
Employee Insurance Fund	29,497,054	29,876,965	29,667,529	29,602,517
Risk Reduction Fund	\$ 6,212,883	\$ 6,024,221	\$ 6,140,001	\$ 6,065,736
Total Internal Services Funds	\$ 35,709,937	\$ 35,901,186	\$ 35,807,530	\$ 35,668,253
Major Grant Funds				
Community Development	\$ 4,669,164	\$ 2,952,390	\$ 2,935,817	\$ 3,721,494
Employment and Training	\$ 2,426,400	\$ 2,027,469	\$ 2,593,325	\$ 2,123,967
Public Safety	\$ 3,024,123	\$ 2,422,504	\$ 2,774,654	\$ 2,339,864
Transit	\$ 4,775,815	\$ 4,998,793	\$ 4,919,114	\$ 5,034,115
Transportation Planning	2,073,593	2,028,628	2,459,386	2,776,137
Total Major Grant Funds	\$ 16,969,095	\$ 14,429,784	\$ 15,682,295	\$ 15,995,577
Subtotal All Funds	\$ 435,557,236	\$ 426,876,513	\$ 432,454,320	\$ 441,597,460
Less: Intrabudget Transfers	(18,657,407)	(16,576,852)	(16,576,852)	(16,676,471)
Less: Internal Service Charges	(7,321,107)	(8,590,521)	(8,590,521)	(8,866,404)
Total All Funds	\$ 409,578,723	\$ 401,709,140	\$ 407,286,947	\$ 416,054,585

ALL FY 2014-15 OPERATING FUNDS BY APPROPRIATION CATEGORY

	Personal Services	Operating	Capital Outlay	Debt Service	Transfers to Other Funds	Other	Total
Budget Ordinance							
General Fund	\$ 130,267,401	\$ 30,542,643	\$ 285,509	\$ 50,000	\$ 12,204,585	\$ 1,654,476	\$ 175,004,614
Water & Sewer Fund	24,148,668	28,370,731	-	11,260,678	21,511,259	-	85,291,336
Debt Service Fund	-	424,631	-	35,239,091	7,405,788	-	43,069,510
Solid Waste Disposal Fund	6,210,096	9,817,269	20,000	4,201,448	-	-	20,248,813
Stormwater Fund	6,642,313	3,054,594	30,000	-	4,562,000	700,000	14,988,907
Transit Fund	-	17,421,487	55,000	212,737	1,172,903	-	18,862,127
Parking Facilities Fund	146,435	2,656,281	-	1,987,325	-	-	4,790,041
Ballpark Fund	-	-	-	1,272,691	144,714	51,000	1,468,405
LEO Special Allowance	1,541,465	1,200	-	-	-	-	1,542,665
Cemetery Fund	-	-	-	-	340,000	6,000	346,000
Other Post Employment Benefits	4,442,772	7,500	-	-	-	-	4,450,272
Emergency Telephone Fund	227,208	2,001,217	-	-	-	-	2,228,425
Business Improvement District	-	683,488	-	-	-	-	683,488
Dedicated Housing Fund	-	1,474,618	74,000	-	1,584,993	-	3,133,611
Durham Performing Arts Center	-	268,764	648,000	2,540,719	-	268,003	3,725,486
Watershed Protection Fund	-	-	-	-	100,000	-	100,000
Impact Fee Fund	-	-	-	-	-	2,063,831	2,063,831
Capital Facilities Fee Fund	-	-	-	-	7,936,099	-	7,936,099
Total Budget Ordinance	\$ 173,626,358	\$ 96,724,423	\$ 1,112,509	\$ 56,764,689	\$ 56,962,341	\$ 4,743,310	\$ 389,933,630
Internal Service Funds							
Risk Retention Fund	\$ 390,641	\$ 5,675,095	\$ -	\$ -	\$ -	\$ -	\$ 6,065,736
Employee Insurance Fund	80,739	29,521,778	-	-	-	-	29,602,517
Total Internal Service Funds	\$ 471,380	\$ 35,196,873	\$ -	\$ -	\$ -	\$ -	\$ 35,668,253
Grant Project Ordinances							
Community Development Grants	\$ 176,720	\$ 3,544,774	\$ -	\$ -	\$ -	\$ -	\$ 3,721,494
Employment and Training	480,992	1,642,975	-	-	-	-	2,123,967
Transit Grants	109,914	4,874,358	49,843	-	-	-	5,034,115
Transportation Planning	1,129,400	1,646,737	-	-	-	-	2,776,137
Public Safety	2,339,864	-	-	-	-	-	2,339,864
Total Grant Proj Ordinances	\$ 4,236,890	\$ 11,708,844	\$ 49,843	\$ -	\$ -	\$ -	\$ 15,995,577
Total - All Funds	\$ 178,334,628	\$ 143,630,140	\$ 1,162,352	\$ 56,764,689	\$ 56,962,341	\$ 4,743,310	\$ 441,597,460

INTRABUDGET TRANSFERS

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
To Operating Budget Funds					
To Ballpark Fund					
From General Fund	\$ 1,594,931	\$ 159,166	\$ 159,166	\$ 50,000	-68.6%
From Debt Service Fund	-	858,093	858,093	1,235,617	44.0%
Subtotal	\$ 1,594,931	\$ 1,017,259	\$ 1,017,259	\$ 1,285,617	26.4%
To Solid Waste Fund					
From General Fund	\$ 13,706,256	\$ 9,630,134	\$ 9,630,134	\$ 9,630,134	0.0%
From Debt Service Fund	-	2,284,376	2,284,376	4,182,847	83.1%
From BID Fund	-	-	-	15,000	100.0%
Subtotal	\$ 13,706,256	\$ 11,914,510	\$ 11,914,510	\$ 13,812,981	15.9%
To Parking Fund					
From Debt Service Fund	\$ -	\$ 1,999,039	\$ 1,999,039	\$ 1,987,324	-0.6%
To BID Fund					
From General Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	0.0%
To Capital Facility Fees Fund					
From Water and Sewer Fund	\$ 288,585	\$ -	\$ -	\$ -	0.0%
To Water and Sewer Fund					
From General Fund	\$ 308,942	\$ 298,288	\$ 298,288	\$ 287,635	-3.6%
To Stormwater Fund					
From Water and Sewer Fund	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	0.0%
From Transit Fund	109,047	109,047	109,047	109,047	0.0%
Subtotal	\$ 232,047	\$ 232,047	\$ 232,047	\$ 232,047	0.0%
To Debt Service Fund					
From General Fund	\$ 1,203,484	\$ -	\$ -	\$ 172,125	100.0%
From Emergency Telephone Fund	453,153	-	-	-	0.0%
Subtotal	\$ 1,656,637	\$ -	\$ -	\$ 172,125	100.0%
To DPAC Capital Reserve					
From DPAC Fund	\$ 459,000	\$ 617,000	\$ 617,000	\$ -	-100.0%
To Other Post Employment Fund					
Charges for Services General Fund	\$ 3,009,616	\$ 3,164,055	\$ 3,164,055	\$ 3,093,202	-2.2%
Charges for Services Other Funds	793,001	808,592	808,592	790,191	-2.3%
Subtotal	\$ 3,802,617	\$ 3,802,617	\$ 3,972,647	\$ 3,883,393	2.1%
To General Fund					
From DPAC Fund	\$ 100,000	\$ 200,000	\$ 200,000	\$ -	-100.0%
From Stormwater Fund	12,300	-	-	-	0.0%
Subtotal	\$ 112,300	\$ 200,000	\$ 200,000	\$ -	-100.0%
To Risk Retention Fund					
From General Fund	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	0.0%
Charges for Services General Fund	2,214,650	2,938,599	2,938,599	3,202,497	9.0%
Charges for Services Other Funds	1,303,840	1,679,275	1,679,275	1,780,514	6.0%
Subtotal	\$ 3,567,199	\$ 3,761,194	\$ 4,666,583	\$ 5,031,720	33.8%
From the General Fund - Transfers					
From Other Funds - Transfers	\$ 17,112,322	\$ 10,386,297	\$ 10,386,297	\$ 10,438,603	0.5%
Internal Service Charges - General Fund	\$ 1,545,085	\$ 6,190,555	\$ 6,190,555	\$ 7,652,835	23.6%
Internal Service Charges - Other Funds	\$ 5,224,266	\$ 6,102,654	\$ 6,102,654	\$ 6,295,699	3.2%
Total Intrabudget Transfers	\$ 25,978,514	\$ 25,318,471	\$ 25,167,373	\$ 26,957,842	6.5%

PROPERTY TAX BASE INFORMATION

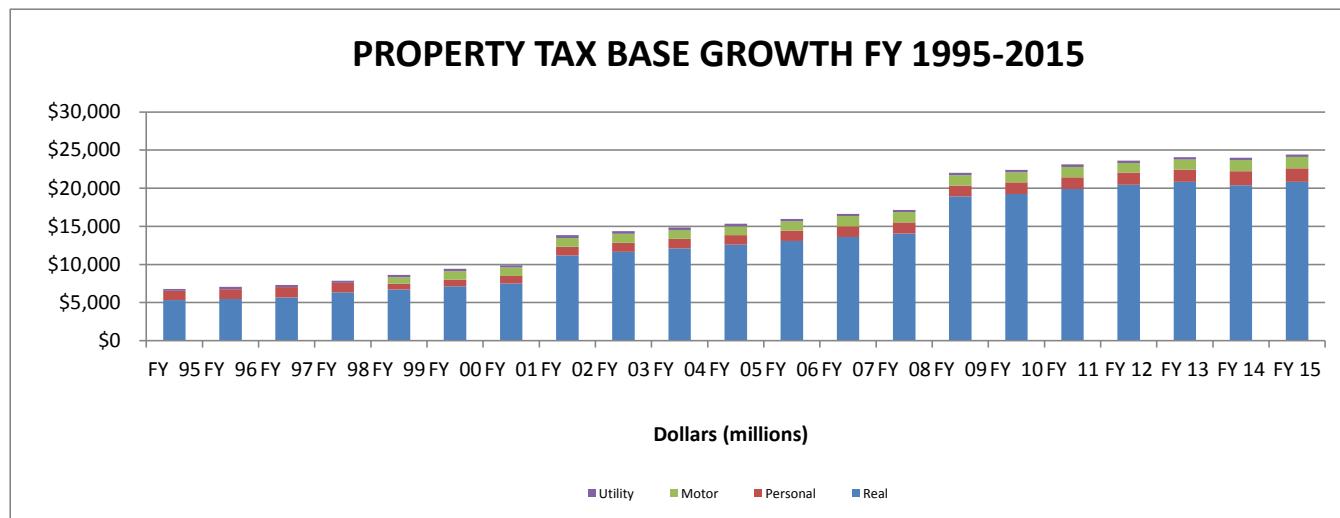
Tax Base Components:

Real Property is comprised of all land and buildings that are taxable. An increase of 2.2% is projected when compared with the FY 2013-14 budget. An increase of 2.85% is projected based on FY 2013-14 end of year projections. The assessed value data is obtained from the County Tax Assessor's Office. Real property makes up over 85% of the tax base for FY 2014-15.

Personal Property is comprised of property located in businesses. Based on data from the County Tax Assessor's office, changes at the State level to tax policy, and recent trends, a decrease of 3.5% is projected for FY 2014-15. Personal property makes up over 7% of the tax base for FY 2014-15.

Motor Vehicle is comprised of items such as automobiles, boats, trailers and equipment. We project an increase of 3% in value for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up over 6% of the tax base for FY 2014-15.

Public Utility Property is a state-certified value consisting of businesses such as electric utility, telephone, railroad and trucking companies. Based on data from the County Tax Assessor's office a decrease of 7.12% is projected for FY 2014-15. Public utility property makes up over 1% of the tax base in FY 2014-15.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 2004-05. Property is reassessed every eight years. The last revaluation was effective with the FY 2008-09 fiscal year. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 05	12,594	4.09%	1,244	-0.32%	1,169	0.60%	324	-2.89%
FY 06	13,086	3.91%	1,347	8.28%	1,212	3.68%	321	-1.03%
FY 07	13,583	3.80%	1,408	4.53%	1,343	10.81%	279	-13.08%
FY 08	14,060	3.51%	1,450	2.98%	1,343	0.00%	279	0.00%
FY 09	18,915	34.53%	1,443	-0.48%	1,343	0.00%	326	16.85%
FY 10	19,241	1.72%	1,525	5.68%	1,331	-0.89%	300	-7.98%
FY 11	19,886	3.35%	1,555	1.97%	1,358	2.03%	342	14.00%
FY 12	20,457	2.87%	1,607	3.34%	1,230	-9.43%	323	-5.56%
FY 13	20,839	1.87%	1,605	-0.12%	1,315	6.91%	300	-7.12%
FY 14	20,391	-2.15%	1,850	15.26%	1,449	10.19%	323	7.67%
FY 15	20,840	2.20%	1,785	-3.51%	1,493	3.04%	300	-7.12%

TAX RATE AND ESTIMATED TAX COLLECTIONS

	Actual FY2012-13	Adopted FY2013-14	Estimated FY2013-14	Adopted FY2014-15
Assessed Value				
Real Property	\$ 19,998,647,160	\$ 20,390,990,692	\$ 20,262,612,123	\$ 20,839,947,559
Personal Property	1,813,766,111	1,850,041,433	1,785,388,663	1,785,388,663
Motor Vehicles	1,420,908,831	1,449,327,008	1,594,259,708	1,492,806,818
Public Utility Property	314,040,150	322,853,714	309,662,326	300,000,000
Assessed Valuation	<u>\$ 23,547,362,252</u>	<u>\$ 24,013,212,847</u>	<u>\$ 23,951,922,820</u>	<u>\$ 24,418,143,040</u>
Tax Rate Per \$100 Valuation				
General Fund	\$ 0.4003	\$ 0.3737	\$ 0.3737	\$ 0.3843
Dedicated Housing	0.0100	0.0100	0.0100	0.0100
Transit Fund	0.0323	0.0387	0.0387	0.0387
Debt Reserve Fund	0.1249	0.1451	0.1451	0.1582
Total Tax Rate	<u>\$ 0.5675</u>	<u>\$ 0.5675</u>	<u>\$ 0.5675</u>	<u>\$ 0.5912</u>
Tax Levy	\$ 133,631,281	\$ 136,274,983	\$ 135,927,162	\$ 144,360,062
Less: Uncollected Taxes	<u>(1,563,486)</u>	<u>(1,771,575)</u>	<u>(1,359,272)</u>	<u>(1,443,601)</u>
Estimated Collectable Levy	<u>\$ 132,067,795</u>	<u>\$ 134,503,408</u>	<u>\$ 134,567,890</u>	<u>\$ 142,916,461</u>
Less: Discounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Estimated Collections	<u>\$ 128,035,709</u>	<u>\$ 134,503,408</u>	<u>\$ 134,567,890</u>	<u>\$ 142,916,461</u>
Appropriated to:				
General Fund	\$ 90,313,117	\$ 88,570,790	\$ 88,613,252	\$ 92,900,535
Dedicated Housing Fund	2,256,136	2,370,104	2,371,240	2,417,396
Transit Fund	7,287,319	9,172,303	9,176,700	9,355,323
Debt Reserve fund	28,179,137	34,390,211	34,406,698	38,243,207
*one cent equals	\$ 2,256,136	\$ 2,370,104	\$ 2,371,240	\$ 2,417,396

The FY 2014-2015 proposed tax rate is 59.12 cents per \$100 of assessed value. The tax levy is the product of the tax rate and the assessed valuation divided by 100. The budget for current property taxes is based on the amount of estimated property tax collections. The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2014-15 the amount of uncollected taxes is equal to 1% of the tax levy. Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

FUND BALANCE

Why is the level of Fund Balance important to the City?

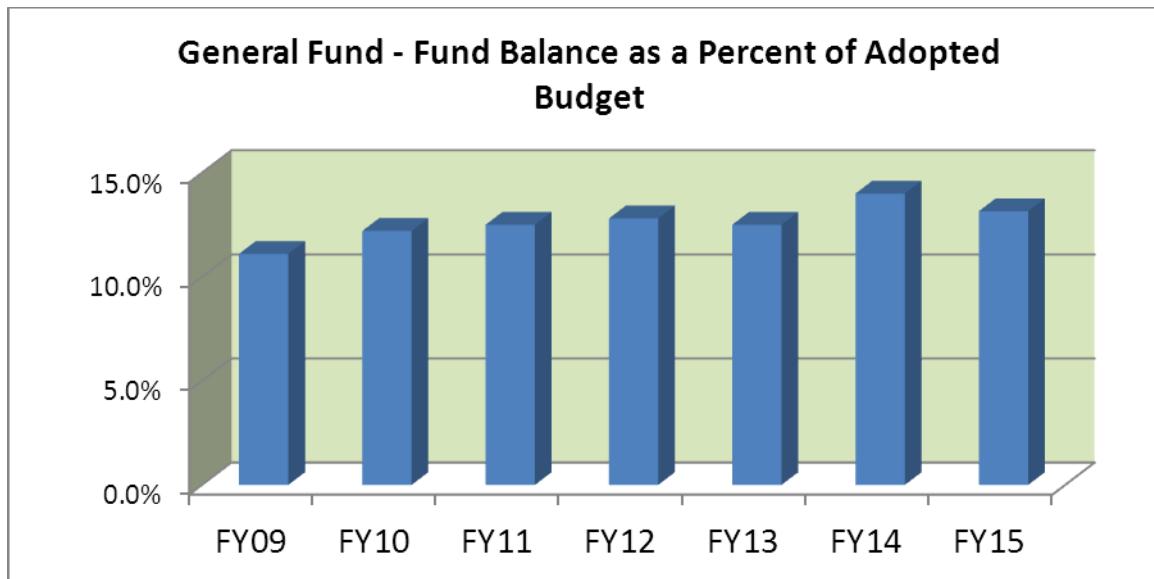
It is important to maintain fund balance in the major operating funds at a level that would be sufficient to provide a financial cushion in the event of unanticipated events, such as a loss or major reduction of a revenue source, a sudden economic downturn, or natural disasters.

For the General Fund, the North Carolina Local Government Commission (NCLGC) strongly recommends an unreserved fund balance of 8% of prior year's total budget appropriations. The NCLGC defines fund balance in a prescribed manner that is not exactly the same as the CAFR unrestricted fund balance. The City calculates fund balance on the total of the General Fund next year budget appropriation, minus appropriations for debt service and transfers to other funds. The two calculations are, therefore, not directly comparable. Bond rating agencies regard the level of fund balance in the General Fund as one indicator of credit worthiness when considering bond ratings.

For the General Fund, appropriations from fund balance are generally subject to a City Council policy that limits such appropriations to the equivalent of four cents on the tax rate over the two-year budget cycle. The City's current policy is to maintain Unassigned Fund Balance in an amount no less than the greater of 12% of the current year's originally adopted Adjusted Budgeted Expenditures, or the amount required by the NCLGC. For FY 2014-15 the adopted fund balance of 14.00% is a result of estimations of general fund budgets being returned to fund balance. The actual Undesignated Fund Balance will be determined following the annual audit of revenues and expenditures for FY 2013-14. The City does not have a Fund Balance policy for the Enterprise and Special Revenue Funds; however financial prudence dictates that these funds should also maintain a reasonable level of Net Cash Assets to cover unanticipated costs.

Estimated Change In Unrestricted Fund Balance – General Fund

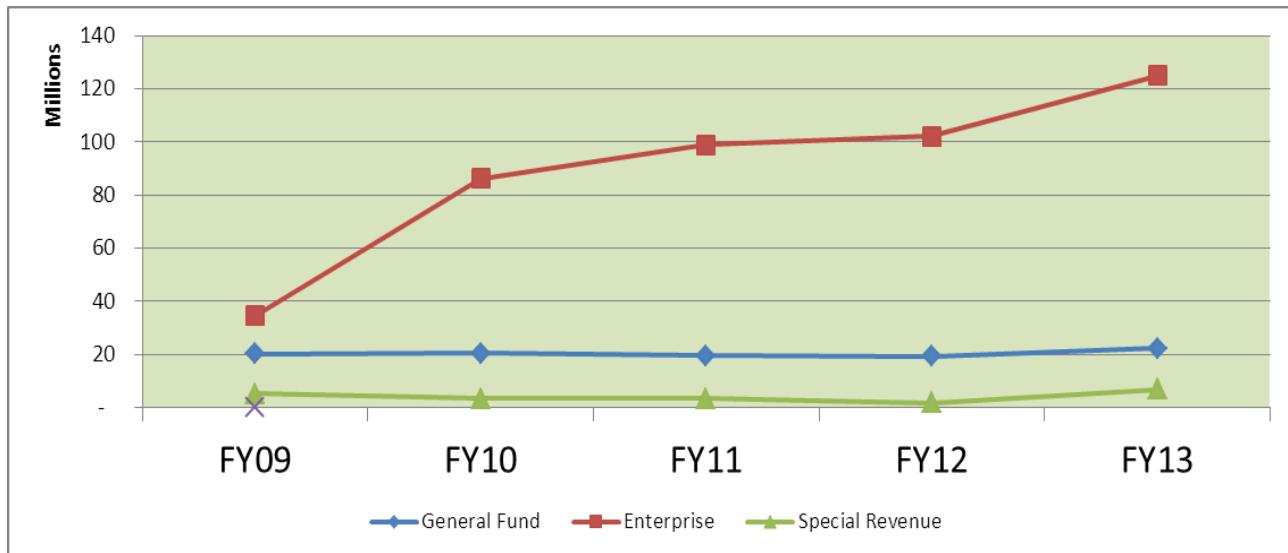
	Fund Balance Amount	Percent of Adjusted Appropriations
Total unrestricted fund balance available for appropriation at June 30, 2013	\$ 21,223,905	
Minus: appropriation from Fund Balance for subsequent year's expenditures	-	
Minus: designated for subsequent year's expenditures	-	
Total unrestricted fund balance at June 30, 2013	\$ 21,223,905	
Add: Estimated Addition/(Reduction) during FY 2013	-	
Total unrestricted fund balance available for appropriation at June 30, 2013	\$ 21,223,905	
Minus: designated for subsequent year's expenditures	-	
Add: Estimated FY14 General Fund budgets returned to Fund Balance	1,000,153	
Minus: appropriation from fund balance for subsequent year's expenditures	-	
Total unrestricted fund balance at June 30, 2014	\$ 22,224,058	14.00%



Estimated Changes in Fund Balance – Appropriated Funds

	General Fund Unrestricted	Enterprise Funds (*)	Special Revenue Funds (*)
Estimated Beginning Balance FY 14	\$ 22,224,058	\$ 124,964,280	\$ 6,779,738
Budget Revenues FY 15	174,189,364	127,954,025	11,952,848
Budgeted Expenditures FY 15	(162,800,029)	(117,432,753)	(11,952,848)
Transfers In	-	17,620,604	618,199
Transfers Out	<u>(12,192,585)</u>	<u>(28,141,876)</u>	<u>(274,003)</u>
Estimated Ending Balance FY 15	<u><u>\$ 21,420,809</u></u>	<u><u>\$ 124,964,280</u></u>	<u><u>\$ 7,123,934</u></u>
Percent of Adjusted Appropriations		13.15%	127%
		78%	

Historical Fund Balance



(* Note: Transfers to specific capital project funds will impact the fund balance of Enterprise and Special Revenue Funds. Enterprise fund balance is not inclusive of enterprise funds in capital project accounts.

SUMMARY OF AUTHORIZED POSITIONS BY FUND

Function	Actual		Adopted		Estimated		Adopted		Change	
	FY 2012-13		FY 2013-14		FY 2013-14		FY 2014-15			
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
<u>General Fund</u>										
Governance	50.0	8.0	49.0	8.0	49.0	8.0	49.0	8.0	-	-
Administrative and Support	123.0	2.0	121.0	2.0	121.0	2.0	120.0	2.0	(1.0)	-
Community Building	150.0	4.0	149.0	4.0	149.0	4.0	150.0	4.0	1.0	-
Public Safety	998.0	-	999.0	-	999.0	-	1,016.0	-	17.0	-
Public Services	411.4	83.0	402.4	83.0	401.4	83.0	414.4	83.0	11.0	-
Total General Fund	1,732.4	97.0	1,720.4	97.0	1,719.4	97.0	1,749.4	97.0	29.0	-
<u>Enterprise Funds</u>										
Water & Sewer Fund										
Finance	3.0	-	3.0	-	3.0	-	3.0	-	-	-
Water Management	328.5	2.0	328.5	2.0	328.5	2.0	332.5	2.0	4.0	-
Public Works	36.6	-	36.6	-	36.6	-	36.6	-	-	-
Subtotal Water & Sewer Fund	368.1	2.0	368.1	2.0	368.1	2.0	372.1	2.0	4.0	-
Solid Waste Disposal Fund										
Water Management	0.5	-	0.5	-	0.5	-	0.5	-	-	-
Solid Waste Management	114.0	-	112.0	-	112.0	-	109.0	-	(3.0)	-
Subtotal Solid Waste Fund	114.5	-	112.5	-	112.5	-	109.5	-	(3.0)	-
Stormwater Fund										
Public Works	93.5	1.0	93.5	1.0	93.5	1.0	94.5	1.0	1.0	-
Parking Facilities Fund										
Transportation	2.0	-	2.0	-	2.0	-	2.0	-	-	-
Ballpark Fund										
General Services	1.0	-	1.0	-	-	-	-	-	(1.0)	-
Total Enterprise Funds	579.1	3.0	577.1	3.0	576.1	3.0	578.1	3.0	1.0	-
<u>Special Revenue, Grants and Internal Service Funds</u>										
Economic and Workforce Development	7.0	1.0	7.0	1.0	7.0	1.0	7.0	1.0	-	-
Police	16.0	-	16.0	-	16.0	-	-	-	(16.0)	-
Fire	15.0	-	15.0	-	15.0	-	15.0	-	-	-
Transportation	11.5	2.0	11.5	2.0	12.5	2.0	12.5	2.0	1.0	-
Community Development	7.0	-	7.0	-	7.0	-	7.0	-	-	-
Neighborhood Improvement Services	4.0	-	4.0	-	4.0	-	3.0	-	(1.0)	-
Employee Insurance	1.0	-	1.0	-	1.0	-	1.0	-	-	-
Risk	5.0	-	5.0	-	5.0	-	5.0	-	-	-
Total Special Revenue, Grants and Internal Service Funds	66.5	3.0	66.5	3.0	67.5	3.0	50.5	3.0	(16.0)	-
Total All Funds	2,378.0	103.0	2,364.0	103.0	2,363.0	103.0	2,378.0	103.0	14.0	-

**SUMMARY OF AUTHORIZED POSITIONS BY DEPARTMENT
(All Funds)**

Department	Actual FY 2012-13		Adopted FY 2013-14		Estimated FY 2013-14		Adopted FY 2014-15		Change	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Governance										
City Council	-	7	-	7	-	7	-	7	-	-
City Attorney	11	1	11	1	11	1	11	1	-	-
City Clerk	7	-	7	-	7	-	7	-	-	-
City Manager	32	-	31	-	31	-	31	-	-	-
Subtotal Governance	50	8	49	8	49	8	49	8	-	-
Administrative and Support										
Audit Services	5	-	5	-	5	-	5	-	-	-
Budget & Management Services	12	-	12	-	12	-	12	-	-	-
Equal Opportunity and Equity Assurance	5	1	5	1	5	1	5	1	-	-
Finance	49	-	48	-	48	-	47	-	(1)	-
Human Resources	20	1	20	1	20	1	20	1	-	-
Technology Solutions	41	-	40	-	40	-	40	-	-	-
Subtotal Administrative and Support	132	2	130	2	130	2	129	2	(1)	-
Community Building										
City/County Inspections	46	3	46	3	46	3	46	3	-	-
City/County Planning	38	-	38	-	39	-	39	-	1	-
Community Development	22	-	22	-	22	-	22	-	-	-
Economic Development	17	2	17	2	17	2	17	2	-	-
Neighborhood Improvement	45	-	44	-	44	-	44	-	-	-
Subtotal Community Building	168	5	167	5	168	5	168	5	1	-
Public Safety										
Communications	81	-	82	-	82	-	82	-	-	-
Fire	317	-	316	-	316	-	316	-	-	-
Police	631	-	632	-	632	-	633	-	1	-
Subtotal Public Safety	1,029	-	1,030	-	1,030	-	1,031	-	1	-
Public Services										
Fleet	53	-	53	-	53	-	53	-	-	-
General Services	122	-	119	-	118	-	124	-	5	-
Parks and Recreation	104	82	103	82	103	82	109	82	6	-
Public Works	217	1	211	1	211	1	213	1	2	-
Solid Waste Management	114	-	112	-	112	-	109	-	(3)	-
Transportation	60	3	61	3	60	3	60	3	(1)	-
Water Management	329	2	329	2	329	2	333	2	4	-
Subtotal Public Services	999	88	988	88	986	88	1,001	88	13	-
Total All Departments	2,378.0	103.0	2,364.0	103.0	2,363.0	103.0	2,378.0	103.0	14.0	-
Population Estimates	237,892			242,650			242,810			247,666
Employees Per 1,000	10.0			9.7			9.7			9.6

FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2014-15 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.
- **Debt Service Fund** – accounts for General Fund related debt service.
- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.

These funds include:

- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Management Fund
- Transit Fund
- Parking Facilities Fund
- Ballpark Fund
- Durham Performing Arts Center Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.

These funds include:

- Law Enforcement Officers' Separation Allowance Fund
- Cemetery Fund
- Other Post Employment Benefits Fund

- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.

These funds include:

- Business Improvement District Fund
- Dedicated Housing Fund
- Emergency Telephone System Surcharge Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.

These funds include:

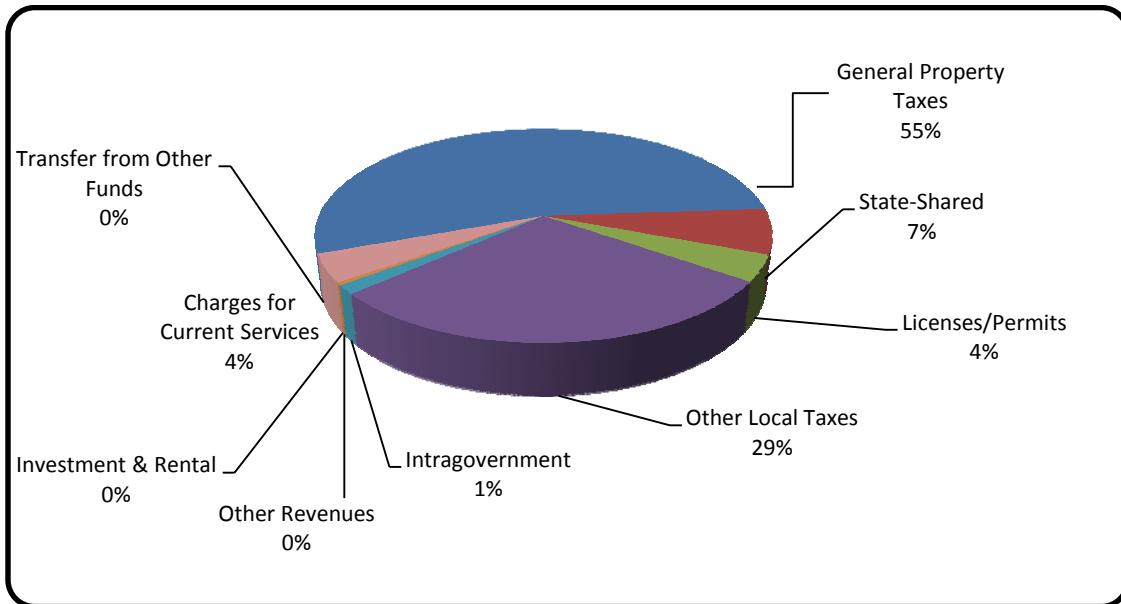
- General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
- Impact Fee Fund
- Water and Sewer Capital Facilities Fees Fund
- Watershed Protection Fund

- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to sections IV (Budget Summaries) for information on Internal Service Funds. These funds include:

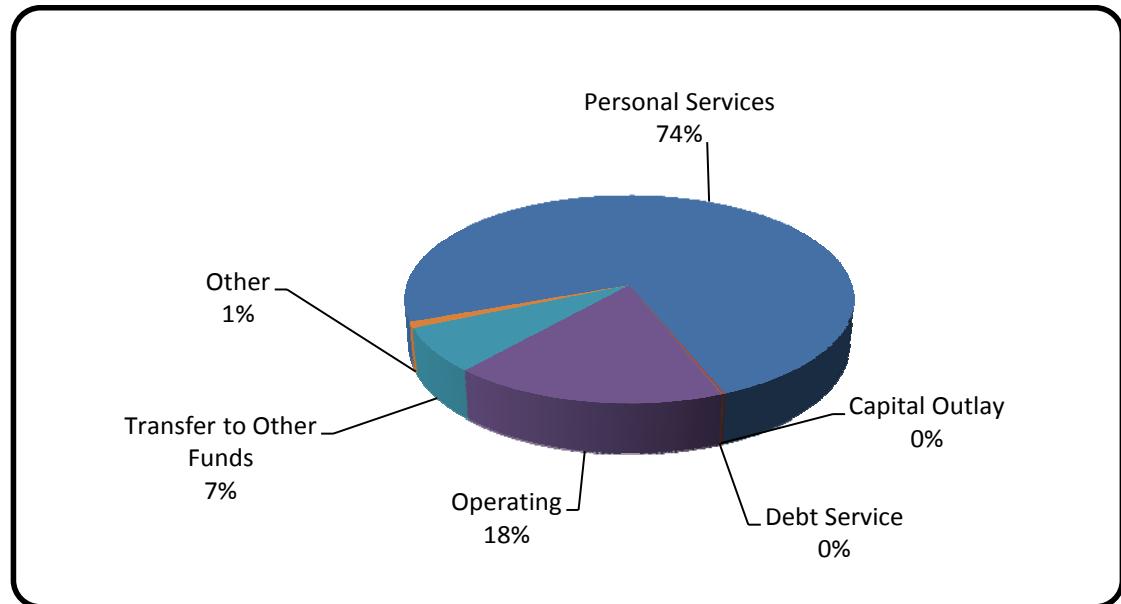
- Risk Reduction Fund
- Employee Insurance Fund

GENERAL FUND SUMMARY

Revenues

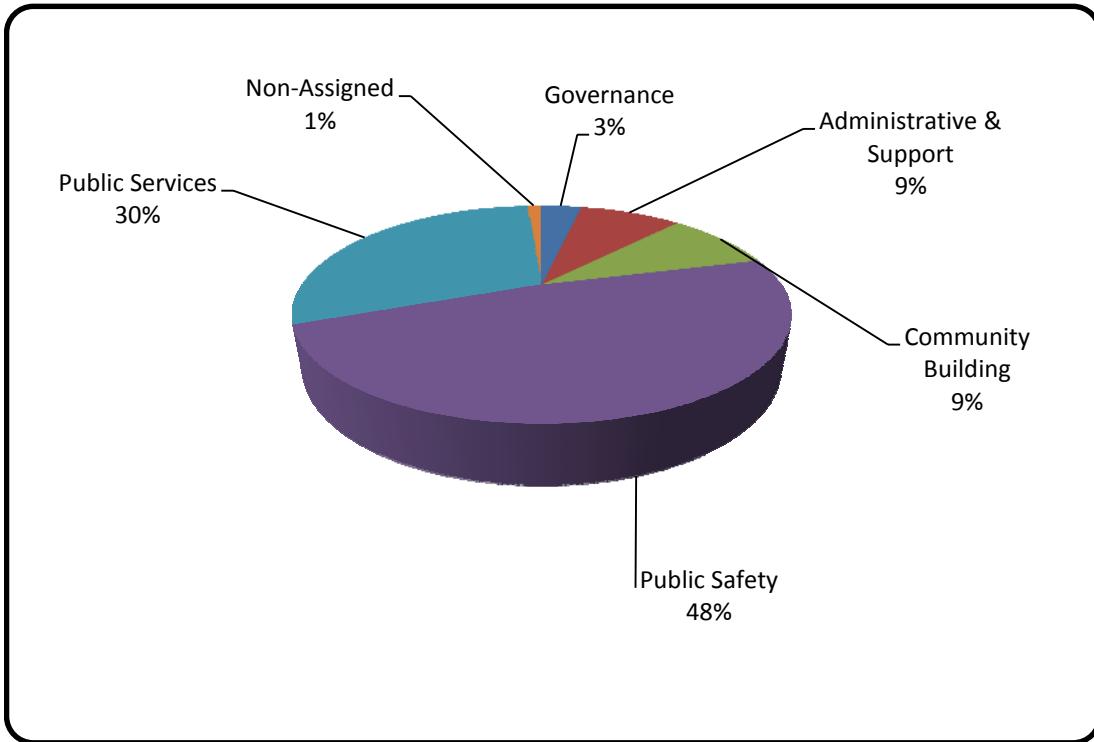


Appropriations



GENERAL FUND SUMMARY

Appropriations by Function



GENERAL FUND SUMMARY

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
General Property Taxes	\$ 95,403,305	\$ 90,655,790	\$ 89,967,486	\$ 94,818,475	4.6%
Other Local Taxes	37,073,528	39,372,477	39,432,301	50,189,456	27.5%
State-Shared Revenues	20,861,376	20,882,132	21,131,062	11,890,319	-43.1%
Licenses and Permits	7,677,349	7,225,446	7,708,510	6,875,000	-4.9%
Investment/Rental Income	98,845	271,332	233,036	52,332	-80.7%
Charges for Current Services	8,318,266	7,531,050	6,469,280	7,280,727	-3.3%
Intragovernmental Services	2,210,499	2,368,353	2,203,788	2,419,932	2.2%
Other Revenues	553,424	730,785	1,509,302	663,123	-9.3%
Transfer from Other Funds	112,300	200,000	200,000	-	0%
Approp From Fund Balance	70	394,455	3,318,756	815,250	106.7%
Total Revenues	\$ 172,308,962	\$ 169,631,820	\$ 172,173,521	\$ 175,004,614	3.2%
Appropriations					
Personal Services	\$ 123,052,842	\$ 127,966,673	\$ 126,198,963	\$ 130,267,401	1.8%
Operating	27,434,375	30,473,942	34,324,910	30,542,643	0.2%
Capital Outlay	152,480	188,901	705,130	285,509	51.1%
Debt Service	25,951	90,000	90,000	50,000	-44.4%
Other	-	169,759	58,015	1,654,476	874.6%
Transfers to Other Funds	17,962,525	10,742,545	10,796,503	12,204,585	13.6%
Transfers to Fund Balance	3,680,789	-	-	-	0.0%
Total Appropriations	\$ 172,308,962	\$ 169,631,820	\$ 172,173,521	\$ 175,004,614	3.2%
Appropriations by Function					
Governance	\$ 5,653,113	\$ 6,247,024	\$ 6,244,531	\$ 5,906,172	-5.5%
Administrative and Support	14,721,243	14,658,233	15,286,635	14,928,923	1.8%
Community Building	14,808,347	15,358,243	16,485,989	15,761,722	2.6%
Public Safety	78,789,701	82,273,644	81,949,833	84,404,654	2.6%
Public Services	53,256,353	50,695,526	51,544,665	51,881,067	2.3%
Non-assigned	5,080,205	399,150	734,289	2,122,076	431.6%
Total Appropriations	\$ 172,308,962	\$ 169,631,820	\$ 172,245,942	\$ 175,004,614	3.2%

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

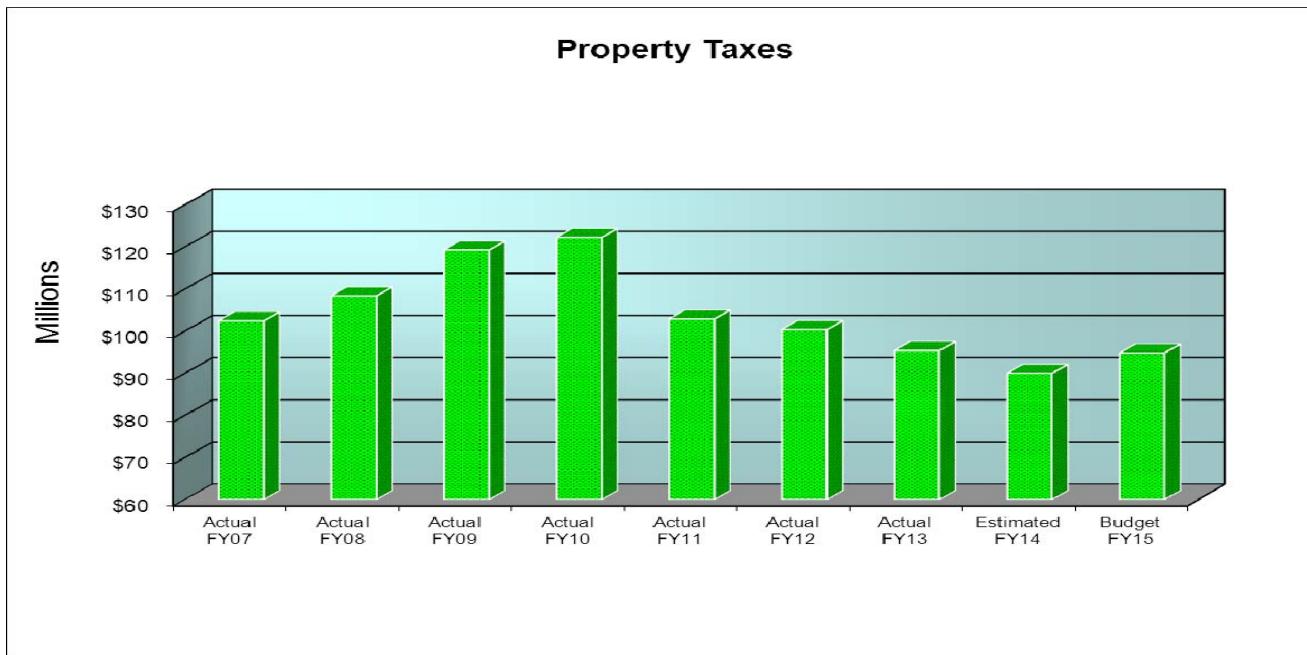
- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

General Fund – Discretionary Revenues

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
General Property Taxes					
Current Levy	\$ 93,693,653	\$ 88,570,790	\$ 88,117,486	\$ 92,900,534	4.9%
Prior Years Levy	1,354,586	1,700,000	1,500,000	1,500,000	-11.8%
Interest & Penalties	355,066	385,000	350,000	417,941	8.6%
Subtotal	\$ 95,403,305	\$ 90,655,790	\$ 89,967,486	\$ 94,818,475	4.6%
Other Local Taxes					
Local Option Sales Tax	\$ 34,994,125	\$ 37,304,762	\$ 36,930,957	\$ 48,071,541	28.9%
Heavy Equipment	80,358	85,000	85,000	85,000	0.0%
Rental Car Gross Receipts	233,512	222,715	234,344	228,915	2.8%
Hotel/Motel Occupancy Tax	1,765,533	1,760,000	1,832,000	1,804,000	2.5%
Subtotal	\$ 37,073,528	\$ 39,372,477	\$ 39,082,301	\$ 50,189,456	27.5%
Licenses					
Business & Professional Licenses	\$ 3,027,700	\$ 3,023,800	\$ 3,208,300	\$ 2,815,000	-6.9%
Subtotal	\$ 3,027,700	\$ 3,023,800	\$ 3,208,300	\$ 2,815,000	-6.9%
Intergovernmental Revenues					
Utility Franchise Tax	\$ 13,817,605	\$ 13,793,605	\$ 13,808,000	\$ 4,474,172	-67.6%
Gasoline Tax (Powell Bill)	5,883,844	5,816,807	6,051,342	6,091,430	4.7%
Beer & Wine Tax	935,603	1,074,567	1,074,567	1,096,058	2.0%
Alcoholic Beverage Control	166,667	127,500	127,500	130,050	2.0%
Subtotal	\$ 20,803,719	\$ 20,812,479	\$ 21,061,409	\$ 11,791,710	-43.3%
Investment					
Investment Income	\$ 58,673	\$ 219,000	\$ 160,000	\$	- -100.0%
Subtotal	\$ 58,673	\$ 219,000	\$ 160,000	\$	- -100.0%
Other Major Revenue					
Sale Of Surplus Equipment	221,879	304,708	501,395	317,977	4.4%
Street Assessments	51,667	100,000	100,000	100,000	0.0%
Subtotal	\$ 273,546	\$ 404,708	\$ 601,395	\$ 417,977	3.3%
Appropriations From Fund Balance					
	\$ 70	\$ 394,455	\$ 3,318,756	\$ 440,250	11.6%
Total Revenues	\$ 156,640,541	\$ 154,882,709	\$ 157,399,647	\$ 160,472,868	3.6%

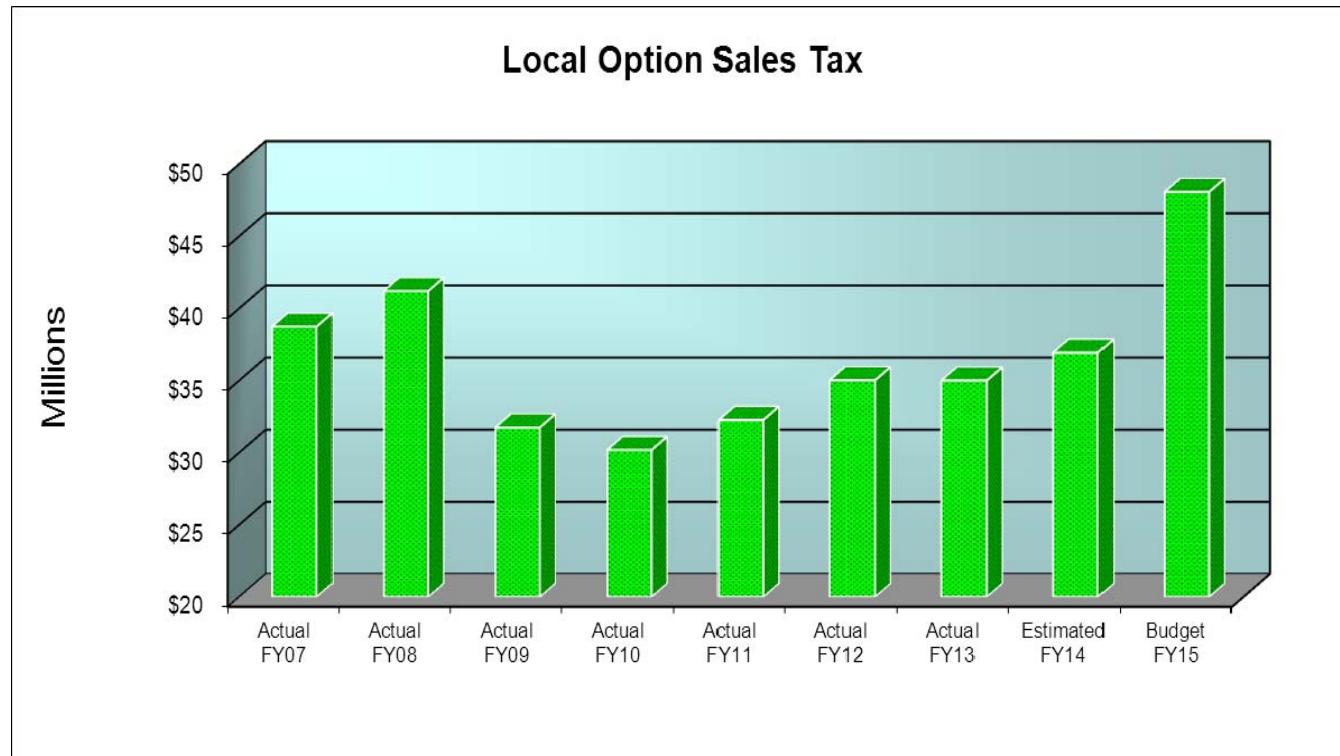
General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES



The FY2014-15 budget adopted a tax rate of 59.12 cents per \$100 of assessed valuation, an increase of 2.37 cents over the adopted FY2013-14 rate. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, whose office bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division. The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, and began collections on April 1st, 2013. The sales tax rate of 7.50 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. Most services and prescription drugs are exempt from sales taxes. The State retains 4.25 cents for retail (0.00 cents in the case of food sales) and returns on average 2.5 cents to local governments. The sales tax is an important revenue source for the City, representing nearly 24% of the projected General Fund discretionary revenues for FY 2014-15.

The proposed increase in sales tax revenue (28.9%) is due to the State's elimination of the electrical and gas franchise tax; to be replaced with increased sales tax. According to fiscal analysts at the General Assembly, sales tax revenues are projected to increase to 3.75%. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44 and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 40 and Article 42 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 3.5% increase based on the interlocal with Durham County, and the fact that Durham County has a large number of non-profits that are entitled to sales tax refunds. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. The current distribution ratio is 42% for the City and 58% for the County. This current agreement will remain in effect for five years from July 1, 2013 through June 30th, 2018.

Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is for the Durham Performing Arts Center. The FY 2014-15 budget projects Occupancy tax to be 2.5% higher than the FY 2013-14 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

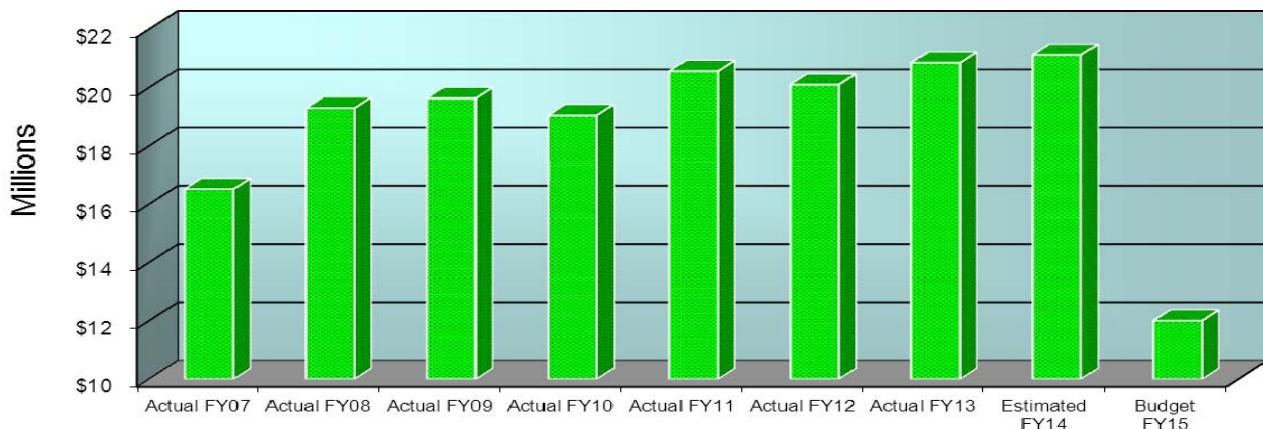
LICENSES AND PERMITS

Business Licenses - Businesses are assessed a fee for the privilege of doing business in the City. The FY 2014-15 budget projects a 6.9% decrease compared to the FY 2013-14 budget.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.

State Shared Revenues



State Shared Revenues

- ❖ **Utility Franchise Tax** – In 1989, the General Assembly replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new special sales tax on telecommunications. In 2006, the General Assembly replaced most of the local cable franchise taxes with a replacement revenue source from three special sales taxes (Sales Tax on Video Programming, Sales Tax on Direct-to-Home Satellite Service and Sales Tax on Telecommunications). Due to tax reform, the City is projecting an overall decrease in State collected local government revenues of 43.3%.
 - In 2013 the General Assembly replaced the **Electricity** franchise tax with increases in sales tax.
 - **Telecommunications** sales tax revenues are expected to decline by 36.7% in FY 2014-15. The decline is attributed to changes the General Assembly made to telecommunications sales tax distributions when it increased the general sales tax on September 1, 2009.
 - Due to tax reform the **Piped Natural Gas** excise tax is being eliminated in FY 2014-15; to be replaced with increased sales tax.
 - The **Local Government Video Programming** revenues for FY 2014-15 are expected to increase by 1.3% compared to FY2013-14.
- ❖ **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2014-15, the City projects a 4.7% increase compared to FY 2013-14. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.
- ❖ **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2014-15, the City projects a 2.0% increase compared to FY 2013-14.
- ❖ **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2014-15 budget projects this revenue will increase by 2.0% as compared to FY 2013-14.

INVESTMENT

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2014-15 it is proposed that all investment income be removed from the General Fund budget, and added directly to the Capital Improvement Plan (CIP) budget.

OTHER MAJOR REVENUE

This category is used to record those revenues that are miscellaneous in nature.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2014-15 budget projects a 6.7% increase in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2014-15 budget projects the same amount as was budgeted in FY2013-14.

APPROPRIATION FROM FUND BALANCE

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2014) excess funds will be returned to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2013-14 financial audit. For FY 2014-15, there is a transfer from fund balance budgeted in the amount of \$815,250 to fund one-time expenditures. If funds from FY 2013-14 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 14.00%.

General Fund – Program Revenues

LICENSES AND PERMITS

Public Safety

Fire:

Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

Community Building

City/County Inspections:

Revenues from Building, Electrical, Plumbing, Mechanical, Sign and Fire Permits required by ordinance for development activity.

Sign Permits - Revenue generated from the issuance of sign permits.

Public Services

Public Works:

Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

Transportation:

Taxicab Inspection Fees - Revenue from inspecting taxicabs and shuttles for permits.

CHARGES FOR CURRENT SERVICES

Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (ie: services provided under an interlocal agreement) are also included in this category.

Governance

City Clerk:

Revenues from the sale of City Code supplements and copies of public records.

Public Safety

Communications Center:

Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Emergency Telephone System Fund – This fund combines the total 911 surcharge for wireless and wireline services. This money is collected by the telephone companies and forwarded to State. The State distributes these funds directly to the City of Durham. The monthly service charge was set at \$0.70 per connection effective January 1, 2008. The 911 Board monitors the revenues generated, and if it determines that revenues exceed the amount needed, the rate must be reduced.

Police:

Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from \$3.00 to \$10.00 per tow to cover the costs of police officers associated with this program.

Fire:

Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment. In addition, Duke University makes an annual payment to the City of Durham for fire protection services based on the same principle used by the State of North Carolina.

Fire Inspections Fees – In 1991 the State of North Carolina began mandating all municipalities conduct fire inspections in accordance with the NC Fire Code. A fee structure was established based on the type of inspection or permit required, and it was last updated in FY 2012-13. Inspection fees and permits for hazardous materials, fireworks, tents, tank removal and construction are included in this revenue.

Community Building**Office of Economic and Workforce Development:**

Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

City/County Planning:

Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, annexations, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2014-15, the City and County are each projected to fund 50% of the Planning budget with no positions solely funded by either entity. However, the interlocal agreement is scheduled for re-adoption during the course of the upcoming fiscal year and there continues to be discussion whether the funding split needs to be restructured.

City/County Inspections:

Durham County Inspections Services - In FY 2002-03, Durham County reimbursed the City 14% of the Inspections Departments appropriations for its share of the joint City/County Inspections. County Inspections fees were remitted to the County every six months after reconciliation. Starting in FY 2003-04, the City began 100% retention of County inspections revenue. The County no longer reimburses the City for its share of the Inspections function.

Administrative and Support**Finance:**

Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

Technology Solutions:

Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1st, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7th, 2000.

GIS Sales - Revenue generated from public map and data requests.

Public Services**General Services:**

Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave spaces at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to citizens who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

Fleet Management:

Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios.

Public Works:

NCDOT State Highway Maintenance - This program has been suspended by the State due to budget shortfalls, but in the past, this was revenue paid by the State Department of Transportation for street maintenance work by the City on State highway system streets within the City limits.

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

Parks and Recreation:

Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

Transportation:

Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

INTRAGOVERNMENTAL SERVICES

This section is used to record those revenues associated with services provided by one City department to another department.

Community Building

Public Works:

Street Maintenance Charges - These charges occur as a result of General Fund divisions performing street construction and stormwater system work for other departments or divisions in other funds.

Engineering Fees - This revenue represents charges to bond and construction funds for engineering services provided by the Engineering Divisions.

General Fund – Non-Departmental Appropriations

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Personal Services					
Severance Payments	\$ 15,000	\$ 25,000	\$ 37,500	\$ 37,500	50.0%
Other Employee Benefits	-	444,247	82,787	594,144	33.7%
Health Insurance - Retirees	3,009,616	3,164,055	3,164,055	3,093,202	-2.2%
Subtotal	\$ 3,024,616	\$ 3,633,302	\$ 3,284,342	\$ 3,724,846	2.5%
Operating					
Risk Management Charges	\$ 2,214,650	\$ 2,938,599	\$ 2,938,939	\$ 3,202,497	9.0%
Downtown Revitalization	1,955,997	1,492,219	1,905,729	837,090	-43.9%
Donations	-	40,000	20,360	40,000	0.0%
Indirect Cost Reimbursements	(8,101,323)	(8,243,258)	(8,215,939)	(7,785,417)	-5.6%
Other Operating Costs / Savings	3,694,893	(100,000)	152,570	(56,700)	-43.3%
Subtotal	\$ (235,783)	\$ (3,872,440)	\$ (3,198,341)	\$ (3,762,530)	-2.8%
Transfer to Other Funds					
Transfer to Debt Service Fund	\$ 1,203,484	\$ -	\$ -	\$ 172,125	0.0%
Transfer to Water and Sewer Fund	308,942	298,288	298,288	287,635	-3.6%
Transfer to BID	250,000	250,000	250,000	250,000	0.0%
Transfer to Capital Projects Fund	-	-	-	1,400,000	100.0%
Transfers Other	502,995	-	-	-	0.0%
Subtotal	\$ 2,265,421	\$ 548,288	\$ 548,288	\$ 2,109,760	284.8%
Debt Service					
Cost of Servicing	\$ 25,951	\$ 90,000	\$ 100,000	\$ 50,000	-44.4%
Subtotal	\$ 25,951	\$ 90,000	\$ 100,000	\$ 50,000	-44.4%
Total Nondepartmental	\$ 5,080,205	\$ 399,150	\$ 734,289	\$ 2,122,076	431.6%

PERSONAL SERVICES

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.
 Other Employee Benefits - As of FY 2013-14, The City must set aside in advance, funding for future unemployment insurance claims.
 Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.
 Downtown Revitalization – costs related to the former Downtown Fund.
 Donations – Reserve for small miscellaneous donations.
 Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.
 Other Operating Costs / Savings – Anticipated costs or savings associated with technology initiatives (FY15).

TRANSFERS TO OTHER FUNDS

Transfer to Debt Service Fund – Transfers related to General Fund debt service to the Debt Service Fund.
 Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.
 Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.
 Transfer to Capital Projects Fund – Transfers related to capital expenditures for street maintenance and pay-go funding.
 Transfer Other – Transfer to reserves.

DEBT SERVICE

Cost of Servicing – Operating costs from the sale of debt.
 Please refer to the Debt Management section of this document (Section XI) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
General Property Taxes	\$ 29,377,415	\$ 34,390,211	\$ 34,390,211	\$ 38,243,207	11.2%
Interest	51,716	14,000	-	-	-100.0%
Other Revenue	1,119,758	692,521	692,521	642,660	-7.2%
Transfers from Other Funds	1,656,637	-	-	172,125	0.0%
Bond Refunding	13,838,432	-	-	-	0.0%
Intergovernmental	-	2,950,000	2,950,000	2,505,000	-15.1%
Appropriation from Fund Balance	1,278,600	2,625,897	2,639,897	1,506,518	-42.6%
Total Revenues	\$ 47,322,558	\$ 40,672,629	\$ 40,672,629	\$ 43,069,510	5.9%
Appropriations					
Debt Service Principal	\$ 22,748,723	\$ 24,906,018	\$ 24,906,018	25,766,383	3.5%
Debt Service Interest	10,441,629	10,229,616	10,229,616	9,472,708	-7.4%
Bond Refunding	13,838,432	-	-	-	0.0%
Tax Collection Fee	293,774	395,487	395,487	424,631	7.4%
Transfer to Other Funds	-	5,141,508	5,141,508	7,405,788	44.0%
Total Appropriations	\$ 47,322,558	\$ 40,672,629	\$ 40,672,629	\$ 43,069,510	5.9%

FUND DESCRIPTION

The Debt Service Fund was established in FY 2010-11 to account for the City's General Fund debt service obligations.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service. This is 15.82 cents for FY 2014-15.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – A transfer is made from the General Fund to cover debt associated with the former Downtown Fund.

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Intergovernmental – Revenue from Durham County to be received for their portion of the radio infrastructure capital project. Please refer to the Capital and Grant Project Information section of this document (Section XII) for detailed information on City capital projects.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.

Transfer to Other Funds – Transfers to the Solid Waste, Ballpark and Parking Funds which represents their portion of debt obligations.

WATER AND SEWER FUND
WATER AND SEWER REVENUES

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Investment & Rental Income					
Interest: Investments and Assess.	\$ 110,014	\$ 210,000	\$ 155,000	\$ 172,862	-17.7%
Rental Income	348,676	315,600	321,723	320,000	1.4%
Total Investment & Rental Income	\$ 458,690	\$ 525,600	\$ 476,723	\$ 492,862	-6.2%
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	\$ 80,018,961	\$ 81,033,281	\$ 82,353,892	\$ 83,247,701	2.7%
Late Fees	199,607	325,000	115,207	100,000	-69.2%
Industrial Monitoring	16,705	13,000	15,000	13,000	0.0%
Sewer Surcharge	213,571	160,000	189,767	160,000	0.0%
Suspended Solids	33,717	25,000	22,324	10,000	-60.0%
Subtotal	\$ 80,482,562	\$ 81,556,281	\$ 82,696,190	\$ 83,530,701	2.4%
Other Operating Revenues					
Septic Tank Disposal	\$ 164,700	\$ 100,000	\$ 200,280	\$ 150,000	50.0%
Water Connection Fees	303,112	240,000	390,000	300,000	25.0%
Sewer Connection Fees	79,300	65,000	100,000	80,000	23.1%
Engineering Inspection Fee	154,673	80,000	135,000	82,000	2.5%
Backflow Certification	15,275	20,000	12,700	15,000	-25.0%
Subtotal	\$ 717,060	\$ 505,000	\$ 837,980	\$ 627,000	24.2%
Licenses and Permits					
Water Permits	\$ 31,050	\$ 22,000	\$ 28,000	\$ 30,000	36.4%
Sewer Permits	18,000	12,000	17,000	15,000	25.0%
Cross Connection Control Permits	37,970	25,000	38,000	38,000	52.0%
Subtotal	\$ 87,020	\$ 59,000	\$ 83,000	\$ 83,000	40.7%
Total Operating	\$ 81,286,642	\$ 82,120,281	\$ 83,617,170	\$ 84,240,701	2.6%
Other Revenues					
Miscellaneous	\$ 83,516	\$ 66,028	\$ 80,528	\$ 50,138	-24.1%
Water Frontage Fees/Assessments	216,406	120,000	99,078	100,000	-16.7%
Sewer Frontage Fees/Assessments	415,283	120,000	219,016	120,000	0.0%
Total Other Revenues	\$ 715,204	\$ 306,028	\$ 398,622	\$ 270,138	-11.7%
Transfers from Other Funds					
General Fund	\$ 308,942	\$ 298,288	\$ 298,288	\$ 287,635	-3.6%
Total Transfers from Other Funds	\$ 308,942	\$ 298,288	\$ 298,288	\$ 287,635	-3.6%
Appropriation from Fund Balance	\$ 4,051,536	\$ 3,080,194	\$ 1,764,181	\$ -	-100.0%
TOTAL W & S FUND REVENUES	\$ 86,821,015	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336	-1.2%

WATER AND SEWER FUND
REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
REVENUES					
Investment and Rental Income	\$ 458,690	\$ 525,600	\$ 476,723	\$ 492,862	-6.2%
Water and Sewer Sales	80,482,562	81,556,281	82,696,190	83,530,701	2.4%
Other Operating Revenue	717,060	505,000	837,980	627,000	24.2%
Licenses and Permits	87,020	59,000	83,000	83,000	40.7%
Frontage Fees/Assessments	631,689	240,000	318,094	220,000	-8.3%
Other	83,516	66,028	80,528	50,138	-24.1%
Transfer from Other Funds	308,942	298,288	298,288	287,635	-3.6%
Appropriations from Fund Balance	4,051,536	3,080,194	1,764,181	-	-100.0%
TOTAL REVENUES	\$ 86,821,015	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336	-1.2%
APPROPRIATIONS					
Personal Services	\$ 22,524,459	\$ 23,868,418	\$ 23,601,228	\$ 24,148,668	1.2%
Operating	25,162,311	27,919,680	28,488,379	28,370,731	1.6%
Capital Outlay	245,112	7,500	18,316	-	-100.0%
Debt Service	18,970,450	18,571,664	18,483,932	11,260,678	-39.4%
Transfers to Other Funds	19,918,682	15,963,129	15,963,129	21,511,259	34.8%
Transfers to Fund Balance	-	-	-	-	0.0%
TOTAL APPROPRIATIONS	\$ 86,821,015	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336	-1.2%
Department Appropriations					
Water Management	\$ 37,877,169	\$ 40,944,127	\$ 41,405,369	\$ 41,326,784	0.9%
Public Works	2,852,218	3,189,363	3,040,342	3,274,832	2.7%
Finance	188,173	190,960	191,064	193,602	1.4%
Nondepartmental Appropriations	45,903,455	42,005,941	41,918,209	40,496,118	-3.6%
TOTAL APPROPRIATIONS	\$ 86,821,015	\$ 86,330,391	\$ 86,554,984	\$ 85,291,336	-1.2%

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investments and Assessments - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute, and interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. Rates increased for water and sewer charges for FY 2014-15 by 3% for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for truckloads of septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers inspection costs of CCC devices.

Other Revenues

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund is paying back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year. In FY 2014-15, there is no additional fund balance appropriation.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Personal Services					
Merit/Market Salary Adjustment	\$ (78)	\$ 84,854	\$ 3,854	\$ 219,757	159.0%
Subtotal	\$ (78)	\$ 84,854	\$ 3,854	\$ 219,757	159.0%
Operating					
General Fund Services	5,797,679	5,997,679	5,997,679	5,997,679	0.0%
Insurance Risk /Post Employment	1,216,643	1,388,615	1,388,615	1,425,745	2.7%
Miscellaneous	79	-	81,000	81,000	100.0%
Subtotal	\$ 7,014,401	\$ 7,386,294	\$ 7,467,294	\$ 7,504,424	1.6%
Transfers					
Transfer to Storm Water Fund	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	0.0%
Transfer to Capital Fleet Program	295,682	556,000	556,000	607,000	9.2%
Transfer to Capital Improvements Program	19,500,000	15,284,129	15,284,129	16,140,000	5.6%
Transfer to Fund Balance	-	-	-	4,641,259	100.0%
Subtotal	\$ 19,918,682	\$ 15,963,129	\$ 15,963,129	\$ 21,511,259	34.8%
Debt Service					
Debt Service/Refunding	\$ 18,709,635	\$ 18,071,664	\$ 18,383,932	\$ 10,760,678	-40.5%
County Line Reimbursement	260,815	500,000	100,000	500,000	0.0%
Subtotal	\$ 18,970,450	\$ 18,571,664	\$ 18,483,932	\$ 11,260,678	-39.4%
TOTAL NON-DEPARTMENTAL	\$ 45,903,455	\$ 42,005,941	\$ 41,918,209	\$ 40,496,118	-3.6%

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Personal Services

Merit/Market Salary Adjustment - These funds were previously appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. FY 2014-15 accounts for a small increase in dental rates, and for an incremental increase of 1% to employee pay.

Operating

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations. For FY 2013-14 and FY 2014-15, this primarily consists of unemployment insurance costs for the fund.

Transfers

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program.

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

Capital Improvement Program (CIP) Appropriations

The 2005 Bond Referendum included \$20 million in water and sewer capital projects. These projects included sewer rehabilitation, North Durham Water Reclamation Facility improvements, Southern Reinforcing Main, Water Main Rehabilitation, Brown Water Treatment Plant Expansion – Phase II, Sewer Extensions and Improvements and Water Extensions and Improvements. These projects continue in design and or construction and bonds are issued as needed to cover the cost of these projects.

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2014-15, \$16.1 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2015-2020 Capital Improvement Program budget document.

Debt Service

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

CAPITAL FACILITIES FEES FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Operating Revenues	\$ 3,393,304	\$ 2,800,000	\$ 3,680,208	\$ 4,416,000	57.7%
Transfers from Other Funds	288,585	-	-	-	0.0%
Transfer from Fund Balance	-	-	-	3,487,099	100.0%
Interest and Rental Income	504	32,500	33,000	33,000	1.5%
Total Revenues	\$ 3,682,393	\$ 2,832,500	\$ 3,713,208	\$ 7,936,099	180.2%
Appropriations					
Transfers to Other Funds	\$ -	\$ 2,832,500	\$ 3,713,208	\$ 7,936,099	180.2%
Transfer to Fund Balance	3,682,393	-	-	-	0.0%
Total Appropriations	\$ 3,682,393	\$ 2,832,500	\$ 3,713,208	\$ 7,936,099	180.2%

FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and funds are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

REVENUE DESCRIPTIONS

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by \$200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. Capital Facility Fees increased 5.7% in FY 2013-14 for all new connections to the City's water and sewer system based on the increased capital cost of construction. A 2.4% increase was adopted for FY 2014-15 to cover increased construction costs.

Transfers from Other Funds – A transfer was made in FY 2012-13 from the Water and Sewer Fund as an accounting necessity to cover a negative balance in one of the types of capital facility fees.

Transfer from Fund Balance – Additional fund balance is being appropriated in FY 2014-15 to allow for a larger transfer to capital to cover the construction phase of several projects expected to begin this year.

Investment and Rental Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

SOLID WASTE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Interest and Rental Income	\$ 5,812	\$ 15,000	\$ 15,000	\$ 5,000	-66.7%
Charges for Services	5,566,127	6,475,447	5,672,129	6,215,160	-4.0%
Solid Waste Fee	-	1,470,055	1,388,362	-	0.0%
Other Revenues	725	725	725	672	-7.3%
Landfill Gas	205,911	190,000	200,000	200,000	5.3%
Other Financing Sources	-	2,703,159	2,703,159	-	0.0%
Transfer from Other Funds	13,706,256	11,914,510	11,914,510	13,827,981	16.1%
Transfer from Reserves	619,455	-	623,555	-	0.0%
Total Revenues	\$ 20,104,286	\$ 22,768,896	\$ 22,517,440	\$ 20,248,813	-11.1%
Appropriations					
Personal Services	\$ 6,217,914	\$ 6,317,830	\$ 6,219,672	\$ 6,210,096	-1.7%
Operating	10,360,452	10,000,149	9,846,851	9,817,269	-1.8%
Debt Service	2,995,021	3,040,706	3,040,706	4,201,448	38.2%
Capital and Other	-	-	-	20,000	0.0%
Transfers to Other Funds	530,899	3,410,211	3,410,211	-	0.0%
Total Appropriations	\$ 20,104,286	\$ 22,768,896	\$ 22,517,440	\$ 20,248,813	-11.1%
Department Appropriations					
Water Management	\$ 216,302	\$ 250,734	\$ 310,017	\$ 251,605	0.3%
Solid Waste Management	15,974,659	15,826,032	15,515,647	14,781,647	-6.6%
Nondepartmental Appropriations	3,913,325	6,692,130	6,691,776	5,215,561	-22.1%
Total Appropriations	\$ 20,104,286	\$ 22,768,896	\$ 22,517,440	\$ 20,248,813	-11.1%

FUND DESCRIPTION

The Solid Waste Disposal Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this fund.

REVENUE DESCRIPTIONS

Investment and Rental Income – Interest earned on the investment of the fund balance.

Charges for Services – These include the per ton tipping fee for Solid Waste charged at the transfer station, fees for yard waste collection, disposal bin purchases, brush pickup fees, white good disposal revenue and the State Disposal Tax revenue. Beginning July 1, the per ton tipping fee for Solid Waste will increase from \$42.50 to \$44.50 to recover revenue lost from declining waste tonnage. Additionally, Yard Waste Subscriber fees will increase on July 1 from \$60 a year per household to \$72 per year, due to increasing yard waste collection costs.

Solid Waste Fee – The City charged a monthly \$1.80 fee to households which received solid waste collection service from the City. In FY 15, the City will stop charging residents for the provision of solid waste collection services.

Other Revenues – Subsidy payments from Build America Bonds (BABs).

Landfill Gas – Revenues generated from methane produced from the City's landfill.

Other Financing Sources – A loan from the Water & Sewer fund to purchase solid waste carts.

Transfer from Other Funds – The General Fund subsidizes the Solid Waste Fund on an annual basis. A transfer from the Debt Service Fund is used to cover the cost of debt payments. Beginning July 1, a transfer from the BID will be used to recover a portion of the cost to provide service to those business and residents.

Transfers from Reserves – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services – All of the City's Solid Waste Department employees are accounted for in this area.

Operating – Major items include fuel purchases and solid waste contracts.

Capital and Other— Funding for miscellaneous purchases.

Debt Service – To cover the cost of capital asset purchases.

Transfers to Other Funds – The repayment to the Water & Sewer Fund to cover the cost to purchase solid waste carts

Non-Departmental Appropriations – These charges include debt service, payment to the risk fund for insurance and liability, payment to the Other Post Employment Benefits Fund, and payments to the general fund for indirect costs.

STORMWATER MANAGEMENT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Operating Revenues	\$ 12,567,893	\$ 13,027,049	\$ 13,027,049	\$ 14,486,310	11.2%
Interest and Rental Income	34,955	9,000	22,000	20,000	122.2%
Miscellaneous Revenue	265,772	240,550	245,550	250,550	4.2%
Transfers from Other Funds	232,047	232,047	232,047	232,047	0.0%
Appropriation from Fund Balance	-	134,172	232,325	-	-100.0%
Total Revenues	\$ 13,100,667	\$ 13,642,818	\$ 13,758,971	\$ 14,988,907	9.9%
Appropriations					
Personal Services	\$ 5,740,581	\$ 6,277,808	\$ 6,095,409	\$ 6,642,313	5.8%
Operating	2,463,468	2,967,010	3,272,062	3,054,594	3.0%
Capital	19,302	40,000	33,500	30,000	-25.0%
Transfers to Other Funds	3,751,982	4,358,000	4,358,000	4,562,000	4.7%
Transfer to Fund Balance	1,125,274	-	-	700,000	0.0%
Total Appropriations	\$ 13,100,607	\$ 13,642,818	\$ 13,758,971	\$ 14,988,907	9.9%
Department Appropriations					
Public Works	\$ 6,960,648	\$ 7,900,689	\$ 8,016,770	\$ 8,042,375	1.8%
Solid Waste	210,106	244,800	245,000	249,900	2.1%
Nondepartmental Appropriations	5,929,853	5,497,329	5,497,201	6,696,632	21.8%
Total Appropriations	\$ 13,100,607	\$ 13,642,818	\$ 13,758,971	\$ 14,988,907	9.9%

FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

REVENUE DESCRIPTIONS

Operating Revenue – This revenue stream is comprised of two sources:

Stormwater Utility Charges: Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). A 7.5% rate increase is occurred for FY2015. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: \$3.26 for less than 2,000 square feet, \$6.75 for more than 2,000 and less than 4,000 square feet; \$13.52 for more than 4,000 square feet. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

Stormwater Permit Fees: The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Water and Sewer Fund to support a portion of the Household Hazardous Waste program managed by the Solid Waste department, and from the Transit Fund to support bus shelter cleaning services.

EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

TRANSIT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
General Property Taxes	\$ 7,597,235	\$ 9,172,303	\$ 9,172,303	\$ 9,355,323	2.0%
Licenses and Permits	2,337,450	2,280,000	2,383,244	2,431,883	6.7%
Intergovernmental	2,257,560	2,257,559	2,435,742	3,356,952	48.7%
Charges for Current Services	3,362,828	3,526,329	3,415,208	3,508,787	-0.5%
Other Revenue	166,563	120,720	103,124	209,182	73.3%
Appropriation from Fund Balance	518,985	-	19,315	-	0.0%
Total Revenues	\$ 16,240,620	\$ 17,356,911	\$ 17,528,936	\$ 18,862,127	8.7%
Appropriations					
Operating	\$ 14,713,829	\$ 15,970,510	\$ 16,150,724	\$ 17,421,487	9.1%
Capital	-	-	80,000	55,000	100.0%
Debt Service	217,955	212,737	212,737	212,737	0.0%
Transfers to Other Funds	1,308,837	1,085,475	1,085,475	1,172,903	8.1%
Transfer to Fund Balance	-	88,189	-	-	-100.0%
Total Appropriations	\$ 16,240,620	\$ 17,356,911	\$ 17,528,936	\$ 18,862,127	8.7%
Departmental Appropriations					
Transportation Department	\$ 15,639,102	\$ 16,819,253	\$ 16,991,278	\$ 18,324,469	8.9%
Nondepartmental Appropriations	601,518	537,658	537,658	537,658	0.0%
Total Appropriations	\$ 16,240,620	\$ 17,356,911	\$ 17,528,936	\$ 18,862,127	8.7%

FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes the Durham Area Transit Authority (DATA) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. DATA is currently operated by Durham City Transit Company (DCTC) which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

REVENUE DESCRIPTIONS

General Property Taxes – Operating funds continue at 3.87 cents of the tax rate for FY 2014-15.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. An increase from \$10 to \$15 per vehicle registration was adopted and became effective in FY 2009-10.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems. Also, funds are transferred annually from Triangle Transit to cover new services funded by the increased sales tax and vehicle fees dedicated to transit.

Charges for Current Services – Fare box and Para-transit transport fares.

EXPENDITURE DESCRIPTIONS

Operating – The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Grant matches for Transit operations and a payment to the Stormwater Fund to cover bus shelter cleaning services.

PARKING FACILITIES FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Interest and Rental Income	\$ 1,452	\$ 2,480	\$ 1,040	\$ 1,000	-59.7%
Charges for Current Services	1,930,476	2,656,838	2,596,890	2,801,717	5.5%
Transfers from Other Funds	-	1,999,039	1,999,039	1,987,324	-0.6%
Appropriation from Fund Balance	466,920	-	181,890	-	0.0%
Total Revenues	\$ 2,398,848	\$ 4,658,357	\$ 4,778,859	\$ 4,790,041	2.8%
Appropriations					
Personal Services	\$ 33,327	\$ 121,369	\$ 91,291	\$ 146,435	20.7%
Operating	2,259,569	2,305,163	2,508,679	2,656,281	15.2%
Capital	105,952	-	179,850	-	0.0%
Debt Service	-	1,999,039	1,999,039	1,987,325	-0.6%
Transfer to Fund Balance	-	232,786	-	-	-100.0%
Total Appropriations	\$ 2,398,848	\$ 4,658,357	\$ 4,778,859	\$ 4,790,041	2.8%
Departmental Appropriations					
Transportation Department	\$ 1,939,042	\$ 1,966,982	\$ 2,320,270	\$ 2,343,514	19.1%
Nondepartmental Appropriations	459,806	2,691,375	2,458,589	2,446,527	-9.1%
Total Appropriations	\$ 2,398,848	\$ 4,658,357	\$ 4,778,859	\$ 4,790,041	2.8%

FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. A new vendor to manage the garages and lots was contracted for FY 2008-09 and continues. On-street parking revenues and expenditures are now also budgeted in this fund as of FY 2011-12. They had previously been budgeted in the General Fund. The North Deck at American Tobacco's revenues and expenses were moved to this fund for FY 2013-14. The FY 2014-15 budget includes increased parking enforcement for areas near downtown, and provisions for a paid public parking lot on Ninth Street.

REVENUE DESCRIPTIONS

Interest and Rental Income - Gained through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor. In FY 2013-14, the revenues from the North Deck at American Tobacco were moved to this fund to consolidate all parking items in one place.

Transfers from Other Funds – Beginning in FY 2013-14, this transfer is from the Debt Service Fund to cover debt service payments related to parking.

EXPENDITURE DESCRIPTIONS

Personal Services – The City's Transportation Department provides oversight of the parking contracts. A new position was added with the FY 2013-14 budget to manage the parking function for the City, and those costs were annualized for FY 2014-15.

Operating – The operating budget represents contract payments to a private contractor. The increase for FY 2014-15 is primarily due to increasing the enforcement areas near downtown.

Capital – Funds were used to purchase automation equipment for garages.

Debt Service – This had previously been paid out of the debt service fund, but in an effort to consolidate all parking related expenses into this fund, it was moved here and is covered with a transfer from the Debt Service Fund.

BALLPARK FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Interest and Rental Income	\$ 600,570	\$ 468,910	\$ 484,685	\$ 182,788	-61.0%
Charges for Services	105,494	44,000	39,449	-	-100.0%
Transfers from Other Funds	1,594,931	1,017,259	1,147,259	1,285,617	26.4%
Total Revenues	\$ 2,300,995	\$ 1,530,169	\$ 1,671,393	\$ 1,468,405	-4.0%
Appropriations					
Personal Services	\$ 82,246	\$ 65,476	\$ 53,493	\$ -	-100.0%
Operating	821,276	506,600	481,765	\$ -	-100.0%
Debt Service	927,625	713,379	845,867	\$ 1,272,691	78.4%
Transfer to Fund Balance	94,295	100,000	145,554	\$ 51,000	-49.0%
Transfers to Other Funds	375,553	\$ 144,714	\$ 144,714	\$ 144,714	0.0%
Total Appropriations	\$ 2,300,995	\$ 1,530,169	\$ 1,671,393	\$ 1,468,405	-4.0%
Departmental Appropriations					
General Services	\$ 771,539	\$ 438,385	\$ 415,325	\$ -	-100.0%
Nondepartmental Appropriations	1,529,456	\$ 1,091,784	1,256,068	1,468,405	34.5%
Total Appropriations	\$ 2,300,995	\$ 1,530,169	\$ 1,671,393	\$ 1,468,405	-4.0%

FUND DESCRIPTION

The Ballpark Fund was established in FY 1995-96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). Effective January 2014, the City entered into a 20-year lease with Durham Bulls Baseball Club. Per the terms of this agreement, the City will no longer be responsible for operational activities related to the Ballpark.

The park is currently the home of the Durham Bulls AAA baseball club, a local radio station and a local television station. USA Baseball also moved into DBAP during FY 2003-04. All activities related to the baseball season occur between April and September.

REVENUE DESCRIPTIONS

Interest and Rental Income

Durham Bulls Rent - The Durham Bulls are charged \$130,050 as base rent, paid in equal monthly installments.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 3% of the team's gross revenues exceeding \$10,750,000 per year.

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events and receive 1.25% of revenues for these events.

Skybox Rentals - This rental revenue ceased on January 1, 2014 per the terms of the new lease agreement.

Office and Parking Space Rentals –The collection of rent for office and parking space rentals ceased on January 1, 2014 per the terms of the new lease agreement.

Charges for Services

Ticket Surcharges - This surcharge ceased on January 1, 2014 per the terms of the new lease agreement.

Transfer from Other Funds

Transfer from Others Funds - The General Fund and Debt Service Fund subsidize the Ballpark Fund in the amount of \$50,000 and \$1,235,617, respectively.

EXPENDITURE DESCRIPTIONS

Personal Services – Costs associated with personnel services ceased on January 1, 2014 per the new lease agreement.

Operating – Beginning January 1, 2014 the Durham Bulls are responsible for all operations of the Ballpark for Club Home Games, Special Events, and Third Party Events. The City has no operational responsibilities associated with the Ballpark.

Debt Service – The City and the Durham Bulls Baseball Club have entered into a development agreement and the City issued \$12 million in taxable limited obligation bonds. Of the total \$12 million, \$6 million will be used to address Deferred Maintenance issues and the remaining \$6 million will be used to provide new improvements to the Ballpark.

Transfers to Other Funds – A loan repayment to the Water and Sewer Construction Fund.

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Charges for Service	\$ 1,520,912	\$ 1,463,416	\$ 1,463,416	\$ 1,537,665	5.1%
Investment Income	2,322	8,000	5,000	5,000	-37.5%
Appropriation From Fund Balance	236,629	-	3,000	-	0.0%
Total Revenues	\$ 1,759,863	\$ 1,471,416	\$ 1,471,416	\$ 1,542,665	4.8%
Appropriations					
Personal Services	\$ 1,758,742	\$ 1,470,216	\$ 1,470,216	\$ 1,541,465	4.8%
Operating	1,121	1,200	1,200	1,200	0.0%
Total Appropriations	\$ 1,759,863	\$ 1,471,416	\$ 1,471,416	\$ 1,542,665	4.8%

FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute.

REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund at a rate of 5.00% of sworn officers' salaries.

Investment Income – Funds are gained through the commitment of city funds to investment instruments allowed under State Statute.

Appropriations from Fund Balance – Any costs not covered by the other two revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services (Separation Allowance) – This expenditure provides special retirement benefits for eligible law enforcement officers as required by State Statute.

Operating (Periodic Fund Audit) – This fund is audited periodically to determine the accuracy of projections. The cost associated with these audits appears here.

CEMETERY FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Interest and Rental Income	\$ 2,356	\$ 10,000	\$ 6,000	\$ 6,000	-40.0%
Appropriation from Fund Balance	\$ 97,644	\$ -	\$ -	\$ 340,000	100.0%
Total Revenues	\$ 100,000	\$ 10,000	\$ 6,000	\$ 346,000	3360.0%
Appropriations					
Transfers to Other Funds	\$ 100,000	\$ -	\$ -	\$ 340,000	100.0%
Transfers to Fund Balance	\$ -	\$ 10,000	\$ 6,000	\$ 6,000	-40.0%
Total Appropriations	\$ 100,000	\$ 10,000	\$ 6,000	\$ 346,000	3360.0%

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. This fund holds contributions for future infrastructure needs of the City's two cemeteries. Cemetery operations are contained in the General Fund.

REVENUE DESCRIPTIONS

Interest and Rental Income – Investment interest earned on fund balance.

Appropriation from Fund Balance – Funds appropriated for use based on approved projects/needs.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – For Fiscal Year 2014-15 \$340,000 will be transferred to the CIP for cemetery repairs.

Transfers to Fund Balance – Any surplus in the fund is returned to fund balance.

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Charges for Services	\$ 3,802,617	\$ 3,972,647	\$ 3,972,647	\$ 3,883,393	-2.2%
Contributions	719,642	645,547	795,719	565,879	-12.3%
Interest	508	1,000	2,000	1,000	0.0%
Transfers from Fund Balance	76,037	-	-	-	0.0%
Total Revenues	\$ 4,598,804	\$ 4,619,194	\$ 4,770,366	\$ 4,450,272	-3.7%
Appropriations					
Personal Services	\$ 4,598,804	\$ 4,604,194	\$ 4,522,984	\$ 4,442,772	-3.5%
Operating Expenses	-	15,000	5,000	7,500	-50.0%
Transfer to Fund Balance	-	-	242,382	-	0.0%
Total Appropriations	\$ 4,598,804	\$ 4,619,194	\$ 4,770,366	\$ 4,450,272	-3.7%

FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy.

REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

Contributions - City and retiree contributions.

Interest – Investment interest earned on any fund balance.

Transfers from Fund Balance – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services - This expenditure provides post employment benefits for eligible retired employees as required by city policy.

Operating Expenses – These are professional fees for actuarial services.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
911 Surcharge Tax	\$ 1,413,750	\$ 1,482,087	\$ 1,482,087	\$ 1,608,226	8.5%
Interest Income	932	5,000	2,000	2,000	-60.0%
Appropriation from Fund Balance	349,215	89,637	339,521	618,199	589.7%
Total Revenues	\$ 1,763,897	\$ 1,576,724	\$ 1,823,608	\$ 2,228,425	41.3%
Appropriations					
Personal Services	\$ -	\$ 181,607	\$ 181,607	\$ 227,208	25.1%
Operating	1,310,744	1,395,117	1,503,220	2,001,217	43.4%
Debt Service	453,153	-	-	-	100.0%
Appropriation to Fund Balance	-	-	138,781	-	0.0%
Total Appropriations	\$ 1,763,897	\$ 1,576,724	\$ 1,823,608	\$ 2,228,425	41.3%

FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

Debt Service – Debt service contribution on radio console.

Appropriations to Fund Balance – Any surplus in the Fund is returned to fund balance.

DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Other Local Taxes	\$ 1,412,823	\$ 1,350,000	\$ 1,356,370	\$ 1,400,000	3.7%
Other Revenues	912,309	870,000	885,000	955,233	9.8%
Interest Income	-	2,000	2,890	25,920	1196.0%
Operating Revenues	1,342,495	930,000	930,000	1,344,333	44.6%
Appropriation from Fund Balance	-	590,771	533,107	-	0.0%
Total Revenues	\$ 3,667,627	\$ 3,742,771	\$ 3,707,367	\$ 3,725,486	-0.5%
Appropriations					
Personnel	\$ -	\$ 6,404	\$ 1,000	\$ -	0.0%
Operating	391,524	431,831	401,831	268,764	-37.8%
Capital and Other	-	-	-	648,000	0.0%
Transfer to Other Funds	559,000	817,000	817,000	-	0.0%
Debt Service	2,487,098	2,487,536	2,487,536	2,540,719	2.1%
Appropriation to Fund Balance	230,005	-	-	268,003	0.0%
Total Appropriations	\$ 3,667,627	\$ 3,742,771	\$ 3,707,367	\$ 3,725,486	-0.5%

FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater. Charges associated with maintenance and repair of the facility, recorded in the Durham Performing Arts Center Capital Reserve fund in prior years, have been consolidated with the operating fund for FY 2014-15.

REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of \$1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Interest Income – This line records interest received in the fund.

Operating Revenues – Revenues received from the theater operator.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personnel – Personnel costs associated with the fund.

Operating - Commissions and fees to meet contractual obligations.

Capital and Other—These funds, previously recorded in the DPAC Capital Reserve Fund, are for maintenance, improvements, and repairs to the facility.

Transfer to Other Funds – In prior fiscal years, this allowed for transfers to the DPAC Capital Reserve Fund.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

Appropriation to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

IMPACT FEE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Operating Revenues	\$ 3,170,657	\$ 1,900,785	\$ 1,900,785	\$ 1,939,331	2.0%
Interest and Rental Income	\$ 31,136	\$ 123,500	\$ 123,500	\$ 124,500	0.8%
Total Revenues	\$ 3,201,793	\$ 2,024,285	\$ 2,024,285	\$ 2,063,831	2.0%
Appropriations					
Transfer to Fund Balance	\$ 3,201,793	\$ 2,024,285	\$ 2,024,285	\$ 2,063,831	2.0%
Total Appropriations	\$ 3,201,793	\$ 2,024,285	\$ 2,024,285	\$ 2,063,831	2.0%

FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

REVENUE DESCRIPTIONS

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

Interest and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
General Property Taxes	\$ 336,554	\$ 336,558	\$ 336,558	\$ 433,488	28.8%
Transfers from Other Funds	250,000	250,000	250,000	250,000	0.0%
Appropriation from Fund Balance	-	-	16,000	-	0.0%
Total Revenues	\$ 586,554	\$ 586,558	\$ 602,558	\$ 683,488	16.5%
Appropriations					
Operating	\$ 580,500	\$ 583,192	\$ 599,192	\$ 663,503	13.8%
Tax Collection Fee	3,513	3,366	3,366	4,985	48.1%
Transfer to Other Funds	-	-	-	15,000	100.0%
Transfer to Fund Balance	2,541	-	-	-	0.0%
Total Appropriations	\$ 586,554	\$ 586,558	\$ 602,558	\$ 683,488	16.5%

FUND DESCRIPTION

The Business Improvement District (BID) Fund was established in FY 2012-13 to account for activity in the City's Downtown Business Improvement District.

REVENUE DESCRIPTIONS

General Property Taxes – A targeted 7 cents per \$100 assessed value tax on property within the boundaries of the BID, allocated to pay for enhanced services to the district.

Transfers from Other Funds – A transfer is made from the General Fund to cover a portion of the contractual services.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Operating – The enhanced services provided to the Downtown Business Improvement District.

Capital and Other / Tax Collection Fee – This includes the collection fee that Durham County charges the City for collecting property taxes.

Transfer to Other Funds – This is a payment to the Solid Waste Fund for enhanced collection services.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

RISK REDUCTION FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Interest Income	\$ 22,579	\$ 54,000	\$ 30,000	\$ 30,000	-44.4%
Charges for Current Services	3,518,570	4,617,874	4,617,874	4,983,011	7.9%
Transfer from Other Funds	48,709	48,709	48,709	48,709	0.0%
Appropriation from Fund Balance	2,623,025	1,303,638	1,443,418	1,004,016	-23.0%
Total Revenues	\$ 6,212,883	\$ 6,024,221	\$ 6,140,001	\$ 6,065,736	0.7%
Appropriations					
Personal Services	\$ -	\$ 406,379	\$ 406,379	\$ 390,641	-3.9%
Operating	6,212,883	5,617,842	5,733,622	5,675,095	1.0%
Total Appropriations	\$ 6,212,883	\$ 6,024,221	\$ 6,140,001	\$ 6,065,736	0.7%

FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Transfer from Other Funds – This is the repayment of an interfund loan.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services – In FY2013-14 the personnel assigned to risk functions were moved from the Finance department to the Risk fund.

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

EMPLOYEE INSURANCE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Charges for Current Services	\$ 29,494,163	\$ 29,191,903	\$ 28,977,467	\$ 29,069,810	-0.4%
Interest	2,891	30,000	35,000	30,000	0.0%
Appropriation from Fund Balance	-	655,062	655,062	502,707	-23.3%
Total Revenues	\$ 29,497,054	\$ 29,876,965	\$ 29,667,529	\$ 29,602,517	-0.9%
Appropriations					
Personnel	\$ 86,753	\$ 78,660	\$ 81,041	\$ 80,739	2.6%
Operating	28,226,987	29,798,305	27,865,979	29,521,778	-0.9%
Transfer to Fund Balance	1,183,314	-	1,720,509	-	0.0%
Total Appropriations	\$ 29,497,054	\$ 29,876,965	\$ 29,667,529	\$ 29,602,517	-0.9%

FUND DESCRIPTION

The Employee Insurance Fund was established to account for the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personnel – A Wellness Program Administrator FTE is included in the fund.

Operating – This line includes payments for health insurance.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

WATERSHED PROTECTION FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
Charges for Services	\$ 104,358	\$ 100,000	\$ 101,276	\$ 100,000	100.0%
Total Revenues	\$ 104,358	\$ 100,000	\$ 101,276	\$ 100,000	100.0%
Appropriations					
Transfers to Other Funds	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
Transfer to Fund Balance	104,358	-	1,276	-	0.0%
Total Appropriations	\$ 104,358	\$ 100,000	\$ 101,276	\$ 100,000	100.0%

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2011-12 to account for activities related to the protection of the City's watershed lands.

REVENUE DESCRIPTIONS

Charges for Services - City Water Services fees collected for the purpose of the preservation of City's watershed.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The fees are transferred to Water & Sewer Construction for the purpose of future purchases of watershed land.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

DEDICATED HOUSING FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Revenues					
General Property Taxes	\$ 2,352,078	\$ 2,370,104	\$ 2,370,104	\$ 2,417,396	2.0%
Charges for Current Services	3,945	-	15,713	-	0.0%
Distributed Interest	-	-	-	-	0.0%
Appropriation from Fund Balance	-	-	-	716,215	100.0%
Total Revenues	\$ 2,356,023	\$ 2,370,104	\$ 2,385,817	\$ 3,133,611	32.2%
Appropriations					
Operating	\$ 373,196	\$ 27,256	\$ 1,171,240	\$ 1,474,618	5310.3%
Capital and Other	-	830,500	-	74,000	-91.1%
Transfers to Other Funds	996,654	1,053,484	1,053,484	1,584,993	50.5%
Transfer to Fund Balance	986,173	458,864	161,093	-	-100.0%
Total Appropriations	\$ 2,356,023	\$ 2,370,104	\$ 2,385,817	\$ 3,133,611	32.2%
Departmental Appropriations					
Community Development	\$ 1,346,379	\$ 1,883,984	\$ 2,197,468	\$ 3,105,811	64.9%
Nondepartmental Appropriations	1,009,644	486,120	188,349	27,800	-94.3%
Total Appropriations	\$ 2,356,023	\$ 2,370,104	\$ 2,385,817	\$ 3,133,611	32.2%

FUND DESCRIPTION

The Dedicated Housing Fund was established in FY 2012-13 to account for activities related to the dedicated one cent portion of the property tax that Council approved as part of the FY 2012-13 budget.

REVENUE DESCRIPTIONS

General Property Taxes – A dedicated 1 cent per \$100 assessed value tax on property, allocated to pay for approved housing projects including partially funding the Southside neighborhood revitalization.

Charges for Current Services – Primarily housing lien payments.

Distributed Interest – As fund balance accumulates, interest earnings will be apportioned to this fund.

Appropriation from Fund Balance – A portion of the accumulated fund balance to fund FY 2014-15 activities.

EXPENDITURE DESCRIPTIONS

Operating – Housing related items that are not part of a specific capital project. This amount also includes the 1% fee that the City pays to the County for collecting the taxes dedicated to the fund.

Capital and Other – This primarily holds funds at the beginning of the fiscal year until they are distributed to specific operating or transfer lines.

Transfers to Other Funds – Several capital project funds are set up for Southside. Funds are collected in the Dedicated Housing Fund, and transferred to the appropriate capital project fund as they are needed.

Transfer to Fund Balance – Estimated reserves to be allocated in future years.

APPROPRIATION DESCRIPTIONS

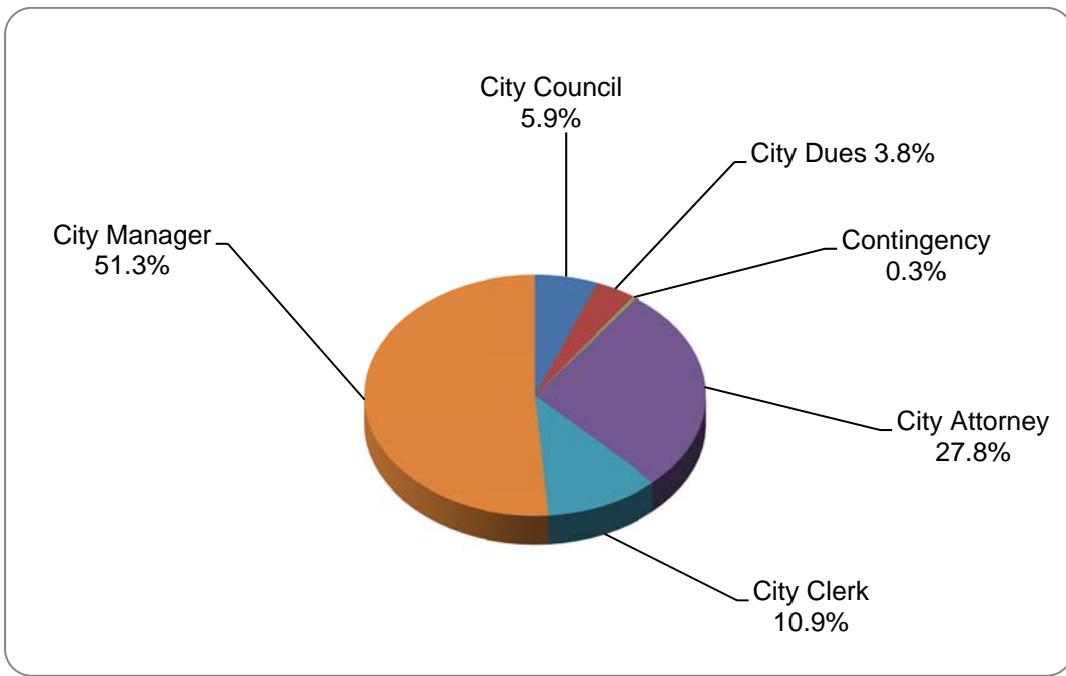
Departmental Appropriations – Funding allocated and approved by Council according to the 5 year plan for the dedicated funding source for housing.

Nondepartmental Appropriations – The tax collection fee paid to the County, and the Transfer to Fund Balance.

GOVERNANCE
BUDGET SUMMARY

General Fund Appropriations	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
City Council	\$ 277,420	\$ 686,342	\$ 621,113	\$ 343,757	-49.9%
RDU Airport Authority	12,500	12,500	12,500	12,500	0.0%
Mayor's Committee for Persons with Disabilities	4,752	-	59	-	0.0%
City Dues	200,917	207,946	208,100	234,340	12.7%
Sister Cities	2,499	7,100	7,100	7,500	5.6%
Contingency	-	20,000	5,000	10,000	-50.0%
City Attorney	1,596,221	1,609,300	1,623,767	1,635,740	1.6%
City Clerk	609,437	631,893	622,036	642,128	1.6%
City Manager	2,880,667	2,995,329	3,003,097	3,020,207	0.8%
Legislative Program	1,810	5,000	617	-	-100.0%
Pay Adjustments/Others	66,890	71,614	141,142	-	-100.0%
Total Appropriations	\$ 5,653,113	\$ 6,247,024	\$ 6,244,531	\$ 5,906,172	-5.5%
Full Time Equivalents	50	49	49	49	-
Part Time	8	8	8	8	-
Revenues					
General Fund					
Discretionary Program	\$ 5,555,363	\$ 6,238,224	\$ 6,235,731	\$ 5,897,372	-5.5%
General Fund Subtotal	97,750	8,800	8,800	8,800	0.0%
	\$ 5,653,113	\$ 6,247,024	\$ 6,244,531	\$ 5,906,172	-5.5%

GOVERNANCE



CITY COUNCIL

Purpose Statement:

The Durham City Council is composed of the Mayor and six City Council members. The Council is elected to represent the citizens of Durham and to provide leadership as the City experiences growth and change.

DEPARTMENT DESCRIPTION

City Council	\$608,097
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As the policy making body for the City of Durham, the City Council provides direction to the City Manager and administration to implement programs and projects designed to improve the quality of life in our community.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 227,349	\$ 232,380	\$ 233,093	\$ 236,689	1.9%
Operating	50,071	453,962	388,020	107,068	-76.4%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 277,420	\$ 686,342	\$ 621,113	\$ 343,757	-49.9%
RDU Airport Authority	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	0.0%
Mayor's Committee for Persons with Disabilities	4,752	-	59	-	0.0%
City Dues	200,917	207,946	208,100	234,340	12.7%
Sister Cities	2,499	7,100	7,100	7,500	5.6%
Contingency	-	20,000	5,000	10,000	-50.0%
Subtotal Nondepartmental	\$ 220,668	\$ 247,546	\$ 232,759	\$ 264,340	6.8%
Total Appropriations	\$ 498,088	\$ 933,888	\$ 853,872	\$ 608,097	-34.9%
Full Time Equivalents	-	-	-	-	-
Part Time	7	7	7	7	-
Revenues					
Discretionary	\$ 498,088	\$ 933,888	\$ 853,872	\$ 608,097	-34.9%
Program	-	-	-	-	0.0%
Total Revenues	\$ 498,088	\$ 933,888	\$ 853,872	\$ 608,097	-34.9%

BUDGET ISSUES FOR FY 2014-15

- None

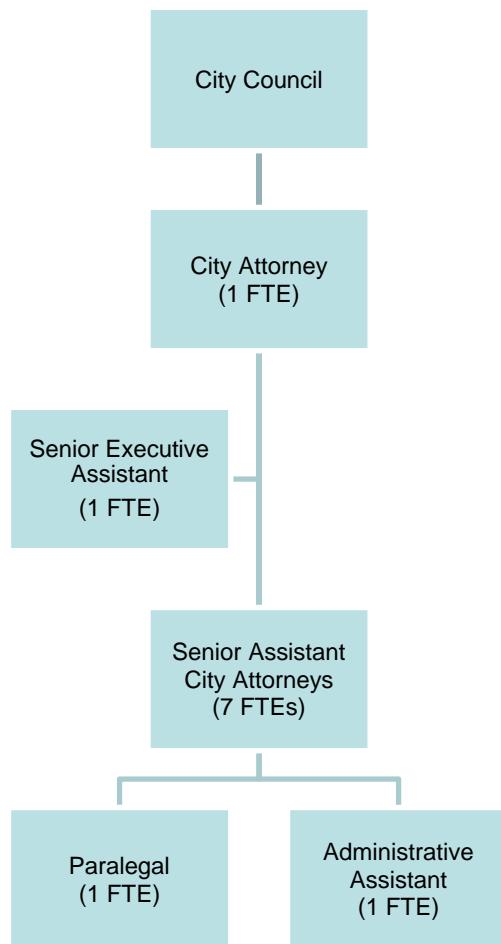
ACCOMPLISHMENTS FOR FY 2013-14

- Deliberated and adopted annual budget for City operations
- Visited various communities during National Night Out
- Continued support for Southside Revitalization Project
- Held Downtown Durham Vision Workshop
- Approved renewal of operating agreements for Durham Arts Council and Carolina Theatre
- Requested the Human Relations Commission to conduct a review of allegations of racial bias and racial profiling by the Durham Police Department
- Mayor presented State of the City Address

- Conducted a series of Coffee with Council sessions to give citizens an opportunity to provide feedback to council members on budget priorities for the upcoming fiscal year
- City Council budget retreats were held whereby council members discussed priorities for the upcoming fiscal year
- Considered numerous rezoning and annexation requests
- Considered requests for city incentives for redevelopment
- Appointed citizens to boards, committees and commissions
- Adopted deer bow hunting ordinance
- Approved an amendment to solicitation ordinance
- Established parking fee for downtown residents and Ninth Street
- Adopted Statement regarding Future Marches in the City of Durham
- Toured Durham One Call, Water Management Facilities and various City parks
- Kicked-off the Initiative to Reduce Poverty Neighborhood by Neighborhood Year by Year
- Adopted Resolution Supporting Affordable Housing Around Transit Stations & Neighborhood Transit Centers



City Attorney (11 FTEs)



CITY ATTORNEY

Purpose Statement:

The mission of the City Attorney's Office is to provide superior quality legal advice and counsel in support of the various initiatives, projects, goals and objectives of the City Council and Administration in a timely and efficient manner.

DEPARTMENT DESCRIPTION

City Attorney's Office	\$1,635,740 11 FTEs
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The City Attorney's Office provides legal advice and representation to City Council, the City administration, and City boards and commissions for the wide variety and considerable volume of projects and activities undertaken by the City. Services include advice and consultation to Council, the City Manager's Office, and all departments; attendance and assistance at Council meetings and in select meetings of the City's boards and commissions; drafting and review of contracts; drafting and review of ordinances; assistance in preparation of bid documents and RFPs; negotiation, issue identification, and complex document drafting for major economic development projects; drafting deeds, easements, and contracts for sale or purchase of property; drafting interlocal agreements; legal analysis of new City programs or policies; and drafting a variety of documents related to affordable housing.

The office also assists staff in finalizing cases to be handled by the District Attorney's Office in Community Life Court for City Code violations; works with outside counsel in collection of assessments; evaluates damage claims in conjunction with the City Manager, Risk Manager, and City insurance carriers; assists staff in formulating and enforcing civil remedies for violations of the City Code; and negotiates on behalf of the City in potential and actual claims involving contract disputes, development regulations, utility services, personnel and discrimination issues, and land acquisition. Litigation typically handled by the office includes planning and zoning actions, challenges to the legality of City programs, property condemnations, and personnel, tort, and contract cases. On limited occasions, particularly complex or extended litigation that is beyond the office's limited support services is contracted out. The office coordinates the retention of outside counsel for these cases, as well as for bond financings, some affordable housing and real estate matters.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 1,519,264	\$ 1,528,485	\$ 1,541,594	\$ 1,542,939	0.9%
Operating	76,957	80,815	82,173	92,801	14.8%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 1,596,221	\$ 1,609,300	\$ 1,623,767	\$ 1,635,740	1.6%
Full Time Equivalents	11	11	11	11	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 1,596,221	\$ 1,609,300	\$ 1,623,767	\$ 1,635,740	1.6%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,596,221	\$ 1,609,300	\$ 1,623,767	\$ 1,635,740	1.6%

BUDGET ISSUES FOR FY 2014-15

- The office continues to handle a significant workload resulting from: the City's growth, high profile housing redevelopment ventures and in particular, the Rolling Hills/Southside redevelopment, progressively tighter state environmental requirements and in particular regulations within the Jordan Lake and Falls Lake basins, and continuing need for unique and complex public-private contracts for economic development projects and utility construction. Such high profile, legally challenging and important projects will require the continued employment and retention of highly qualified professional staff.

ACCOMPLISHMENTS FOR FY 2013-14

- Legal support for Rolling Hills/Southside redevelopment project.
- Coordination of lacrosse legal defense and related insurance issues.
- 2013 and 2014 legislative programs.
- Continued legal support for the Durham Performing Arts Center naming agreements.
- Bond work and retention of bond counsel for bonds anticipated to be issued in FY 2014.
- Ongoing UDO revisions.
- Development of a small business ordinance.
- Response to issuance of Jordan Lake Rules and the implementation of the Falls Lake rules.
- Ongoing issues related to the Durham Convention Center.
- Legal support for the management of street issues related to failing and struggling neighborhood developments.
- Stormwater ordinance revisions.
- Prior initiatives relating to Community Life Court and assessment collections.
- Revised PSNC franchise agreement.
- Performed legal work on a variety of complex projects, including drafting of agreements for the Durham Arts Council and Carolina Theater management agreement, City Center development, Aloft, Holland and 21C hotel agreements.
- Provided legal work and engaged counsel to defend the three lacrosse lawsuits.
- Provided legal support for the City's affordable housing projects, which average between 10 and 20 per year, and assistance in difficult issues involving the Rolling Hills/Southside project.
- Drafted major changes to development plan requirements, water restrictions for building and development, and various housing code ordinance revisions.
- Continue to review and assist in City stormwater comments on Jordan Lake and Falls Lake rules, and submitted independent legal objections to proposed rules.
- Provided review and assistance in evaluating between 70 and 100 claims of various types against the City.
- Served as counsel or co-counsel in filed legal actions or administrative proceedings, including tort/negligence claims, personnel issues, and regulatory matters, successfully obtaining dismissals in a number of cases.
- Long term lease and management agreement for the North Parking Deck.
- Continuing work on the 751 Assemblage.
- Legal support for the management of street issues related to failing and struggling neighborhood developments.

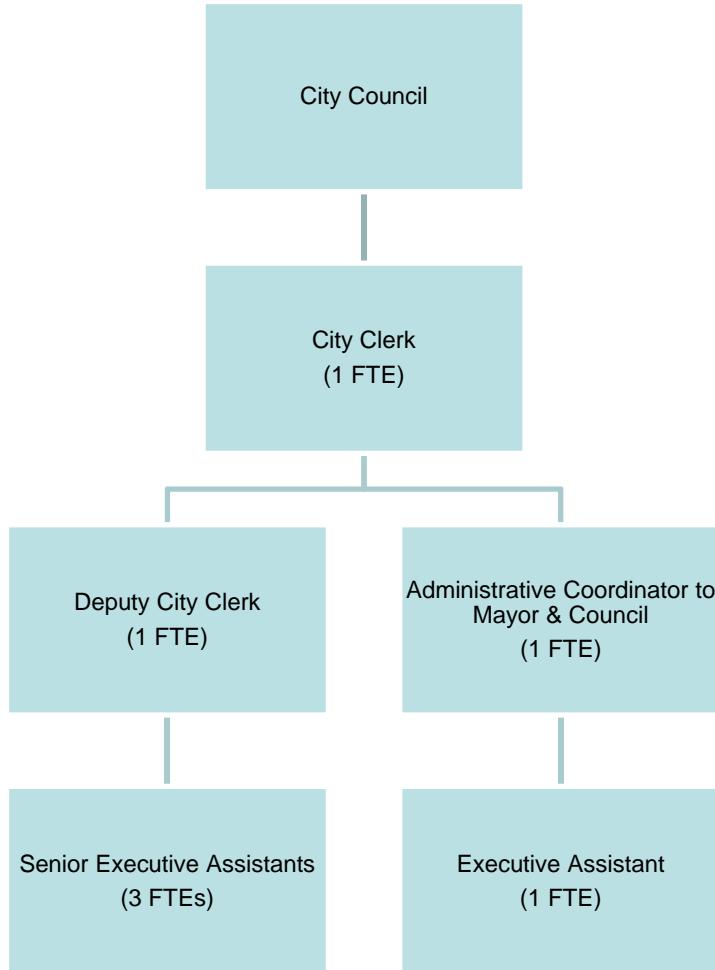
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- 2014 and 2015 legislative program.
- Provide legal support an management of claims and lawsuits filed against the City.
- Continue to support the City's Capital Improvement Program.
- Provide legal support for the City's affordable housing projects, and assistance in difficult issues involving the Rolling Hills/Southside project.
- Continued legal support of major economic development projects such as the City Center project as well as the 21C and Holland Hotel.
- Legal support for the management of street issues related to failing and struggling neighborhood developments.



City Clerk

(7 FTEs)



CITY CLERK

Purpose Statement:

To maintain and provide public records, accessible services, and assistance to the City Council, community and City departments in a courteous, timely, and cost effective manner.

DEPARTMENT DESCRIPTION

City Clerk's Office	\$642,128
	7 FTEs

The department records all official actions of the Durham City Council, publicizes and processes vacancies for Council appointed boards, committees and commissions, provides proper notice for all meetings regulated by the North Carolina open meetings law, archives permanent records, executes contracts and other documents, issues cemetery deeds and going-out-of-business licenses, coordinates codification of the Durham City Code, administers oaths of office, accepts public record requests, accepts claims against the City, and certifies documents for admissibility in court cases. The department also provides administrative support to the Mayor and the members of the City Council.

Records

Publicize meetings in accordance with the NC Open Meetings Law.

Attest City contracts and return to departments within a timely manner.

Execute and provide Council adopted documents to departments, prepare minutes for City Council meetings, archive permanent documents, process board applications, coordinates codification of Durham City Code, administers oaths of office, prepare cemetery deeds and provide public records to customers.

Administrative Support

Provide staff support for the Mayor and members of the City Council.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 564,995	\$ 566,457	\$ 580,101	\$ 574,997	1.5%
Operating	44,442	65,436	41,935	67,131	2.6%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 609,437	\$ 631,893	\$ 622,036	\$ 642,128	1.6%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
Discretionary Program	\$ 609,428	\$ 631,893	\$ 622,036	\$ 642,128	1.6%
	9	-	-	-	0.0%
Total Revenues	\$ 609,437	\$ 631,893	\$ 622,036	\$ 642,128	1.6%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Records	General Fund:	\$458,050	
		FTEs:	5	
Goal:	Well Managed City			
Objective:	To provide proper notice for all public meetings in accordance with the North Carolina Open Meetings Law.			
Initiative:	Communicate with city departments to ensure public notification of meetings.			
Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Meetings proper notice provided at least 48 hours in advance	99%	100%	99%	99%
Objective:	To attest & return contracts to departments within a timely manner.			
Initiative:	City Clerk & staff member will manage & follow-up on process.			
Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Contracts attested & returned to dept. within three days of receipt	98%	98%	99%	98%
Objective:	To execute and provide council adopted documents to departments within a timely manner.			
Initiative:	Staff member will monitor and provide update to City Clerk.			
Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Resolutions / Ordinances made available to departments within four days of council approval	99%	99%	95%	95%
Objective:	To prepare agenda items to ensure appointments to boards, committees & commissions are made by Council in a timely manner.			
Initiative:	Staff member will manage and report status to City Clerk.			
Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Reappointments prior to term expiring	80%	80%	70%	80%
# of New applicants appointed to boards and commissions	32	32	30	30

Objective: To attend meetings and prepare City Council minutes.

Initiative: Monthly monitoring of process by City Clerk and Deputy City Clerk.

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Minutes prepared within 14 days	85%	86%	86%	86%

Program: Administrative Support	General Fund: \$184,078
	FTEs: 2

Goal: Well Managed City

Objective: To provide administrative support to Mayor & Members of the City Council.

Initiative: Prepare written communications; travel requests and prompt customer service.

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Resident service requests referred to manager's office within 2 business days	98%	98%	98%	98%

Objective: Enhance employee morale.

Initiative: Develop employee recognition plan & offer low-cost morale boosters.

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of questions on employee opinion survey rating at or above 70.	99%	N/A	N/A	80%

BUDGET ISSUES FOR FY 2014-15

- None.

ACCOMPLISHMENTS FOR FY 2013-2014

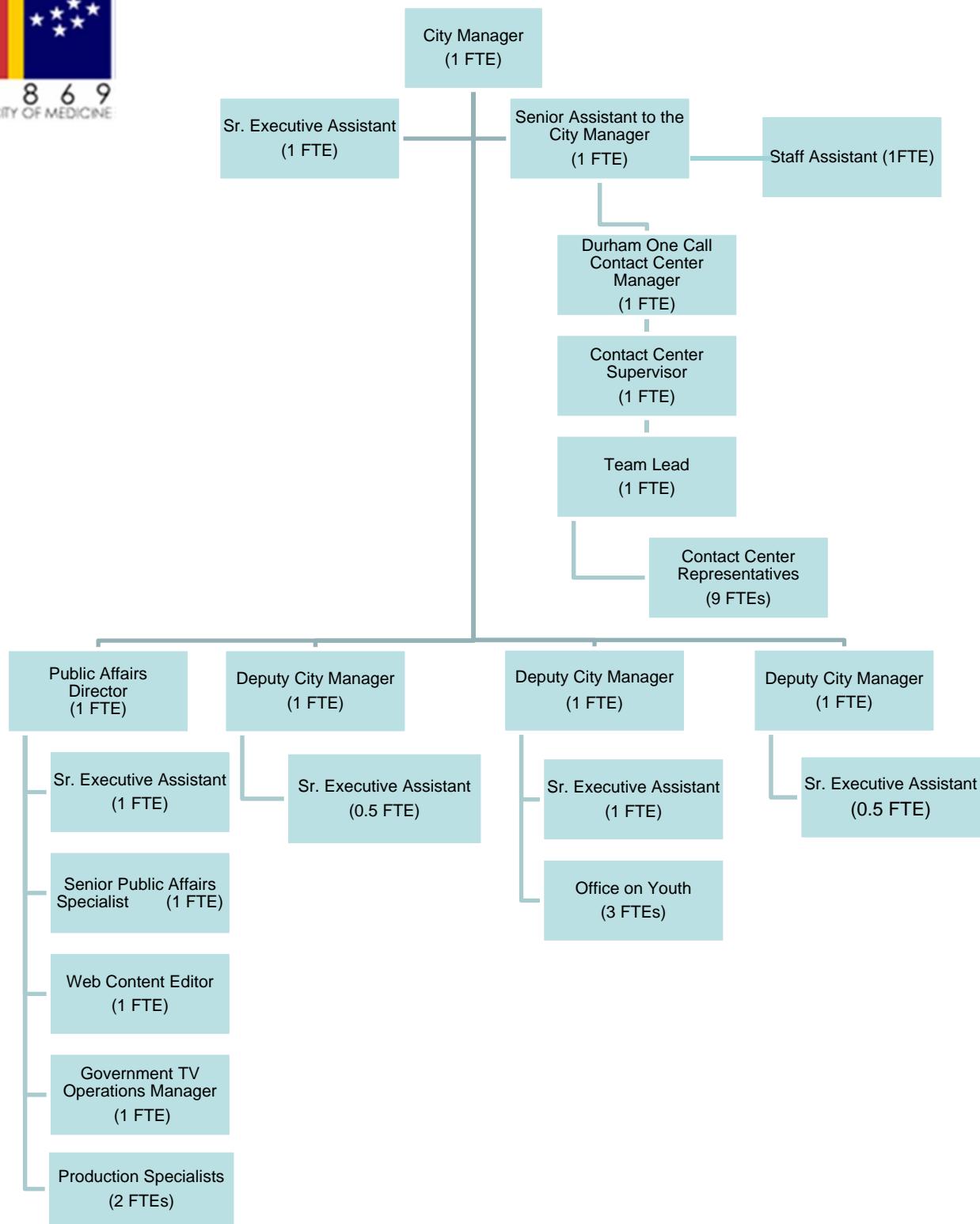
- Provided developmental assignment in City Clerk's Office
- Worked with Technology Solutions to provide web access for ordinances and resolutions
- Participated in Junior Leadership Durham
- Attended meetings and prepared City Council Minutes
- City Council minutes microfilmed from January 2013 through December 2013
- Submitted boards, committees & commissions appointments to Secretary of State by September 2013
- Provided a general overview of the City Clerk's Office at Durham City College
- Provided proper notice of meetings in accordance with NC Opens Meetings Law
- Maintained official records and provided information to customers as requested
- Published video/audio of City Council meetings to web within 24 hours of meeting
- Provided administrative support to the Mayor and Members of the City Council

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Continue to implement priority initiatives in Strategic Plan
- Work with Technology Solutions on providing software for Boards, Committees & Commissions
- Microfilm City Council minutes January 2014 through December 2014
- Continue to provide proper notice of meetings in accordance with NC Opens Meetings Law
- Continue to attend meetings prepare City Council Minutes
- Submit boards, committees & commissions appointments to NC Secretary of State by September 2014
- Continue to provide administrative support to the Mayor and Members of the City Council
- Continue publishing video/audio of City Council meetings to web within 24 hours of meeting
- Continue to demonstrate a commitment to City's culture of service
- Continue to maintain official records and provide information to customers



City Manager's Office (31 FTEs)



CITY MANAGER

Purpose Statement:

The City Manager's Office implements policies and programs adopted by the Durham City Council and provides professional policy recommendations. The office provides leadership and overall direction for the City government and encourages employees to achieve the highest standards of efficiency, effectiveness, ethics and community involvement. The Office increases public awareness and understanding of Durham City government by developing, supporting and managing effective communications regarding City services and events. The Office fosters communication and develops partnerships to actively engage and benefit local youth. The Office also responds to inquiries from Durham citizens, businesses and its visitors and is responsible for overall customer service.

DEPARTMENT DESCRIPTION

City Manager's Office	\$3,020,207
	31 FTEs

Administration

Administration provides executive management and oversight to all City departments. The City Manager is the City's Chief Administrative Officer. Administration coordinates the agenda process for City Council action, develops the legislative programs, develops and executes the annual departmental budget, and is responsible for leadership development and continuous learning opportunities for employees.

Public Affairs

The Public Affairs Office directs and supports the City's communications efforts to Durham citizens through proactive and responsive activities, including media relations, publications, advertising, special events, website content management and government television.

Durham One Call

Durham One Call provides customer service to citizens, businesses, visitors, and City employees and serves as citizens' first point of contact by providing general information about City services.

Office on Youth

The Office on Youth advocates for and develops strategies to engage youth throughout the City. The Office is responsible for developing partnerships and programs to enhance the well-being of youth. The Office promotes active participation of young people in the planning and decision making processes within the City of Durham.

RESOURCE ALLOCATION						
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change	
Appropriations						
Personal Services	\$ 2,555,974	\$ 2,614,293	\$ 2,638,440	\$ 2,643,115	1.1%	
Operating	324,693	381,036	364,657	377,092	-1.0%	
Capital and Other	-	-	-	-	0.0%	
Subtotal Appropriations	\$ 2,880,667	\$ 2,995,329	\$ 3,003,097	\$ 3,020,207	0.8%	
Nondepartmental						
Legislative Program	\$ 1,810	\$ 5,000	\$ 617	\$ -	-100.0%	
Subtotal Nondepartmental	\$ 1,810	\$ 5,000	\$ 617	\$ -	-100.0%	
Total Appropriations	\$ 2,882,477	\$ 3,000,329	\$ 3,003,714	\$ 3,020,207	0.7%	
Full Time Equivalents	32	31	31	31	-	
Part Time	-	-	-	-	-	
Revenues						
Discretionary	\$ 2,784,736	\$ 2,991,529	\$ 2,994,914	\$ 3,011,407	0.7%	
Program	97,741	8,800	8,800	8,800	0.0%	
Total Revenues	\$ 2,882,477	\$ 3,000,329	\$ 3,003,714	\$ 3,020,207	0.7%	

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Public Affairs	General Fund:	\$597,354
		FTEs:	7
Goal:	Well-Managed City - Provide professional management that is accountable, efficient and transparent.		
Objective:	To improve and increase communications to citizens through timely and effective communications increasing awareness of City objectives and activities.		
Initiative:	Produce timely communications materials and TV programming to increase transparency of City programs, services and other efforts.		
Measures:	Actual	Adopted	Estimated
	FY13	FY14	FY14
# of Subscribers to E-Newsletter	614	650	717
% Increase of engaged users on Citywide social media accounts	N/A	N/A	N/A
% of Citizens satisfied with availability of information about city programs or services	N/A	65%	61%
			65%
Program:	Administration	General Fund:	\$1,438,150
		FTEs	9
Goal:	Well-Managed City - Provide professional management that is accountable, efficient and transparent.		
Objective:	To be good stewards of the City's money and sustain sound financial position 100% of the time.		

Objective:	To continuously improve the citizenship experience in the City of Durham.			
Objective:	To provide an organizational climate for employees that will support excellent service delivery.			
Initiative:	Expand employee training and development and enhance organizational communication.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Citizens satisfied Durham is moving in the right direction	N/A	70%	70%	70%
% of Citizens satisfied with public involvement in local decisions	N/A	50%	40%	50%
Customer Service satisfaction	N/A	68%	67%	68%
% of Citizens satisfied with value from taxes	N/A	40%	43%	45%
Program:	Durham One Call	General Fund: FTEs:	\$694,100 12	
Goal:	Well-Managed City - Provide professional management that is accountable, efficient and transparent			
Objective:	To increase overall efficiency and customer satisfaction			
Initiative:	Customer satisfaction surveys, callbacks within the current business day, return callbacks received by voicemail the following business day, and answering 90% of calls within 60 seconds.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Satisfaction with Durham One Call	95%	90%	94%	90%
Average wait time for calls to be answered	39.2	60	60	60
% Communication within next business day	100%	95%	94%	95%
Program:	Office on Youth	General Fund: FTEs:	\$290,603 3	
Goal:	Strong and Diverse Economy - Maintain and grow a strong and diverse economy through a variety of businesses, industries and employment opportunities for the community.			
Objective:	To increase the number of teens participating in teen programs in order to foster and encourage teen managed activities through which teens can develop leadership qualities and interpersonal skills within the center, as well as the broader community.			
Initiative:	At least twice a month, teens will be given the opportunity to participate in topics of discussion focusing on specific areas provided by local trained professionals. In addition, the Teen Center will host a quarterly networking luncheon for local service agencies, educators and health/mental health professionals to build partnerships and evaluate effectiveness of workshops and program offerings.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Teen Center participation in programs	2,891	480	2,000	1,500
% of Satisfied Teen Center Participants	97%	95%	95%	95%

BUDGET ISSUES FOR FY 2014-15

- None

ACCOMPLISHMENTS FOR FY 2013-14

- Coordinated and began citywide Social Media outreach and education with the hiring of a part-time social media public affairs specialist in May 2013.
- Completed archival process with Archive Social to capture all City social media for public records compliance.
- Began televising DTV8 over ATT U-verse in addition to Time Warner Cable to increase visibility and reach of City programming.
- Provided funding to Durham System of Care for two new positions which will facilitate the planning and implementation of programs that aim to improve opportunities for at-risk and high risk youth.
- Prepared modified roadside solicitation ordinances to balance public safety with the concerns of homeless services representatives.
- Prepared ordinance to permit bow hunting of deer within City limits.
- Durham One Call sponsored Customer Service Week across the City in October. The event promoted the importance of excellent customer service in every department with activities, training tips, and recognition of customer service roles. The week culminated with a luncheon and poster contest with entries from six departments.
- Durham One Call continued its commitment to professional development with active listening, conflict resolution, and body language training for contact center representatives; a staff retreat to the Association of Government Contact Center Professionals Conference in Charlotte, NC; and a recognition program to reward exceptional service.
- City Council members visited Durham One Call and spent some time becoming familiar with Contact Center operations and call handling. During the visit, Council members also handled a few calls.
- Office on Youth, in partnership with Interfaith Food Shuttle, served well over 2,000 teens this year, providing non-perishable food items at the Teen Center at no cost to the Office on Youth.
- The Durham Youth Commission hosted the NC State Youth Council Team Building Conference October 4-6, 2013. 83 Youth and 12 Advisors attended the two-day conference. The Durham Youth Commission grossed over \$10,000 in registration fees, which covered all expenses.

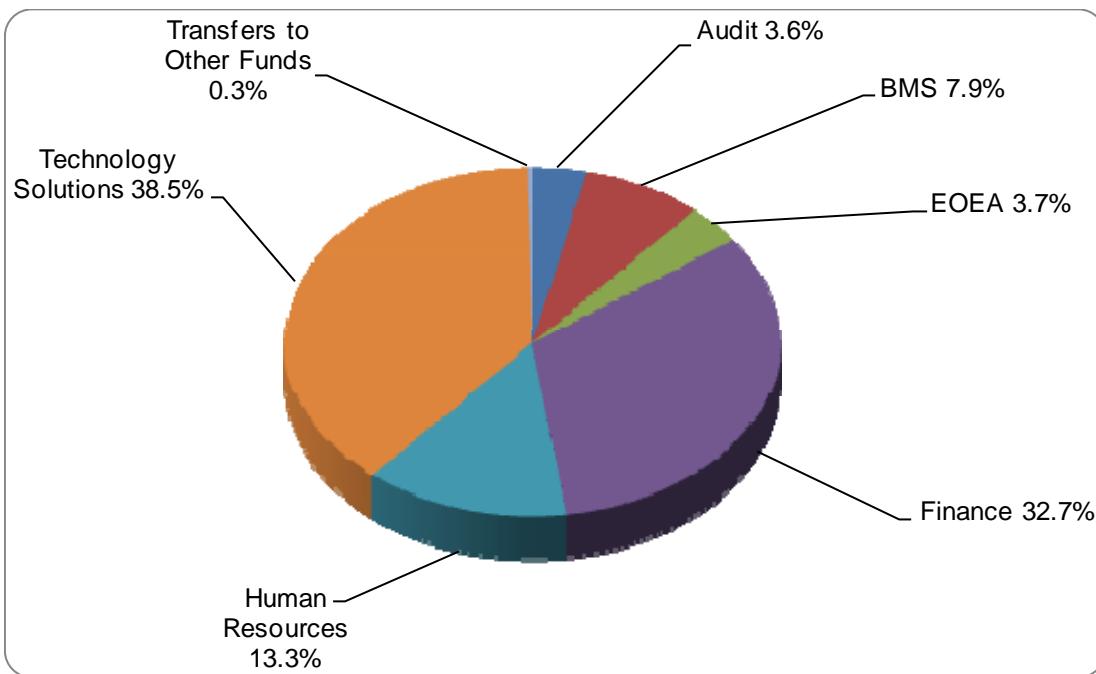
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Complete Public Affairs Division Strategic Communications plan and review of communications efforts citywide.
- Implement Mac maintenance program to effectively steward City's technology resources.
- Provide expanded services for at-risk youth at fully-staffed Teen Center.
- Complete CMO Strategic Plan

**ADMINISTRATIVE AND SUPPORT
BUDGET SUMMARY**

Non-Grant Appropriations	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Audit Services	\$ 545,056	\$ 545,601	\$ 552,317	\$ 553,732	1.5%
Budget and Management Services	1,235,585	1,224,579	1,223,760	1,226,476	0.2%
Equal Opportunity and Equity Assurance	555,082	567,872	718,215	575,930	1.4%
Mayor's Committee for Disabled	-	5,550	4,184	5,500	-0.9%
Finance	4,906,527	5,023,427	5,012,174	5,098,397	1.5%
Human Resources	1,612,722	1,783,151	1,659,352	1,751,014	-1.8%
Drug Testing	-	-	3,057	-	0.0%
Hospital Reimbursement	55,079	30,000	30,000	30,000	0.0%
Unemployment Compensation	407,127	400,000	700,000	300,000	-25.0%
Technology Solutions	5,543,529	5,705,648	6,013,656	6,000,130	5.2%
Pay Adjustments/Others	-	-	-	-	0.0%
Transfers to Other Funds	48,709	48,709	48,709	48,709	0.0%
Total Appropriations	\$ 14,909,416	\$ 15,334,537	\$ 15,965,424	\$ 15,589,888	1.7%
Full Time Equivalents	132	130	130	129	(1.0)
Part Time	2	2	2	2	(0)
Revenues					
General Fund					
Discretionary Program	\$ 14,235,297	\$ 13,984,021	\$ 14,596,195	\$ 14,251,612	1.9%
	485,946	674,212	690,440	677,311	0.5%
General Fund Subtotal	\$ 14,721,243	\$ 14,658,233	\$ 15,286,635	\$ 14,928,923	1.8%
Water and Sewer Fund	188,173	190,960	191,064	193,602	1.4%
Debt Service Fund	-	-	-	-	0.0%
Risk Claims Fund	-	406,379	406,379	386,624	-4.9%
Employee Insurance Fund	-	78,965	81,346	80,739	2.2%
Total Revenues	\$ 14,909,416	\$ 15,334,537	\$ 15,965,424	\$ 15,589,888	1.7%

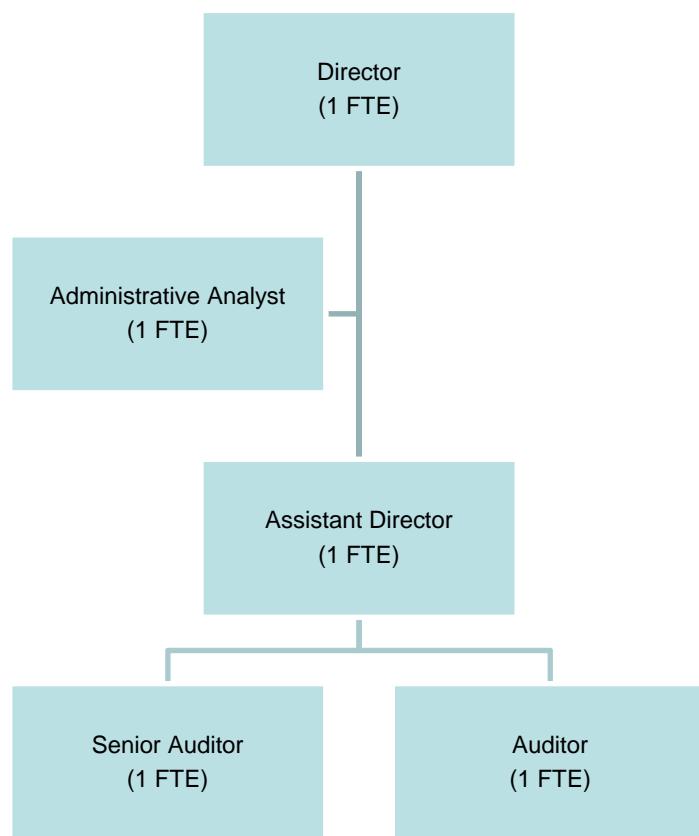
ADMINISTRATIVE AND SUPPORT





Audit Services

(5 FTEs)



AUDIT SERVICES

Purpose Statement

To provide independent, objective assurance and investigative services.

DEPARTMENT DESCRIPTION

Audit Services	\$553,732
	5 FTEs

Auditing is an independent appraisal function designed to examine and evaluate activities within the City as a service to management, the Audit Services Oversight Committee, and elected officials. Auditing provides assurance that internal controls are adequate to minimize risks and add value through effective and efficient operations. External entities are also subject to review to determine whether revenues have been properly remitted to the City, and whether grant or pass-through funds are appropriately utilized.

The Audit Services Department conducts compliance and performance audits, non-audit services (e.g. participation in: 1) the Departmental Strategic Plan; 2) outside Peer Review teams; and 3) review of documents such as the Asset Management Strategy) and performs investigations and special reviews. The department is responsible for administration of the external audit contract as well as obtaining an external peer review of the department's activities. The department maintains a confidential Fraud, Waste, and Abuse Hotline to help ensure fiscal responsibility and accountability throughout the organization.

Audit Program

Provides independent assurance that internal controls are adequate to minimize risks and add value.

Fraud, Waste and Abuse

Promotes an anonymous means to detect, deter and prevent fraud, waste or abuse.

Administration

Organizes human and capital resources through planning, leading, staffing and controlling activities.

External Audit

Project management of City-wide financial audit including administration of the contract and RFP process.

RESOURCE ALLOCATION

	Actual	Adopted	Estimated	Adopted	Change
	FY 2012-13	FY 2013-14	FY 2013-14	FY 2014-15	
Appropriations					
Personal Services	\$ 460,706	\$ 447,466	\$ 456,182	\$ 453,904	1.4%
Operating	84,350	96,135	96,135	99,828	3.8%
Capital and Other	-	2,000	-	-	-100.0%
Total Appropriations	\$ 545,056	\$ 545,601	\$ 552,317	\$ 553,732	1.5%
Full Time Equivalents					
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 545,056	\$ 545,601	\$ 552,317	\$ 553,732	1.5%
Program	-	-	-	-	0.0%
Total Revenues	\$ 545,056	\$ 545,601	\$ 552,317	\$ 553,732	1.5%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Audit Program **General Fund:** \$332,239

FTEs: 3

Goal: Well-Managed City

Objective: To provide independent and objective assurance and consulting services that enhance the efficiency and effectiveness of the City's services; and ensure resources are used in accordance with established laws.

Initiative: Complete comprehensive audits and quarterly follow-up reports and provide useful recommendations for management.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Comprehensive audits completed	10	10	10	10
% Recommendations accepted by management	100%	100%	100%	100%
# Audits/Reports completed during the year per FTE	5	4	4	4

Program: Fraud, Waste and Abuse

General Fund: \$69,217

FTEs: 0.625

Goal: Well-Managed City

Objective: To increase awareness about fraud, waste and abuse by communicating the need for ethical behavior regarding City financial transactions and relationships with customers, vendors and employees.

Initiative: Market the fraud, waste and abuse Hotline in at least 2 different media during the year in conjunction with City wide training on ethics.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
% of Fraud hotline tips investigated within 2 days	100%	100%	100%	100%
# of Fraud, waste and abuse allegations investigated	28	19	24	19
% of Fraud hotline tips substantiated	45%	40%	40%	40%

Program: Administration

General Fund: \$138,433

FTEs: 1.25

Goal: Well-Managed City

Objective: Obtain training and maintain certifications for staff to meet required professional standards, and to sustain a highly trained professional staff.

Initiative: Meet the GAO's Government Auditing Standard that requires each auditor to complete at least 80 hours of Continuing Professional Education every two years which contributes to each auditor's proficiency.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of CPE hours completed by the staff	160	160	160	160
% of Audit staff achieving professional certification	100%	100%	100%	100%

Objective: Engage in continuous process improvement.

Initiative: Evaluate existing technologies. Implement technologies to streamline/enhance departmental operations.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Active Strategic Plan initiatives meeting target implementation timeline	80%	80%	80%	80%
% of Active Strategic Plan measures showing improvement (upward trend)	80%	80%	80%	80%

Program: External Auditor

General Fund: \$13,843

FTEs: 0.125

Goal: Well-Managed City

Objective: To conform to requirements for contracting for the annual audit per North Carolina G.S.159-34.

Initiative: Comply with invoice processing and audit completion deadlines.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Invoices approved prior to entering into MUNIS	100%	100%	100%	100%
% of Times audit report was completed by the designated 10/31 for each fiscal year	100%	100%	100%	100%

BUDGET ISSUES FOR FY 2014-15

- The external audit contract fee will increase by approximately 3% for FY 2015.

ACCOMPLISHMENTS FOR FY 2013-14

- Received a Certificate of Compliance by ALGA (Association of Local Government Auditors) for the positive outcome of the 2013 Peer Review.
- Emphasized increased monitoring and internal control implementation through a combination of compliance and performance audits for activities such as the Use of Social Media Performance Audit, the Controls Over Inventory, Tools and Safety Materials Performance Audit, the Permitting Process Performance Audit and the Grants Drawdown Performance Audit.
- Developed performance measures for the new Departmental Strategic Plan.
- Held the Fraud Prevention Awareness Symposium with highly rated speaker, Jonathan Kraftchick.
- Volunteered in programs such as Habitat for Humanity with 100% participation from staff.
- Utilized the ACL software application, Benford's Law, and computer aided audit techniques to better assess risks during audit engagements.

- Obtained a total of 160 hours of required continuing professional education in the department including ethics training for the professional staff; and the staff celebrated the Director's completion of her terminal degree.
- Completed eleven (11) EOS activities towards improvement of the employee opinion survey rating.
- Authored article: *Analytic Techniques* in the ALGA Quarterly Fall Journal which highlighted various techniques used in testing for performance audits.
- Monitored the Fraud, Waste and Abuse hotline; investigated 20 allegations.
- Evaluated and developed specific training and career development plans for Audit staff.
- Participated in City College to provide employees a general overview of the Audit Services Department.
- Participated in the 2014 Speakers Forum for the Raleigh, NC Chapter of IIA (Institute of Internal Auditors).
- Celebrated the participation by Germaine Brewington and Sonal Patel as reviewers on two different Peer Review Teams (City of Charlotte and Hanover County, VA).
- Taught seven sessions (lead by Senior Auditor Craig Umstead) of the Ethics component of NEO (New Employee Orientation) training.
- Celebrated the participation and completion by Alex Terry of Leadership Academy.

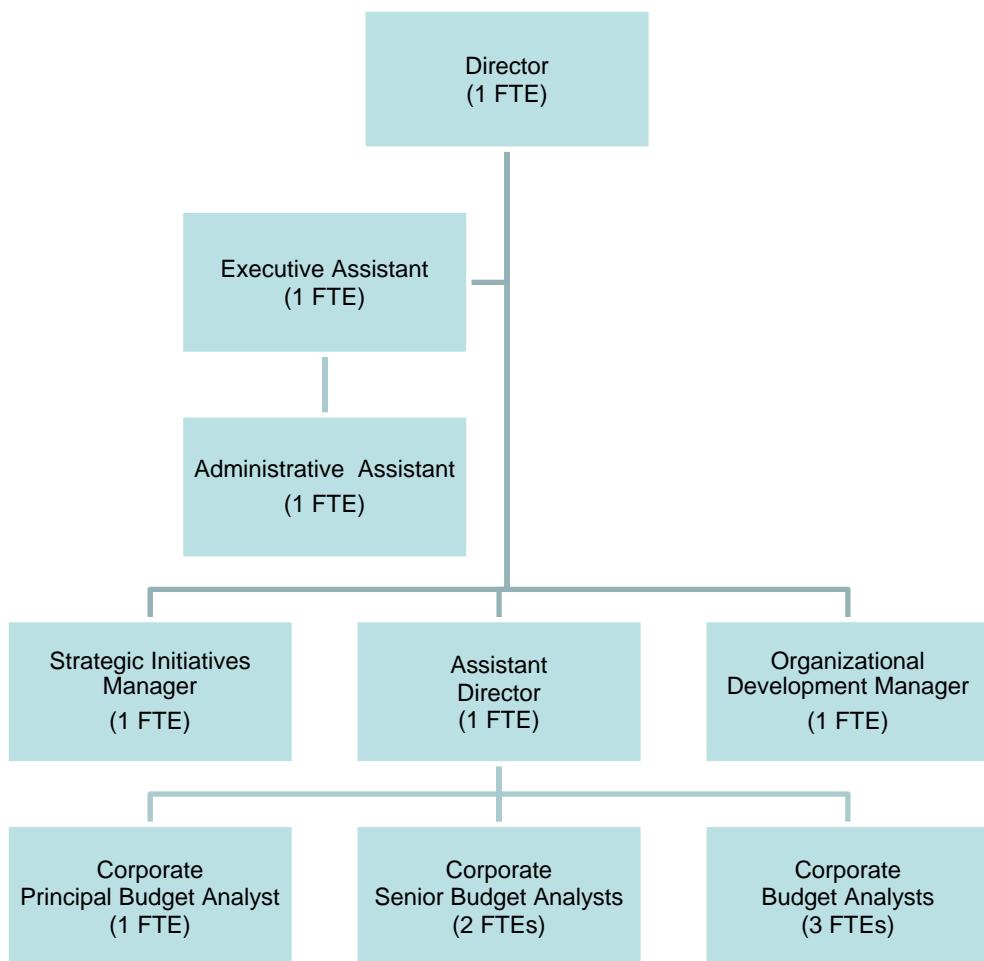
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Focus on performance audits that examine processes that impact poverty in the City of Durham .
- Plan out and actively engage in activities to meet the timelines for the Departmental Strategic Plan initiatives.
- Apply continuous monitoring for selected processes as a result of using the MUNIS integrated modules.
- Conduct at least two training sessions targeted to City staff accountable for developing, implementing, and monitoring internal controls.
- Evaluate and continue to develop specific training, career development and certification plans for Audit staff.
- Enhance sustainability initiatives to gain efficiencies in the auditing program, thus reducing costs.
- Continuously research best practices to complement and augment the risk-based audit work plan process.
- Produce a semi-annual newsletter that will provide "best practices" of specific targeted control issues, and update the community on fraud, waste and abuse issues.
- Participate in City College to provide a general overview to employees of the Audit Services Department.
- Participate in the building of at least two Habitat for Humanity houses.
- Develop and implement strategies to improve employee satisfaction within the department by using results from the Employee Opinion Survey to impact positive change.
- Seek to integrate outside experts in the areas of ethics and internal controls to supplement in house staff training.



Budget & Management Services

(12 FTEs)



BUDGET AND MANAGEMENT SERVICES

Purpose Statement:

To inform decision making, align resources with organizational priorities, and improve the performance of employees and processes.

DEPARTMENT DESCRIPTION

Budget and Management Services	\$1,226,476
	12 FTEs

The department is primarily responsible for the development and oversight of the City's annual budget and Capital Improvement Program (CIP). The department is also responsible organizational development, performance management and strategic planning. The department provides policy and management analysis to support decision making. The department primarily supports two Strategic Plan goals; Well Managed City and Stewardship of the City's Physical Assets.

Other departmental responsibilities include training and support for the MUNIS / ERP budgeting module, the coordination of cross-organization training and leadership initiatives such as Culture of Service, and participation in downtown and neighborhood economic strategies. Overall the department is focusing on furthering the goal of transparency and accountability with its operations and communications and enhancing citizen and employee engagement.

Administration

Administration provides leadership and administrative support both within the department and throughout the City government.

Annual Budget and Capital Improvement Program (CIP) Development, Monitoring and Reporting

This program provides for the development and oversight of the City's annual budget and CIP. Also, supports the Citizen Capital Improvement Panel (CCIP) and CIP project website.

Strategic Initiatives

Maintains the citywide Strategic Plan and provides support in the development of departmental strategic plans. Also, conducts operational and organizational studies as identified by City Council, City Manager's Office, department and budget staff. Works with departments to build and implement performance measurement monitoring and evaluation. Also, provides oversight of the biennial resident survey.

Organizational Development

Provide leadership to organization-wide effort to increase organization effectiveness and efficiency to enable the organization to achieve its strategic goals. Focus areas include employee engagement, culture assessment and change, and talent and leadership development. Also, provides oversight of the employee opinion survey.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Appropriations				
Personal Services	\$ 1,130,939	\$ 1,110,667	\$ 1,101,687	\$ 1,117,987
Operating	104,646	113,912	122,073	108,489
Capital and Other	-	-	-	-
Total Appropriations	\$ 1,235,585	\$ 1,224,579	\$ 1,223,760	\$ 1,226,476
Full Time Equivalents	12	12	12	12
Part Time	-	-	-	-
Revenues				
Discretionary	\$ 1,233,085	\$ 1,224,579	\$ 1,223,760	\$ 1,226,476
Program	2,500	-	-	-
Total Revenues	\$ 1,235,585	\$ 1,224,579	\$ 1,223,760	\$ 1,226,476

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Annual Budget Development, Monitoring and Reporting **General Fund: \$591,053**
FTEs: 6.0

Goal: Well Managed City

Objective: To provide a budget document that meets the program criteria of the Government Finance Officers Association (GFOA) and serves as a policy document, operations guide, and financial plan for the City.

Initiative: Develop a budget document that qualifies for GFOA Distinguished Budget Presentation Award.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Received GFOA distinguished budget award	YES	YES	YES	YES

Objective: To project General Fund discretionary revenues to within 1% of actual revenues received.

Initiative: Develop revenue estimates based on information obtained from other city departments, state agencies, and the Durham County Tax Office.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Accuracy of discretionary General Fund revenue projection	-1.72%	±1.0%	-0.26%	±1.0%

Objective:	To provide timely and accurate reports to update the City Manager and City Council on the City's current and future financial position and to support decision making.
Initiative:	Present quarterly financial reports to the City Manager and City Council and post reports on the City's internet.

	Actual Measure: FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Reports issued on schedule	100%	100%	100%	100%

Objective:	To project City department budgets and fund budgets at or below budget.
Initiative:	Provide monthly reconciliations of City budgets, and work with departments to ensure that revenues and expenditures are monitored and accurately forecasted.

	Actual Measure: FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Departments at or below net funding	100%	100%	100%	100%

Program:	Annual Capital Improvement Program Development, Monitoring and Reporting	General Fund: \$79,779
		FTEs: 1.0

Goal: Stewardship of City's Capital Assets

Objective: To invest in public infrastructure.

Initiative: Manage decision-making process and information that allows for strategic investment in infrastructure.

	Actual Measures: FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of requested General Fund CIP projects approved for funding	83%	70%	68%	70%
% Dollar value of approved General Fund CIP/requested funding	79%	60%	94%	60%

Program:	Strategic Initiatives	General Fund: \$296,649
		FTEs: 3.0

Goal: Well-Managed City

Objective: To initiate process improvements in City government that will increase the efficiency and effectiveness of operations.

Initiative: To implement process improvement initiatives.

	Actual Measures: FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Process improvement initiatives completed	2	2	2	2
% of Approved process improvement recommendations implemented by original target date	100%	100%	100%	100%

% of No cost process improvement recommendations implemented within 6 months of final approval	100%	100%	100%	100%
Staff hours/cost per process improvement	100/\$3,360	150/\$5,100	150/\$5,100	150/\$5,100

Objective: Engage in Continuous Process Improvements.

Initiative: Ensure implementation of all department strategic plan initiatives.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Citywide Strategic Plan intermediate measures at or above target	34%	50%	75%	70%
% of FY14 Citywide Initiatives at or above milestone or target	61%	70%	70%	70%
% of Departments with Strategic Plans	60%	100%	100%	100%

Program: Organizational Development

General Fund: \$193,340

FTEs: 1.0

Goal: Well Managed City

Objective: To establish an exceptional, diverse, and engaged workforce.

Initiative: Increase employee engagement through organizational development initiatives.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of employees participating in Durham First initiatives	1,800	1,800	2,025	2,000
City College	32	40	36	40
Leadership Academy	16	16	15	16
Leadership Conference	249	300	285	300
Admin. Professionals Conference	120	120	107	120
Average cost/employee Durham First initiatives	\$3	\$3	\$3	\$3
City College	\$70	\$50	\$58	\$50
Leadership Academy	\$860	\$860	\$1,000	\$860
Leadership Conference	\$17	\$17	\$22	\$17
Admin. Professionals Conference	\$13	\$13	\$13	\$13

- Objective:** Manage talent and ensure continuity of leadership.
Initiative: Increase employee engagement through organizational development initiatives.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of existing employees promoted to management positions	51	55	51	55
# of leadership program graduates promoted within 2 years	6	6	2	6
Program:	Administration			General Fund: \$65,655
Goal:				FTEs: 1.0

- Objective:** Ensure effective internal and external communication/satisfaction.
Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 70%. Improve communication and satisfaction with external customers (City Departments). Evaluate the level of effectiveness of various means of internal communication. Implement communication strategies identified as most effective.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of departments surveyed rating the budget process at satisfied or above	83%	80%	N/A	80%
% of questions on Employee Opinion Survey rated at or above 70	96%	80%	N/A	80%

BUDGET ISSUES FOR FY 2014-2015

- Implementation of the City strategic plan.
- Development and implementation of departmental strategic plans.
- Refining departmental performance measures.
- Implementation of performance based budgeting for all departments.

ACCOMPLISHMENTS FOR FY 2013-14

- Granted the Distinguished Budget Document award for the FY2012-13 budget from the Government Finance Officers Association. This is the 25th consecutive year that the City has received this award.
- Staffed the Citizen's Capital Improvement Panel (CCIP) Advisory Committee for the 11th year to enhance citizen participation in the prioritization and oversight of capital needs, as well as an Internal CIP Advisory Committee to improve coordination of capital projects within the City.
- Coordinated five Coffees with Council, a citywide PAC meeting, internet engagement activities, an e-Town Hall with Council, and two public hearings in an effort to solicit feedback from Durham residents and City employees on budget priorities for the upcoming fiscal year.
- Maintained a website for citizens and City staff to track annexation requests and further the goal of enhanced communications.
- Processed fourteen voluntary annexation petitions.

- Developed the City Manager recommended annual budget for FY2014-15 and the Capital Improvement Plan for FY2015-20.
- Posted the FY2013-14 final budget document to the City web site on June 30, 2013, and distributed thereafter.
- Maintained the CIP website to enable citizens to track the progress of capital improvement projects.
- Provided quarterly financial updates to the City Manager and Council. Proactively evaluated the fiscal impact of economic challenges, particularly with respect to revenues and development activity, and Adopted effective financial strategies to prevent overspending and ensure a balanced FY2013-14 budget.
- Provided ongoing education opportunities to the public on the budget process and development of the FY2014-15 budget.
- Led organization-wide Culture of Service initiatives.
- Facilitated Executive Team retreats.
- Coordinated implementation of the FY2013 Residents Survey.
- Implemented recommendations from the FY2013 Employee Opinion Survey.
- Conducted Leadership Academy, City College, the fifth Annual Fall Leadership Conference and the sixth Annual Administrative Professionals Conference.
- Created and maintained a strategic plan dashboard for citizens and City staff to track progress on objectives, measures and initiatives and to obtain general information about the City's Strategic Plan.
- Continued to manage and implement process improvement recommendations.
- Continued coordination and oversight of the departmental Strategic Planning process.
- Expanded use of the SharePoint platform to provide better collaboration with departments on the Strategic Plan, annual budget and CIP development, and budget monitoring.

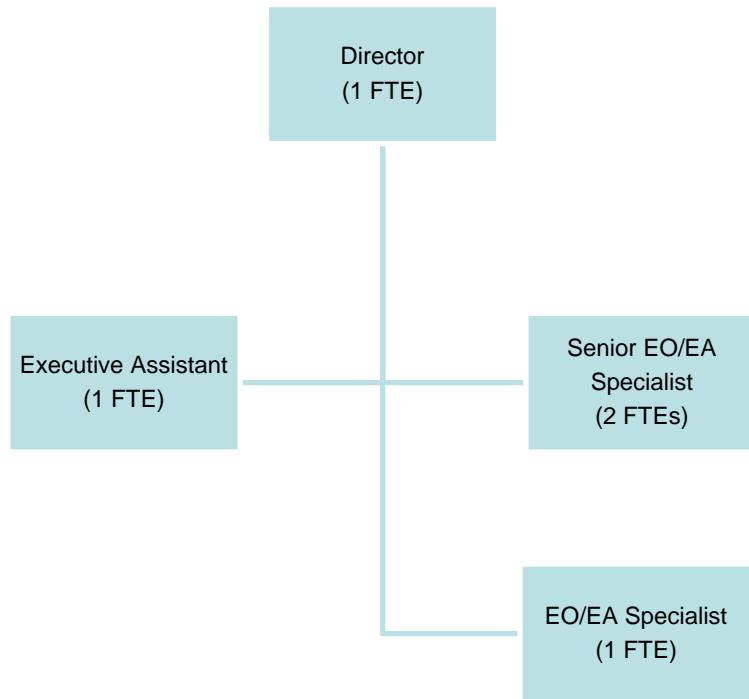
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Develop and publish the FY2015-16 Budget and FY2016-21 Capital Improvement Plan.
- Monitor annual operating and CIP budgets.
- Refine the multi-year financial model.
- Refine the CIP model.
- Continue implementation of the Citywide strategic plan to include all joint City/County/DPS initiatives.
- Coordinate and provide oversight on the Departmental strategic planning process and implementation.
- Coordinate the development and implementation of strategic plan departmental dashboards.
- Continue implementation and oversight of process improvement recommendations.
- Identify and implement two process improvement initiatives.
- Provide quarterly financial updates to the City Manager and Council.
- Provide monthly financial updates to the City Manager.
- Coordinate annual Coffees with Council and other budget outreach efforts.
- Coordinate the evaluation and updating of departmental performance measures.
- Perform cost benefit analyses on voluntary annexation petitions as received.
- Maintain the CIP website.
- Continue to integrate Strategic Initiatives resources within the department to enhance the citywide focus on performance and delivery of services, leadership development, and a culture of service.
- Coordinate and provide oversight on biennial Employee Opinion Survey.
- Coordinate organizational Culture of Service initiatives.
- Continue to refine departmental performance measures.



Equal Opportunity/ Equity Assurance

(5 FTEs)



EQUAL OPPORTUNITY AND EQUITY ASSURANCE

Purpose Statement:

To promote an environment that supports small business growth and inclusion.

DEPARTMENT DESCRIPTION

Equal Opportunity and Equity Assurance	\$581,430 5 FTEs
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The Department of Equal Opportunity/Equity Assurance is responsible for the implementation of the City's Equal Business Opportunity Program (EBOP) and Small Local Business Enterprise Program (SLBEP). Responsibilities include:

- Recruitment of small disadvantaged business enterprises (SDBEs) and small local business enterprises (SLBEs) eligible to participate in the EBOP and SLBEP.
- Certification of businesses to service City contracts in the areas of construction, professional services, supplier/vendor, and non-professional services.
- Maintenance of the SDBE and SLBE databases of all currently certified businesses.
- Business development through the provision of technical assistance and support.
- Staff support to the EBOP Advisory Committee and the Mayor's Committee for Persons with Disabilities.
- Project identification for potential contracting opportunities from City departments.
- SDBE participation goal setting.
- EBOP and SLBEP compliance determination.
- Monitoring of SDBE and SLBE participation in City contracting activity.
- Reporting of SDBE and SLBE participation on City contracts and reporting on special projects as requested.
- Monitoring City compliance with Senate Bill 914 reporting requirements.

Business Services

Services consist of business recruitment, certification /recertification, database management, goal setting, compliance reporting, news brief and SDBE Spotlight.

Administrative Services

Services consist of program operations, financial operations, Human Resources functions, program monitoring, city and state compliance.

Technical Assistance Services

Series of small business education programs to include business finance, legal issues, bidding/estimating, small business technology, project management and other topics based on identified need.

RESOURCE ALLOCATION							
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change		
Appropriations							
Personal Services	\$ 484,727	\$ 487,553	\$ 497,935	\$ 496,620	1.9%		
Operating	70,355	80,319	220,280	79,310	-1.3%		
Capital and Other	-	-	-	-	0.0%		
Subtotal Appropriations	\$ 555,082	\$ 567,872	\$ 718,215	\$ 575,930	1.4%		
Mayor's Committee for Persons with Disabilities	\$ -	\$ 5,550	\$ 4,184	\$ 5,500	-0.9%		
Subtotal Nondepartmental	\$ -	\$ 5,550	\$ 4,184	\$ 5,500	-0.9%		
Total Appropriations	\$ 555,082	\$ 573,422	\$ 722,399	\$ 581,430	1.4%		
Full Time Equivalents	5	5	5	5	-		
Part Time	1	1	1	1	-		
Revenues							
Discretionary	\$ 555,082	\$ 573,422	\$ 722,399	\$ 581,430	1.4%		
Program	-	-	-	-	0.0%		
Total Revenues	\$ 555,082	\$ 573,422	\$ 722,399	\$ 581,430	1.4%		

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES				
Program:	Business Services	General Fund:	\$282,458	
		FTEs:	3.25	
Goal:	Strong and Diverse Economy			
Objective:	SDBEs will receive a percentage of City of Durham construction and professional services contracting dollars.			
Initiative:	Recruit SDBE firms, seek and make available economic and business development opportunities for SDBE firms and monitor participation.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of dollars spent with minority-owned SDBEs in professional services	8%	10%	6%	8%
% of dollars spent with minority-owned SDBEs in construction	8%	15%	10%	10%
% of dollars spent with women-owned SDBEs in professional services	3%	5%	3%	5%
% of dollars spent with women-owned SDBEs in construction	5%	5%	4%	5%

Objective:	To make economic and business development opportunities in construction of up to \$500,000 and professional services \$100,000 or less available to Small Local Business Enterprises (SLBEs) in the Durham Metropolitan Statistical Area (MSA).			
Initiative:	Implement Durham Small Local Business Enterprise Program and monitor contracts awarded to SLBEs.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of professional services dollars spent with SLBEs from contracts \$100,000 or less	0%	25%	5%	10%
% of construction dollars spent with SLBEs from contracts \$500,000 or less	0%	25%	5%	10%
Program:	Administrative Services	General Fund: FTEs:	\$268,131 1.5	
Goal:	Well-Managed City			
Objective:	To find City contracting activity in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting 100% of the time.			
Initiative:	Audit contract compliance in the OnBase Contract Workflow System.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of contracts found in compliance with ordinance	93%	100%	95%	100%
Objective:	To maintain a high level of departmental employee satisfaction.			
Initiative:	Implement departmental Employee Recognition Program; implement low/no cost morale boosters; allow staff participation in departmental decision-making.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of questions on the Employee Opinion Survey rated at 80% or above	100%	N/A	N/A	80%
Program:	Technical Assistance Program	General Fund: FTEs:	\$25,341 0.25	
Goal:	Strong and Diverse Economy			
Objective:	Provide at least six educational programs to at least 10 small businesses per session.			
Initiative:	Offer series of educational programs focused on identified needs of small businesses and promote participation in programs.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of small business participants per session	18	10	10	10
Average cost per session	\$280	\$280	\$422	\$422

Program:	Mayor's Committee for Persons With Disabilities	General Fund:	\$5,500
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BUDGET ISSUES FOR FY 2013-14

- Maintaining current departmental service level to fulfill the responsibilities of the Equal Business Opportunity Program and Small Local Business Enterprise Program.

ACCOMPLISHMENTS FOR FY 2013-14

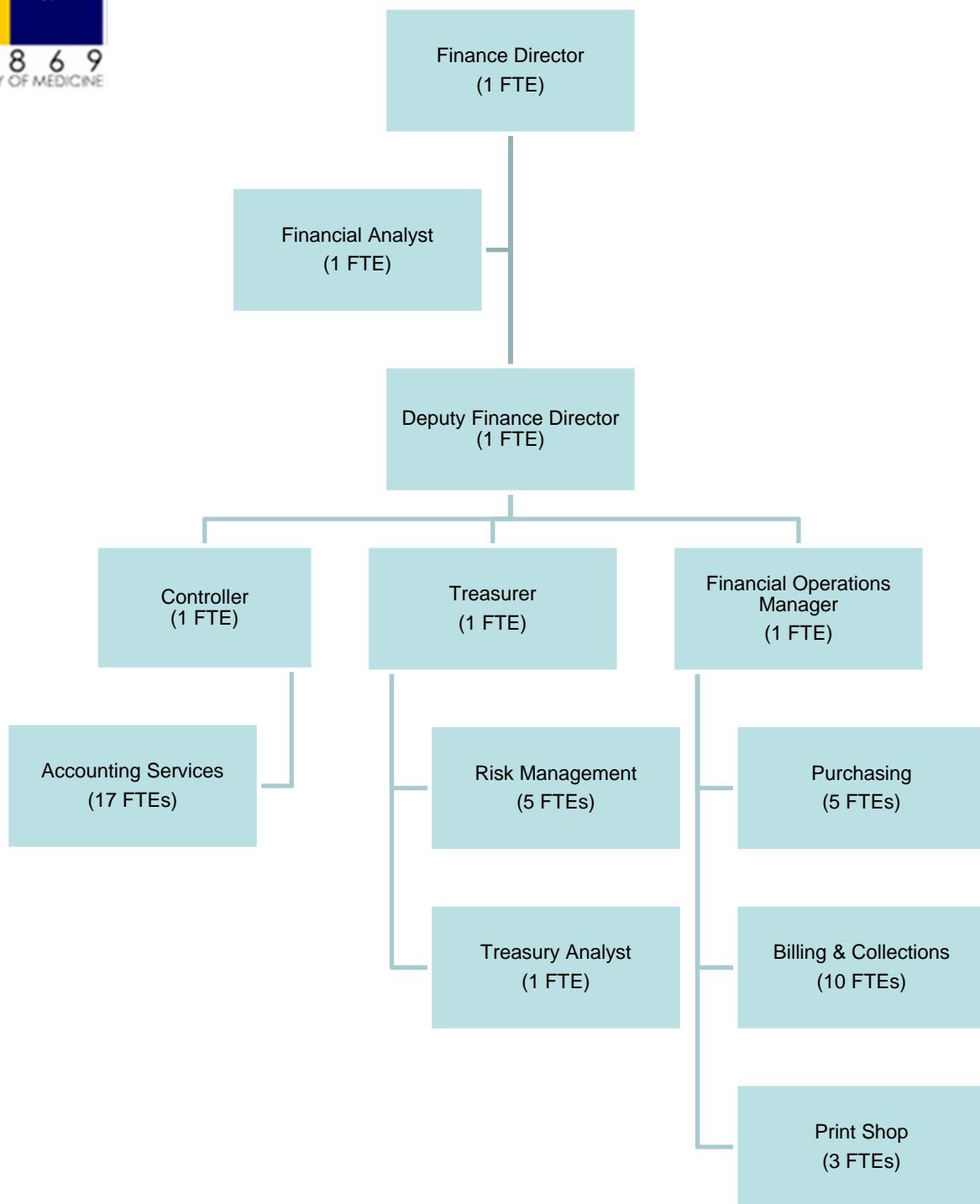
- Actively sought business opportunities for certified small disadvantaged business enterprises (SDBEs) in all City contracting, as well as Durham County Government, Durham Public Schools projects and private sector projects.
- Certified sufficient firms to begin full implementation of the SLBE Program.
- Began implementation of joint Disparity Study with Durham County Government,
- Completed and began implementation and monitoring of our departmental Strategic Plan.
- Conducted successful Minority Enterprise Development Week activities that included: an Awards Luncheon attended by approximately 125 persons and was highlighted by honoring six small businesses and two minority business advocates, a new development projects forum attended by approximately 70 participants, a Business After Hours event attended by approximately 40 participants, a Meet the Purchaser networking event with the Durham Chamber of Commerce attended by approximately 200 participants, a construction speed networking event attended by approximately 45 attendees and a Golf With A Minority Business Day with approximately 50 participants for golf and the golf clinic.
- Conducted six technical assistance seminars on various business development topics with an average of ten persons in attendance.
- Sent bid news brief to SDBEs every two weeks to advise them of business and educational opportunities and other information of interest to business owners.
- Sponsored a minority business networking event in coordination with the Greater Durham Black Chamber of Commerce and Lend Lease with approximately 50 attendees.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Complete the joint Disparity Study.
- Continue monitoring of our departmental strategic plan's goals, objectives, initiatives and measures.
- Continue business services to include educational programs designed to support small business development and capacity-building.
- Continue efforts to increase the numbers of SDBEs and SLBEs and the dollars they obtain through City contracting activity.
- Actively seek specific business opportunities for SDBEs and SLBEs on all City projects.
- Maintain high level of departmental employee satisfaction.



Finance (47 FTEs)



FINANCE

Purpose Statement:

To protect the City's assets, efficiently process and record financial transactions, maintain fiscal integrity, provide timely, accurate and comprehensive financial reporting and analysis, and to professionally and prudently enhance the City's financial position.

DEPARTMENT DESCRIPTION

Finance	\$5,098,397
	47 FTEs

The department is primarily responsible for enhancing the City's financial position. The department is divided into seven divisions: the office of the director, accounting services, treasury management, billing and collections, risk management and safety, purchasing, and the print shop.

Among other things, the department's budget includes the fees associated with the following contract payments to outside service providers: the fees to Durham County associated with the collection of property tax revenue under the interlocal tax contract; the fees associated with the provision of banking and lockbox services for the maintenance of the City's bank accounts; and, the fees for investment advisory services to manage a portion of the City's portfolio.

Office of the Director

This program provides leadership and management direction for the department and policy formulation and analysis for the City.

Payroll

This program processes the biweekly payroll checks for approximately 2,300 City employees.

Accounts Payable

This program provides accounts payable for approximately 57,500 invoices per year.

Financial Reporting

This program provides financial reporting including CAFR, annual and quarterly financial reports, and federal, state, and other agency reports.

Purchasing

This program provides a centralized approach for bid specifications and solicitations for apparatus, supplies, equipment, and materials for all departments. Also included are contract compliance and disposal of surplus property.

Treasury Management

This program provides cash, investment portfolio, debt management, and banking services oversight and management.

Interlocal Tax Contract

Interlocal property tax collection contract with Durham County.

Billing and Collections

This program provides a centralized approach for non-utility billing, issues business licenses, and provides a centralized approach for cash collections of all revenues due the City.

Print Shop

This program provides a full service copy and printing shop as well as mail services.

Risk Management & Safety

This program provides claim management, supports departments in occupational safety and OSHA compliance, and coordinates occupational health services.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 3,490,653	\$ 3,505,153	\$ 3,508,731	\$ 3,450,054	-1.6%
Operating	1,415,874	1,518,274	1,503,443	1,648,343	8.6%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 4,906,527	\$ 5,023,427	\$ 5,012,174	\$ 5,098,397	1.5%
Full Time Equivalents	49	48	48	47	-1
Part Time	-	-	-	-	-
Revenues					
Discretionary Program	\$ 4,629,465 88,889	\$ 4,329,744 96,344	\$ 4,302,159 112,572	\$ 4,412,471 105,700	1.9% 9.7%
Total General Fund	\$ 4,718,354	\$ 4,426,088	\$ 4,414,731	\$ 4,518,171	2.1%
Water and Sewer Fund	188,173	190,960	191,064	193,602	1.4%
Debt Service Fund	-	-	-	-	0.0%
Risk Claims Fund	-	406,379	406,379	386,624	-4.9%
Total Revenues	\$ 4,906,527	\$ 5,023,427	\$ 5,012,174	\$ 5,098,397	1.5%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Administration	General Fund: \$483,220
		FTEs: 3
Goal:	Well-Managed City	
Objective:	To maintain the highest possible credit ratings from all ratings agencies.	
Initiative:	To present information to the rating agencies that illustrates the City's financial, administrative, and economic strengths.	

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Credit rating issued by S&P	AAA	AAA	AAA	AAA
Credit rating issued by Fitch	AAA	AAA	AAA	AAA
Credit rating issued by Moody's	Aaa	Aaa	Aaa	Aaa

Objective:	Ensure effective internal communication.
Initiative:	Develop an action plan to address any issues on the employee opinion survey scoring below 65%.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% of questions on employee opinion survey regarding communication rating at or above 65%	100%	100%	100%	100%

% of questions on employee
opinion survey rated at or
above 70% 96% 80% 96% 96%

Goal: Well-Managed City

Objective: To process each bi-weekly payroll on time with error rate of less than 0.02%.

Initiative: To utilize best practices and continuously improve quality.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Payroll checks issued	2,466	3,000	2,300	2,600
# Direct deposits	69,930	70,000	70,000	70,000
# Checks/advices issued with errors	5	12	8	8
% Checks/advices issued without error	99.99%	99.98%	99.99%	99.99%

Objective: To ensure that all balance sheet general ledger accounts associated with payroll are maintained accurately.

Initiative: To perform account reconciliations thoroughly each accounting period according to the established schedule.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# GL accounts reconciled	1,544	1,450	1,750	1,600
% GL accounts reconciled (corrected if necessary) each month	100%	100%	100%	100%

Goal: Well-Managed City

Objective: To pay 90% of all invoices within 30 days of invoice date.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Invoices	54,180	52,500	57,500	59,000
% Invoices paid within 30 days	89%	90%	90%	90%

Objective: To maximize the number and percentage of invoices paid by electronic payment.

Initiative: To utilize best practices, reduce printing/postage costs, and continuously improve quality.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Checks issued	33,416	30,188	34,500	32,450
# Electronic payments	20,764	22,312	23,000	26,550
% Electronic payments	38.3%	42.5%	40.0%	45.0%

Program: Financial Reporting

General Fund: \$816.367

FTEs: 9

Goal: Well-Managed City

Objective: To prepare financial reports that are timely and of the quality warranting an unqualified audit opinion and GFOA awards for excellence in financial reporting.

Initiative: To prepare quality financial reports.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
Was audit opinion unqualified?	Yes	Yes	Yes	Yes
Did CAFR receive GFOA award?	Yes	Yes	Yes	Yes
Did Popular Report receive GFOA award?	Yes	Yes	Yes	Yes
# Significant material findings in internal and external audits	0	0	0	0

Program: Purchasing

General Fund: \$451,104

ETFs: 6

Goal: Well-Managed City

Objective: To complete the purchasing cycle (requisition to PO) for 90% of purchases of commodities within 2 business days.

Initiative: To utilize best practices and continuously improve quality.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Purchase orders (PO)	19,290	20,000	19,000	20,000
% Purchase orders issued within 2 business days	88%	90%	90%	90%

Objective: To increase the number of Purchasing card users and transactions.

Initiative: To utilize best practices in procurement.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# PCard users	326	340	360	380
# PCard transactions	11,291	12,000	12,500	13,000

Objective: To complete 95% of all Finance Officer's pre-audit certification of contracts within 3 days of notification via OnBase.

Initiative: To manage and follow-up on the process.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Contracts	1,014	1,000	1,000	1,000
% Contracts certified within 3 days	94%	95%	96%	95%

Goal: Well-Managed City

Objective: To ensure that investment earnings for idle funds exceed the cost of managing those funds and contribute to the "bottom line."

Initiative: To more actively manage the City's investment portfolio.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
Investment % yield vs. average daily 2 year treasury yield for same period	-0.20%	+0.10%	0.08%	+0.10%
Actual investment earnings	283,281	1,060,000.0	1,060,000	750,000

Goal: Well-Managed City

Objective: To ensure that the County Tax Collector maximizes the property tax collection rate.

Initiative: To utilize best practices and to maximize the collection rate.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
% Collection rate	98.83%	98.50%	98.50%	98.75%

Water & Sewer Fund: \$193,602
FTEs: 6
Water & Sewer Fund: \$193,602
FTEs: 4

Goal: Well-Managed City

Objective: To ensure that adjustments are made to false alarm bills as infrequently as possible.

Initiative: To monitor performance of outside service provider and make recommendations to continuously improve quality

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
\$ Value of false alarm bills issued	364,962	238,800	420,000	400,000
% False alarm bills adjusted	0.61%	0.50%	0.35%	0.35%

- Objective:** To maximize earnings from business licensing by ensuring that discovery efforts result in an increase in the number of licensed businesses.
- Initiative:** To increase diligence in identifying unlicensed businesses operating within the City and develop an "audit" program.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Business licenses issued	13,365	11,900	11,900	11,900
# New licenses issued resulting from discovery efforts	121	400	300	300
\$ Generated from business licenses issued from discovery efforts	19,245	87,188	60,000	60,000

- Objective:** To ensure that payments received are posted accurately.
- Initiative:** To utilize best practices and continuously improve quality.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Payments posted accurately	99%	99%	99%	99%

- Objective:** To reduce the amount of delinquent accounts and increase collection rates.
- Initiative:** To pursue more aggressive collection efforts utilizing new tools such as collection agency, wage garnishment, bank account attachment, and other strategies as appropriate or allowed by law.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Delinquent UB accounts placed with collection agency	78%	68%	68%	68%
% Collection/recovery UB accounts - collection agency	12%	10%	10%	10%
Internal collections rate - select GB segments	65%	65%	70%	70%

- | | |
|---|------------------------------------|
| Program: Risk Management and Safety | Risk Claims Fund: \$386,624 |
| | FTEs: 5 |
| Goal: Safe and Secure Community | |
| Objective: To ensure the safety of city facilities and work-sites by increasing the number of safety inspections and by evaluating facility and site inspection reports to identify and correct hazards and potential hazards. | |
| Initiative: To maintain continuous process improvement in the City's risk management and safety process. | |

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Inspections	92	48	100	100
% Change in number of inspections	61%	37%	9%	0%
# Deficiencies noted	344	300	300	250
% Deficiencies corrected within 90 days	88%	75%	75%	75%

Objective: To reduce the average number of loss workdays per claim by 5%.

Initiative: To develop new employee safety program that will include training more closely targeted at work hazards and exposures and other risks identified through claims analysis.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Worker's compensation claims	307	295	250	295
Average loss workdays per claim	3.21	6.00	5.20	5.00

Objective: To reduce at fault automobile accidents by 5%.

Initiative: To maintain continuous process improvement in the City's risk management and safety process.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# At fault auto accidents	135	171	128	121
% Reduction in number of at fault automobile accidents	31%	5%	5%	6%

Program: Print Shop **General Fund:** \$163,387
FTEs: 3

Goal: Well-Managed City

Objective: To ensure that the Print Shop is utilized to the maximum extent possible to minimize total printing and duplicating services expenses.

Initiative: To utilize best practices and manage expenses.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Print jobs	1,852	2,300	1,600	1,600
% Print jobs produced in-house	96%	96%	98%	98%
# Impressions generated	3,486,028	3,600,000	3,600,000	3,600,000

BUDGET ISSUES FOR FY 2014-15

- Reductions in staffing levels over the past several budget years will continue to create challenges within the department as workloads and demands for services have not declined.
- Attracting and retaining qualified employees, succession planning, and maintaining the current high levels of morale will all continue to be issues for the upcoming fiscal year.

ACCOMPLISHMENTS FOR FY 2013-14

- Conducted departmental Strategic Plan sessions and finalized Strategic Plan
- Contributed to the Culture of Service to Co-workers initiative by hosting Safety Expo
- Supported state-wide roll out of Tax and Tag Together initiative, including developing equitable method for allocating costs with the County and revising Interlocal Agreement
- Supported roll-out of Monthly Financial Reporting (joint project with BMS)
- Coordinated completion of new NC-4 State Withholding Form for all employees and entered new data into the system
- Supported software update to MUNIS version 10.3
- Implemented new system for Convention Center accounting to ensure problems will not occur in the future
- Analyzed various economic development projects, including Ninth Street project and City Center/Jack Tar project
- Updated debt model and indirect cost plan based on latest round of assumptions
- Supported implementation of monthly Solid Waste fee
- Received a “clean” and unmodified audit opinion, with no issues to report in the Management Letter, on the FY 2012-13 financial statements along with a single audit report that identified no findings related to the City’s expenditure of Federal Funds
- Increased the use of procurement cards by City departments and e-payables program to take advantage of rebates and to lower accounts payable costs
- Wrote several new Finance policies and conducted training regarding compliance (e.g., Badge Policy)
- Filled open positions, including Risk Manager, Purchasing Agent, Risk Administrative Coordinator, Payroll Clerk, Cashier, Cashiering Supervisor, and Senior Accountant
- Maintained credit ratings that make the city one of the highest rated public entities in the country including conducting Water & Sewer surveillance call with Fitch that affirmed Triple-A rating with a stable outlook
- Issued \$34.7 million Series 2013 LOBs at 3.61% TIC to fund the costs of stadium improvements at the DBAP and various other projects, and to replace small amount of remaining variable rate debt with fixed rate bonds
- Contracted with new investment advisor Valley View and developed new investment strategy; liquidated holdings with DANA advisors and reinvested proceeds
- Implemented lock-box solution for business license receipts
- Received 28th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR)
- Received ninth consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting
- Received 11th consecutive Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

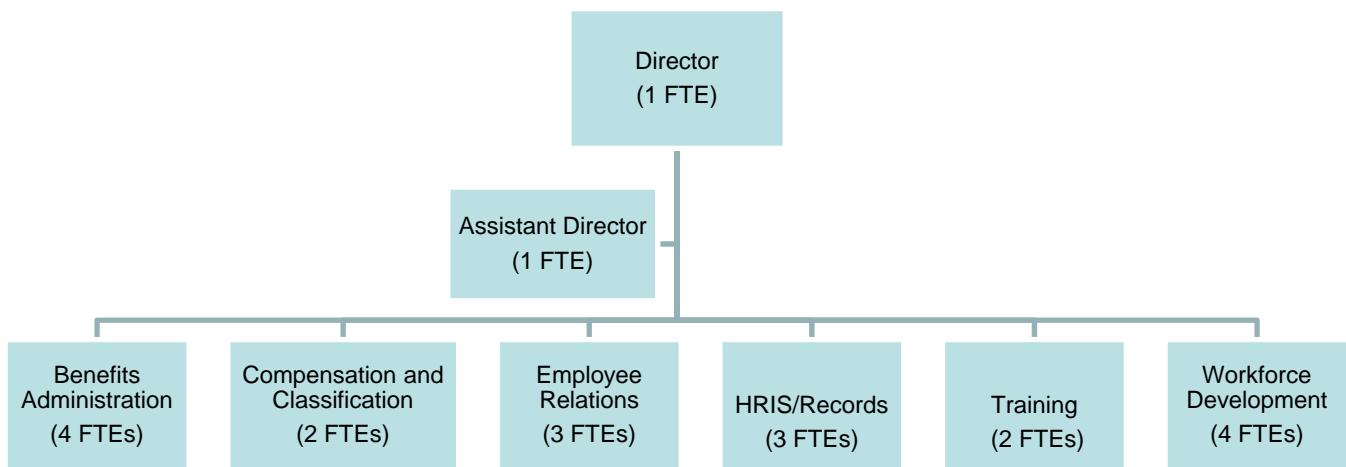
- Improve Risk Management and Safety functions and continue working on the improvement plan.
- Document procedures within Risk Management.
- Develop and deliver defensive driving training program.
- Identify options for increasing electronic payments.
- Identify methods to increase collections on amounts owed to the City.
- Implement pilot program within Water Management CIP to simplify CIP budgeting and accounting.
- Develop customized MUNIS training for specific user groups (e.g. project managers).
- Develop customer service survey tool.
- Develop marketing framework for financial consulting services.
- Conduct overall review of procurement process.
- Continue the oversight of program accountants responsible for administering grants.

- Provide monthly and quarterly financial updates to the City Manager and Council (joint projects with BMS Department).
- Maintain the City's credit ratings.
- Monitor recent, upcoming, and anticipated GASB pronouncements, how they are being addressed, and the impacts they are expected to have on financial reporting and budgeting.



Human Resources

(20 FTEs)



HUMAN RESOURCES

Purpose Statement:

To recruit, retain and develop the best possible workforce for the City of Durham.

DEPARTMENT DESCRIPTION

Human Resources	\$1,751,014 20 FTEs
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The Human Resources Department provides the City of Durham with personnel based services. These services are dedicated to attracting and retaining well qualified employees and to creating a positive environment in which the employees work. The services provided to departments include: benefits, selection and recruiting, compensation and classification, training, employee relations, wellness, and consultation on employee relations matters and organizational issues. The department provides administration and oversight of the City's benefit plans, wellness and Employee Assistance Program (EAP), substance abuse testing, coordinates training, and ensures compliance with federal and state regulations and consults/advises on organization policies.

The department assists the City's administration through advice and consultation on personnel related issues, policy development and maintenance as well as participation in the City's organizational development and strategic planning activities. The Human Resources Department administers the City's pay and classification system, benefits program, recruitment and selection process, personnel records process, regulatory compliance and response process, and employee relations activities; coordinates with Technology Solutions regarding the ERP system.

General Administration

The Administration unit is responsible for consistent development, application, interpretation and communication of personnel policies to management, supervisors, employees and the public; for the development and coordination of responses to various compliance agency cases; and for the overall operation of the department including the day-to-day operations, finances, and the budget. This team provides technical and clerical support to the Human Resources Department including office reception, office management, personnel record maintenance, storage and disclosure, providing database reports, and provision of appropriate forms and procedural information to employees who contact the Human Resources Department.

HRIS/Records

The team coordinates the MUNIS system needs of the HR Department with the Technology Solutions Department concerning the organization's HRIS systems. This team is responsible for personnel action processing and leave adjustments, for the disclosure, security and maintenance of personnel files, payment of department invoices, contract entry, and leave maintenance and entry for the Human Resources Department. The team works with the other staff and the Technology Solutions Department in determining Human Resources technology needs and software/hardware solutions to meet the needs for the HRIS system. Activities include review and upgrades of MUNIS (with Technology Solutions), administration of an applicant tracking system, Personnel action entry and approval.

Benefits Administration

The Benefits Administration team is responsible for the central management of employee benefit programs, substance abuse policy administration, the employee assistance program, the Medicare Supplement program, Paid Temporary Disability coordination; HIPAA and FMLA management and training and coordination of the retiree benefits program and retiree planning; COBRA administration; preparation of benefit survey responses, and benefit regulation compliance for the department. Develops the request for proposal for benefits and benefits brokerage services. Responsibility for coordination of the military leave process and personal illness process and for the preparation of any benefits request for proposals is included.

Workforce Development

The Workforce Development Team provides complete HR staffing and selection services to all departments. This includes: screening applications, ensuring that jobs are appropriately advertised, assisting with interview panels and assessment processes in departments, conducting targeted and specialized recruitment, job fair attendance, re-entry program coordination, personnel action processing, and providing information and assistance to employees in departments. The team also provides a part of the MUNIS module management for HR and prepares and executes the RFP for temporary staffing agency services. Administers and proctors Police and Fire testing for various promotional processes.

Compensation and Classification

The Compensation and Classification Team provides guidance in the fair and equitable management of positions for all city employees by conducting position audits and market surveys, maintaining the full-time classification and pay plans, reviewing or advising departments concerning any departmental part time pay plans; administering the performance management system, providing FLSA guidance and providing training in related areas. The unit also provides oversight for the various pay plans that the City maintains.

Training

The Training and Development Team provides a variety of services that enhance employees' overall value to the organization and maximize service delivery to the citizens of Durham. The services provided include training and educational opportunities including technical skills and communication skills (workshops, courses, and career development), customized facilitations, MUNIS Employee Self Service administration and request for proposals for professional training consultants and facilitators. Monitors the fund from which organization-wide training is paid. This includes trainers, consultants, facilitators, training resources, and tuition reimbursement for all City employees. This team also provides coordination of two community services programs, Durham Neighborhood College and Junior Leadership Durham, ensures the bi-annual survey for the HR Department is conducted and develops and implements the Request for Proposal for records.

Employee Relations

The Employee Relations Team provides services including coordinating, facilitating and monitoring Employment Security Commission (ESC) hearings, assigned investigations, grievances, mediations and responses. The team assists in responding to Equal Employment Opportunity Commission (EEOC) and Retaliatory Employment Discrimination Act (REDA) complaints. Conducts various trainings related to employee relations in New Employee Orientation (NEO) as well as in stand-alone training.

RESOURCE ALLOCATION						
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change	
Appropriations						
Personal Services	\$ 1,533,134	\$ 1,679,066	\$ 1,589,301	\$ 1,645,878	-2.0%	
Operating	79,588	104,085	96,292	105,136	1.0%	
Capital and Other	-	-	-	-	0.0%	
Subtotal Appropriations	\$ 1,612,722	\$ 1,783,151	\$ 1,685,593	\$ 1,751,014	-1.8%	
Nondepartmental						
Drug Testing	\$ -	\$ -	\$ 3,057	\$ -	0.0%	
Flex Reimbursement	55,079	30,000	30,000	30,000	0.0%	
Unemployment Compensation	407,127	400,000	700,000	300,000	-25.0%	
Subtotal Nondepartmental	\$ 462,206	\$ 430,000	\$ 733,057	\$ 330,000	-23.3%	
Total Appropriations	\$ 2,074,928	\$ 2,213,151	\$ 2,418,650	\$ 2,081,014	-6.0%	
Full Time Equivalents	20	20	20	20	-	
Part Time	1	1	1	1	-	
Revenues						
Discretionary Program	\$ 2,074,928	\$ 2,134,186	\$ 2,337,304	\$ 2,000,275	-6.3%	
Total General Fund	\$ 2,074,928	\$ 2,134,186	\$ 2,337,304	\$ 2,000,275	-6.3%	
Employee Insurance Fund	-	78,965	81,346	80,739	2.2%	
Total Revenues	\$ 2,074,928	\$ 2,213,151	\$ 2,418,650	\$ 2,081,014	-6.0%	

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES						
Program:	General Administration			General Fund:	\$ 343,112	
				FTEs:	3	
Goal:	Well Managed City					
Objective:	To maintain customer satisfaction with HR services.					
Initiative:	Survey organization at least once annually.					
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15		
Surveys Completed	520	550	550	605		
% Employees completing Survey	23%	25%	25%	35%		
%Employees rating HR services satisfactory or better	54%	85%	85%	90%		

***Customer Satisfaction Survey in process**

Program:	HRIS	General Fund: \$232,164	
		FTEs: 3	
Program:	HRIS/Records		
Goal:	Well Managed City		
Objective:	To provide comprehensive, secure Human Resources documentation, information and data management.		
Initiative:	Maintain accurate MUNIS records, personnel records, Employee Self Service (ESS), document management intake.		
Measures:	Actual FY13	Adopted FY14	Estimated FY14
#Requests for copied records	52	60	58
%Response to request (defining data needed with customer within 48 hours)	98%	90%	98%
Program:	Benefits		General Fund: \$319,840
			FTEs: 4
Goal:	Well Managed City		
Objective:	To have a healthy workforce.		
Initiative:	To provide wellness activities and information to employees.		
Measures:	Actual FY13	Adopted FY14	Estimated FY14
# Wellness activities or programs provided	80	50	50
# Health risk assessment surveys or studies conducted	1,000	900	1,850
Average claim amount (Per Employee Per Month)	\$734	\$650	\$780
Program:	Classification & Compensation		General Fund: \$184,333
			FTEs: 2
Goal:	Well Managed City		
Objective:	To maintain satisfaction with salary and classification services.		
Initiative:	To recognize employees' work and align job duties/responsibilities with City goals and market values.		
Measures:	Actual FY13	Adopted FY14	Estimated FY14
# Reclassification studies (occupied positions) completed during annual process	63	43	63
% Appeals that are upheld	N/A	95%	N/A
% City employees ranking the compensation and classification systems as satisfactory or better	34%	75%	75%
# Pay system adjustments needed	37	25	25
% Pay system adjustments implemented	100%	85%	60%
% Studied classifications whose midpoint is within 90% of market	93%	95%	93%
<i>*Customer Satisfaction Survey in process</i>			
<i>*Market and Reclass process in progress</i>			

Program:	Workforce Development	General Fund: \$242,558 FTEs: 3		
Goal:	Well Managed City			
Objective:	To recruit and retain applicants for City employment.			
Initiative:	Reduce recruitment/selection time from posting to hire.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Days from posting to hire	50	50	50	40
Goal:	Well Managed City			
Objective:	Ensure effective internal & external communication/satisfaction.			
Initiative:	Develop and action plan to address any issues on the employee opinion survey scoring below 65%. Improve communication and satisfaction with external customers (City departments). Evaluate the level of effectiveness of various means of internal communication strategies identified as most effective.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Questions on annual survey to departments rating at satisfied or above	45%	65%	65%	70%
% Questions on the Employee Opinion Survey rated at 70% or above	N/A	80%	80%	85%
<i>*Customer Satisfaction Survey in process</i>				
<i>*EOS pending</i>				
Program:	Training	General Fund: \$208,562 FTEs: 2		
Goal:	Well Managed City			
Objective:	To promote a positive work environment, increasing the number of positive contacts.			
Initiative:	To promote employee professionalism and respect for coworkers.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Workshops and training events held	68	60	60	66
% Registered employees who attend workshops or training	97%	90%	90%	92%
% Employees rating meetings, workshops, trainings as effective	97%	85%	97%	97%
Goal:	Well Managed City			
Objective:	To provide training to individuals to enhance their career development.			
Initiative:	To survey training participants to learn if training was beneficial.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Training participants	1100	800	800	880
% Rating training classes as satisfactory or above	98%	94%	94%	96%

% Stating training was beneficial to career enhancement and/or job performance	97%	90%	90%	92%
Program:	Employee Relations		General Fund:	\$220,445
Goal:	Well Managed City		FTEs:	3
Objective:	To promote a positive work relationship between employees and the organization and with each other regarding equal employment opportunity, fairness and consistency in treatment, and complaint resolution.			
Initiative:	To reduce the number of complaints/grievances.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Complaints	22	26	15	12
% of Complaints resolved	90%	95%	95%	98%
# of Grievances	19	25	20	19
% of Grievances resolved	75%	85%	100%	100%
% of Complaints/Grievances held within 30 days	50%	75%	70%	80%

BUDGET ISSUES FOR FY 2014-15

- Continue development of targeted and active recruitment strategies.
- Continue development of wellness program and review case management with insurance providers.
- A 3% budget reduction will negatively impact the department's ability to efficiently deliver core services.
- Implementation of an applicant tracking system.

ACCOMPLISHMENTS FOR FY 2013-14

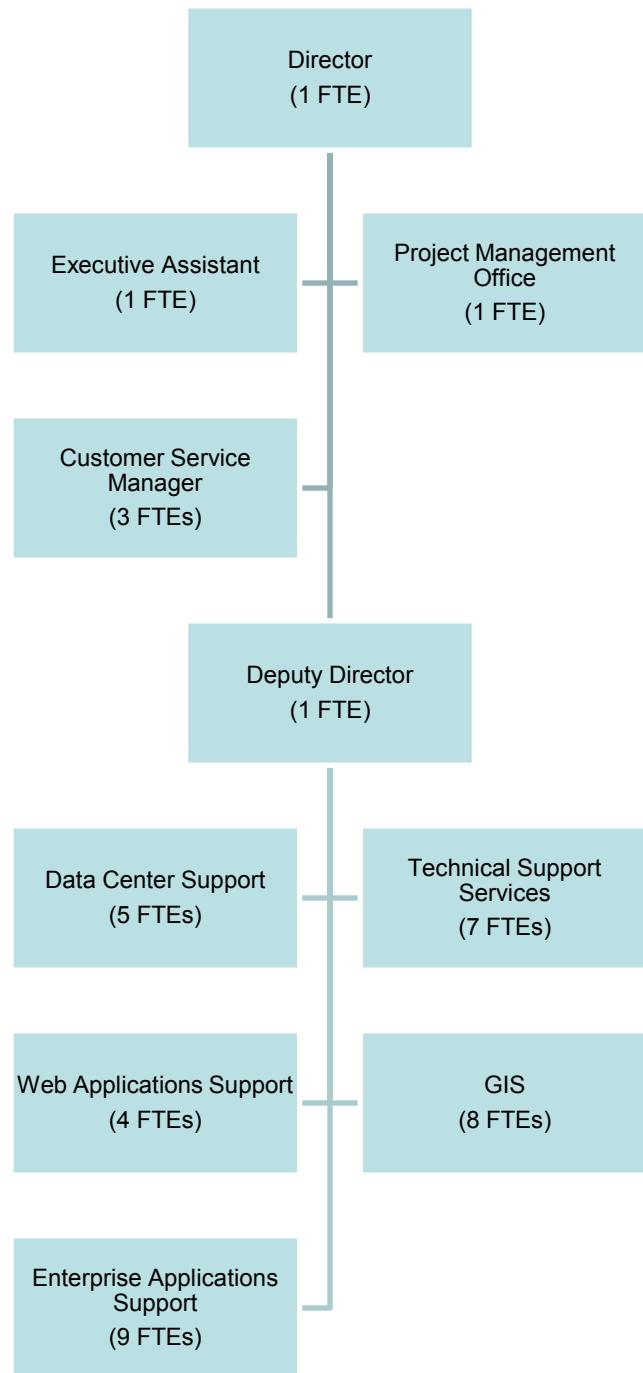
- Issued an RFP for an applicant tracking system.
- Refined the tracking, reporting, and management of employee grievances.
- Implemented a new standard reporting structure for investigations.
- Facilitated bonus payments for general pay plan employees
- Continued targeted recruitment and outreach programs (staff participated in job fairs, re-entry hiring, direct contact with schools).
- Continued implementation of the departmental strategic plan.
- Maintained compensation systems (Executive, Exempt, Non-Exempt, General, Part-time) to ensure competitiveness.
- Continued City wide wellness program activities.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Establish and communicate service level agreements for all functional units.
- Revise department performance measures.
- Update Human Resources Policies.
- Contain healthcare costs through usage analysis and providing member education.
- Continue updates as needed to maintain current and accurate job descriptions.
- Maintain compensation systems (Executive, Exempt, Non-Exempt, General, and Part-time) to ensure competitiveness.
- Implement Applicant Tracking System.
- Continue City wide wellness program activities.



Technology Solutions (40 FTEs)



TECHNOLOGY SOLUTIONS

Purpose Statement:

To provide quality Information Technology (IT) services and solutions that brings optimal business value to our customers.

DEPARTMENT DESCRIPTION

Technology Solutions Department	\$6,048,839
	40 FTEs

The core business of the Technology Solutions (TS) Department is to align the City's crucial information technology infrastructure, services, solutions, and TS human capital to the business needs of the City's departments.

Administration

This program provides for strategic planning and executive management of the Technology Solutions Department. Within the TS department's administrative program, there are three additional business programs: Project Management Office, IT Governance (has not been implemented at this time), and Customer Service Management.

Technical Support Services

The Technical Support Services Program supports the maintenance of desktop systems, network services and data center operations. This division of the TS department also manages the PC Replacement Program and systems administration of the metropolitan voice/data network and datacenter. It provides efficient and effective computer and infrastructure support services for employees, desktop systems and application, telecommunications, security, network and data center infrastructure and operations. This program also manages the multifunctional print devices (copiers) contract for the City of Durham.

Innovation & Solutions

The Innovations and Solutions Program provides business analysis, web applications development, database development and administration, and enterprise systems support. This program works with the business units to effectively align IT solutions to their business needs. Critical applications such as Payroll, Accounts Payable, Water Billing, Budget, Human Resources, Contract and Document Management, Work Order Management, etc. are supported by this division.

The Geographic Information Systems

This program operates under an inter-local agreement between the City and County governments to manage the enterprise Geographic Information System and provide related services to internal and external customers. GIS provides and supports critical spatial analytic services that support decision makers in the City and County of Durham.

Technology Surcharge / Land Development Office (LDO)

The City's Planning and Inspections Departments collect a technology surcharge fee applicable to development permits. These revenues are designated to improving technology associated with the LDO. This application provides automation for permit and case management. It also provides interoperability between departments involved in land development activities throughout the County.

RESOURCE ALLOCATION

	Actual	Adopted	Estimated	Adopted	
	FY 2012-13	FY 2013-14	FY 2013-14	FY 2014-15	Change
Appropriations					
Personal Services	\$ 3,356,745	\$ 3,727,967	\$ 3,794,018	\$ 3,770,049	1.1%
Operating	2,099,097	1,977,681	2,219,638	1,980,081	0.1%
Capital and Other	87,687	-	-	250,000	100.0%
Transfers	48,709	48,709	48,709	48,709	0.0%
Total Appropriations	\$ 5,592,238	\$ 5,754,357	\$ 6,062,365	\$ 6,048,839	5.1%
Full Time Equivalents	41	40	40	40	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 5,197,681	\$ 5,176,489	\$ 5,484,497	\$ 5,477,228	5.8%
Program	394,557	577,868	577,868	571,611	-1.1%
Total Revenues	\$ 5,592,238	\$ 5,754,357	\$ 6,062,365	\$ 6,048,839	5.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Administration	General Fund:	\$1,071,225	
		FTEs:	7	
Goal:	Well-Managed City			
Objective:	To efficiently and effectively align resources and services with business needs maintaining operating costs at less than 5% of City overall budget; and receive a 90% or better customer satisfaction rating.			
Initiative:	Establish Citywide IT Governance Framework based on best practice methodologies focused on information technology (IT) systems, their performance and risk management to accomplish goal. Create new programs to manage and align to business needs.			
Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% of Workplan projects completed on time.	80%	90%	90%	90%
% IT overall satisfaction (Bi-annual)	90%	90%	90%	90%
% of Customers Rating Service as Good to Excellent	98%	90%	98%	90%

Program:	Technical Support Services	General Fund:	\$2,272,566
		FTEs:	12
Goal:	Well-Managed City		
Objective:	Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.		
Initiative:	Align TS Infrastructure and computer support services and resources to the business needs of the City using best practice methodologies.		

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% IT overall Satisfaction (Help Desk)	93%	90%	90%	90%
% Requests completed within 24 hours or by customer approved due date	80%	90%	90%	90%
% of Infrastructure Uptime	99.6%	99.9%	99%	99.9%
% of Available Data Center Capacity	91.9%	20%	92%	20%

Program:	Innovation & Solutions	General Fund:	\$1,662,634
FTEs:			13

Goal: Well-Managed City

Objective: Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.

Initiative: To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% IT overall Satisfaction (Help Desk)	90%	90%	90%	90%
Tickets closed per analyst	297	297	297	297
% Requests completed within 24 hours or by customer approved due date	88%	90%	88%	90%

Program:	Geographic Information Systems	General Fund:	\$837,628
FTEs:			8

Goal: Well-Managed City

Objective: Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.

Initiative: To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

Measures:	Actual FY 13	Adopted FY 14	Estimated FY 14	Adopted FY 15
% IT overall Satisfaction (Help Desk)	92%	90%	92%	90%
% Requests completed within 24 hours or by customer approved due date	97%	90%	96%	90%

Technology Surcharge/Land Development Office (LDO) \$204,786

BUDGET ISSUES FOR FY 2014-15

- Unanticipated departmental requested projects have an impact on TS ability to complete its work plan.

ACCOMPLISHMENTS FOR FY 2013-14

- Sharp multi-functional printer rollout completed.
- MUNIS automated leave request pilot completed.
- MUNIS 10.3 upgrade completed.
- Implemented new City Intranet (SharePoint).
- QC and implement 2014 Orthos from NC project completed.
- CIP application (Mapping portion) upgraded.
- Solid waste tax project completed.
- Community Development OnBase scanning completed.
- Firehouse system infrastructure project completed.
- OEWD move completed.
- Transportation bus stop application completed.
- NIS Durham Neighborhood Compass Phase 1 completed.
- Office 2010 rollout completed.
- OnBase 13.0 upgrade completed.
- Primavera infrastructure upgrade completed.

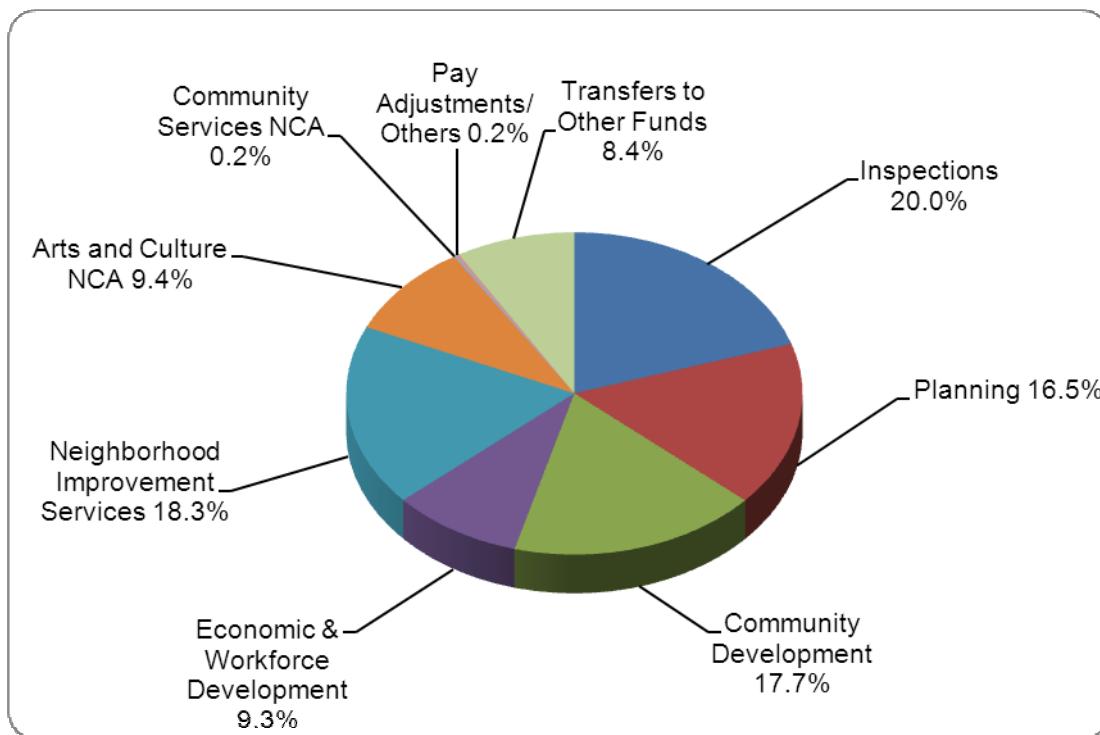
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Implement data center storage cost avoidance initiative.
- Implement GIS improvements.
- Implement Network Infrastructure improvements.
- Implement Open data initiative.
- Implement Web 2.0 initiative.

COMMUNITY BUILDING
BUDGET SUMMARY

Non-Grant Appropriations	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
City/County Inspections	\$ 3,290,559	\$ 3,545,863	\$ 3,545,863	\$ 3,757,433	6.0%
City/County Planning	2,957,805	3,052,856	3,054,853	3,111,028	1.9%
Community Development	2,045,827	2,652,238	3,213,643	3,314,714	25.0%
Economic Development	1,548,490	1,707,309	2,446,654	1,840,004	7.8%
Neighborhood Improvement	3,288,094	3,451,374	3,506,428	3,450,927	0.0%
Contract Agencies					
Arts and Culture	1,909,203	1,739,103	1,750,089	1,766,434	1.6%
Community Services	49,563	40,000	55,000	30,000	-25.0%
Pay Adjustments/Others	60,531	-	45,443	-	0.0%
Transfers to Other Funds	1,004,654	1,053,484	1,065,484	1,596,993	51.6%
Total Appropriations	\$ 16,154,726	\$ 17,242,227	\$ 18,683,457	\$ 18,867,533	9.4%
Full Time Equivalents	150	149	149	149	-
Part Time	4	4	4	4	-
Revenues					
General Fund					
Discretionary	\$ 9,385,272	\$ 9,487,952	\$ 10,835,213	\$ 9,816,275	3.5%
Program	5,423,075	5,870,291	5,650,776	5,945,447	1.3%
General Fund Subtotal	\$ 14,808,347	\$ 15,358,243	\$ 16,485,989	\$ 15,761,722	2.6%
Dedicated Housing Fund	1,346,379	1,883,984	2,197,468	3,105,811	64.9%
Total Revenues	\$ 16,154,726	\$ 17,242,227	\$ 18,683,457	\$ 18,867,533	9.4%
Grants					
Community Development Grants	\$ 4,669,164	\$ 2,952,390	\$ 2,935,817	\$ 3,721,494	26.1%
OEWD Grants	2,426,400	2,027,469	2,593,325	2,123,967	4.8%
Total Grants	\$ 7,095,564	\$ 4,979,859	\$ 5,529,142	\$ 5,845,461	17.4%
Full Time Equivalents	18	18	19	18	-
Part Time	1	1	1	1	-
Total Budget	\$ 23,250,290	\$ 22,222,086	\$ 24,212,598	\$ 24,712,994	11.2%

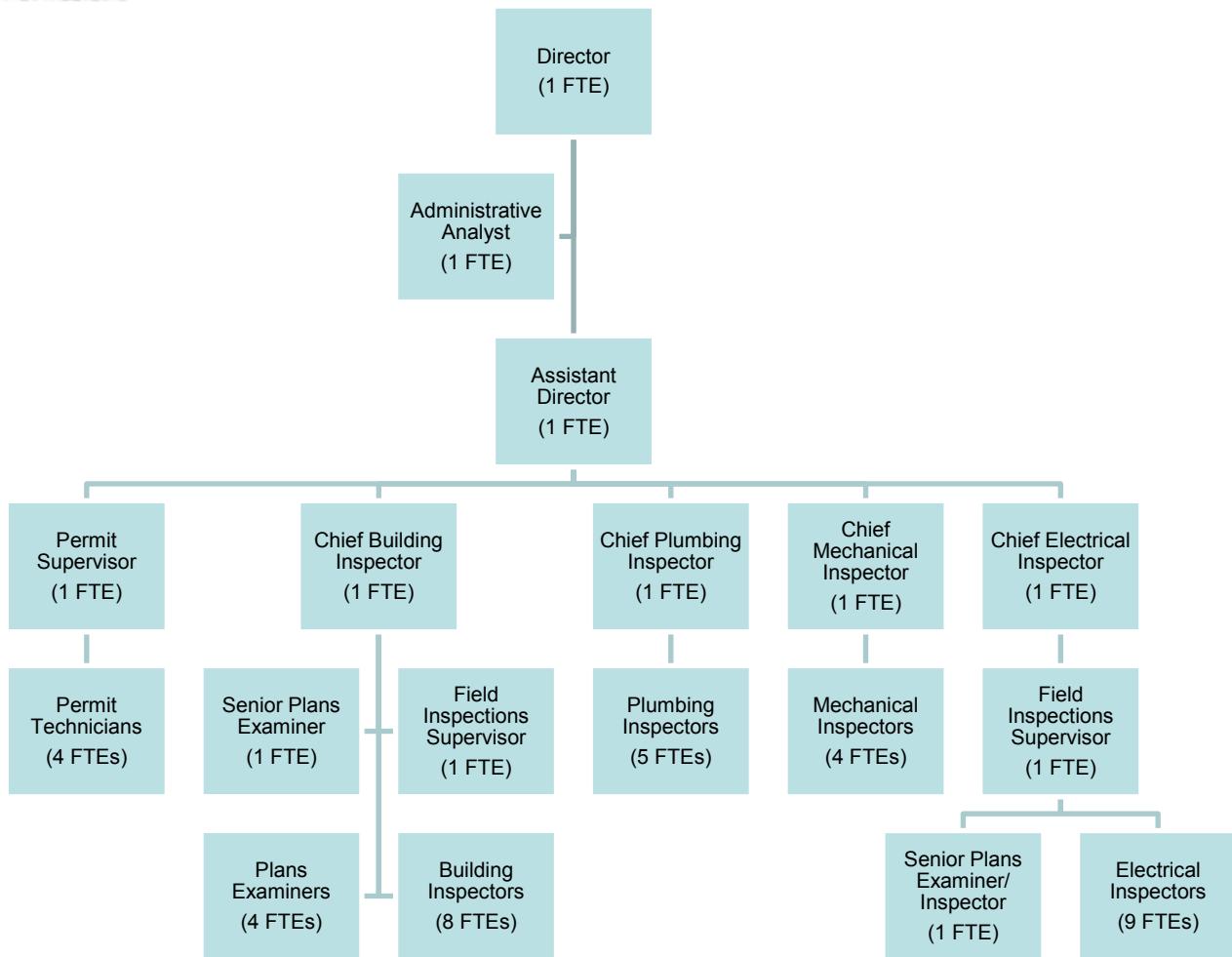
COMMUNITY BUILDING





Durham City-County Inspections

(46 FTEs)



DURHAM CITY- COUNTY INSPECTIONS

Purpose Statement:

To provide a cost effective level of service designed to assure the adequate protection of the health and safety of the citizens of the City and County of Durham through assertive enforcement of the various State building, electrical, plumbing, mechanical, and fire codes, and local zoning ordinances.

DEPARTMENT DESCRIPTION

Inspection Services	\$3,757,433
	46 FTEs

The City-County Inspections Department is a merged City and County department that administers and enforces the North Carolina State Building Codes and Durham City-County Zoning Ordinances. State law mandates the inspection of all building construction for the purpose of enforcing various construction codes, thereby assuring the adequate protection of the general public's health and safety. In addition, the City and County regulate development through the Unified Development Ordinance (UDO).

The City-County Inspections Department receives permit applications for all construction trades (building, electrical, plumbing, mechanical and signs), reviews plans and specifications (including Fire Prevention plan reviews), issues permits for all construction activity, and follows up with field inspections to determine compliance with all applicable codes and the UDO. The Department also provides daycare facility inspections, semi-annual inspections of all public schools, inspections for the Durham Housing Authority, follow-up inspections in response to citizens' concerns, Board of Adjustment case reviews, Site Plan/Preliminary Plat/Final Plat case reviews, and Rezoning case reviews.

The current level of service supports economic development activities that increase citizen access to high quality jobs while increasing the City's tax base. This level of service leads to a strong and diverse economy by providing assistance to encourage new and existing development and providing prompt, efficient, and professional plan review and inspection services. In addition, the current level of service provides assistance with efforts to improve the livability of the city, encouraging thriving, livable neighborhoods by managing the City's growth, protecting and preserving the environment, and maximizing the use of public infrastructure by providing plans review and inspections for all renovation/remodeling and new construction activities. This service helps ensure that all residential and commercial construction meets the NC State Building Codes for safety and health, as well as complying with the UDO requirements, which are structured to preserve and protect the environment.

The Inspections Department also provides electrical, plumbing, and mechanical inspections for Neighborhood Improvement Services' projects, in order to assist them in their efforts to eliminate substandard housing (leading to safe and secure communities).

In a continuing effort to reduce crime in Durham (to assist in ensuring a safe and secure community), field inspectors have been trained to recognize potential crime situations so that they can report any suspicious activities directly to 911 by using their cell phones. In addition, the Inspections Department completed another update class with the Police Department on "City-Wide Eyes" (formerly known as "Eyes and Ears") this year, which included information on the recognition of suspicious activity. An additional update training class is currently being coordinated with the Police Department and is scheduled to take place during FY15.

An initiative the Inspections Department implemented in previous years (in cooperation with the Police Department and the 911 Center) allows the 911 Center to send text messages over the Inspections Department's cell phones when a crime has occurred and they need field inspectors to be on the lookout for a suspect or a vehicle involved in a crime.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Appropriations				
Personal Services	\$ 3,073,806	\$ 3,282,622	\$ 3,282,622	\$ 3,486,392
Operating	216,753	263,241	263,241	271,041
Capital and Other	-	-	-	-
Total Appropriations	\$ 3,290,559	\$ 3,545,863	\$ 3,545,863	\$ 3,757,433
Full Time Equivalents	46	46	46	46
Part Time	3	3	3	3
Revenues				
Discretionary	\$ -	\$ -	\$ -	\$ -
Program	3,290,559	3,545,863	3,545,863	3,757,433
Total Revenues	\$ 3,290,559	\$ 3,545,863	\$ 3,545,863	\$ 3,757,433

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Building Trade	\$1,687,502	19.9 FTEs
Electrical Trade	\$1,060,668	13.5 FTEs
Plumbing Trade	\$419,479	5.8 FTEs
Mechanical Trade	\$589,784	6.8 FTEs

Goal: Thriving and Livable Neighborhoods

Objective: To provide for the safety and health of citizens by ensuring that all construction meets the North Carolina State Building Codes by performing two quality control inspections per inspector per month.

Initiative: Appropriate Chief Inspector/Field Supervisor will report status of quality control inspections monthly during departmental staff meetings.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Quality control inspections per inspector per month	2.2	2.0	2.0	2.0
% Inspections found to be accurate	99%	98%	98%	98%
# Quality control checks	550	552	552	600

Objective: To provide accurate and prompt plan review by reviewing 90% of all residential plans within 5 working days.

Initiative: Utilize express review program. The status will be reported monthly during departmental staff meetings.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Residential plans reviewed in 5 days	78%	90%	90%	90%
% Plan errors found in field	0.65%	1%	1%	1%
# of plans reviewed	2,695	2,700	2,700	2,700

Objective: To provide timely response to customer requests by responding to requested inspections within 24 hours 90% of the time.

Initiative: Appropriate Chief Inspector/Field Supervisor will report status of response time monthly during departmental staff meetings.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Inspections performed within 24 hours	92%	90%	90%	90%
# Inspections per inspector per day	21.2	17.0	20.0	20.0
# of Inspections performed	86,049	78,000	90,399	90,000

Program: Administration

Goal: Well-Managed City

Objective: Expand employees' ability to provide improved and more effective customer service efforts through the removal of barriers in the workplace that prevent people from doing their jobs.

Initiative: Develop an action plan to address the Employee Opinion Survey category of "removal of barriers that prevent people from doing their job". Implement strategies identified in the Department's follow-up to the survey, in an effort to improve the category rating.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Employee Opinion Survey Departmental rating regarding "Removal of barriers that prevent people from doing their jobs"	69%	72%	72%	72%
% of Questions on the Employee Opinion Survey rated at or above 70	96%	80%	80%	80%

BUDGET ISSUES FOR FY 2014-15

- New State mandate requires single permits and inspections for HVAC replacements.
- Implementation of new (optional) regulations for fire sprinkler installations in new residential construction.
- Enhancements to the Land Development Office (LDO) software (included in Departmental Strategic Plan proposals).
- Providing limited cross-training for Mechanical and Electrical certification in the Mechanical and Electrical Divisions for specific types of projects (included in Departmental Strategic Plan proposals).
- Continue refinement and implementation of electrical vehicle charging station requirements.
- Training for Electrical Inspectors regarding solar panel installations.

ACCOMPLISHMENTS FOR FY 2013-14

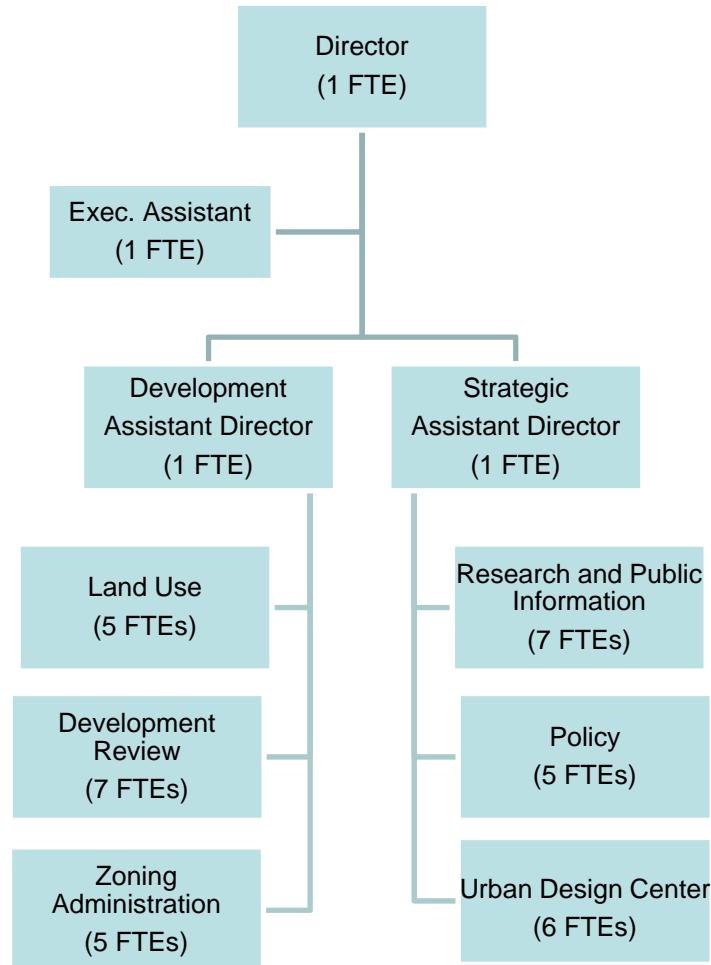
- Inspected all public schools and new daycare facilities.
- Conducted requested inspections within 24 hours 90% of the time.
- Performed 108,688 total inspections for fiscal year 2014.
 - Building Inspections: 37,703
 - Electrical Inspections: 28,134
 - Plumbing Inspections: 18,930
 - Mechanical Inspections: 23,921
- Maintained 100% compliance with the Fleet Preventive Maintenance program.
- Performed 2 quality assurance inspections for each inspector each month.
- Provided a bi-lingual employee in the Administrative Division and a bi-lingual employee in the Plan Review Division (to support the City's Hispanic initiative).
- Participated in economic development projects such as Durham Public Schools renovations/additions and new construction, the Durham County Human Services building, Merck Pharmaceutical, the Bayer Crop Science expansion project, the Syngenta Biotech expansion project, the Fidelity Investment expansion project, the Durham County Judicial Building, the Duke Medical Pavilion, the Duke Cancer Clinic, the Duke Eye Center expansion project, the EMC² renovation project, the Medicago project, the Hilton Garden Inn Hotel project, the Marriott Residence Inn Hotel project, the Sentinel Data Center project, the Measurement Inc. project, the Durham Rescue Mission Center for Hope project, the Ronald McDonald House, the Diamond View III project, the United Therapeutics project, and multiple new apartment complexes.
- Collected Technology Surcharge to cover expenses for the LDO software.
- Completed numerous software enhancements for the LDO system.
- Participated in successful 911 and Police Department "City-Wide Eyes" (formerly known as "Eyes and Ears") program that sends text message notification to field inspectors about break-ins, robberies, etc.
- Completed another "City Wide Eyes" training session, led by the Durham Police Department.
- Met state-required continuing education requirements for inspectors.
- Continued Department's efforts to improve overall Departmental rating on Employee Opinion Survey.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Assist in the reduction of the incidence of crime through participation in the "City-Wide Eyes" program (formerly known as "Eyes and Ears" program), provide updated training, and continue with participation in the text-messaging initiative with the Police Department and the 911 Center.
- Assist with enforcement of the UDO (Unified Development Ordinance) Resource Protection provisions.
- Implement enhancements to the LDO software (included in Departmental Strategic Plan proposals).
- Assist with Pothole Hotline program, whereby field inspectors report potholes.
- Assist with Keep Durham Beautiful program, whereby field inspectors report violations.
- Assist with Leadership in Energy and Environmental Design/Green Build (LEED) by training staff in LEED issues, and by reviewing and approving systems in water reclamation.
- Continue to provide limited cross-training for Mechanical and Electrical certification in the Mechanical and Electrical Divisions for specific types of projects (included in Departmental Strategic Plan proposals).



City-County Planning (39 FTEs)



DURHAM CITY - COUNTY PLANNING

Purpose Statement:

To guide the orderly growth and enhancement of the Durham community while preserving its cultural heritage and natural resources.

DEPARTMENT DESCRIPTION

Planning

General Funds: \$3,123,028
38 FTEs

Grant Funds: \$60,000*
1 FTE

The Durham City-County Planning Department was established in accordance with NCGS§153A-321 and NCGS§160a-361, through an interlocal agreement with Durham County. The Planning Department serves as the professional planning agency for both the City and County. The department performs complex land use evaluations and provides plans, reports, information and recommendations to elected boards, City and County Managers, nine appointed boards and commissions, and the general public. The department is also the lead department in implementing and enforcing regulatory controls on development applications. The department works collaboratively with City, County, state and federal agencies on land use issues. An annual work program is presented for adoption to the City Council and Durham County Board of Commissioners in accordance with the interlocal agreement.

Development Review

The staff prepares professional recommendations to advisory, quasi-judicial and elected boards about development proposals. The Department processes and reviews all proposals for new development to ensure that proposals are consistent with adopted City and County policies and the provisions of the Unified Development Ordinance (UDO). Staff assistance is provided to various joint City-County boards and commissions, including the Historic Preservation Commission, the Environmental Affairs Board, the Appearance Commission, the Durham Open Space and Trails Commission, the Board of Adjustment, the Planning Commission, and the Joint City-County Planning Committee.

Zoning Administration

The Department Staff enforces the provisions of the Unified Development Ordinance and delegated City Code provisions through response to complaints and proactive enforcement.

Comprehensive Planning

The Department prepares and updates the Durham Comprehensive Plan, prepares various small area land use plans and studies, participates in planning for regional transit, and prepares proposed amendments to the Unified Development Ordinance. Staff assistance is provided to various joint City-County boards and commissions, including the Appearance Commission, Open Space and Trails Commission, Environmental Affairs Board, and Joint City-County Planning Committee.

Public Information

Through the Customer Service Center and an extensive web site, the Department provides a wide range of information to the public about property, planning, and development in Durham.

**Grant funding from the Durham-Chapel Hill Carrboro Metropolitan Planning Organization (DCHC MPO) for one temporary planner position received by the Transportation Department and passed through to Planning.*

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
<i>Non-Grant Appropriations</i>					
Personal Services	\$ 2,794,206	\$ 2,823,136	\$ 2,811,136	\$ 2,773,020	-1.8%
Operating	163,599	223,220	229,208	323,499	44.9%
Capital and Other	-	6,500	14,509	14,509	123.2%
Transfers	8,000	-	12,000	12,000	100.0%
Total Appropriations	\$ 2,965,805	\$ 3,052,856	\$ 3,066,853	\$ 3,123,028	2.3%
Full Time Equivalents	38	38	38	38	-
Part Time	-	-	-	-	-
<i>Revenues</i>					
Discretionary Program	\$ 1,022,948	\$ 1,035,428	\$ 1,200,683	\$ 1,095,014	5.8%
Total Revenues	\$ 1,942,857	\$ 2,017,428	\$ 1,866,170	\$ 2,028,014	0.5%
Total Appropriations	\$ 2,965,805	\$ 3,052,856	\$ 3,066,853	\$ 3,123,028	2.3%
<i>Grant</i>					
Personal Services	\$ -	\$ -	\$ 25,318	\$ 60,000	100.0%
Operating	-	-	-	-	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ -	\$ -	\$ 25,318	\$ 60,000	100.0%
Full Time Equivalents	-	-	1	1	1
Part Time	-	-	-	-	-
Transportation Planning					
Grant Revenue	\$ -	\$ -	\$ 25,318	\$ 60,000	100.0%
Total Grant Revenue	\$ -	\$ -	\$ 25,318	\$ 60,000	100.0%
Total Budget	\$ 2,965,805	\$ 3,052,856	\$ 3,092,171	\$ 3,183,028	4.3%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Development Review

General Fund: \$1,157,031
FTEs: 16

Goal: Thriving Livable Neighborhoods

Objective: Review public and private land development proposals within the completion and milestone deadlines established by the Unified Development Ordinance and the Planning Director.

Initiative: Monthly report provided to Planning Director by Assistant Director for Development which defines on time compliance with adopted standard and issue abatement approaches.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of reviews of public and private land development proposals completed within established deadlines	95%	95%	85%	95%

Objective: Review public and private land development proposals in a high quality manner.

Initiative: Monthly public and private land development proposal review, quality control compliance with adopted standard and issue abatement approaches.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of reviews of public and private land development proposals evaluated by the appropriate Work Group Supervisor as high quality	95%	95%	95%	95%

Objective: Review public and private land development proposals in a manner that achieves a high level of customer satisfaction.

Initiative: Monthly report provided to Planning Director by Assistant Director for Development Planning which includes a summary of survey results and identification of areas that need improvement.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of surveyed customers evaluating the review of public and private land development proposals as "good" or better on customer satisfaction surveys	90%	90%	90%	90%

Objective: Evaluate caseload trends to ensure adequate staffing of Development Review activities.

Initiative: Monthly report to Planning Director provided by Assistant Director for Development that provides information on caseload quantity.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Number of zoning map changes	34	45	29	29
Number of cases heard by the Board of Adjustment	20	28	33	33
Number of subdivision cases	278	336	280	280
Number of site plans	272	328	375	375
Number of COA cases processed	101	167	118	121

Program:	Zoning Administration	General Fund:	\$568,120
		FTEs:	6
Goal:	Thriving Livable Neighborhoods		
Objective:	Enforce and administer the regulations of the UDO within the deadlines established by the Planning Director.		
Initiative:	Utilize monthly zoning administration report provided to assess on time compliance with adopted standards.		
Measure:	Actual FY13	Adopted FY14	Estimated FY14
Percent of case files, including LDO data, containing required materials and accurate information	95%	95%	95%
Objective:	Enforce and administer the regulations of the UDO in a manner that achieves a high level of quality.		
Initiative:	Monthly report provided to Planning Director by Assistant Director for Development which defines quality control compliance with adopted standard and issue abatement approaches.		
Measure:	Actual FY13	Adopted FY14	Estimated FY14
Percent of zoning enforcement and site compliance files that are complete and accurate at time of close-out	95%	95%	95%
Objective:	Enforce and administer the regulations of the UDO in a manner that achieves a high level of customer satisfaction.		
Initiative:	Monthly report provided to Planning Director by Assistant Director for Development Planning which includes a summary of survey results and identification of areas that need improvement.		
Measure:	Actual FY13	Adopted FY14	Estimated FY14
Percent of surveyed customers evaluating the zoning enforcement or site compliance activity they experienced as "good" or better on customer satisfaction surveys	90%	90%	90%
Objective:	Workload: Evaluate caseload trends to ensure adequate staffing of enforcement activities.		
Initiative:	Monthly report to Planning Director provided by Assistant Director for Development that provides information on caseload quantity.		
Measure:	Actual FY13	Adopted FY14	Estimated FY14
Number of zoning enforcement cases initiated	1,381	1,400	1,400
Program:	Comprehensive Planning	General Fund:	\$779,911
		FTEs:	10
Goal:	Thriving Livable Neighborhoods		
Objective:	Prepare plans, policies, program and recommendations within the completion and milestone deadlines established by the adopted Work Program and the Planning Director.		
Initiative:	Utilize individual project plans to assess on time compliance with adopted standard and issue abatement approaches.		

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of work products completed or milestones reached within established deadlines	95%	95%	95%	95%
Objective: Prepare plans, policies, program and recommendations in a manner that achieves a high level of quality.				
Initiative: Monthly report provided to Planning Director by Assistant Director for Strategic Planning which includes a summary of survey results and identification of areas that need improvement.				
Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of work program projects evaluated by the Supervisor as high quality	95%	95%	95%	95%
Objective: Prepare plans, policies, program and recommendations in a manner that achieves a high level of customer satisfaction.				
Initiative: Monthly report provided to Planning Director by Assistant Director for Strategic Planning which includes a summary of survey results and identification of areas that need improvement.				
Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of surveyed stakeholders evaluating the preparation of plan and policies as "Good" or better on customer satisfaction surveys	90%	90%	90%	90%
Objective: Evaluate caseload trends to ensure adequate staffing of Development Review activities.				
Initiative: Monthly report to Planning Director provided by Assistant Director for Strategic Planning that provides information on caseload quantity.				
Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Number of comprehensive plan amendments	16	24	10	12
Program: Public Information	General Fund: \$617,966 FTEs: 7			
Goal: Thriving Livable Neighborhoods				
Objective: Provide information about property, development, and regulations within deadlines established by the Planning Director.				
Initiative: Monthly report provided to Planning Director by Assistant Director for Strategic Planning which defines on time compliance with adopted standard and issue abatement approaches.				
Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of public information inquiries responded to within departmentally established deadlines	98%	95%	95%	95%

- Objective:** Provide information about property, development, and regulations in a manner that achieves a high level of quality
- Initiative:** Monthly report provided to Planning Director by Assistant Director for Strategic Planning which includes a summary of survey results and identification of areas that need improvement

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of responses to public inquiries evaluated by the Supervisor as high quality	98%	95%	95%	95%

- Objective:** Provide information about property, development, and regulations in a manner that achieves a high level of customer satisfaction.
- Initiative:** Monthly report provided to Planning Director by Assistant Director for Strategic Planning which includes a summary of survey results and identification of areas that need improvement.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of surveyed customers evaluating information they received about property, development and regulations as "good" or better in customer satisfaction surveys	95%	90%	90%	90%

- Objective:** Evaluate caseload trends to ensure adequate staffing of enforcement activities.
- Initiative:** Monthly report to Planning Director provided by Assistant Director for Development that provides information on caseload quantity.

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Number of customers assisted by Customer Service Center	9,623	8,600	12,984	12,000
Program: Department Management				
Goal: Well Managed City				
Objective: Ensure employee engagement in departmental operations.				
Initiative: Develop an action plan utilizing the implementation of internal employee teams to address any issues within the employee opinion survey scoring below 66%.				

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Percent of overall questions on employee survey that are rated at or above 66% satisfaction rating	96%	96%	N/A	96%
Percent of questions on employee survey that are related to internal communications rated at or above 66% satisfaction rating	98%	98%	N/A	98%
Percent of questions on employee survey rated at or above 70	80%	80%	N/A	97%

BUDGET ISSUES FOR FY 2014 - 15

- A significant proportion of the Planning Department's work is mandated by City and County interlocal agreements, including those for joint planning, open space and trails planning, historic preservation, appearance and environmental planning.
- Work priorities shift throughout the year based on changes in direction from both elected boards, City and County Managers and the Joint City-County Planning Committee.
- Planning Department operational expenses are largely driven by legal requirements in the UDO, City Code, and state legislation.
- The Department has been reacting to new state legislation related to UDO requirements, like discretionary decisions, wireless communications facilities, and environmental protection regulations, placing unexpected demands on the work program.
- Fees for review of new development are set to recover approximately 80 to 90 percent of staff costs related to development review, but some specific review costs are set much lower to minimize development review costs for small businesses and residential properties. Fees cover almost none of the costs related to the Zoning Administration, Comprehensive Planning, and Public Information programs.
- The City and County are experiencing disagreement about the appropriate split for funding the Planning Department.
- Managers and Governing Boards have assigned significant new on-going task to the Planning Department without funding new staff; without additional resources, the Department has very little capacity for new initiatives.
- Issues related to County funding of the Planning Department have resulted in lower Department moral.

ACCOMPLISHMENTS FOR FY 2013-14

- Provided timely review and processing of development applications (projected EOY):

Site Plans	425
Subdivisions	420
Board of Adjustment Cases	27
Certificates of Appropriateness	118
Zoning Map Changes	36
Plan Amendments	10
Building permit reviews	488
Outdoor seating permit reviews	6
Design Compliance Reviews	200
Architectural Reviews	8
Home Occupation Permits	550
Temporary Use Permits	88
Street Vendor Registrations	78
Selective Vegetation Removal Permits	8
Limited Agricultural Permits	22
- Provided timely enforcement of the UDO:

Zoning Enforcement Cases Initiated	1,400
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- Coordinated the review of Selective Vegetation Removal Permits for consideration by NCDOT.
- Coordinated with the Police Department to verify use for 80 ABC permit applications.
- Coordinated with the City-County Inspections Department to verify use prior to electrical reconnection for 200 properties.
- Coordinated with the City Business License Office to verify use or change of use for 508 properties.
- Coordinated with the County Sedimentation and Erosion Control Office for single-family grading permits for 40 properties.
- Continued development process improvements, including "Development Roundtable" committee, where representatives from the development community meet monthly with the directors from Planning, Public Works, and Inspections on issues or concerns.
- Completed recertification of Durham County's participation in the National Flood Insurance Program (NFIP) Community Rating System (CRS).
- Developed, implemented, and managed the consolidated annexation process.
- Implemented and enforced new standards for mobile vendor.
- Implemented and enforced new standards for outdoor seating standards in Design Districts.

- Implemented and enforced new standards for group and family care home spacing.
- Completed or worked on significant revisions to the UDO:
 - Removing Discretionary Actions from the UDO;
 - Wireless Communications Facilities (WCF);
 - Tree Coverage Calculation;
 - Density Revisions;
 - Affordable Housing Density Bonus;
 - Watershed Protection Overlays in Rural Villages (Rougemont); and
 - Technical Changes VIII.
- Completed the annual Evaluation and Assessment Report of the Durham Comprehensive Plan.
- Prepared an affordable housing inventory and began work on regulatory incentives for affordable housing.
- Participated in a multi-departmental effort to work with the Triangle Transit Authority to develop and implement a regional Transit Plan.
- Continued work on the multi-year Station Area Strategic Infrastructure (SASI) project to evaluate needed infrastructure improvements around proposed regional transit stations.
- Worked with Budget and Management Services to prepare an annexation analysis for the Eno Economic Development District in Orange County.
- Continued work on a historic district preservation plan for an expanded Cleveland-Holloway Local Historic District.
- Continued work on merging criteria for seven local historic districts and numerous historic landmarks.
- Maintained Certified Local Government Status for historic preservation.
- Participated in Triangle J Council of Government (TJCOG) planning efforts including the Center of the Region (CORE) Project and the Smart Growth Committee
- Managed the Customer Service Center and provided timely response to all general public inquiries (projected EOY total contacts of 12,020 total contacts, approximately 40% over anticipated).
- Staffed eight appointed boards and commissions, as well as participated in numerous regional committees:
 - Joint City-County Planning Committee;
 - Planning Commission;
 - Board of Adjustment;
 - Environmental Affairs Board;
 - Durham Open Space and Trails Commission;
 - Appearance Commission;
 - Durham-Chapel Hill-Orange Work Group; and
 - Development Review Board.
- Assisted in implementation of the County Strategic Plan Goal 4, Environmental Stewardship.
- Assisted in the development and presentation of the legislative agenda.
- Worked with multiple departments on enhancements to the Land Development Office (LDO) digital software.
- Participated in development of the new City and County Economic Development Strategic Plan.
- Managed the urban design workshops for Holland Street and the Morgan Street Parking Garage study.
- Participated with multiple departments in planning for the Choice Neighborhood project.
- Completed station area affordable housing inventory and scoping for broader affordable housing program.
- Completed the draft Planning Department Strategic Plan.
- Assisted in implementation of the City Strategic Plan, Goals 1, 3 and 5.
- Adoption of the Downtown Open Space Plan by the City Council.
- Performed demographic analysis for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (MPO).
- Provided Departmental GIS and computer hardware and software support.

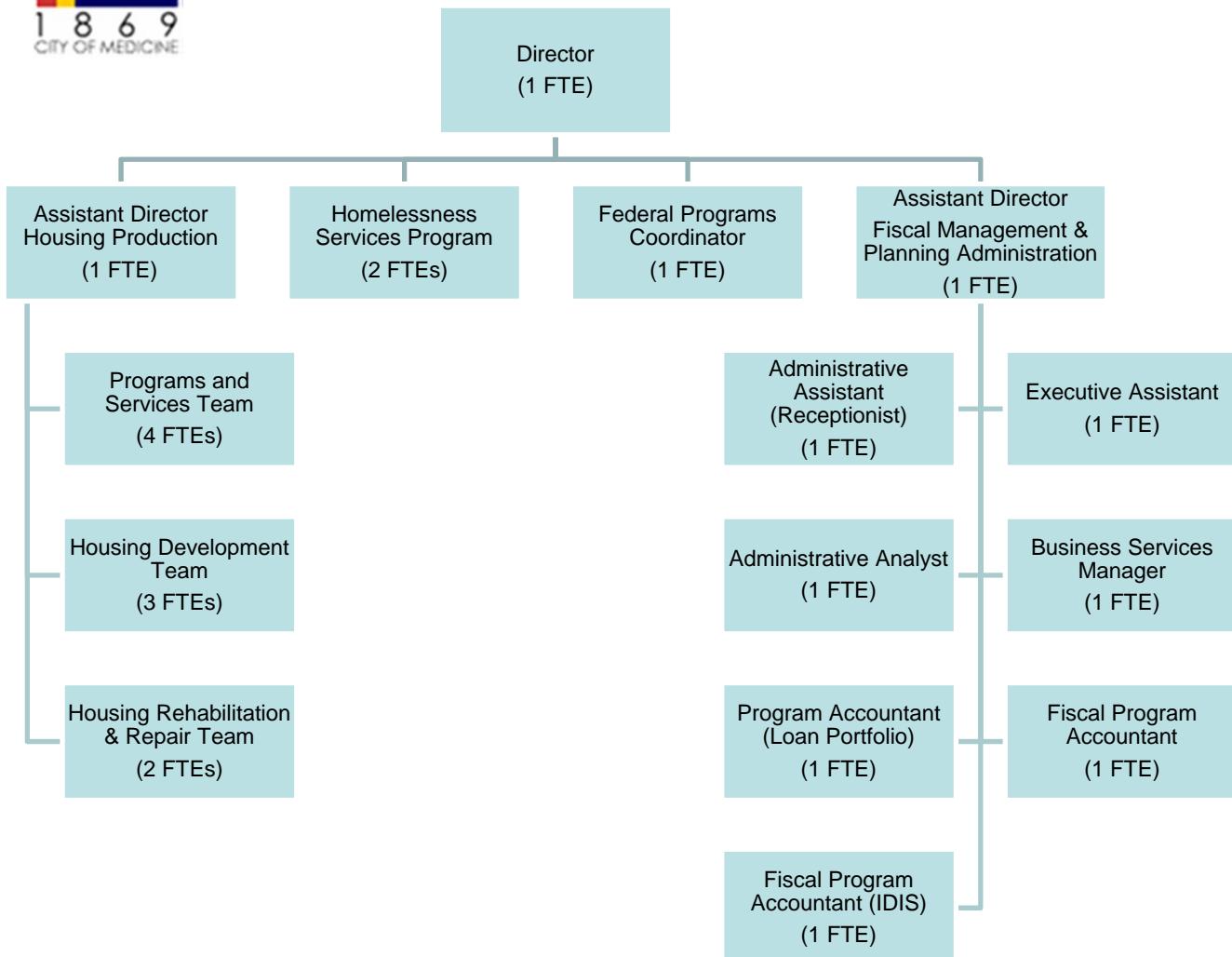
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Continue on-going work activated as defined in the adopted annual Work Program.
- Continue to make significant improvements to the UDO and to development review processes.
- Continue work on the multi-year Station Area Strategic Infrastructure study.
- Will complete the annual Evaluation and Assessment Report for the Durham Comprehensive Plan.
- Begin to implement affordable housing incentives in the UDO.
- Review two major plan amendments, zoning map changes, and zoning text amendments related to Design Districts in Compact Neighborhoods.
- Continue ongoing technical amendments to the UDO.

- Respond to mandates from the NC General Assembly regarding development regulations.
- Adoption of the Urban Open Space Plan by the City Council.
- Adoption of merged historic criteria by the City Council.
- Continue to develop a scope for a major Comprehensive Plan Update.
- Maintain Certified Local Government status.
- Maintain the NFIP Community Rating System certification for Durham County.
- Begin work on the next Compact Neighborhood station area design district.
- Work with the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization on data collection and analysis as well as transportation modelling for development of the next Metropolitan Transportation Plan.



Community Development (22 FTEs)



COMMUNITY DEVELOPMENT

Purpose Statement:

The mission of the Department of Community Development is to foster safe, decent and sustainable neighborhoods and to enhance housing quality and affordability for the citizens of Durham.

DEPARTMENT DESCRIPTION

Community Development	General Fund: \$1,793,896 14 FTEs
	Dedicated Housing Fund: \$3,105,811 1 FTE
	Grant Funds: \$3,544,774 7 FTEs

Fiscal Management and Planning Administration Division

This Division provides oversight and administration of managerial functions that are required for daily operations of the department. The following program is administered under this Division:

Administration: This program involves Departmental management, HUD reporting, consolidated planning, compliance and monitoring, fiscal and budgetary management, loan portfolio management and servicing, Integrated Disbursement Information Systems (IDIS) data management, and housing counseling. Program administration will effectively manage entitlements, recovery funds, other grants, and the Department of Community Development (DCD) programs to ensure fiscal responsibility through internal controls, and compliance monitoring, and continue to realign services to better meet the needs of citizens, non-profits, for-profits, and the community.

Housing Development and Project Administration Division

This Division provides oversight and administration of community development, housing development, community revitalization and redevelopment projects; programs and services intended to stabilize communities through housing production; public service delivery; IDIS grant reporting and project performance; homebuyer initiatives; housing rehabilitation; federal grant programs; customer service; and partnerships with non-profit and for profit entities. The following specific programs are administered under this Division:

Neighborhood Revitalization Program: This program focuses specifically on the Southside neighborhood with the objective of alleviating blight and disinvestment. Specific components include the redevelopment of vacant parcels through the construction of high quality, mixed-income rental units and new homeownership units; the rehabilitation of owner-occupied homes; and enhanced resident self-sufficiency through education and job training. An additional component is a community outreach coordinator located in Southside who, among other duties, works to strengthen and expand the Southside Neighborhood Association.

Affordable Housing Program: This program seeks to increase the rate of homeownership and the supply of quality affordable rental housing in targeted neighborhoods with a particular focus on Northeast Central Durham (NECD) and Southwest Central Durham (SWCD). The program is implemented primarily through partnerships with non-profit entities.

Financial Empowerment and Home Retention Program: This program focuses on assisting low income households in preserving financial wealth and homeownership retention. Second mortgage loans, and housing repair support these program objectives.

Homelessness Services Program: This program seeks to reduce the number of families and individuals in Durham who experience homelessness through case management, essential services, the creation of permanent housing with supportive services, homelessness prevention and rapid re-housing. Included in the program is the administration of the Emergency Solutions Grant (ESG) program and the Continuum of Care (CoC).

Sustainability

The City – County joint sustainability initiative is funded as part of the Community Development budget.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Non-Grant Appropriations					
Personal Services	\$ 1,253,477	\$ 1,366,259	\$ 1,348,428	\$ 1,297,873	-5.0%
Operating	792,350	455,479	1,865,215	1,942,841	326.5%
Capital and Other	-	830,500	-	74,000	-91.1%
Transfers	996,654	1,053,484	1,053,484	1,584,993	50.5%
Total Appropriations	\$ 3,042,481	\$ 3,705,722	\$ 4,267,127	\$ 4,899,707	32.2%
Full Time Equivalents	15	15	15	15	-
Part Time	-	-	-	-	-
 Revenues					
Discretionary Program	\$ 1,695,952	\$ 1,748,738	\$ 2,065,059	\$ 1,793,896	2.6%
	150	73,000	4,600	-	-100.0%
Total General Fund	\$ 1,696,102	\$ 1,821,738	\$ 2,069,659	\$ 1,793,896	-1.5%
Dedicated Housing Fund	1,346,379	1,883,984	2,197,468	3,105,811	64.9%
Total Revenues	\$ 3,042,481	\$ 3,705,722	\$ 4,267,127	\$ 4,899,707	32.2%
 Grant					
Personal Services	\$ 526,960	\$ 505,664	\$ 470,207	\$ 508,843	0.6%
Operating	3,875,564	2,291,726	2,267,730	3,035,931	32.5%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 4,402,524	\$ 2,797,390	\$ 2,737,937	\$ 3,544,774	26.7%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
 Revenues					
CDBG	\$ 1,791,544	\$ 1,564,678	\$ 1,494,508	\$ 2,135,508	36.5%
HOME	1,379,798	1,082,712	1,243,429	1,261,909	16.6%
Emergency Shelter	152,760	150,000	-	147,357	-1.8%
NSP 1	87,794	-	-	-	0.0%
NSP 3	950,000	-	-	-	0.0%
EPA	40,629	-	-	-	0.0%
Total Revenues	\$ 4,402,524	\$ 2,797,390	\$ 2,737,937	\$ 3,544,774	26.7%
 Total Budget	\$ 7,445,005	\$ 6,503,112	\$ 7,005,064	\$ 8,444,481	29.9%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Neighborhood Revitalization Program

General Fund: \$387,019

FTEs: 3

Dedicated Housing Fund: \$1,584,993
Grant Funds: \$2,406,029

FTEs: 2

- Goal:** To create thriving and sustainable neighborhoods.
- Objective:** To increase the rate of homeownership in the neighborhood through the construction and marketing of 45 high quality homes for mixed-income buyers over the next five years.
- Objective:** To create approximately 211 high quality rental housing units serving a broad range of incomes over the next five years.
- Objective:** To reduce the number of vacant properties through redevelopment by 33% over the next five years.
- Initiative:** To partner with proven real estate development professionals and community service providers having established track records of success.
- Objective:** To assist the 24 existing homeowners with housing repair and rehabilitation/replacement needs over the next five years.
- Initiative:** To continue with the rehabilitation of owner-occupied homes and initiate replacement housing efforts in those instances where rehabilitation is not feasible.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Homeownership homes rehabilitated and replaced (Southside)	7	4	4	2
# of Homeownership homes rehabilitated and replaced (Non-Southside)	0	2	2	12

- Objective:** To provide residents with services and programs appropriate to their needs.
- Initiative:** To retain and increase the number of participants in the programs.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Persons engaged in educational training.	14	10	10	10
# of Persons engaged in the Youth Council program.	19	19	20	20

Program: Financial Empowerment and Home Retention Program	General Fund: \$243,914
	FTEs: 2
	Dedicated Housing Fund: \$126,000
	Grant Funds: \$115,596
	FTEs: 1

- Goal:** Strong and Diverse Economy
- Objective:** To provide homeownership and financial educational opportunities and assistance to low to moderate income households.
- Initiative:** To provide assistance and incentives to low to moderate income homebuyers purchasing homes constructed or rehabilitated by non-profits in NECD and SWCD.
- Initiative:** To provide comprehensive housing and financial counseling services in the areas of pre-purchase, and foreclosure prevention and work out plans, financial literacy, default and delinquency.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
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# of Southside homebuyers assisted	0	0	8	13
# of Non-Southside homebuyers assisted	21	14	14	4
% change in delinquency rate relating to the City's loan portfolio	0.44%	-5.00%	-1.65%	-2.00%

Objective: To provide urgent repairs and housing rehab to maintain Durham's housing stock.

Initiative: To create and disseminate informational materials relative to the availability of housing repair and rehabilitation assistance.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# of urgent repairs / rehabs	32	20	23	25
Program: Affordable Housing Program			General Fund: \$121,449	
			FTEs: 1	
			Dedicated	
			Housing Fund: \$1,120,818	
			Grant Funds: \$243,000	
			FTEs: 1	

Goal: Thriving Livable Neighborhoods

Objective: To invest funds in partnerships with for-profit and non-profit development entities that will leverage other resources in the creation of affordable homeownership and rental units in Northeast Central Durham (NECD), Southwest Central Durham (SWCD) and other Durham neighborhoods, excluding Southside.

Initiative: To partner with nonprofit organizations to complete homeownership and affordable rental development efforts in NECD and SWCD.

Initiative: To solicit proposals for the development of at least one Low Income Housing Tax Credit project through the Department's annual application process.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# of Homeownership units created (Southside)	14	12	15	15
# of Homeownership units created (Non-Southside)	14	12	12	2
# of Affordable rental units created (Southside)	0	143	143	9
# of Affordable rental units created (Non-Southside)	4	8	8	169
# of Affordable rental units created (Special Needs)	0	23	23	23

Program: Administration	General Fund: \$782,090
	FTEs: 7
	Grant Funds: \$508,843
	FTEs: 2

Goal: Well Managed City

- Objective:** To be compliant with the timeliness of HUD requirements.
Initiative: Strengthen internal controls in IDIS and General Ledger reconciliation.

Program: Homelessness Services Program	General Fund: \$168,898
	FTEs: 1
	Dedicated Housing Fund: \$274,000
	FTEs: 1
	Grant Funds: \$271,306
	FTEs: 1

Goal: Thriving Livable Neighborhoods

- Objective:** To increase the number of permanent housing units and provide supportive services as well as assistance to homeless persons and those at risk of becoming homeless.
- Initiative:** To ensure that services are coordinated and delivered in a way that emphasizes homelessness prevention.
- Initiative:** To monitor and report on rapid re-housing efforts funded by both Federal and local sources.
- Initiative:** To solicit proposals for the development of at least one Permanent Supportive Housing project through the Department's annual application process.
- Initiative:** To effectively administer the Continuum of Care through a cooperation agreement with Durham County.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Households provided prevention and rapid rehousing assistance.	35	82	82	84

Program: Sustainability **General Fund:** \$90,526

ACCOMPLISHMENTS FOR FY 2013-14

Neighborhood Revitalization (Southside)

- Site preparation and public infrastructure associated with first phase of development on the former Rolling Hills site complete.
- Southside Revitalization Phase 1 (MBS rental – 132 units) complete except for building 2 (31 units). Leasing underway.
- Owner-occupant rehabilitation complete (final two units), one replacement home completed and one additional replacement home under construction.
- Piedmont Rentals project (9 affordable units) under construction.
- Site preparation and infrastructure improvements for the initial 48 homeownership units completed.
- Fifteen homeownership units complete or under construction with homeowners association and restrictive covenants in place. Approval from NCHFA for participation in Loan Pool approved providing homeownership assistance to income-eligible Southside homebuyers. Eight low to moderate income buyers provided with homeownership assistance.
- Newsletters published and distributed within the community on a regular basis. Including the Southside Youth Leadership group, 30 persons engaged in programs and services.
- LIHTC application submitted for the re-purposing of the Whitted School as affordable elderly housing (79 units).

Financial Empowerment and Home Retention

- Urgent repairs completed to the homes of 25 elderly or disabled owner-occupants.
- Default/delinquency counseling provided to homeowners having City loans resulting in approximately 12 loan modifications.
- Assistance provided to 14 low to moderate income buyers in NECD and SWCD for the purchase of homes constructed or renovated by non-profits.

Affordable Housing

- Twelve homeownership units created or renovated by DCLT and Habitat in SWCD and NECD.
- Preservation Durham award to Habitat for NSP and HOME funded historic preservation work in the East Durham Historic District.
- Four affordable rental units renovated in SWCD by DCLT.
- LIHTC award to the "Vermillion", a 60-unit affordable development serving families.
- Construction underway on 8 affordable rental units at Goley Pointe by Durham Housing Authority/DVI.
- 11 second mortgage loans to Habitat homebuyers and construction cost write-downs for two Habitat rehabs in SWCD.

Homeless Services

- Construction underway for 11 units for homeless Veterans at Denson Apartments being developed by CASA.
- Construction underway for 12 units for formerly homeless individuals or families at Goley Pointe being developed by DVI.
- Homelessness prevention assistance provided to 24 households.
- Rapid Re-housing assistance provided to 60 households.

Administration

- Monthly reconciliation of the General Ledger and the Integrated Disbursement & Information System (IDIS) to ensure funds expended by the City for Projects have been timely requested from and reimbursed by the U.S. Department of Housing and Urban Development (HUD) has proven to be successful.
- Revised Policies and Procedures have been developed to address borrowers' delinquencies on the City's Loan Portfolio.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

Neighborhood Revitalization (Southside)

- Construction and sale of an additional 16-24 homeownership units.
- Completion of Piedmont Rentals project (9 units)
- Completion of site prep and infrastructure improvements for the Beamon/Piedmont assemblage (unit count to be determined).
- Re-zoning completion for the balance of the former Rolling Hills site.
- Final two homeowner replacement housing/relocations completion.
- LIHTC to be awarded to the Whitted School project.
- Site prep and infrastructure design documents to be completed for the balance of the former Rolling Hills site.
- LIHTC application to be submitted for second phase of development by MBS (79 units).

Financial Empowerment/Home Retention

- Urgent repairs to be completed to the homes of 25 elderly or disabled owner-occupants.

- Default/delinquency counseling to be provided to homeowners having City loans resulting in approximately 12 loan modifications.
- Continued assistance to be provided to low to moderate income buyers in NECD and SWCD for the purchase of homes constructed or renovated by non-profits.

Affordable Housing

- Goley Pointe project to be completed and occupied (8 units).
- Preiss-Steele Place to be completed and occupied (82 units).
- 30 affordable rental units to be preserved in SWCD by DCLT.
- 2 new affordable rental units to be created in SWCD by DCLT.
- 10 owner-occupied properties to be repaired in SWCD by DCLT.
- 47 affordable rental units to be preserved by Woodland Associates.
- Construction underway on the Vermillion (60 affordable rental units).

Homeless Services

- Continue prevention and re-housing efforts.
- CASA's Denson Apartments for Veterans Phase 1 and DVI's Goley Pointe projects to be complete and occupied (23 total units).
- Construction to be initiated on CASA's Denson Apartments for Veterans Phase 2.

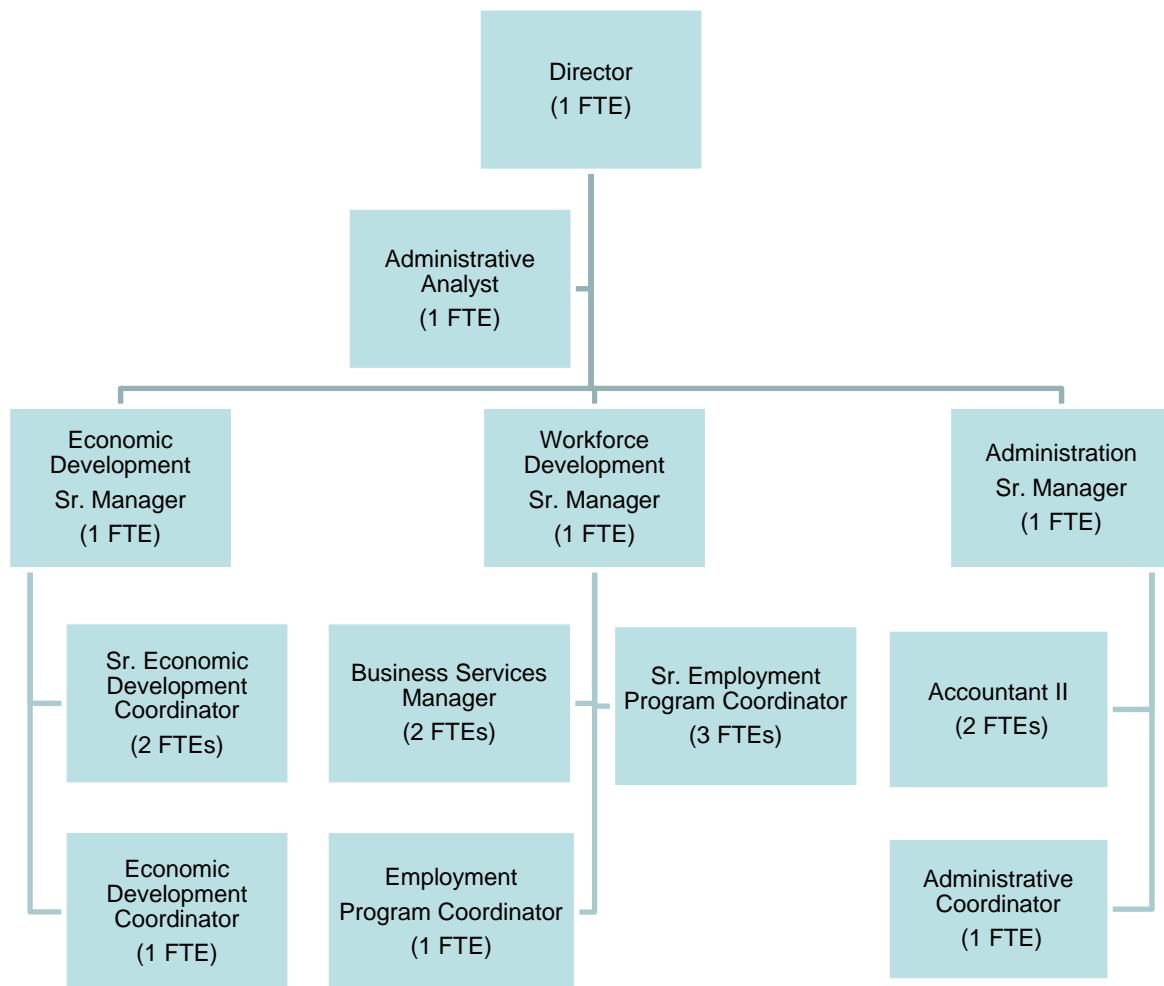
Administration

- Develop and implement a plan to address departmental concerns on the employee opinion survey.
- Submit for approval the developed Policies and Procedures that addresses Borrowers' delinquencies on the City's Loan Portfolio.



Office of Economic & Workforce Development

(17 FTEs)



OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

Purpose Statement: To innovatively drive economic prosperity in Durham by:

- Revitalizing Durham neighborhoods
- Increasing Durham's commercial tax base
- Assisting in attracting, creating, expanding and retaining businesses
- Fostering a skilled workforce

DEPARTMENT DESCRIPTION

Office of Economic & Workforce Development

General Fund: \$1,840,004

10 FTEs

Grant Funds: \$2,123,967

7 FTEs

Economic Development Division

The Economic Development Division is charged with executing the City of Durham's economic development strategy, which encourages growth and investments across the City. Our strategy is centered on three major priorities: attracting businesses, revitalizing neighborhoods and creating jobs. The division is dedicated to promoting City initiatives and providing economic tools to business owners interested in relocating or expanding their companies in the City of Durham. The division coordinates a myriad of economic development incentives with businesses globally. Our strategy involves building on the City's strengths to promote existing businesses and retain jobs; to facilitate business expansion; and to recruit new businesses and related employment to the City. Because business recruitment is very competitive, we partner with the State of North Carolina Department of Commerce, the Durham County Government, Downtown Durham, Inc., the Research Triangle Regional Partnership, the Research Triangle Park Foundation, the Greater Durham Chamber of Commerce, the Durham Convention and Visitors Bureau and a multitude of other economic development organizations to ensure that companies utilize the appropriate incentives to help grow their businesses in Durham.

The Economic Development Division serves in a myriad of roles to achieve organizational outcomes. The division may serve as an:

- Initiator - Initiators of economic development programs through distribution of public funds, investment incentives, and the creation and retention of a favorable economic environment that stimulates growth
- Facilitator - Economic developers are key facilitators in creating public-private partnerships and coordinating activities and communications between different agencies, territories, and stakeholders. It is their job to bring the different stakeholders to the bargaining table, gather resources, mediate and match buyers with suppliers, and facilitate business partnerships.
- Convener - Conveners are often essential to achieving successful outcomes in collaborative processes, especially when the solutions reached require action by multiple sectors and levels of government.

Cultural/Creative Arts Innovation and Tourism Development Spearheading and implementing a comprehensive planning process for cultural/creative arts and tourism development that creates a coordinated economic development strategy and provides project management and analysis for developer submissions, planning projects and interagency effort coordination on area-wide initiatives. The division develops supports and expands the City's Public Art initiatives and infrastructure. Staff provides expertise and advocacy for public art improvements that stimulate economic development and serve the needs of Durham's creative entrepreneurs, businesses, residents and visitors.

Staff works in collaboration with the Durham Convention and Visitors Bureau and other community stakeholders to promote heritage/history tourism based on interest in Durham's history, culture, or natural resources by harvesting existing assets, etc. We work collaboratively to attract new and promote existing Durham-based festivals, celebrations and events to draw visitors to Durham.

Development, Infrastructure and Redevelopment Public-Private Partnerships which focus on working in collaboration with economic development partners on transformative projects in urban areas (downtown and the adjoining neighborhoods) and in suburban areas through the investment of financial and technical assistance resources in projects that increase the tax base, create jobs and maximize private sector investment. These

projects contribute to a strong and diverse economy in support of Goal One of the City-wide Strategic Plan. Durham has benefited from several successful public-private ventures, including the redevelopment of the American Tobacco Campus and the transformation of the Liggett tobacco property into West Village. Amenities such as the Durham Performing Arts Center, the Durham Bulls Athletic Park and the Durham Athletic Park have solidified Durham's growing reputation as a community committed to the expansion of cultural arts. The revitalization of downtown has yielded a thriving City Center, and continues to be an economic engine for startup businesses and entrepreneurs. Downtown also provides venues for public events and offers an attractive urban residential option for citizens. Neighborhood revitalization has been bolstered and will continue through projects such as Save-A-Lot Food Stores, the redevelopment of the Old Y.E. Smith School and infrastructure projects, such as the Angier-Driver Streetscape Project. Major property incentive deals, as well as Building Improvement Grants (BIGs), Retail and Professional Services Grants, and sign grants are tools geared toward strengthening the stability of businesses, growing the tax base and creating job opportunities for Durham residents.

The division develops and facilitates the economic development strategies to promote property redevelopment and reuse by taking previously developed properties or areas to a higher, more productive use. We facilitate the coordination among developers, banks, regulatory authorities and private businesses to revitalize neighborhoods economically, remove blight and improve the quality of life.

Effective Business Development, Attraction, Retention and Expansion Services focus on the provision of technical assistance to help businesses start, grow and be recruited to relocate to Durham. Partnerships with many of the aforementioned community partners will be essential, along with coordination of other City departments. Another key component will be the assessment and evaluation of business services to ensure services are relevant to current business needs. The future implementation of Durham-Based Business Plans is designed to build capacity in Durham's small businesses in order to help them compete for contracting opportunities created by private sector growth in Durham, as well as public sector infrastructure projects. The division develops strategies and public-private partnerships that meet the capital needs of businesses that are not addressed by traditional lending and investment institutions. The programs are targeted to meet the following economic development opportunities: (1) job creation and retention; (2) business creation, retention and expansion; (3) economic diversification and stability; and (4) support for disadvantaged and underserved businesses. Staff provides project management services and develops economic development strategies to promote business clusters for Durham's targeted neighborhoods by working to facilitate the formation of industry associations, networks and support centers addressing common needs to help local neighborhood-based businesses implement new technologies and business practices.

Workforce Development Division

Job Preparation and Placement services are based upon the Durham Workforce Development Board 2012-2014 Strategic Plan and delivered through the Durham Career Center, formerly known as the Durham JobLink, system to connect Durham businesses with well-trained individuals seeking new employment or upgrading their employment. Federal and private foundation funding supports training and workforce placement programs for eligible adults, laid-off workers and youth. City funds supplement employment and training opportunities for youth and job seekers that are former offenders. The Former Offender Program provides employment orientations/workshops in order to maximize the former offender's employability. These sessions proceed customized job development, job placement and retention activities, as well as placements into training opportunities, where needed for employability. The various support services assist program participants as they transition into Durham's workforce, thus increasing the likelihood that there will be a reduction in the recidivism rate in Durham City/County. Subsequently, Durham's workforce is improved by the Durham Career Center's ability to refer qualified/skilled former offenders. Outside of programs that are funded by City and ongoing Workforce Investment Act funding, other special initiatives include the U.S. EPA Brownfields Grant for job training and placement as well as the Telecommunications, Energy and Truck driving Job Training Program that is provided to the community in partnership with North Carolina Institute for Minority Economic Development (NCIMED).

The Durham Workforce Development Board (DWDB) approved a demand-driven, integrated service delivery system effective January 1, 2014, for the Durham Career Centers located at 1105 South Briggs Avenue and 1058 West Club Boulevard, Durham, North Carolina. The main objective of Durham's integrated service delivery is more customers receiving skill enhancement services – which are critical to the local, regional and statewide economy, and necessary to meet needs of Durham's local employers. This overall integration system is designed to impact key operational objectives: improve access to services; increase efficiency in use of limited resources by elimination of duplication of services and better management of customer flow; and improve program performance. The DWDB recognizes and agrees with the State's mandated list of partners and its membership

aligns with that group of partners. The terms of cooperation and support with regard to building, maintaining and improving system delivery are listed in the Memorandum of Understanding for the North Carolina Career Center System. OEWD is a signatory agency for this document. The DWDB also recognizes that the new unified approach emphasizes the need for collaboration and support from the State Division of Workforce Solutions in order to implement an integrated services approach. Lastly, the DWDB supports performance measures under the North Carolina System Success Indicators as measures of success and as indicators for continued enhancement.

In June 2013, the former Mayor's Summer Youth Program came under the administration of OEWD and is now called the Durham YouthWork Internship Program. This program for youth aged 14-21 builds occupational and life skills and supports career exploration for youth in public and private sector occupations.

Provide High Quality Services to Businesses - Partnerships with the Greater Durham Chamber of Commerce, Durham Technical Community College, North Carolina Institute of Minority Economic Development, North Carolina Central University, Duke University, Downtown Durham, Inc., Durham Public Schools, Made in Durham, Inc. and the City's Office of Equal Opportunity and Equity Assurance and many other not-for-profit and governmental entities provide resources that relate to the recruitment, retention, expansion and startup of businesses. Also, the implementation of workforce development plans with businesses that receive incentives from the City and County, as well as public sector departments that undertake infrastructure projects are key strategies designed to make the Durham Career Center system easier for businesses to use and facilitate job placement and retention for Durham residents. This includes support of pipeline efforts (i.e. recruitment assistance) of the Durham Career Center Leadership Team by evaluating gaps in service delivery to businesses and solving problems with programs, projects, and processes by analyzing performance data and program components in an effort to increase overall placement outcomes of the Durham Career Center. We will also promote the Durham Career Center system (brand/service delivery) to Business and Community stakeholders for greater customer visibility and overall increased customer use of the Durham Career Center system by 1) increasing awareness through all available means, 2) creating stronger linkages between the Durham Career Center system and business/community through direct outreach and service related interventions, 3) increasing/coordinating opportunities for businesses to use the Durham Career Centers by supporting coordinated recruitment and hiring efforts, and 4) strengthening relationship between the Durham Career Center and local community colleges/universities. We will participate as an active member of regional and statewide business services teams which involves coordination of recruitment assistance for area businesses, a provision of outplacement services for businesses facing layoff/closure. And finally, we will support project managers who oversee special grants/initiatives through employer outreach in an effort to develop placement and career exploration opportunities for job seekers.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Non-Grant Appropriations					
Personal Services	\$ 958,229	\$ 1,075,524	\$ 1,082,137	\$ 1,004,556	-6.6%
Operating	590,261	631,785	1,364,517	734,448	16.2%
Capital and Other	-	-	-	101,000	100.0%
Total Appropriations	\$ 1,548,490	\$ 1,707,309	\$ 2,446,654	\$ 1,840,004	7.8%
 Full Time Equivalents	 10	 10	 10	 10	 -
Part Time	1	1	1	1	-
 Revenues	 	 	 	 	
Discretionary Program	\$ 1,548,490	\$ 1,613,309	\$ 2,352,654	\$ 1,840,004	14.1%
	-	94,000	94,000	-	-100.0%
Total Revenues	\$ 1,548,490	\$ 1,707,309	\$ 2,446,654	\$ 1,840,004	7.8%
 Grant	 	 	 	 	
Personal Services	\$ 767,000	\$ 535,135	\$ 641,236	\$ 480,992	-10.1%
Operating	1,659,400	1,492,334	1,952,089	1,642,975	10.1%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 2,426,400	\$ 2,027,469	\$ 2,593,325	\$ 2,123,967	4.8%
 Full Time Equivalents	 7	 7	 7	 7	 -
Part Time	1	1	1	1	-
 Revenues	 	 	 	 	
EPA Brownfields	\$ 199,998	\$ 199,998	\$ 199,998	\$ 199,998	0.0%
Employment Training	2,166,402	1,685,326	2,247,682	1,923,969	14.2%
Cultural Master Plan	-	67,145	85,645	-	-100.0%
SAMHSA	60,000	75,000	60,000	-	-100.0%
Total Grant Revenue	\$ 2,426,400	\$ 2,027,469	\$ 2,593,325	\$ 2,123,967	4.8%
 Total Budget	 \$ 3,974,890	 \$ 3,734,778	 \$ 5,039,979	 \$ 3,963,971	 6.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Downtown Redevelopment

General Fund: \$455,174

FTEs: 1.50

Goal: Strong & Diverse Economy

Objective: To drive commercial activity, job creation and decrease vacancies

Initiative: Medium to Large-Scale Projects

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# of Projects evaluated and facilitated	5	6	6	4

% of Projects approved	5	4	4	5
Office vacancy rate (Downtown) ¹	9%	9%	9%	9%
Dollar value of new construction projects created through City ED efforts	N/A	N/A	N/A	\$75 million
Dollar value of adaptive reuse projects created through City ED efforts	N/A	N/A	N/A	\$600,000

¹ NAI Carolantic Realty, 2013 Triangle Commercial Real Estate Report

Program: Neighborhood Development/Redevelopment **General Fund:** \$549,922
FTEs: 2.25

Goal: Strong & Diverse Economy

Objective: To drive commercial activity, job creation and decrease vacancies

Initiative: Medium to Large-Scale Projects

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Projects evaluated and facilitated	2	3	0	3
% of Projects approved	50%	33%	0%	33%
Dollar value of adaptive reuse projects created through City ED efforts	N/A	N/A	N/A	\$1.9 million

Program: Business Expansion and Retention Services **General Fund:** \$81,347
FTEs: 0.75

Goal: Strong & Diverse Economy

Objective: Improve business prospects for small businesses (especially professional services firms and contractors)

Initiative: Implement Durham-based Business Plan

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Businesses in SBAC program that reach business goal (i.e. increased sales, profits, contracts awarded, job creation/retention) within 12 months	N/A	N/A	N/A	75%
# of Businesses and entrepreneurs served by the Small Business Advisory Committee	N/A	N/A	N/A	125
# of Durham based firms awarded contracts from City ED projects	N/A	N/A	N/A	20

# of Businesses that choose to locate in the City of Durham through ED efforts	N/A	N/A	N/A	5
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Program: Cultural/Public Art **General Fund:** \$20,143
FTEs: 0.25

Goal: Strong & Diverse Economy

Objective: Increase the availability of the arts to encourage economic development, pedestrian experience and quality of life.

Initiative: Develop an ongoing public arts program and to support the growth and expansion of other cultural programs.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of ED projects that include public art installations or financial contributions to the public art fund within a 12-month period	N/A	N/A	4	3
# of Public art installations at targeted locations within a 12-month period (Target 1/yr)	N/A	N/A	15	1
# of new cultural arts programs to support tourism and ED in collaboration with stakeholders completed within a 12-month period	N/A	N/A	7	7

Program: Job Preparation and Placement **General Fund:** \$360,681
FTEs: 1.25
Grant Funds: \$2,056,683
FTEs: 6

Goal: Strong and Diverse Economy

Objective: Job creation and placement of Durham residents aged 24 and older

Initiative: Implement grant funded programs for eligible adults and laid off workers

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of participants	476	550	550	570
Cost per participant	\$1,636	\$1,800	\$1,800	\$1,800
% of adults leaving grant funded program(s) with employment	66%	65%	66%	66%

Initiative: Implement Ex-Offender placement and training program

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Placed in employment or training	58%	60%	60%	60%

% All ex-offender participants placed in employment remaining on the job at least 6 months	57%	55%	55%	63%
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Objective: Help youth achieve educational and employment success

Initiative: Implement short-term employment programs for youth (year-round work experience, WHOA, and summer programs)

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of participants in subsidized employment	105	160	120	125
% completing work assignment	99%	80%	100%	100%

Initiative: Implement grant funded programs for low income youth

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of youth participants	155	210	150	150
Cost per participant	\$2,258	<\$2,500	\$2,500	2,500
% Entering employment or post-secondary education	81%	65%	69%	69%

Program: Administration	General Fund: \$372,737
	FTEs: 4
	Grant Funds: \$67,284
	FTEs: 1

Goal: Well-Managed City

Objective: Establish a sound fiscal administrative reporting structure to efficiently manage funds.

Initiative: Grants are effectively managed and are in full compliance

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Observations that lead to findings (internal, State, Federal)	N/A	3%	3%	3%

BUDGET ISSUES FOR FY 2014-15

- The Durham Workforce Development Board (DWDB) will develop a new strategic plan as the current plan expires this year. The plan will place greater emphasis on private sector engagement in the design of curricula and programs as well as interactions with youth and adults that will increase employability. There are two challenges with assisting the private-sector: obtaining funding to put the strategic plan into action and the uncertainty of workforce board “regionalization” across the state, as a result of recent legislature.
- Partnering with Durham County, Durham Public Schools and the private sector to expand the Durham YouthWork Internship Program (DYIP). Public sector financing has leveled due to budget challenges and without greater investment from the private-sector, the future growth of the program may be impossible.
- The State has mandated Integrated Services Delivery (ISD) at both Durham Career Centers. We have fewer staff members and financial resources with which to implement this programmatic change.

- It will be more challenging to plan effective, quality workforce development programs when a vast majority of the funding comes from Workforce Investment Act (WIA) which does not disclose the award until May and WIA funds were severely cut last year. Given this, it will be an additional challenge to onboard a new WIA adult and dislocated services provider into the Durham Career Center system.
- Consistent program marketing has been a challenge that we hope to overcome. Achieving greater recognition of programs, products and services through print and electronic media and on social websites is difficult.
- Funding allocated to Neighborhood Revitalization may prohibit the ability to support potential transformative projects in the commercial corridors. The funding requests from developers supersede the current allocation.

ACCOMPLISHMENTS FOR FY 2013-14

- 21c Durham, LLC. through its general contractor, Skanska, awarded \$1,176,833 in contracts to 8 Durham-based firms as of December 31, 2013. In collaboration with Skanska, OEWD held 2 business outreach meetings for Durham-based firms seeking contracting opportunities with the 21c Durham, LLC project.
- Successfully recruited two new businesses to downtown Durham – Caktus Group (a software development company) and Pleiades Gallery (a co-op art gallery).
- Successfully compiled a database of over 890 Durham-based firms for the Durham-Based Business Plan.
- Co-hosted a Veterans and Service-Disabled Veterans Business Development Bootcamp with the Office of Congressman G.K. Butterfield, the Office of Congressman David Price, and the NC Small Business Development and Technology Center in September 2013.
- Sponsored a Nonprofit Philanthropy Workshop and Bootcamp in collaboration with the Triangle Community Foundation, the Mary Duke Biddle Foundation, Z. Smith Reynolds Foundation and the Wells Fargo Charitable Foundation in October 2013.
- The following projects were recommended by the Cultural Advisory Board:
 - A grant of \$47,145 from Cultural Master Plan implementation funds was made to the Museum of Durham History, Inc., to fund renovations to the City-owned building housing the Durham History Hub. The project was completed and the History Hub opened in October 2013.
 - A grant of \$8,250 was made to the Art of Cool Project to fund the first annual Art of Cool Music Festival, a major new downtown jazz festival to be held in April 2014. It is anticipated that this will be an annual event and the festival sponsor will be applying for annual funding from the City.
 - A \$10,000 grant to Liberty Arts, Inc. was approved to fund the first annual Bull City Sculpture Show, a national juried public art exhibit which will be held May 1 through October 31, 2014, with works installed in 12 downtown outdoor locations. As part of the show, the City of Durham will receive ownership of one work from the show, through a purchase prize process in which the City will participate. It is anticipated that this will be an annual event and Liberty Arts will be seeking annual funding.
- Submitted an EPA Brownfields Community-Wide Assessment Grant Proposal for \$400,000 in January 2014.
- A Neighborhood Revitalization grant assisted Self-Help Ventures Fund to complete the renovation project of the 48,000 square foot Historic Y.E. Smith School, located on 107 South Driver Street, which is currently occupied by Maureen Joy Charter School. On this project, 24 Durham firms were awarded contracts with a total value of over \$5.7M.
- City Council approved funding for a public-private Ninth Street redevelopment agreement between the City and CPGPI Regency Erwin, LLC. The scope of the agreement includes the design and re-construction of approximately 1,200 linear feet of sidewalks, a surface lot lease agreement to provide paid parking for the general public, and streetscape amenities to enhance the visual appeal of the Ninth Street business corridor.
- Neighborhood Revitalization funding assisted Reinvestment Partners in completing façade and interior improvements to 1202 N. Roxboro Street. In addition, they also administered the funding for exterior improvements to 836 N. Mangum Street and 1201 N. Roxboro Street.
- Neighborhood Revitalization funding and the 2009 EPA ARRA Brownfields Assessment Grant contributed to the UDI-CDC reconstruction of a 4,500 square foot, three level mix-use residential/commercial building located on 727 Magnum Street. The project will be complete June 2014.
- The completion of the Little Five Points Gateway Civic Project located at the North Magnum and Corporation Street intersection. The project enhances the visual appeal of this intersection and creates a connection between downtown and Northeast Central Durham.
- A Neighborhood Revitalization Building Improvement Grant was awarded to Eastern Carolina Organics, LLC to assist with the renovation of a building on E. Pettigrew Street in Northeast Central Durham. Eastern Carolina Organics, LLC is a company that provides a sustainable system for the production and distribution of organic food.

- A Building Improvement Grant to Bullocity, LLC, assisted with the renovation of a deteriorated building in the Parrish Street Project Area to make it rental ready for ground floor retail and office/residential use on the building's second and third floors. The building had been vacant for ten years. In conjunction, a Retail and Professional Services Grant was awarded to Intrepid Life Brewing, LLC, for interior improvements to the first floor area for a new coffee shop and bar, which opened in January 2014.
- A Building Improvement Grant for Atlas Foster Real Estate Holdings provided funding for the redevelopment of a historically significant property listed on the North Carolina State Historic Preservation Study List. The building was environmentally impaired due to its former use as a dry cleaner. Environmental remediation and renovation was completed and the building is advertising for rental occupants for ground floor retail use, with additional rental space for offices and other professional services.
- A Retail and Professional Services Grant provided funding to Angle Management, LLC for the renovation of vacant building space in order to expand The Cookery, a flexible food preparation and event space, including kitchen and bakery facilities for use by caterers, baking businesses and other local food service providers. The facility opened with great success.
- A Retail and Professional Services Grant awarded to Joi Stepney, doing business as Hairizon, provided funding to make improvements to first floor retail space in the Five Points area for a beauty, fashion and body care supply shop. The business completed the project in January 2014.
- The third EPA Brownfields Job Training grant for \$199,998 is nearing completion. This grant has provided environmental technology training for 78 individuals in Durham and has resulted thus far in a 52% placement of program graduates in Environmental Technology jobs and other related fields. OEWD seeks to reach the program placement goal of 65% within a year from the date classes are completed, Spring 2015.
- Applied for a fourth EPA Brownfields Job Training Grant in the amount of \$200,000 to train an additional 75 residents in Environmental Technology and other related fields for 2015-2017.
- Received an additional \$200,000 grant for On-the-Job Training (OJT) from the North Carolina Department of Commerce to implement ongoing OJT opportunities for dislocated workers in high growth jobs. OJT subsidies have supported placements within pharmaceutical, manufacturing, energy, healthcare, and other entry-mid level professional positions, with an average starting wage of \$14.94 per hour.
- A pilot training program for opportunities in the telecommunications and energy industries, in partnership with the North Carolina Institute for Minority Economic Development (NCIMED), is nearing completion. The grant award totaled over \$161,000. Thus far, thirty-two individuals have been trained and OEWD and NCIMED are working to achieve the program goal to train 40 participants.
- Awarded an additional \$200,000 in Dislocated Worker Contingency Funds from the North Carolina Department of Commerce to implement short term occupational trainings and Work Experiences with NCIMED students.
- Thirty-two companies participated in Employer Friday at Durham Career Centers and other direct recruitment events held at the Career Centers in 2013, hiring over 448 positions which resulted in an 89% placement rate and an average wage of \$10.13. This included many recruitment events over the first six months of FY14.
- Reported Employer Customer Satisfaction results which represented a 99% satisfaction rate with services received at the Durham Career Centers.
- Job Seeker Customer Satisfaction results represented a 95% satisfaction rate with services at Durham Career Centers.
- A traffic increase of 12% was experienced at the Durham Career Centers through December 2013.
- Twenty-one new employers were given Durham Career Center orientations and assisted with recruitment services.
- The Durham Career Centers developed, in partnership with the City of Durham's Technology Solutions Department, an electronic sign-in program for customer tracking. This is the first to be created/used in the State of North Carolina's Career Center system.
- Durham Career Centers partnered with the City of Durham's Former Offender Program in presenting a City-wide Re-Entry Navigational Conference which was attended by 274 returning citizens and job fair which was attended by over 100 former offenders with a criminal background. Twenty-six individuals have obtained employment and others continue to work with the Durham Career Center in an effort to gain employment.
- Provided comprehensive employment case management and counseling to 53 former offenders for the first six-months of FY14, placing 65% of participants in employment or training.
- Partnered with "Perfect Balance, Inc." to present holistic services each month to job seekers at Durham Career Centers.
- In response to requests from Durham residents for automotive training opportunities, Wyotech, based out of Wyoming, was recruited to provide quarterly information sessions at the Durham Career Center.
- A pilot workshop was created to assist computer illiterate job seekers with basic job seeking instructions via the computer. This class proved to be a success and is now scheduled quarterly.

- Provided services to 124 WIA youth for the first six-months of FY14 through the Durham Youth Employed and Succeeding (YES) Program, with youth participants exceeding state goals for placement in employment/education, attaining a degree/certificate, and gains in numeracy and literacy measures. An additional 97 youth were placed in paid internships during a time when opportunities were limited.

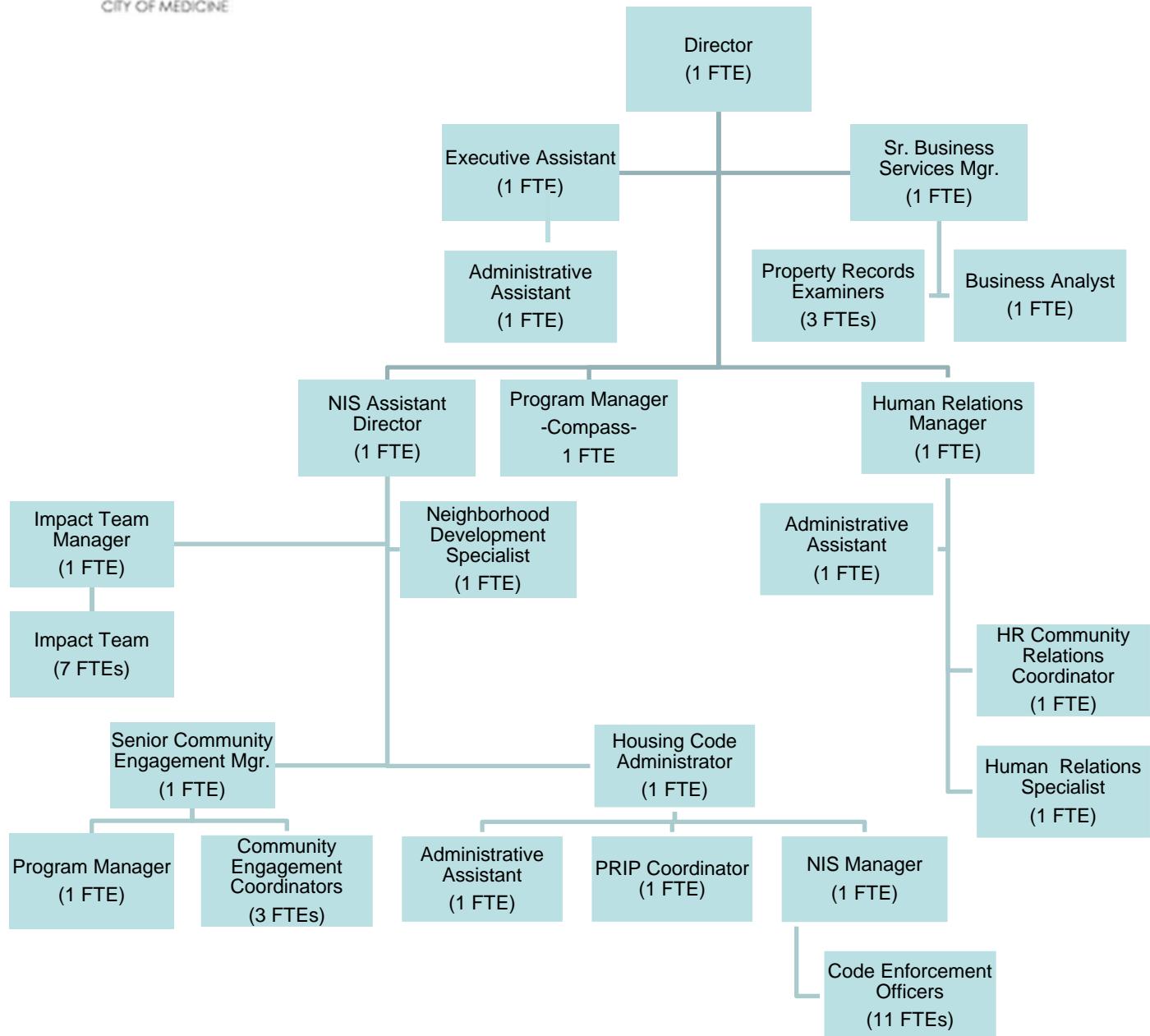
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- The Angier/Driver Streetscape Project will be completed. The project will provide for new pavement, curbs, gutters, sidewalks, street lights, landscaping, underground, and overhead utilities along Angier/Driver Streets. The project extends from the intersection of Angier Avenue and Driver Street east along Angier Avenue to Briggs Avenue, and includes Driver Street north to Ashe Street. The project was awarded \$3,980,065 and is currently 31% complete.
- Implementation of the Joint City-County Economic Development Strategic Plan should begin, with a more holistic approach driving unified approaches, policies and agreements between the City and County. This should strengthen talent and business attraction and recruitment efforts and provide a more favorable business climate for large and small businesses
- Two hotel projects are scheduled for completion in FY15:
 - The Residence Inn Project is creating a 143 room extended stay model hotel that will adaptively reuse a portion of the McPherson Eye and Ear Hospital and will improve a blighted corner at the western edge of downtown. The \$22.3M project will create 43 jobs.
 - The completion of Hotel Durham is anticipated in FY15. This \$11M project will create a 54 room boutique hotel, with a restaurant and rooftop bar. Over 90 jobs are expected to be created.
- Durham's first ever Civil Rights Mural is anticipated to be completed in September 2014. With City Council approval in March 2014, the mural will be painted on one of the walls of the Durham Convention Center.
- Transformative projects on West Chapel Hill Street, Fayetteville Street and within the Angier/Driver corridor will move forward in stages of real estate and infrastructure development.
- The installation of the sound system at the Durham Athletic Park will increase multi-use programming.
- OEWD will collaborate with the Urban Land Institute to study uses for the repurposing of underperforming shopping centers.
- Develop and implement the City's Foreign Direct Investment Strategy in collaboration with local, state and federal partners.
- Connect Durham job seekers and businesses to opportunities created by economic development deals and solidify a "talent" pipeline in conjunction with Durham Career Center and economic development partners.
- Continue to implement the Durham Workforce Development Board 2012-2014 Strategic Plan approved January 16, 2012 to:
 - Plan and implement workforce development initiatives that support a strong, diverse, and balanced economy in Durham.
 - Create and implement effective, replicable, and cost-efficient program models that serve low income disconnected youth in Durham.
 - Brand and strengthen service delivery to the universal population of businesses and jobseekers.
- Enhance WHOA summer program through partnerships with Durham Public Schools and area organizations.
- Expand the Durham YouthWork Internship Program through employment, training and paid work experience initiatives to more high growth businesses and industries, by increasing private sector investments and including the implementation of a community-wide apprenticeship program that brings together training partners (e.g. Durham Public Schools, Durham Tech) with businesses looking to support apprentices.
- Actively seek new grants to supplement City funding and form partnerships to collaboratively pursue grants and other financial resources.
- Continue to implement OEWD Departmental Strategic Plan.



Neighborhood Improvement Services

(44 FTEs)



NEIGHBORHOOD IMPROVEMENT SERVICES

Purpose Statement:

Building sustainable communities through community engagement, code enforcement, human relations and public nuisance abatement.

DEPARTMENT DESCRIPTION

Neighborhood Improvement Services**General Fund: \$3,425,927****40.0 FTEs****Grant Funds: \$316,720*****4.0 FTEs**

The Department is responsible for enforcement of the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances. The Department's Impact Team abates public nuisances such as litter, graffiti, illegal dumping and abandoned shopping carts. The Community Engagement division provides outreach and education to Durham residents and community organizations. The Human Relations Division enforces the City of Durham's Fair Housing Ordinance and Title VIII of the Civil Rights Act of 1968. The Division accepts housing complaints from residents who feel that they have been discriminated against because of their race, color, religion, national origin, gender, familial status (families with children) or disability (physical or mental). The Department's staff members are responsible for evaluating department achievement of City goals and objectives and maximizing the effectiveness of our people and processes.

Community Improvement Services: Code Enforcement Team

The priority of code enforcement is the day to day management and implementation of all quality of life activities governed by minimum housing code, weedy lot, abandoned vehicle, junk, non-residential, and debris ordinances and statutes.

Contract Services for the Remediation of Unsafe Structures

Contracted remediations of dilapidated houses classified as unsafe or pursuant to Housing Appeals Board orders. Includes contractor services and landfill tipping charges.

Community Improvement Services: Impact Team

The Impact Team Division assists in the City Council's goals of ensuring that residents enjoy a city rich in aesthetic beauty with a healthy environment and sustainable, thriving neighborhoods. The primary focus is the removal of illegal dumpsites, remediation activities for code enforcement, and graffiti removal. The Mayor's Summer Youth Program encompasses employment of youth crews to acquire valuable life skills and abate litter in the City of Durham.

Community Engagement Services

The purpose of the Community Engagement Division is to build neighborhood connections, increase resident participation in community activities, and foster redevelopment of neighborhoods throughout the City. The Division accomplishes this task by acting as the City's internal community engagement consultant and leading community activities that increase residents' ownership of neighborhood revitalization.

The Community Engagement Division plans and implements neighborhood services and public education/community outreach programs to support neighborhoods through the facilitation of open communication and interface between city staff and the community. The division also assists with neighborhood organizing, community education, and assisting District PACs in community service efforts.

Neighborhood Compass

The Neighborhood Compass will provide data that allows residents and City government to track progress on neighborhood improvement efforts and shifts in the overall quality of life of Durham neighborhoods. The Neighborhood Compass will help City government allocate resources and establish partnerships to track neighborhood quality of life, increase accountability, and target services to improve community conditions.

Durham Urban Innovation Center (DUIC)

The Durham Urban Innovation Center (DUIC) is an urban laboratory where the City, residents and stakeholders collaborate to creatively solve urban challenges through policy, research, urban design, cultural events and progressive community engagement strategies.

Human Relations

The Human Relations Division enforces the City of Durham's Fair Housing Ordinance and Title VIII of the Civil Rights Act of 1968 and the Ordinance has been deemed substantially equivalent to the federal civil rights law in housing. The Division accepts housing complaints from residents who feel that they have been discriminated against because of their race, color, religion, national origin, gender, familial status (families with children) or disability(physical or mental). These services are provided in collaboration and conjunction with the US Department of Housing and Urban Development (HUD) Fair Housing Assistance Program (FHAP). Fair Housing division staff have been certified by HUD to intake, investigate and conciliate housing discrimination cases and all cases that are accepted for investigation are dual filed with HUD.

The Human Relations Division prioritizes community outreach and conducts weekly outreach at designated locations around the City. The Division provides fair housing training throughout Durham to landlords, tenants, the housing industry, residents and the general public. Fair Housing training is provided to increase the knowledge of residents, community groups, and housing providers relative to discrimination in sales, rentals, mortgage and insurance discrimination, reasonable accommodations and design and construction requirements.

The Human Relations Division develops and fosters programs aimed at addressing and enhancing racial and cultural relations to create a greater level of harmony in the community. The Human Relations Division provides staff oversight to the Durham Human Relations Commission and the Mayor's Hispanic-Latino Inclusion Committee.

In addition to the above, the Human Relations Division offers a free Basic Energy Education (BEE) training to Durham residents, homeowners, renters, neighborhood groups and to the general public. The training sessions assist residents by helping them to understand what they can do on their own to reduce their electric bill.

Administration

This division provides oversight through the Office of the Director, and the ongoing administrative and managerial functions that are required for daily operations of the Department, including: fiscal, financial and program management; personnel administration and development; customer service, strategic planning, quality control, process improvement, and performance reporting.

**Grant funding on Neighborhood Improvement Services code enforcement pages represents CDBG funding that is received by Community Development and passed through to NIS. This \$140,000 is included in the total CDBG amount shown on Community Development's budget pages.*

RESOURCE ALLOCATION

Non-Grant	Actual	Adopted	Estimated	Adopted	Change
	FY 2012-13	FY 2013-14	FY 2013-14	FY 2014-15	
Appropriations					
Personal Services	\$ 2,571,932	\$ 2,724,177	\$ 2,690,213	\$ 2,691,554	-1.2%
Operating	716,162	727,197	796,624	759,373	4.4%
Capital and Other	-	-	19,591	-	0.0%
Total Appropriations	\$ 3,288,094	\$ 3,451,374	\$ 3,506,428	\$ 3,450,927	0.0%
Full Time Equivalents	41	40	40	40	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,098,585	\$ 3,311,374	\$ 3,366,285	\$ 3,290,927	-0.6%
Program	189,509	140,000	140,143	160,000	14.3%
Total Revenues	\$ 3,288,094	\$ 3,451,374	\$ 3,506,428	\$ 3,450,927	0.0%
Grant					
Personal Services	\$ 252,000	\$ 256,000	\$ 207,600	\$ 239,600	-6.4%
Operating	214,640	99,000	130,280	77,120	-22.1%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 466,640	\$ 355,000	\$ 337,880	\$ 316,720	-10.8%
Full Time Equivalents	4	4	4	4	-
Part Time	-	-	-	-	-
Revenues					
CDBG	\$ 200,000	\$ 200,000	\$ 140,000	\$ 140,000	-30.0%
HUD	203,640	130,000	172,880	176,720	35.9%
Play Streets	25,000	25,000	25,000	-	-100.0%
NC DENR	38,000	-	-	-	0.0%
Total Grant Revenue	\$ 466,640	\$ 355,000	\$ 337,880	\$ 316,720	-10.8%
Total Budget	\$ 3,754,734	\$ 3,806,374	\$ 3,844,308	\$ 3,767,647	-1.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Code Enforcement Team

General Fund: \$1,076,746

FTEs: 13

Grant Funds: \$140,000

FTEs 3

Goal: Thriving and Livable Neighborhoods

Objective: To aggressively enforce the Minimum Housing Code, the Non-Residential Code and the Unsafe Building Ordinance in the City of Durham.

Initiative: Work with other City and County departments and citizens to proactively identify and eliminate code violations by sending Code Enforcement Teams out to canvass inner-city neighborhoods.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Housing Code compliance - TOTAL	N/A	N/A	62%	70%
# Housing inspections in Designated Area	1,965	4,000	2,759	4,000
# Boarded houses in low-mod areas	218	100	125	75
# Weedy lot inspections	1,209	2,100	2,100	2,100

Program: Contract Services for the remediation of unsafe structures **General Fund:** \$159,834
FTEs: 0

Goal: Thriving and Livable Neighborhoods

Objective: To remediate unsafe residential and non-residential structures located in the City of Durham.

Initiative: Code enforcement officers will identify all dilapidated vacant houses in their areas and administer the code enforcement process to achieve code compliance.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Demolished by Owner	6	10	25	25
# Rehabilitated by Owner	15	15	40	40
# Demolished by City	9	15	15	15
# Stabilized by City	8	5	5	5

Program: Community Improvement Services: Impact Team **General Fund:** \$551,199
FTEs: 8

Goal: Thriving and Livable Neighborhoods

Objective: Decrease response time to public nuisances

Initiative: Implement measures to improve the effectiveness and efficiency of the Impact Team.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Tons of junk/debris removed	850	800	650	700
# Graffiti sites removed	500	400	492	400
% Graffiti removed within 24 hours of notification	95%	99%	99%	99%

Program: Community Engagement Services **General Fund:** \$409,664
FTEs: 6

Goal: Thriving and Livable Neighborhoods

Objective: Planning and implementation of neighborhood services and public education/community outreach programs to support neighborhoods and the facilitation of open communication and interface between city staff and the community.

Initiative: Expand outreach activities to reach citizens by using PAC brochures, fliers, and other written materials.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Residents attending PAC meetings	2,164	2,800	2,800	3,020
# of Collaborative projects with measurable impacts in Northeast Central Durham	N/A	N/A	67	70
# of Neighborhood or homeowner associations on City's official community engagement list	N/A	100	100	150
# of Internal consultant activities	N/A	40	50	100
# of Participants at Play Streets events	N/A	N/A	1,300	1,500

Program: Neighborhood Compass **General Fund:** \$76,435
FTEs: 1

Goal: Thriving and Livable Neighborhoods

Objective: Provide data that allows residents and local government to track progress on neighborhood improvement efforts and shifts in our overall quality of life.

Initiative: Expand the impact of the Neighborhood Compass by increasing partnerships and engagement with community groups and expanding its measures.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Compass users creating reports, downloading data, or actively using the website	N/A	N/A	40%	40%
# of Designated data dimensions represented in the Compass	2	8	8	9

Program:	Durham Urban Innovation Center (DUIC)	General Fund:	\$78,166
		FTEs:	1
Goal:	Thriving and Livable Neighborhoods		
Objective:	To increase the number of committed partnerships and resident/stakeholder participation in meetings, events, and programming in an effort to build an equitable social resource network and foster resident-driven revitalization.		
Initiative:	Promote and market new grassroots-level ideas, expand outreach, educational and community redevelopment activities city-wide, specifically in Durham's low-wealth neighborhoods and continue partnering with community organizations, neighborhood groups and other stakeholders.		
Initiative:	Publish public policy research briefs.		

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Participants in DUIC activities	900	N/A	2,600	3,000
# of Bus shelter improvements	N/A	N/A	3	5

Program:	Human Relations	General Fund:	\$222,641
		FTEs:	3
		Grant Fund:	\$176,720

Goal:	Thriving and Livable Neighborhoods		
Objective:	To ensure that housing discrimination complaints are processed in accordance with HUD guidelines and the Fair Housing Ordinance.		
Initiative:	To provide intake, investigation, enforcement and conciliation of complaints within required time frames and to keep the complainants and respondents aware of the status of their complaints.		

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# HUD cases processed	29	40	40	40
# of Participants in HR-sponsored events and outreach activities	N/A	N/A	3,500	3,500
# Basic Energy Education (BEE) training and outreach activities	32	61	90	90
% of Participants who feel that they have gained useful knowledge from BEE training	N/A	N/A	95%	95%

Program:	Administration	General Fund:	\$876,242
		FTEs:	8
Goal:	Well-Managed City		
Objective:	To maximize the effectiveness and efficiency of the Department's employees.		

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Staff participating in culture of service projects	100%	100%	100%	100%
% of Durham resident survey respondents satisfied or very satisfied with appearance of houses in their neighborhood	N/A	75%	68%	N/A
% of Durham resident survey respondents rating NIS as somewhat or very much responsive to code enforcement requests for service / complaints	N/A	90%	89%	N/A

BUDGET ISSUES FOR FY 2014-15

- None

DEPARTMENT ACCOMPLISHMENTS FOR FY 2013-14

- Enforced the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Respond to resident concerns received through Durham One Call in 24 to 48 hours
- Stabilized 8 substandard properties
- Reduced number of boarded houses by 25%
- Presented 48 cases to the Housing Appeals Board; Presented 40 cases to the Community Life Court
- Durham YouthWorks Internship Program, Mayor's Summer Youth Litter Control program—hired 20 youth for 8 weeks, with 100% retention, removed 7.68 tons of litter
- Impact Team partnered with approximately 36 businesses, non-profits, churches, schools and special interest groups; 26 divisions of the City and County to conduct numerous projects and special initiatives. Initiatives included: Play Streets, community building events, Junior Bulls, the effort to end homelessness, NC Fall Big Sweep, Spring Creek Week, Senior/Disable Assistance, parades, creek, park, trail and neighborhood clean-up/revitalization initiatives
- Impact Team proactively removed an additional 370 carts from 183 locations from 24 City sweeps
- Impact Team removed 3,205 symbols/scripted words of graffiti from 455 sites within 24 hours of notification 97% of the time
- Created monthly PAC newsletters, promoted PACs at newly formed neighborhood associations. Supported PAC through Pre-Coffee with Council Community Dynamic Facilitations Meetings, Pre-Coffee with Council Questions and Answers, Contact and listing neighborhood associations
- Conducted 5 Pre-Coffee with Council Community Dynamic Facilitation Meetings
- Supported all PAC activities including Coffee with Council, National Night Out, Commander Tours, Neighborhood Block Captains
- Conducted 5 landlord training workshops and 2 tenant workshops
- Conducted 5 Play Streets events throughout the City of Durham in partnership with the Durham County Department of Public Health, Partnership for A Healthier America, and Blue Cross and Blue Shield of North Carolina
- Partnered with Durham County Department of Public Health for A Healthier Durham Challenge
- Served as an internal consultant with many City of Durham departments, including the following departments:
 - Police Department (National Night Out, Commanders Tour),
 - Transportation Department (public input meetings),
 - Public Works Department,(PAC 1 StormWater customer's concerns)

- General Services Department (New Police Headquarter public input meeting),
- Duke Energy (New Energy Program public meeting)
- Coordinated projects with the NECD Livability Initiative and the NECD Leadership Council that demonstrate measureable benefit/impact to neighborhoods, including the following projects:
 - Walk Durham (created and posted 20 signs in NECD to indicate the estimated walking and biking times to local destinations and amenities, thus increasing neighborhood walkability and awareness of neighborhood amenities)
 - Healthy Mile Trail (coordinated and participated in the workdays to prepare the trail, including sidewalk stenciling and clearing sidewalks from debris and overgrowth)
 - Beautification Projects – Coordinated inter-departmental plans engage NECD residents to assess, map, and actively improve the appearance of their neighborhood's common areas.
- Neighborhood Compass develop and launch:
 - Development of more than 40 measurements reflecting quality of life, economy, housing and other dimensions for Durham's neighborhoods;
 - Completion of Neighborhood Compass web application version 1.0 through interdepartmental collaboration with Technology Solutions;
 - Public release of the Compass website in Spring 2014
- Durham Urban Innovation Center:
 - DUIC and Human Relations Division hosted two symposia with subject expert panelists in the areas of housing, transit, affordability, health, urban farming and housing discrimination
 - A top 20 finalist out of 305 cities nationally in the Mayor Bloomberg Innovation Challenge as the most innovative city and a replicable program.
 - Hosted first annual Thanksgiving in Spring event which included 700 participants, regional Mayors and out-of-state visitors
 - Established DNAGE (Durham Network of Agriculture and Green Economies)- a DNA focus group
 - Partnered with Duke University, Durham Chamber, Capitol Broadcasting and NCCU for civil rights/sports documentary
- Human Relations:
 - Developed Diversity-Inclusion Training Program that will be used to train all city employees. The City Manager, Deputy City Managers, Directors, and some Assistant Directors participated in the training roll-out during FY 2013-14.
 - Awarded \$96,720.00 in HUD Partnership Grant funding that will be used to continue research on affirmatively furthering fair housing in Durham and to hire a bi-lingual fair housing intake assistant.
 - Provided Basic Energy Education (BEE) Training to 567 Durham residents
 - Conducted 38 Fair Housing Training Seminars for landlords/property managers and the general public
 - Conducted 20 Spanish fair housing workshops in partnership with El Centro and other designated agencies
 - Conducted the Women's Forum during Women's History Month
 - Coordinated the Mayor's Hispanic/Latino Initiative
 - Conducted Hispanic Heritage Month Celebration

ANTICIPATED DEPARTMENT ACCOMPLISHMENTS FOR FY 2014-15

- Respond to resident concerns received through Durham One Call in 24 to 48 hours
- Designated area housing inspections: Proactive (PRIP) and Reasonable Cause
- Stabilize 20 substandard properties
- Reduce the number of boarded houses by 50%
- 60 cases presented to the Housing Appeals Board; 40 cases to the Community Life Court
- Impact Team will prioritize safe remediation of private properties to improve resident's quality of life
- Impact Team will respond to all resident concerns within 24 hours
- Community Engagement:
 - Five Play Street events including neighborhood mini grants
 - Create and update City's official community engagement list to include 150 neighborhood/homeowner associations

- Train 75 landlords/property managers through ten landlord training workshops and train 50 tenants through two tenant training workshops
- Reach 1,500 residents through Dynamic Facilitation Neighborhood/Community Meetings
- Conduct Three Homeowner Associations Workshops
- Conduct 16 Beautification/Safety Assessment
- Expand the Embrace Your Neighborhood Program to assist 3 low-wealth families with housing repairs, assist neighborhoods with clean-ups and yard maintenance and landscaping
- Coordinate NECD projects with the NECD Livability Initiative and the NECD Leadership Council that demonstrate measureable benefit/impact to neighborhoods
- Interdepartmental collaboration to serve as the city's internal community engagement consultant with community for at least 100 events
- Resolution of 15,000 community liaison service requests
- Neighborhood Compass:
 - Publish first annual data update and time series component in the web application, allowing measurements to be viewed for multiple years
 - Conduct data literacy and Compass training workshops for government and community users
 - Implement continuous improvements in database management and automation
 - Continue to develop local, academic, regional and national key partnerships and leverage resources to proactively support community engagement, neighborhood revitalization and capacity building
 - Increase professional partnerships in the fields of architecture, planning, community development and economic development
- Durham Urban Innovation Center Initiative
 - Establish Durham's first Food Strategy Document
 - BcubeD partnership with Triangle Transit Authority- Build A Better Bus Shelter
 - Establish first Proof of Concept Community Lab
 - Publish policy briefs on best practices to affirmatively furthering fair housing in Durham
- Human Relations:
 - Establish Fair Housing Interdepartmental Committee to draft the City's Fair Housing Plan
 - Provide Fair Housing Training Seminars for landlords, property managers and the general public
 - Develop marketing and public awareness campaign to educate the public on fair housing rights and responsibilities
 - Conduct Annual Women's Forum during Women's History Month in March
 - Continue Citywide Basic Energy Education training and measure the success of the training
 - Conduct Fair Housing Training Seminars for landlords/property managers and tenants
 - Conduct Spanish fair housing workshops in partnership with El Centro and other designated agencies
 - Conduct Hispanic Heritage Month Celebration during Hispanic Heritage Month

CONTRACT AGENCIES – ARTS & CULTURE

The Arts & Culture Program provides for the support and operation of arts facilities and programs for Durham citizens. This program includes the daily operation and management of the Durham Arts Council building, the Carolina Theatre, and the Hayti Heritage Center. Support is also provided for major arts and cultural institutions and non-profit arts organizations that provide services and arts experiences that contribute significantly to the quality of life.

PROGRAM DESCRIPTION

Arts & Culture Facilities **\$1,766,434**

The Carolina Theatre of Durham, Inc. operates, manages and programs the Carolina Theatre for the City of Durham. The Durham Arts Council, Inc. operates, manages and programs the Durham Arts Council building for the City of Durham. In addition, the Arts Council provides arts-based educational opportunities to Durham citizens and provides support services to artists and arts organizations. St. Joseph's Historic Foundation operates, manages and programs the Hayti Heritage Center (privately owned) as a cultural institution exploring the African-American experience. Community Based programming is provided at Lyon Park, managed by the board of Calvary Ministries of the West End, Inc.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Operating	1,909,203	1,739,103	1,750,089	1,766,434	1.6%
Total Appropriations	\$ 1,909,203	\$ 1,739,103	\$ 1,750,089	\$ 1,766,434	1.6%
Revenues					
Discretionary	\$ 1,909,203	\$ 1,739,103	\$ 1,750,089	\$ 1,766,434	1.6%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,909,203	\$ 1,739,103	\$ 1,750,089	\$ 1,766,434	1.6%

Arts & Culture Facilities	Service Provided	Award
Carolina Theatre	Manages the Carolina Theatre. It is governed by a management agreement with the City.	\$635,000
Durham Arts Council	Promotes excellence in and access to the creation and experience of the arts for all citizens. Manages the City's community arts center. It is governed by a management agreement with the City.	\$649,500
Lyon Park	Community based programming is provided at Lyon Park, managed by the Board of Calvary Ministries of the West End, Inc. The City of Durham Parks and Recreation Department provides recreational opportunities under a joint use agreement with Calvary Ministries.	\$189,934
St. Joseph's Historic Foundation	Preserves and promotes the understanding of and appreciation for the African-American experience and societal contributions by providing cultural arts and education programs. It is governed by a management agreement with the City.	\$292,000
Total Arts & Culture Facilities		\$1,766,434

CONTRACT AGENCIES – COMMUNITY DEVELOPMENT

Annually, the City of Durham enters into contracts with non-profit agencies. These agencies are funded entirely with discretionary revenue and provide services that complement the efforts of City departments. Agencies that are funded provide services that directly tie to Council goals and priorities.

PROGRAM DESCRIPTION

Community Development Organizations \$30,000

These organizations provide services that focus on improving the quality of life through a myriad of different services that are provided citywide.

RESOURCE ALLOCATION

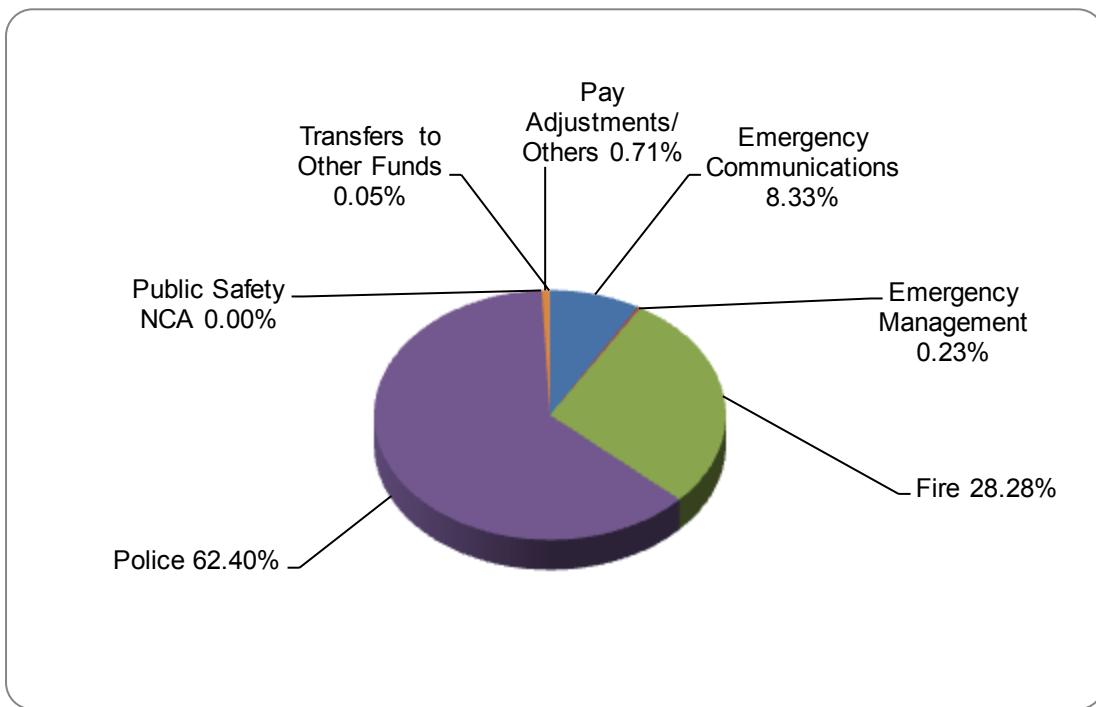
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Operating	49,563	40,000	55,000	30,000	-25.0%
Total Appropriations	\$ 49,563	\$ 40,000	\$ 55,000	\$ 30,000	-25.0%
Revenues					
Discretionary Program	\$ 49,563	\$ 40,000	\$ 55,000	\$ 30,000	-25.0%
Total Revenues	\$ 49,563	\$ 40,000	\$ 55,000	\$ 30,000	-25.0%

Community Development	Service Provided	Award
Durham Media Center	Promotes use of designated access channels by coordinating the use of public access channels, providing production facilities, providing technical assistance and media training.	\$20,000
Museum of Durham History	Provides educational and cultural services benefiting the Durham community by managing a "History Hub" located in downtown Durham capturing Durham's compelling history.	\$10,000
Total Community Development		\$30,000

PUBLIC SAFETY
BUDGET SUMMARY

Non-Grant Appropriations	Actual	Adopted	Estimated	Adopted	Change
	FY 2012-13	FY 2013-14	FY 2013-14	FY 2014-15	
Emergency Communications	\$ 6,450,898	\$ 6,497,962	\$ 6,423,765	\$ 7,220,159	11.1%
Emergency Management	185,205	197,348	197,348	202,589	2.7%
Fire	23,054,903	23,565,459	23,557,776	24,493,601	3.9%
Police	50,834,228	52,888,579	52,754,751	54,061,127	2.2%
Contract Agencies	-	84,476	84,476	-	-100.0%
Pay Adjustments/Others	-	571,140	571,140	612,465	7.2%
Transfers to Other Funds	28,364	45,404	45,404	43,138	-5.0%
Total Appropriations	\$ 80,553,598	\$ 83,850,368	\$ 83,634,660	\$ 86,633,079	3.3%
Full Time Equivalents	998	999	999	1016	17.0
Part Time	-	-	-	-	-
Revenues					
General Fund					
Discretionary Program	\$ 76,163,691	\$ 79,741,440	\$ 79,681,916	\$ 81,994,216	2.8%
General Fund Subtotal	2,626,010	2,532,204	2,267,917	2,410,438	-4.8%
911 Wireline Surcharge Fund	\$ 78,789,701	\$ 82,273,644	\$ 81,949,833	\$ 84,404,654	2.6%
Total Revenues	1,763,897	1,576,724	1,684,827	2,228,425	41.3%
Total Revenues	\$ 80,553,598	\$ 83,850,368	\$ 83,634,660	\$ 86,633,079	3.3%
Grants					
Public Safety	\$ 3,024,123	\$ 2,422,504	\$ 2,774,654	\$ 2,339,864	-3.4%
Total Grants	\$ 3,024,123	\$ 2,422,504	\$ 2,774,654	\$ 2,339,864	-3.4%
Full Time Equivalents	31	31	31	15	(16)
Part Time	-	-	-	-	-
Total Budget	\$ 83,577,721	\$ 86,272,872	\$ 86,409,314	\$ 88,972,943	3.1%

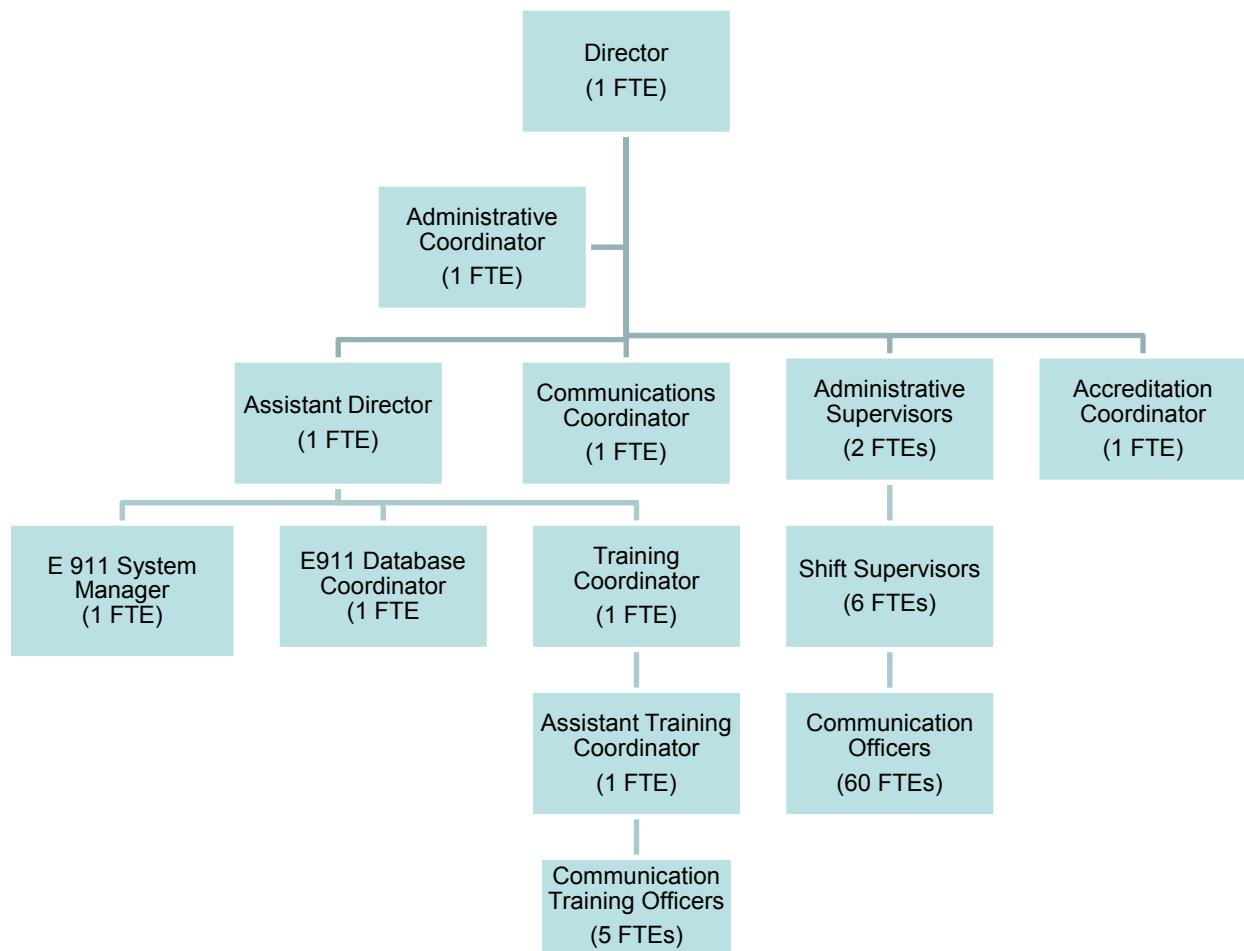
PUBLIC SAFETY





Emergency Communications

(82 FTEs)



EMERGENCY COMMUNICATIONS

Purpose Statement:

To affirmatively promote, preserve and protect the safety and security of all citizens of the community. It is our commitment to provide citizens with the fastest and most efficient response to emergency calls possible while ensuring the safety of Police, Fire and Emergency Medical Services (EMS) personnel. It is our goal to contribute to the quality of life of our community by giving efficient, reliable, courteous, responsive and professional 911 communications services. We will constantly seek ways to improve the quality of assistance we provide to the community by acknowledging that service is our one and only product and our goal is to provide it at the most superior level possible thereby saving lives, protecting property and helping to stop crimes, thus making Durham a safer community to live, work and visit.

DEPARTMENT DESCRIPTION

Emergency Communications	\$7,220,159
	82 FTEs

Emergency Response

This program operates under an interlocal agreement between the City and County governments for receipt of public safety calls including law enforcement, EMS and fire service dispatch. The program focuses on answering calls for the City of Durham, Durham County residents and visitors.

Emergency Telephone System

The focal point of this program is to ensure calls for emergency service are answered and dispatched to the appropriate public protection unit for disposition. The program provides service to all individuals dialing 911 and the following departments: Police, Fire, EMS, Durham County Emergency Management, and Volunteer Fire Departments. The Durham County Sheriff's Department provides its own answering and dispatching service. The 911 Surcharge funds one Emergency Communications position (911 Database Coordinator) plus two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services Coordinator and a GIS Coordinator.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 4,217,829	\$ 4,586,787	\$ 4,394,248	\$ 4,675,144	1.9%
Operating	1,749,917	1,911,175	2,027,245	2,545,015	33.2%
Capital and Other	483,152	-	2,272	-	0.0%
Total Appropriations	\$ 6,450,898	\$ 6,497,962	\$ 6,423,765	\$ 7,220,159	11.1%
Full Time Equivalents	81	82	82	82	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,681,006	\$ 3,871,828	\$ 3,689,528	\$ 3,927,520	1.4%
Program	1,005,995	1,049,410	1,049,410	1,064,214	1.4%
Total General Fund	\$ 4,687,001	\$ 4,921,238	\$ 4,738,938	\$ 4,991,734	1.4%
Emergency Telephone Fund	1,763,897	1,576,724	1,684,827	2,228,425	41.3%
Total Revenues	\$ 6,450,898	\$ 6,497,962	\$ 6,423,765	\$ 7,220,159	11.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Emergency Response

General Fund: \$4,991,734

FTEs: 80

Emergency Telephone System Fund \$2,228,425

FTEs: 2

Goal: Safe and Secure Community

Objective: To answer 90% of 9-1-1 Calls in 10 seconds or less.

Initiative: Maintain staffing at sufficient levels needed to ensure timely response to 911 calls.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of 911 calls answered in 10 seconds or less	89%	90%	88%	90%

Objective: To achieve and maintain the 911 Master Street Addressing Guide Database at 99.99%.

Initiative: Prioritize the discrepancies of database errors to expedite resolution.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Monthly telephone access lines as a percentage of known errors	99%	99%	99%	99%

Objective: To maintain operations vacancy rate at or below 15% for employees who have passed probationary status.

Initiative: Improve the hiring and selection process along with documentation during the training process that will improve retention of quality employees.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Operational Vacancy Rate	5%	5%	1%	5%

Objective: To ensure accuracy of Emergency Medical Dispatch pre-arrival instructions at 90%.

Initiative: Aggressively review EMS calls, documenting and correcting weak areas necessary for accreditation.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% accuracy of EMD protocols	97%	95%	97%	95%

Objective: To dispatch all priority calls within 90 seconds or less.

Initiative: Research the splitting of dispatch channels and finding methods to remove telephone responsibilities for main dispatch stations.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% priority calls dispatched to Fire/EMS within 90 seconds or less	87%	90%	88%	90%

Measure:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% priority calls dispatched to Police within 90 seconds or less	72%	90%	73%	90%

Goal: Well-Managed City

Objective: Ensure effective internal and external communication.

Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 80%. Develop an external communication plan which allows for ongoing feedback from citizens. Evaluate the level of effectiveness of various means of internal communication. Implement communication strategies identified as most effective.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of questions on Employee Opinion survey regarding communication rating at or above 80%	95%	97%	97%	97%
% of questions on Employee Opinion survey rated at or above 70	95%	80%	95%	80%

BUDGET ISSUES FOR FY 2014-15

- Implement equipment upgrades that allow for the receipt of picture and video through 9-1-1. Also implement 9-1-1 texting through additional cellular carriers.
- Expand use of Locution automated voice dispatch system with redundancy.

ACCOMPLISHMENTS FOR FY2013-14

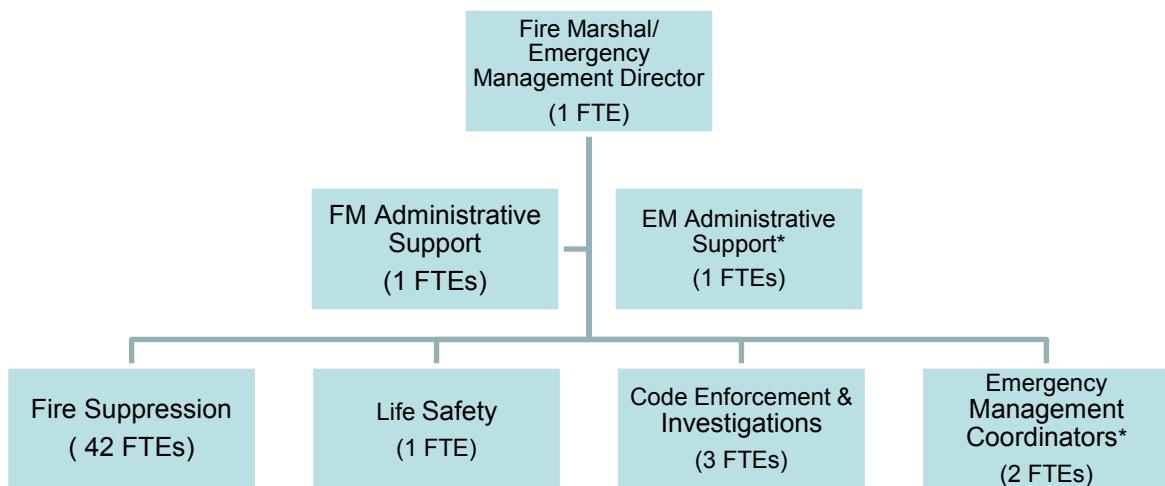
- Implemented automated dispatching for Fire/EMS agencies.
- Completed the installation of a NG-911 network that allows for texting and other enhancements.
- Implemented Emergency Fire Dispatch (EFD) protocols.
- Accredited and nationally recognized by the National Center for Missing and Exploited Children.
- Received 437,137 calls: 346,397 9-1-1 calls and 90,740 non-emergency calls in Fiscal Year 2012-2013.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Develop protocols for implementation of new technologies that will include picture and video receipt through 9-1-1 network.
- Redesign back-up network that will include Durham Sheriff's Office Communications Center.
- Reaccreditation in Emergency Medical Dispatch.
- Submit for accreditation in Emergency Police Dispatch.



Durham City/County Emergency Management (51 FTEs)



Please note: This is a County department. The City pays 50% of the asterisked positions and 25% of the Fire Marshal's position.

EMERGENCY MANAGEMENT

Purpose Statement:

The Division of Emergency Management is tasked with assisting County and City departments, businesses, and citizens in the development of emergency plans. Other ongoing responsibilities include maintaining emergency shelter databases, training personnel to operate shelters, maintaining resource databases, and ensuring readiness of the Emergency Operations Center. The Division is responsible for planning for any type of emergency that could affect Durham County (multi-hazard plan), for preplanning logistics and resources needed for mitigation and recovery from an emergency.

DEPARTMENT DESCRIPTION

Emergency Response	\$202,589 0 FTEs
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This program is responsible for drafting and carrying out the Durham City/County Emergency Operations Plan (EOP). The agency works closely with all government agencies to prepare, respond, recover and mitigate the effects of disasters and major emergencies. Emergency Management personnel are housed in county government. The County and City share costs in accordance with an interlocal agreement.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Operating	\$ 185,205	\$ 197,348	\$ 197,348	202,589	2.7%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 185,205	\$ 197,348	\$ 197,348	\$ 202,589	2.7%
Revenues					
Discretionary	\$ 185,205	\$ 197,348	\$ 197,348	202,589	2.7%
Program	-	-	-	-	0.0%
Total Revenues	\$ 185,205	\$ 197,348	\$ 197,348	\$ 202,589	2.7%

ACCOMPLISHMENTS FOR FY 2013-14

- Responded to 124 incidents involving over 158 staff hours.
- 25 partial activations (EM/FM staff only) of the City/County Emergency Operation Center for weather-related events.
- Updated NIMSCAST per Federal Mandates.
- Reviewed and Updated the City/County Emergency Operations Plan.
- Completed mandated NIMS training per Federal Regulations.
- Participated in the Homeland Security Exercise and Evaluation Program.
- Updated our Statewide Mutual Aid Agreements.
- Participated in State Training Committee Meeting to coordinate State Training and Exercises.
- Reviewed Emergency Operation Plans from local agencies/business
- Developed, conducted and/or participated in numerous multi-agencies exercises. These exercises include tabletop, functional, and full-scale. Some examples of the types of exercises are as follows: NCCU full scale exercise on the NCCU campus, and a NCCU tabletop exercise. We sponsored 7 Web Emergency Operation Classes. There was a NC School of Science and Math tabletop exercise. There were 5 Durham Public Schools tabletop exercises; a tabletop exercise at the City of Medicine Academy; tabletop exercise at Sharon Harris Nuclear Facility; and tabletop exercise at Duke Medical Center.
- We have a staff member that provides medical support to the Durham County Sheriff's Departments High Explosive Unit (Bomb Squad). This includes 56 hours of training and 14 hours of emergency responses.

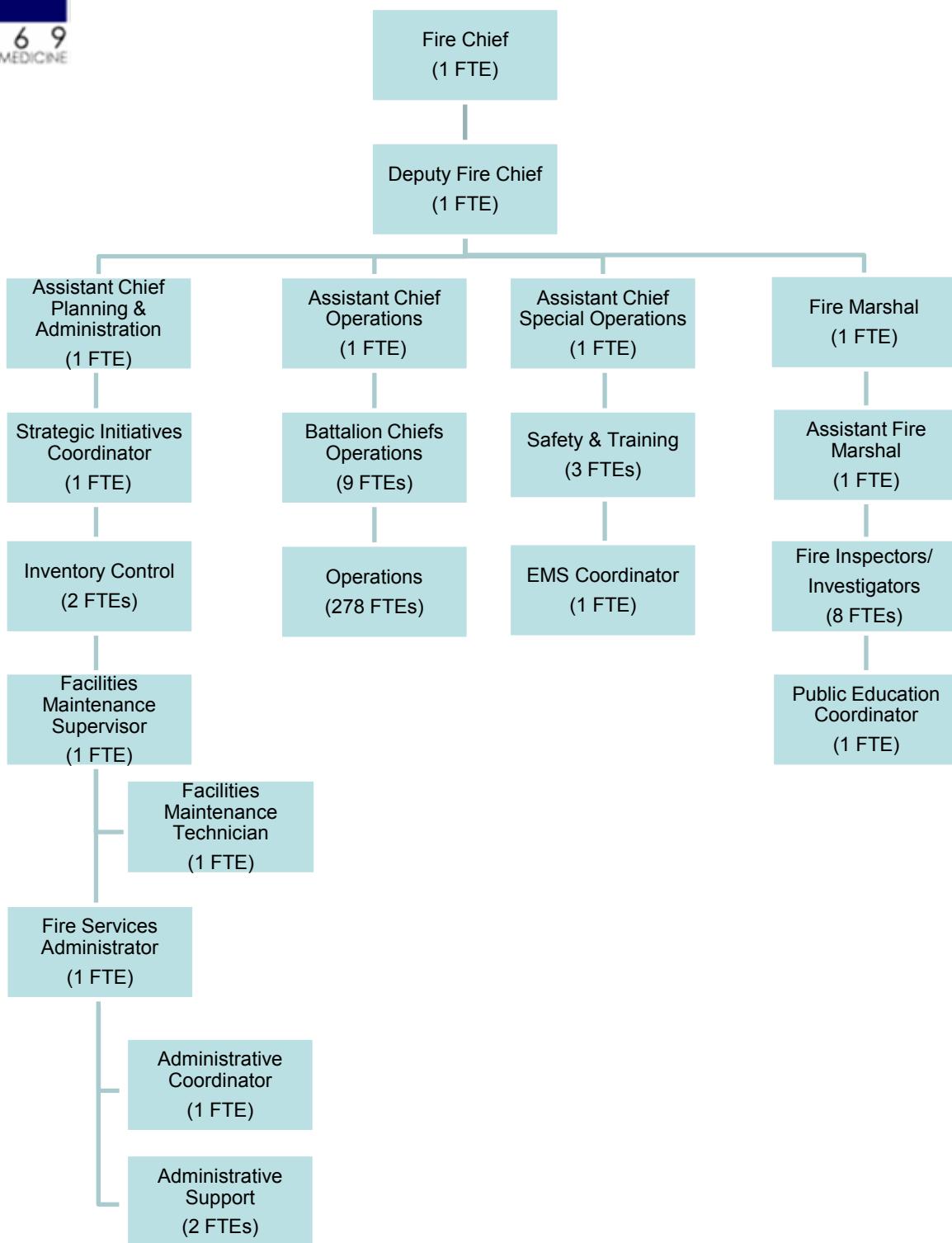
- We have a staff member that provides both logistical and technical support to the BCERT. BCERT is the Biological and Chemical Emergency Response Team of the Durham Police Department. This past year Mark Schell, who is assigned to the team, received a community service award from the Durham Police Department, for his outstanding leadership and support to the BCERT.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Continue to meet the federal standards concerning NIMS compliance.
- Maintain the Emergency Operations Center (EOC) and keep it prepared for activation.
- Continue to maintain and update the EOC software (WebEOC) to be compliant with North Carolina Division of Emergency Management requirements for event management.
- Conduct at least two table top exercises and one full-scale response drill.
- Conduct the annual review and update of the City/County EOP as needed.
- Complete the requirements set forth by NCEM in the EMPG Activity/Project form.
- Maintain the Durham County Hazard Mitigation Plan.
- Conduct at least one new Community Emergency Response Team class.
- Implementation of new Damage Assessment software to aid Damage Assessment Teams and FEMA reporting.



Fire Department (316 FTEs)



FIRE DEPARTMENT

Purpose Statement:

The Durham Fire Department strives to enhance the quality of life for the citizens and visitors of Durham through the delivery of comprehensive fire suppression, prevention, training and emergency medical services.

DEPARTMENT DESCRIPTION

Fire Department**General Funds:** \$24,493,601

301 FTEs

Grant Funds: \$151,001

15 FTEs

The department is primarily responsible for providing emergency responses to fires, medical calls, hazardous materials spills, technical rescue calls, and swift water rescue calls. Staff has an overriding responsibility to the citizens of Durham to maintain a state of training and readiness that will allow a quick and competent response to life threatening events such as fires, emergency medical responses, weather related emergencies and potential acts of terrorism.

Administration

The Fire Administration division coordinates and supervises the Fire Department. This division is responsible for fiscal planning, records management, implementation and training for technology advancements, personnel management, and resource maintenance and management. This division is also responsible for recommending and implementing management policies and procedures for daily operations of the department under the direction of the Fire Chief.

Safety and Training

The Safety and Training division provides for the training, occupational safety and wellness of personnel through entry level and advanced in-service training programs, accident investigation and wellness evaluations. This division functions to provide a safe work environment, maintain current certifications of all operations personnel, and monitor physical fitness levels of operations personnel.

Operations and Emergency Responses

Fire Operations provides comprehensive fire-related emergency response, thereby minimizing the loss of life and destruction of property through the rapid deployment of trained personnel and appropriate equipment. Service is provided by trained fire/rescue personnel strategically placed throughout the City and through automatic aid agreements with volunteer fire departments (VFDs). Personnel respond to over 19,000 emergency calls a year.

The Emergency Medical Services (EMS) program provides Advanced Life Support with emergency medical first responders, at the Emergency Medical Technician (EMT) and Emergency Medical Technician-Intermediate (EMT-I) levels, in response to a variety of medical emergencies. All Fire Department apparatus are equipped with emergency medical supplies and semi-automatic defibrillators used to stabilize and/or resuscitate patients until the arrival of paramedic personnel on the scene. Early emergency medical intervention helps to protect injured or sick persons from further harm.

The Hazardous Materials Team provides for the identification and control of known and unknown chemical, biological, radiological, and explosive substances released into the environment. Hazmat personnel are specially trained to mitigate chemical emergencies. This program supports the goals of safety by stopping hazardous releases at the earliest possible stage and protecting citizens and the City's natural resources. The Hazardous Materials Team is staffed with technicians trained to identify, isolate and mitigate most common hazardous material spills or leaks. They have the technology to interface with state and national resources to assist in their efforts. This program is provided to minimize the harmful effects of toxic releases on both people and the environment of Durham. The program operates under the requirements as set forth in state and federal OSHA standards, particularly 29CFR1910.120.

The Technical Rescue Team provides for the rescue of persons trapped and/or injured beyond the scope of normal Fire Department operations. These specialized rescues may involve high/low angle, trench, swift water, vehicle extrication, structural collapse and confined space rescue emergencies.

Fire Prevention

The Fire Prevention Division provides comprehensive enforcement of mandated fire and life safety codes and regulations including the inspection of properties for fire code violations. Responsibilities include regulating the design and implementation of building features and fire protection systems. The purpose of this division is to prevent and/or reduce the loss of life, injury and property damage due to fire in commercial, factory, institutional, business, educational, mercantile and assembly occupancies.

The Fire Investigation Team provides fire cause and origin determination and the investigation of all fires of a suspicious nature. Clearance of arson crimes remains a high priority for the Fire Prevention division and is in alignment with the City's efforts to investigate and solve cases involving suspicious fires. The program supports the City Council goal of A Safe & Secure Community.

The Community Fire Education program provides educational programs about the causes and prevention of fire and burn injuries. Emphasis is placed on targeting areas that are experiencing the greatest hazards from fire emergencies and those that have a history of emergency medical calls for service. The program encourages a strong link between the Fire Department and the community by instituting outreach programs such as the "Risk Watch" and "Learn Not to Burn" programs, smoke detector campaigns, fire extinguisher training, fire safety training, blood pressure checks and programs for seniors involving health and fire safety.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 21,232,791	\$ 21,676,740	\$ 21,674,817	\$ 22,629,681	4.4%
Operating	1,822,112	1,888,719	1,882,959	1,863,920	-1.3%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 23,054,903	\$ 23,565,459	\$ 23,557,776	\$ 24,493,601	3.9%
 Full Time Equivalents	 302	 301	 301	 301	 -
Part Time	-	-	-	-	-
 Revenues	 	 	 	 	
Discretionary	\$ 21,533,885	\$ 22,180,945	\$ 22,440,222	\$ 23,241,094	4.8%
Program	1,521,018	1,384,514	1,117,554	1,252,507	-9.5%
Total Revenues	\$ 23,054,903	\$ 23,565,459	\$ 23,557,776	\$ 24,493,601	3.9%
 Grant	 	 	 	 	
Personal Services	\$ 492,601	\$ 755,253	\$ 741,048	\$ 755,253	0.0%
Operating	-	-	-	-	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 492,601	\$ 755,253	\$ 741,048	\$ 755,253	0.0%
 Full Time Equivalents	 15	 15	 15	 15	 -
Part Time	-	-	-	-	-
 Revenues	 	 	 	 	
Grants	\$ 492,601	\$ 755,253	\$ 741,048	\$ 755,253	0.0%
Total Grant Revenue	\$ 492,601	\$ 755,253	\$ 741,048	\$ 755,253	0.0%
 Total Budget	 \$ 23,547,504	 \$ 24,320,712	 \$ 24,298,824	 \$ 25,248,854	 3.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Operations and Emergency Response \$21,462,694
287 FTEs

Goal: Safe and Secure Community

Objective: Meet response standardsⁱ to maximize citizen and firefighter safety.

Initiative: Evaluate the location/district boundaries for existing apparatus, streamline the hiring process, and Implement identified changes to maximize capability.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Responses for EMS (turnout+travel time) ≤ 5 minutes, 30 seconds	61%	90%	60%	90%
% Responses for Structure Fires (1 st due company) ≤ 5 minutes, 30 seconds	79%	90%	88%	90%
% Responses for 1 st alarm assignment ≤ 11 minutes	67%	90%	75%	90%
# Days below Minimum effective staffing	54	0	2	0
% Vacancy rate for the Operations Division	4%	≤3%	2%	≤3%

Program: Fire Prevention \$961,317
10 FTEs

Goal: Safe and Secure Community

Objective: Ensure all inspected businesses are in compliance with the International Fire Code.

Initiative: All inspectors obtain Level III certificationⁱⁱ (to facilitate efficient workload distribution). Maximize efficiency and accountability through the use of workflow technology (avoid missed inspections and fee collection).

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of fire inspectors meeting inspection goals	75.0%	N/A	75.0%	100.0%
% of occupancies inspected in accordance with the NC Fire Code	40%	N/A	40%	100%

Program: Administration \$1,506,694
15 FTEs

Goal: Well Managed City

Objective: Engage in Continuous Process Improvement

Initiative: Increase the use of collected data. Evaluate existing technologies. Implement technologies to streamline/enhance interoperability. Ensure implementation of all strategic and specific recommendations provided by the Peer Assessment team during the accreditation process.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Active Strategic Plan initiatives meeting target implementation timeline	79%	100%	78%	85%
% of Active Strategic Plan measures showing improvement (upward trend)	76%	85%	72%	85%
Annual approval of the <u>ACR for CFAI</u> ⁱⁱⁱ	100%	100%	100%	100%

Goal: Well Managed City

Objective: Ensure effective internal and external communication.

Initiative:

Develop an action plan to address any issues on the employee opinion survey scoring below 65%. Develop an external communication plan which allows for ongoing feedback from citizens. Evaluate the level of effectiveness of various means of internal communication. Implement communication strategies identified as most effective.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Questions on Employee Opinion Survey regarding communication rating at or above 70%	N/A	90%	95%	95%
% of Questions on Resident Satisfaction Survey regarding communication rating at or above 70%	N/A	90%	85%	90%
% of Questions on Employee Opinion Survey rated at or above 70	NA	80%	78%	80%

Goal: Stewardship of City's Physical Assets

Objective: Develop a depreciation and replacement schedule for equipment

Initiative: By Division Head, develop equipment inventory matrix (will include value, replacement date, and projected replacement cost). Develop resource management plan which incorporates inventory across divisions.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Identified equipment within expected functional lifespan	85%	85%	85%	90%
% of Vehicles serviced by fleet within the required timeframe	100%	100%	100%	100%

Goal: Stewardship of City's Physical Assets

Objective: Develop an operations, maintenance, and replacement plan for 'structures'.

Initiative: Align departmental efforts with those of the Goal 5 working groups and the General Services department to develop an asset management plan. Standardize criteria for prioritizing facilities for repair, renovation, and replacement

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Identified structures within expected functional lifespan	64%	76%	64%	76%
% of Identified structures meeting acceptable standards ^{vii}	14%	91%	18%	25%

Program: Safety and Training **\$562,896**
4 FTEs

Objective: Ensure appropriate training for staff to further the department's mission
Initiative:

Develop a standardized continuing education training program (operations division). Modify the performance management system ^v such that it is comprehensive and promotes accountability (all divisions) Identify and promote external career development programs (all divisions). ^{vi}

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Chief Officers engaged in professional development programs (16 chief officers in department)	43%	50%	50%	50%
Scores on PRE assessments (co. level scenario-based assessments of task performance, strategy, and tactics)	N/A	85%	N/A	85%
% of firefighters receiving monthly hands on training from the training staff	17.0%	N/A	85.0%	95.0%

% of new firefighters that are meeting expectations after 6 months in the operations division.	93.8%	N/A	100.0%	100.0%
% of Fire/EMS QCed ^{iv} reports without errors	N/A	75%	N/A	80%

ⁱ 2011 Response time standards: Total response time for arrival of all units: 11 minutes in metropolitan areas / 13 minutes in suburban areas.

ⁱⁱ Level III certification is the highest level inspection certification available in North Carolina. The State mandates this certification level for the inspection of some businesses/industries located in Durham.

ⁱⁱⁱ The Durham Fire Department is accredited by the Commission for Fire Accreditation International (CFAI). Annually, an Agency Comprehensive Report, ACR, must be provided to CFAI to be reviewed so that the agency's performance can be validated.

^{iv} Qced - Submitted for a Quality Control or Quality Assurance review. QC or QA are used interchangeably within the department to refer to a third party review of the quality of the service provided as well as the quality of the documentation of that service.

^v The Performance Management System refers to the system implemented by the Human Resources Department to facilitate the appropriate evaluation of employee work performance. The system is intended to provide for affirmation of positive performance, identification or performance deficits, and career planning.

^{vi} External career development opportunities range from programs included in the city's Blueprint for Leadership Pipeline through advanced degree pursuits to specialty officer designations. Examples include, but are not limited to, FEMA sponsored development programs, CPSE sponsored professional credentialing, and U.S. Fire Administration sponsored development programs.

^{vii} As a component of the initiative 'Standardize criteria for prioritizing facilities for repair, renovation, and replacement' the term 'acceptable standards' will be clearly defined. An effective summary of those defined standards will then be added to this document.

BUDGET ISSUES FOR FY 2014-15

- The fire department maintains 20 buildings of which 18 have significant deferred maintenance needs. Immediate funding needs exist due to the continued deferment of maintenance, the risk of higher future repair costs, and the risk of sudden failure. The department will continue to prioritize our deferred maintenance needs in order to address the most critical issues first.

ACCOMPLISHMENTS FOR FY 2013-14

- Responded to 21,017 emergency calls for service, resulting in 35,804 emergency responses by Fire Department units.
- Implemented the Firehouse software initiative automating the process of the Fire Prevention Division and the Operations division's record management system. This allows for the seamless flow of information between the two divisions which work independently, but whose work is used interchangeably.
- Completed the purchase and installation of a new live fire training building to provide on demand availability to train and evaluate firefighters under live fire conditions.
- Investigated and began discussions with vendors for use of Automated Vehicle Location (AVL) for nearest unit dispatch of fire apparatus.

- Reinstated incentive pay as compensation for extra duties required of personnel assigned to the three squad trucks.
- Reclassified an Administrative Assistant position to a Facilities Maintenance Supervisor position to make best use of existing resources. The new position will shift resources to maintenance which is severely understaffed.
- Restructured the training division to improve the level of training provided to operations personnel. This was accomplished in conjunction with the trial of a regional fire academy concept involving the Durham Fire Department, Chapel Hill Fire Department, Morrisville Fire Department, and Durham Technical Community College.
- Engine 5 and Engine 12 were upgraded to EMT-Intermediate units and now provide advanced life support level care.
- Obtained Level III certification for inspectors to ensure workload is evenly distributed, and all inspected buildings are in compliance with the North Carolina Fire Code.
- Ensured effective internal and external communication.
- Continued development of a standardized continuing education training program.
- Increased the number of personnel with advanced certifications in special operations, emergency medical services, and leadership.
- Continued replacement of non-repairable communication headsets that provide positive communications and hearing protection to our firefighters in every fire apparatus.
- Although we did not meet all our established response standards, we made a significant reallocation of resources that is beginning to show improvement in meeting those standards. Any improvement is important as it minimizes the severity of damage caused by fire and medical emergencies.
- The department added 41 new EMT-Intermediate personnel, several firefighters earned their AAS in Fire Science, one Chief Officer completed the Executive Fire Officer Program at the National Fire Academy and two other Chief Officers began the program.
- 3,752 residents and students were CPR trained by Durham Fire Department personnel through the Medic One Foundation.
- Continued advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Continued attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Significant efforts were made in several divisions to modify the performance management system such that it is comprehensive and promotes accountability.
- Participated in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Conducted live-burn training in over 12 acquired structures to provide rudimentary training as well as evaluation of firefighter and company officer knowledge of firefighting strategy and tactics. The training included participation by fire departments from Chapel Hill, Morrisville, Lebanon, Parkwood, Bahama, Redwood, and Durham County (formerly Bethesda).
- Fire Station 9 construction began during 2013-2014, however because of significant deficiencies in the performance of the contractor, this project will not be completed until well into FY14-15.
- Continued EMS continuing education classes with Davidson Community College.
- Checked the operational readiness and appearance of all hydrants.
- Pursued compliance with NFPA 1710 guidelines in regards to minimum requirements relating to the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public by career fire departments.
- Completed purchase and delivery of two engines to replace Engine 5 and Engine 16's aging units. Placed an order for one engine to replace Engine 14's aging unit.
- Prepared for major catastrophic events through special operations training totaling 3179 hours (through January).
- Acquired the land for Fire Station 17 at the preferred location of Leesville Rd and Doc Nichols Rd.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

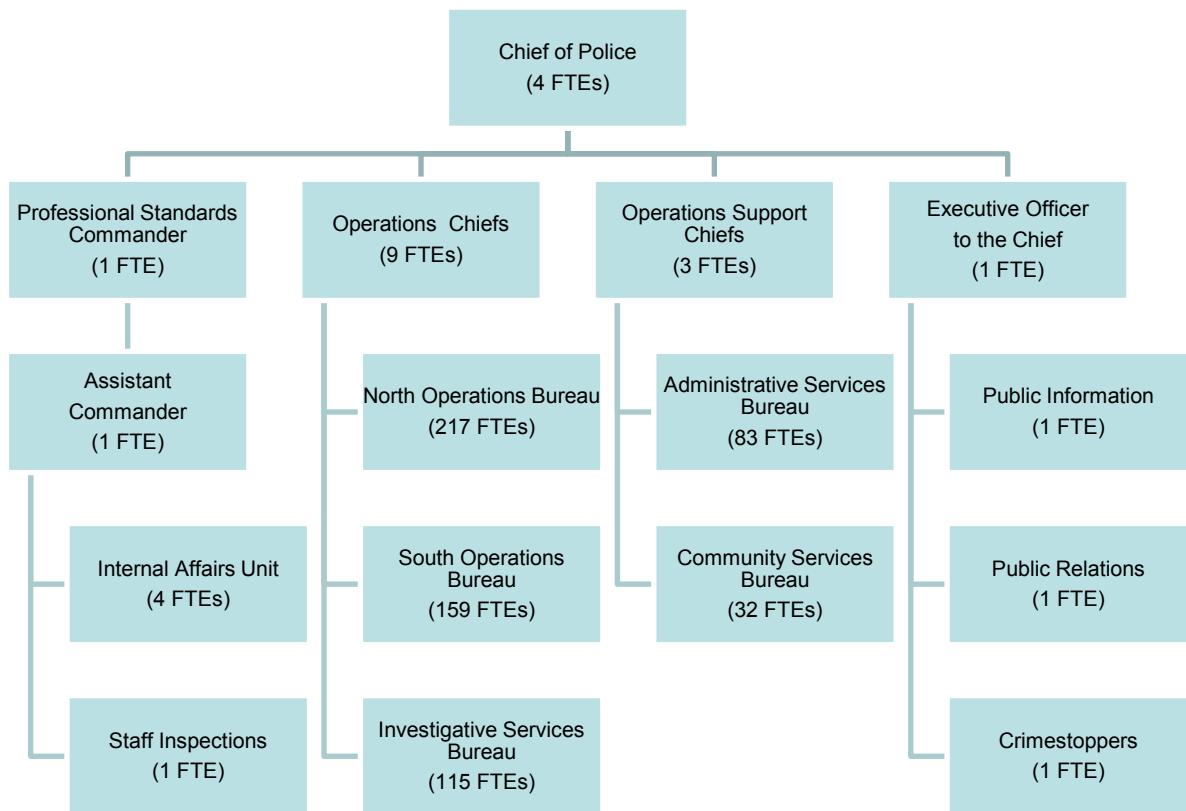
- Completion of the construction of new Fire Station 9
- Replacement of the fire department's entire inventory of self-contained breathing apparatus.
- Implementation of Telestaff timekeeping software in a joint effort between Fire and Parks & Recreation to solve imminent system failure that will require the immediate implementation of another software solution for timekeeping functions or the hiring of multiple additional timekeepers. The software will also provide us with advanced scheduling and analytics capability. The 20 hours per week of duplicated timekeeping effort will be

reallocated to other functions which will allow executive level staff to decrease the amount of administrative task functions they are handling and focus on strategic planning and decision-making efforts.

- The addition of three shift inspectors to the fire prevention division.
- Initiate the replacement of vehicle extrication equipment in the fire department inventory, which has reached the end out its useful life, with new equipment capable of dealing with reinforced high strength steel in many of the newer car models.
- Initiate a program which rewards employees at the top of their respective pay bands with a 2% lump sum payment as is done with other City employees when they receive a meets or exceeds expectations on their annual performance evaluation.
- Complete the design and development process for Fire Station 17 in anticipation of construction in FY15-16
- Initiate the acquisition of land for future Fire Station 18 in the area of Herndon Rd and Stinhurst Dr.
- Continue advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Upgrade seven Engine companies EMT-Intermediate level care.
- Continue EMS continuing education classes with Davidson Community College.
- Continue to check the operational readiness and appearance of all hydrants.
- Pursue compliance with NFPA 1710 guidelines.
- Continue to participate in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Continue attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Conduct courtesy home inspections at no cost to citizens.
- Distribute smoke and carbon monoxide detectors to City of Durham residents at no cost.



Police Department (633 FTEs)



POLICE DEPARTMENT

Purpose Statement:

To minimize crime, promote safety, and enhance the quality of life in partnership with our community.

DEPARTMENT DESCRIPTION

Police Department

General Fund: \$54,104,265
633 FTEs
Grant Funds: \$1,584,611
0 FTEs

The department is primarily responsible for protecting and safeguarding the lives and property of Durham residents through enforcement of criminal laws and safety education. Core functions are carried out through five operational bureaus: Uniform Patrol, Investigative Services, Administrative Services, Community Services and Office of the Chief. In addition, the department works collaboratively with City, County and State departments, area public safety agencies and community organizations to maximize resources and security and to heighten citizen engagement in safety and crime-related issues.

Uniform Patrol Bureau:

This program includes the traditional uniformed patrol officers, the District Investigators, Bicycle Squad, Canine (K-9) Unit, Traffic Services Unit (TACT), Warrant Squad, Motorcycle Unit, Secondary Employment, Court Liaison, Desk/Towing Unit, the Reserves and the High Enforcement Abatement Team (HEAT). The divisions and units within this program provide specific law enforcement services to the public, which includes patrol responses to 911 requests for assistance, investigation and clearance of property crimes and crimes against persons, tracking of suspects, searching for lost children and the elderly, youth crime, and locating illegal drugs. Units provide speed and DWI enforcement, funeral escorts, and response to traffic accidents. They manage secondary employment function for officers working off-duty, set schedules for officers that interact with the court system, provide information to citizens entering Headquarters, regulate wrecker companies, account for towed vehicles, provide bike patrols within the Downtown Loop, assign Reserve Officers for specific law enforcement services in the City and provide decentralized problem solving teams in each of the districts.

Community Services Bureau:

This program includes the G.R.E.A.T. Unit, Project Safe Neighborhoods (PSN), Community Resources Unit, and Victim Services. These units assist elementary and middle school students resist pressure to use drugs, ensure that school children cross the roadway safely at marked areas with school crossing guards, work with a youth group known as the Police Explorers, provide efforts to reduce the number of firearms on the street, provide positive alternatives for at risk youth, provide crime prevention and community liaison services to the community, maintain the Mobile Substations, provide an honor guard for ceremonial events, and provide victim services.

Investigative Services Bureau:

This program consists of the Special Operations Division (SOD), the Criminal Investigations Division (CID), and the Forensic Services Division (FSD). SOD consists of the Selective Enforcement Team (SET), the Organized Crime Unit, the Major Crimes Unit, an Interdiction Unit, a Biological/Chemical Emergency Response Team (BCERT) and the Violent Incidents Response Team (V.I.R.T.). CID consists of the Fraud Unit, Homicide Unit, Special Victims Unit, and a Domestic Violence Unit. FSD consists of a Crime Scene Unit, a Crime Lab Unit, and a Property/Evidence Unit; the Crime Lab Unit has a Digital Forensic section, a Firearms and Tool Marks section, and a Latent Print Comparison section. These sections provide specific investigative services for crimes such as homicides, assaults, fraud, prostitution, and gambling activities, respond to chemical and biological emergencies, perform drug raids and respond to hostage situations, maintain custody of all property and court evidence, process crime scenes, respond to and investigate domestic violence cases, and provide collective intelligence on gang membership and activity. They also employ strategies to reduce violence by partnering with federal agencies such as the Federal Bureau of Investigation, Drug Enforcement Administration, Alcohol Tobacco and Firearms, Immigration Customs Enforcement, and US Marshals Service.

Administrative Services Bureau:

This program includes Training and Recruiting, Fiscal Services, Planning, Special Projects, Inventory Control, Emergency Information Services, Crime Analysis, Records Management, the Telephone Response Unit, and Personnel Services.

The Training Unit provides in-service and new recruit training. The Fiscal Services Unit provides fiscal management and grants administration. The Planning and Special Projects Units provide long term planning for growth requirements. Inventory Control provides oversight of the police fleet and supply room inventory. Emergency Information Services provides computer support, statistical database maintenance, front line mobile data terminal and e-citation support. The Crime Analysis/Intel Unit analyzes and compiles reports of crime-related data to assist officers in their crime abatement efforts. The Records Management function is responsible for the records management system data files and maintenance of the DCI/Warrants functions. The Telephone Response Unit handles all non-emergency calls. The Recruiting Unit actively seeks qualified applicants and the Personnel Services Unit oversees the administration of our Human Capital.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$45,405,820	\$47,221,867	\$46,891,553	\$48,094,665	1.8%
Operating	5,369,128	5,522,257	5,774,136	5,916,462	7.1%
Capital and Other	19,891	94,455	39,062	50,000	-47.1%
Transfers	28,364	45,404	45,404	43,138	-5.0%
Subtotal Appropriations	\$50,823,203	\$52,883,983	\$52,750,155	\$54,104,265	2.3%
Nondepartmental					
North East Central Durham	\$ 39,389	\$ 50,000	\$ 50,000	\$ -	-100.0%
Subtotal Nondepartmental	\$ 39,389	\$ 50,000	\$ 50,000	\$ -	-100.0%
Total Appropriations	\$50,862,592	\$52,933,983	\$52,800,155	\$54,104,265	2.2%
Full Time Equivalents	615	616	616	633	17.0
Part Time	-	-	-	-	-
Revenues					
Discretionary Program	\$50,763,595	\$52,835,703	\$52,699,202	\$54,010,548	2.2%
	98,997	98,280	100,953	93,717	-4.6%
Total Revenues	\$50,862,592	\$52,933,983	\$52,800,155	\$54,104,265	2.2%
Grant					
Personal Services	\$ 1,339,589	\$ 264,036	\$ 782,201	\$ 282,896	7.1%
Operating	1,191,933	1,403,215	1,251,405	1,301,715	-7.2%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 2,531,522	\$ 1,667,251	\$ 2,033,606	\$ 1,584,611	-5.0%
Full Time Equivalents	16	16	16	-	(16.0)
Part Time	-	-	-	-	-
Revenues					
Grants	\$ 2,531,522	\$ 1,667,251	\$ 2,033,606	\$ 1,584,611	-5.0%
Total Grant Revenue	\$ 2,531,522	\$ 1,667,251	\$ 2,033,606	\$ 1,584,611	-5.0%
Total Budget	\$53,394,114	\$54,601,234	\$54,833,761	\$55,688,876	2.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Uniform Patrol Bureau	General Fund: \$29,231,579
	FTEs: 358
	Grant Funds: \$1,584,611
	FTEs: 0

Program: Community Services Bureau	General Fund: \$2,943,046
	FTEs: 31

Goal: Safe and Secure Community

Objective: To maintain the number of violent crimes at or below 700 per 100,000.

Initiative: Pursue proactive enforcement to include data driven policing and community based initiatives.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Violent crimes per 100,000	701	700	732	700

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Property crimes per 100,000	4,245	4,700	4,774	4,700

Goal: Safe and Secure Community

Objective: To ensure an average response time of 5.8 minutes or less to Priority 1 calls.

Initiative: Maintain adequate staffing levels of well-trained call takers in Uniform Patrol and continue use of AVL system.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
Average response time to all Priority 1 calls (minutes)	5.9	5.8	5.9	5.8

Goal: Safe and Secure Community

Objective: To respond to 57% or more of Priority 1 calls in less than 5 minutes.

Initiative: Maintain well-trained officers in Uniform Patrol and staff Uniform Patrol beats appropriately to maintain beat integrity and monitor response times to Priority 1 calls; continue collaboration with communications on call-taking issues.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
% Priority 1 calls responded to in less than 5 minutes	54.40%	57.00%	53.00%	57.00%

Program: Investigative Services Bureau	General Fund: \$10,329,889
	FTEs: 130

Goal: Safe and Secure Community

Objective: To maintain a minimum FY Violent Crime Clearance Rate of 50% or higher.

Initiative: Maintain well-trained investigators, monitor case clearance rate and maintain enhanced information sharing with the community.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Violent crime FY clearance rate	53%	50%	48%	50%
Goal: Safe and Secure Community				
Objective: To maintain a minimum FY Property Crime Clearance Rate of 23% or higher.				
Initiative: Maintain well-trained officers, monitor case clearance rate and maintain enhanced information sharing with the community.				
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Property crime FY clearance rate	22%	23%	22%	23%
Program: The Office of the Chief				
General Fund: \$3,505,066 FTEs: 28				
Program: Administrative Services Bureau				
General Fund: \$8,094,685 FTEs: 86				
Goal: Well-Managed City				
Objective: To achieve a real vacancy rate of 0% per month for authorized and funded sworn positions.				
Initiative: Maintain aggressive, diverse recruiting efforts and utilize over-hires to meet operational needs.				
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Average sworn real vacancy rate	0.00%	0.00%	0.00%	0.00%
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Average sworn operational vacancy rate	5.60%	6.00%	3.50%	6.00%
Goal: Well-Managed City				
Objective: Ensure effective internal and external communication scores are 70% or better				
Initiative: Using the Employee Opinion Survey as an indicator of areas needing improvement, conduct affirmative actions to improve overall employee satisfaction scores about communication within the Department.				
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of employees who feel trust in internal, external communications	74.00%	70.00%	70.00%	70.00%
% of questions on Employee Opinion Survey rated at or above 70	N/A	80.00%	80.00%	80.00%
Objective: To conduct a citywide survey that measures the perception of safety in the City.				
Initiative: Conduct annual survey through the Durham Convention & Visitors Bureau.				
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Residents that feel personally safe in Durham	64.00%	70.00%	70.00%	70.00%

BUDGET ISSUES FOR FY 2014-15

- The attrition rate through the first seven months of FY14 averaged 2 officers per month, which impacts the presence of law enforcement officers on the streets. The 16 sworn positions that were previously funded by the COPS Grant are now being fully funded by the general fund. Aggressive recruiting efforts will continue to hold the vacancy rate at no more than 0% of funded officers for FY15. Lapsed salaries will be available to operate academies, at the approval of the City Manager.
- Overtime appropriations are used to fund special crime fighting initiatives and to compensate for operational vacancies.
- Fluctuating fuel costs remain a challenge.

ACCOMPLISHMENTS FOR FY 2013-14

- The Department continues to focus on reducing violent and property crimes. When comparing violent crimes committed per 100,000 in fiscal year 2012 to violent crimes committed per 100,000 in fiscal year 2013, there was an overall decrease in violent crimes committed of 2.09% (716 to 701).
- When comparing property crimes committed per 100,000 in fiscal year 2012 to fiscal year 2013, there was an overall decrease in property crimes of 10.25% (4,730 to 4,245).
- Hired 13 recruits for the August 2013 BLET academy, of which 9 have now graduated and are in field training. Hired 25 recruits for the February 2014 BLET academy. The current sworn vacancy rate is 0.0%.
- The Department met or exceeded the national average in crime clearance rates in all categories for cities with similar populations.
- Maintained an average response time to Priority 1 calls for service in the first half of fiscal year 2014 of 5.9 minutes, compared to the projected time of 5.8 minutes.
- Recognitions and efforts made to improve the department's image include the following:
 - DPD successfully launched its own Facebook page, where it posts photos, news on current happenings in the department, and pertinent information related to criminal activities in Durham.
 - The Police Department earned the CALEA Accreditation Gold Standard Assessment. The DPD is the only D-sized agency (a law enforcement agency with 300+ personnel) in North Carolina to be awarded the CALEA Gold Standard. The department also received the Meritorious Award for maintaining continuous accreditation for more than 15 years.
 - The Forensics Unit began the first part of a five year plan aimed at achieving ISO Accreditation and expansion. Partial accreditation was achieved, with the remaining portion expected to be achieved in FY14-15.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Conduct sworn employee pay plan study and implement results.
- Continue to implement Forensics Division accreditation process and expansion.
- Implement state mandated crime statistic reporting system known as NIBRS.
- Complete the interview room CIP project.
- Begin construction on restroom facilities at the Firing Range.
- Enter into lease agreement and move the Police impound lot to a new location.
- Continue to focus on the reduction of violent crime and property crime.
- Continue to evaluate and strengthen our recruiting efforts in order to hire and graduate BLET academies as needed.
- Maintain an average sworn vacancy rate of 0% and sworn operational vacancy rate of 6% or less.
- Meet or exceed the national average in crime clearance rates for cities with similar populations.
- Reduce Part 1 crimes per capita in comparison to the previous calendar year.
- Maintain acceptable response times to all Priority 1 calls.
- Continue efforts to improve the Department's public image.
- Focused overtime efforts will continue in the Southside area.
- Continue the Bulls-Eye, Southside, and North East Central Durham Initiatives.

CONTRACT AGENCIES – PUBLIC SAFETY

The City of Durham annually reviews funding of programs and may enter into contracts with various agencies. These agencies provide services that complement the efforts of City departments. Agencies that are funded provide services that tie directly to Council goals and priorities. FY 2014-15, funding for the purpose of having and Emergency Judge assigned to hold court in the 14th Judicial District to provide additional days of court for Domestic Violence cases.

RESOURCE ALLOCATION

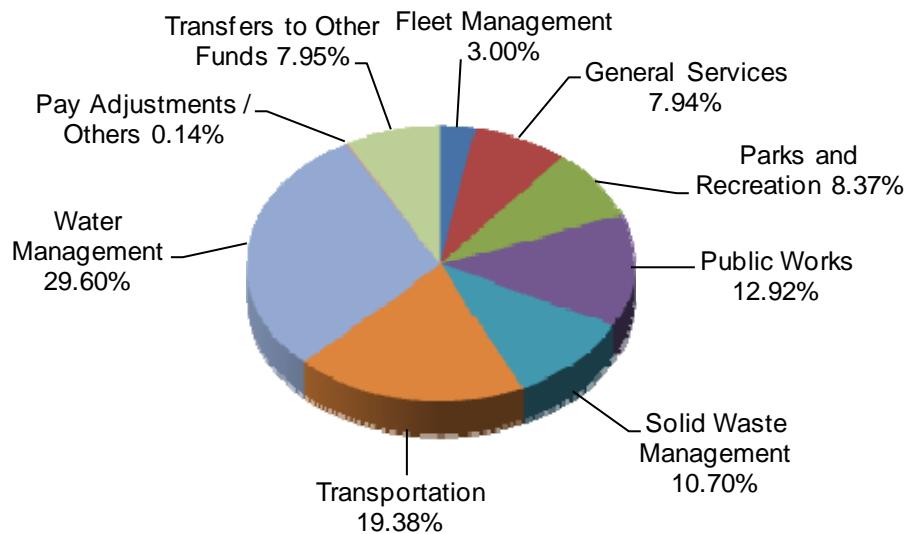
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Operating	-	84,476	84,476	-	-100.0%
Total Appropriations	\$ -	\$ 84,476	\$ 84,476	\$ -	-100.0%
Revenues					
Discretionary	\$ -	\$ 84,476	\$ 84,476	\$ -	-100.0%
Program	-	-	-	-	0.0%
Total Revenues	\$ -	\$ 84,476	\$ 84,476	\$ -	-100.0%

**This funding has been moved to the Police Department General Fund budget for FY 2014 – 15.*

**PUBLIC SERVICES
BUDGET SUMMARY**

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Non-Grant Appropriations					
Fleet Management	\$ 3,616,906	\$ 4,171,427	\$ 4,089,066	\$ 4,211,987	1.0%
General Services	11,411,216	11,279,749	11,697,594	11,133,949	-1.3%
Parks and Recreation	10,252,290	10,716,687	10,753,770	11,761,290	9.7%
Public Works	16,085,401	18,464,114	18,893,981	18,149,523	-1.7%
Solid Waste Management	15,653,866	15,323,832	15,013,647	15,031,547	-1.9%
Transportation	23,233,221	24,904,413	25,594,862	27,227,650	9.3%
Water Management	38,093,472	41,194,861	41,715,031	41,578,389	0.9%
Pay Adjustments/Others	-	200,000	100,000	200,000	0.0%
Transfers to Other Funds	17,350,767	12,020,808	11,932,619	11,163,881	-7.1%
Total Appropriations	\$ 135,697,139	\$ 138,275,891	\$ 139,790,570	\$ 140,458,216	1.6%
Full Time Equivalents	987.5	976.5	974.5	990	13
Part Time	86	86	86	86	-
Revenues					
General Fund					
Discretionary Program	\$ 49,195,214	\$ 46,750,092	\$ 47,726,083	\$ 47,990,163	2.7%
General Fund Subtotal	4,061,139	3,945,434	3,818,582	3,872,927	-1.8%
Ballpark Fund	\$ 53,256,353	\$ 50,695,526	\$ 51,544,665	\$ 51,863,090	2.3%
Parking Fund	771,539	438,385	401,567	-	-100.0%
Solid Waste Disposal Fund	1,939,042	1,966,982	2,320,270	2,343,514	19.1%
Storm Water Fund	16,190,962	16,076,766	15,825,309	15,033,252	-6.5%
Transit Fund	7,170,754	8,145,489	8,261,770	8,292,275	1.8%
Water and Sewer Fund	15,639,102	16,819,253	16,991,278	18,324,469	8.9%
Total Revenues	\$ 135,697,139	\$ 138,275,891	\$ 139,790,570	\$ 140,458,216	1.6%
Grants					
Transit Grant	\$ 4,775,815	\$ 4,998,793	\$ 4,919,114	\$ 5,034,115	0.7%
Transportation Planning	2,073,593	2,028,628	2,459,386	2,776,137	36.8%
Total Grants	\$ 6,849,408	\$ 7,027,421	\$ 7,378,500	\$ 7,810,252	11.1%
Full Time Equivalents	11.5	11.5	11.5	11.5	-
Part Time	2	2	2	2	-
Total Budget	\$ 142,546,547	\$ 145,303,312	\$ 147,169,070	\$ 148,268,468	2.0%

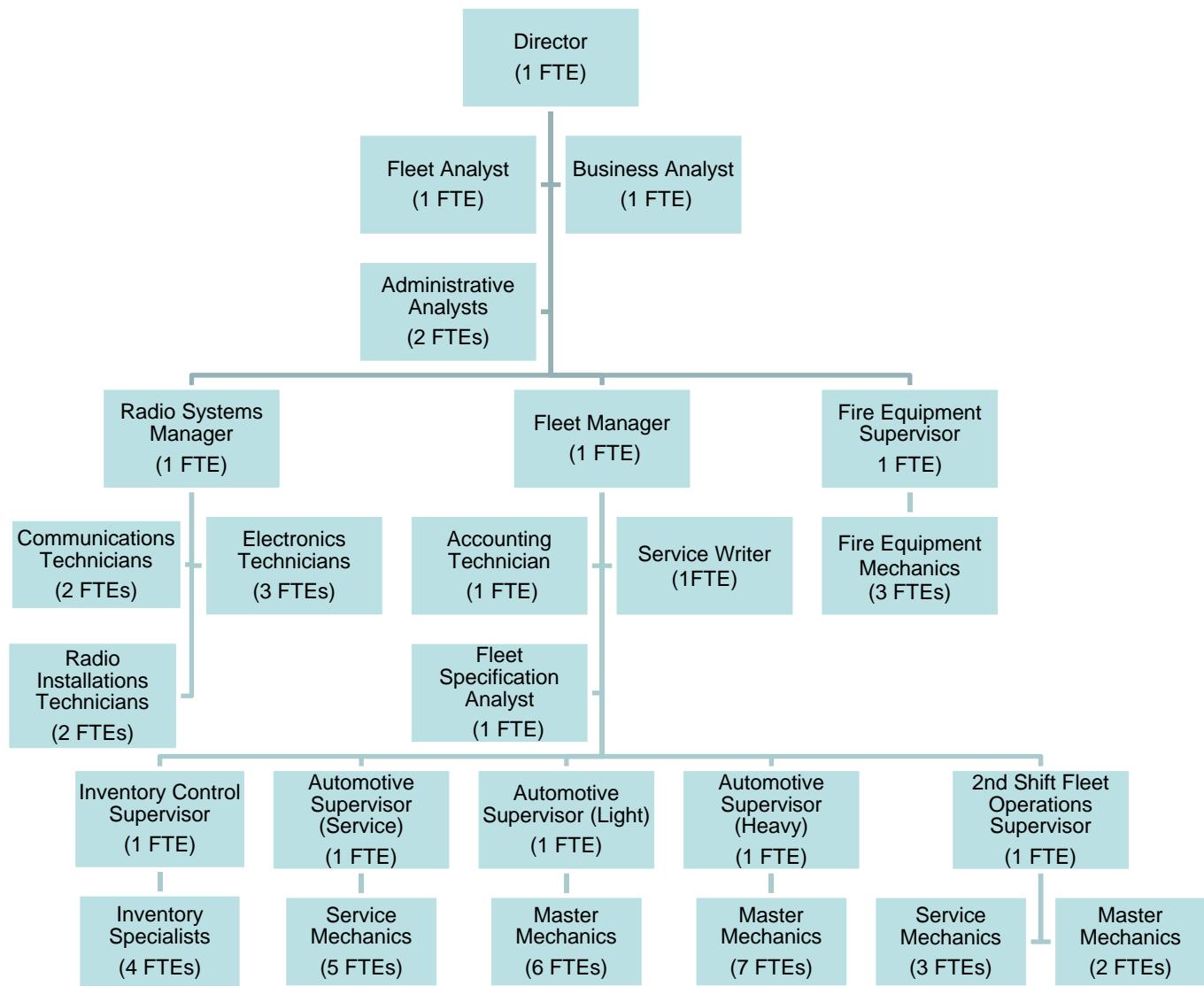
PUBLIC SERVICES





Fleet Department

(53 FTEs)



FLEET MANAGEMENT

Purpose Statement:

To provide timely, cost effective and high quality services to our customers while achieving the highest levels of customer satisfaction. The Department of Fleet Management consists of three core business functions: Fleet Maintenance, Fire Maintenance, and Communications Maintenance. The department strives to maintain a high level of compliance with the preventive maintenance program (PM), manage a consolidated vehicle/equipment replacement program, provide 24/7 support to the Fire Department's suppression vehicles, 24/7 support to the emergency communications system and 24/7 support for fleet functions during emergency events.

DEPARTMENT DESCRIPTIONS

Fleet Management	\$4,211,987
	53 FTEs

Fleet Maintenance/Fire Maintenance

Fleet Operations provides cost effective, quality and timely vehicle repair and management services to all city departments. Services are provided through seven organizational teams: Heavy Equipment, Light Equipment, Service, Night, Fire, Parts, and Administrative. The division supports over 1500 vehicles/equipment for departments including; Police, Fire, Public Works, Solid Waste, Water Management, General Services, and others. Fleet provides refueling for all city vehicles at two operational sites. Fire Maintenance operates out of an additional facility and supports the City's fire suppression vehicles. This includes emergency services 24 hours a day, 7 days a week. Fleet has a direct support mission to the Police and Fire departments that affects their ability to fight crime and fire. Fleet also has a direct support mission for all departments that provide core services to our citizens (Solid Waste, Water Management, Public Works, General Services, Parks and Recreation, etc.). Fleet services are extended during emergency events to include 24-hour operations when needed.

Communications Maintenance

The division maintains and manages the operation of the 800 MHz radio system which includes four tower sites, an integrated microwave system, alarm and computer monitoring systems, backup power supplies and generators, the radio dispatch system in the 911 Emergency Communications Center, a backup 911 Center, the Durham Sheriff's Office 911 Center and North Carolina Central University's dispatch center. Communications Maintenance also installs and maintains all radio communications equipment for various departments of the city and county governments. Typical radio equipment includes portable, mobile, and base radios. In addition, this division installs and maintains the emergency lighting systems, sirens, cameras, video recorders and mobile data modems in the fleet of public safety vehicles.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15
Appropriations				
Personal Services	\$ 3,021,114	\$ 3,197,980	\$ 3,070,361	\$ 3,233,606
Operating	595,792	878,447	919,251	927,381
Capital and Other	-	95,000	99,454	51,000
Total Appropriations	\$ 3,616,906	\$ 4,171,427	\$ 4,089,066	\$ 4,211,987
Full Time Equivalents	53	53	53	53
Part Time	-	-	-	-
Revenues				
Discretionary	\$ 3,334,050	\$ 3,888,889	\$ 3,813,928	\$ 3,928,733
Program	282,856	282,538	275,138	283,254
Total Revenues	\$ 3,616,906	\$ 4,171,427	\$ 4,089,066	\$ 4,211,987

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Fleet Maintenance/Fire Maintenance

General Fund: \$3,088,673

FTEs: 44

Goal: Stewardship of City's Physical Assets & Well Managed City

Objective:	Provide cost effective and efficient maintenance services to ensure vehicles and equipment are serviced, safe and reliable. This includes maintaining high preventative maintenance (PM) compliance. These efforts protect the value of the assets. The PM program insures the availability of the asset, allowing for user departments to provide the citizens the services timelier, contributing to a well-managed City.
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Initiative: Utilize the fleet management software system to ensure that maintenance standards are achieved and use the software system to identify replacement vehicles/equipment. Monitoring direct labor, managing an effective PM program and focusing on availability as primary indicators, will assure that our total maintenance management focus stays on track.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% work orders scheduled maintenance vs. unscheduled	49%	50%	51%	52%
% repairs from PM service	32%	33%	33%	34%

Goal: Safe and Secure Community & Thriving Livable Neighborhoods

Objective: Insure that the City's fleet has high availability; repairs are made properly and provide an effective consolidated replacement program. This insures that the Police and Fire have their vehicles to provide for a safe and secure community. This also insures that Solid Waste, Public Works, Water, Neighborhood Improvement, Parks & Recreation and General Services can provide the services that promote thriving livable neighborhoods.

Initiative: Utilize the fleet software system to track availability and comeback repairs. The fleet software system will be used to control fleet size through annual utilizations studies, complemented by using an effective scoring system to make sound fleet replacement decisions.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Vehicles/Equipment Supported (Includes small equipment in fleet)	1553	1600	1547	1500
% Fleet availability (Light)	95%	95%	95%	95%
% Fleet availability (Heavy)	90%	95%	90%	95%
% Comebacks per total work orders	<0.22%	<1%	<0.03%	<1%
% Work orders within 24 hours	80%	80%	81%	82%
# Vehicles in service per technician	64	55	64	55

Program: Communications Maintenance

General Fund: \$1,123,314

FTEs: 9

Goal: Safe and Secure Community

Objective: Provide effective and efficient maintenance services to ensure radio system availability.

Initiative: Utilize the work order management software system to ensure that maintenance standards are achieved.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Radios supported (Note: there are approx. 1500 more radios with indirect support)	3000	3000	3000	3000
# Tower sites and 911 Centers	8	8	8	8
% Radio technician response time within 1 hour of notification	100%	100%	100%	100%

Program: Fleet Management

Goal: Well Managed City

Objective: Ensure effective communications and team work among work units.

Ensure Employees have the information, tools, and resources to do their job well.

Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 65%.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of responses on the Employee Opinion Survey regarding "When there are problems in my work unit, they are discussed without blaming others."	76%	65%	N/A	65%
% of responses on the Employee Opinion Survey regarding "I receive the resources I need to do my job well."	60%	65%	N/A	65%

BUDGET ISSUES FOR FY 2014-15

- Ongoing building and equipment maintenance needs on an aging facility.
- Fleet staffing levels; slightly understaffed according to industry standards (vehicle/technician ratio).
- Retention of experienced Master Mechanics.
- Increase in electronic installation needs and system expansion (increase in the amount of equipment being installed in vehicles creates additional costs for wire (copper), hardware, tools, etc.; radio system expansion creates need for additional Radio Engineer II position).

ACCOMPLISHMENTS FOR FY 2013-14

- Number 30 on the Government Green Fleet Award.
- Number 25 on 100 Best Government Fleets Award.
- Ranked a “Top 50” Fleet by the “Leading Fleets” Award.
- Serviced 1,547 vehicles and equipment.
- Upward trend in key performance indicators and performance measures.
- Adopted Departmental Strategic Plan.
- Developed Business plan for Fleet Management.
- Developed and adopted an Active Shooter Plan.
- Adopted an Annual Risk/Safety plan.
- Completed eighth year of consolidated vehicle replacement plan.
- Entered into the second year of the shop space lease agreement with Durham County EMS.
- Entered into contract to provide repair services for Durham County Fire.
- Completed Fleet Utilization/Right Sizing Study.

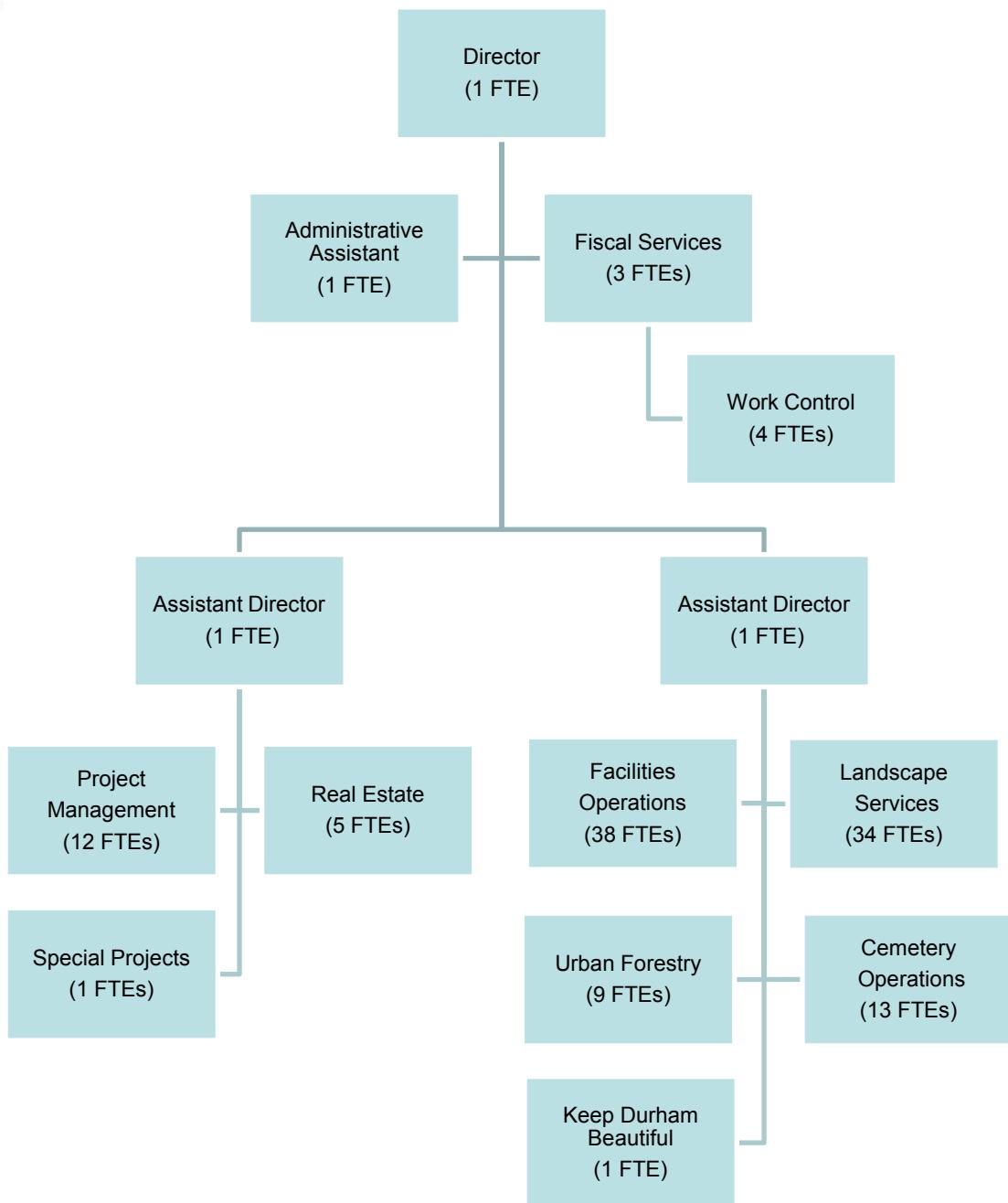
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Remain on the Government Green Fleet list possibly advancing our previous position.
- Remain in contention for a position in the 100 Best Fleets.
- Continue best business practices for citywide vehicle utilization program.
- Sustain consolidated vehicle replacement plan.
- Continue construction of new radio building at Camden tower site.
- Initiate phase two of radio system replacement.
- Complete the Nextel re-banding project for public safety emergency response vehicles (Rebanding project is still ongoing, expected to complete in 2014).
- Continue construction of new radio building at Camden tower site.
- Initiate phase two of radio system replacement.
- Implement recommendations from Fleet Utilization/Right Sizing Study.



General Services

(124 FTEs)



GENERAL SERVICES

Purpose Statement:

To create, manage, and maintain city properties to provide best value to our community

DEPARTMENT DESCRIPTION

General Services

General Fund: \$11,133,949
124 FTEs

Administration

Administration manages the department and provides business and support services to the individual divisions. All administrative activities for the entire department are channeled through and coordinated by this unit. Administration ensures city-wide compliance with the Americans with Disabilities Act (ADA), coordination of energy management, asset/space management, administration of the City's Deferred Maintenance program and other special projects, such as planning for other departments' facilities.

Facilities Operations

The Facilities Operations division is responsible for the maintenance of 1.7 million square feet of City buildings, including the Durham Performing Arts Center (DPAC), City Hall, Durham Arts Council, Carolina Theatre, Convention Center, Durham Station, Durham Athletic Park and the Durham Bulls Athletic Park. This core service provides maintenance and repairs including HVAC, building energy management, electrical, plumbing, carpentry, painting and project management for City facilities and parks and recreation centers. Housekeeping for City facilities and the small neighborhood recreation centers is also provided. This operation provides after hours on-call service for reporting emergencies.

Landscape Services

The Landscape Services division is responsible for enhancing and maintaining the City's public spaces, recreation centers, greenways, parks and trails and rights-of-way using current horticultural practices to implement grounds maintenance, landscape installation and turf management. This division also maintains the landscape installations in public areas, plazas, around decorative fountains and outdoor amenities in downtown Durham.

Urban Forestry

The Urban Forestry division provides arboriculture services including pruning, planting, removal and protection, ordinance enforcement, and consultation to the residents of Durham regarding trees on maintained City property and rights-of-way.

Cemetery Operations

The Cemetery Division maintains the City's two cemeteries: Maplewood and Beechwood (a total of approximately 150 acres). Services provided include the sale of grave spaces, columbarium and mausoleum niches, burials, grave marker installation, as well as landscaping and maintenance of the properties.

Project Management

The Project Management division manages and coordinates the design and construction of a wide range of the City's public improvements. Services include conducting feasibility studies, preparing construction plans, and providing construction administration for facility renovations, new facility construction and parks.

Real Estate

The Real Estate division provides support services to all City departments. The services provided include, property sales and acquisitions, leasing and property management, development support, comparative market analyses, and management of the City's property inventory.

Keep Durham Beautiful

Keep Durham Beautiful, Inc. (KDB) is a GS managed non-profit volunteer-based organization whose mission is to engage and inspire individuals to take greater responsibility for their community environment. KDB increases beautification, and encourages litter reduction and recycling by fostering community awareness and resident involvement through educational and programmatic activities. A local affiliate of the national organization, Keep America Beautiful, KDB forms partnerships with businesses, organizations and individuals to leverage resources to enhance City and County appearance. KDB has many initiatives including the annual Litter Index (a visual assessment of litter on City streets), organized litter cleanups, environmental education, community greening and other beautification activities.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 7,419,335	\$ 7,486,517	\$ 7,154,470	\$ 7,529,265	0.6%
Operating	3,970,586	3,785,832	4,529,701	3,299,684	-12.8%
Capital and Other	21,295	7,400	13,423	305,000	4021.6%
Total Appropriations	\$ 11,411,216	\$ 11,279,749	\$ 11,697,594	\$ 11,133,949	-1.3%
Full Time Equivalents	122	119	118	124	5
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 10,132,100	\$ 10,292,899	\$ 10,811,562	\$ 10,610,384	3.1%
Program	507,577	548,465	484,465	523,565	-4.5%
Total General Fund	\$ 10,639,677	\$ 10,841,364	\$ 11,296,027	\$ 11,133,949	2.7%
Ballpark Fund	771,539	438,385	401,567	-	-100.0%
Total Revenues	\$ 11,411,216	\$ 11,279,749	\$ 11,697,594	\$ 11,133,949	-1.3%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration

General Fund: \$1,393,210

ETFs: 12

Goal: Well Managed City and Stewardship of City's Physical Assets

Objective: To perform accounting services in a systematic manner in order to provide timely processing and payment of procurement documents.

Initiative: Utilize work order system to improve responsiveness and adhere to City and departmental standards.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Labor hours to total payments processed	45%	45%	44%	44%

Objective: ADA Compliance - To ensure people with disabilities have full access to City government in compliance with the Americans with Disabilities Act (ADA) of 1990 as amended, Section 504 of the Rehabilitation Act of 1973 and applicable federal, state and local laws, and other regulations pertaining to persons with disabilities

Initiative: Provide technical support to City departments, employees, and citizens regarding the Americans with Disabilities Act (ADA), thereby building capacity to serve citizens with disabilities.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Projects receiving technical reviews for ADA compliance	N/A	95%	96%	95%
Program: Facility Management			General Fund: \$3,599,389	FTEs: 26

Goal: Stewardship of City's Physical Assets
Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.
Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
% Reactive work orders per quarter	45%	42%	35%	27%
Avg Days to Complete work orders	11	6	7	7

Program:	Custodial Services	General Fund:	\$706,850
		FTEs:	12
Goal:	Stewardship of City's Physical Assets		
Objective:	To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.		
Initiative:	Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.		

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% Preventive maintenance work orders completed on schedule	100%	90%	100%	100%

Program:	Landscape Services	General Fund:	\$2,319,991
		FTEs:	34
Goal:	Stewardship of City's Physical Assets		
Objective:	To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.		
Initiative:	Utilize work order system to improve responsiveness and adhere to departmental maintenance standards		

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
Avg # days to complete service requests	6	6	7	6

% of self-performed mowing cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	85%	85%	85%	85%
Program: Urban Forestry	General Fund: \$666,799			
	FTEs: 9			
Goal: Thriving Livable Neighborhoods and Stewardship of City's Physical Assets				
Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.				
Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.				

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
Avg # of labor hours per service request	16	15	15	15
Avg # days to complete service requests*	35	7	20	35

* FY14 Adopted value is low due to a database error. All other numbers have been adjusted to address the error.

Program: Cemetery Operations	General Fund: \$837,715		
	FTEs: 13		
Goal: Stewardship of City's Physical Assets			
Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.			
Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.			

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
% mowing cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	90%	90%	90%	90%
Revenue % of total expenses	63%	65%	60%	60%

Program: Project Management	General Fund: \$1,093,425		
	FTEs: 12		
Goal: Stewardship of City's Physical Assets			
Objective: To maintain project scope, schedule and budget as agreed to by project manager and client.			
Initiative: Utilize the project management software system to control variance from original budget, scope and schedule.			

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
% Project design schedules maintained on time	N/A	80%	80%	80%

% Project construction schedules maintained on time	N/A	90%	60%	90%
% of Design Development cost estimates within 20% of awarded bid	N/A	90%	90%	95%
% of Construction Documents cost estimates within 15% of awarded bid	N/A	90%	75%	90%
% of projects with change orders less than 5% of original amount	N/A	90%	75%	90%

Program: Energy Management

Goal: Well Managed City

Objective: Manage the City's use of energy to reduce cost, make better use of resources and reduce the City's carbon footprint.

Initiative: Utilize a member of the General Services Department's Project Management Division to work with City departments to develop, implement and manage a City-wide Energy Management Program. Training of staff, development of the program, and implementation of Energy Management steps will be a multi-year process in cooperation with the City/County Sustainability Office. Initially, the designated staff member will be dedicated at a rate of 30% to 40% of his/her time until such time as training is complete. Additionally, this person will continue to carry a modified Project Management workload.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Projects receiving technical reviews for new facilities and renovations for energy efficiency	N/A	95%	95%	95%
Reduce energy consumption in the City buildings by 3%	N/A	80%	N/A	60%

Program: Real Estate

General Fund: \$418,434

FTEs: 5

Goal: Well Managed City and Stewardship of City's Physical Assets

Objective: To maintain high quality record keeping and reporting of the services requested from internal and external customers as well as the efficiency and timeliness for completing requested services.

Initiative: Track when services are requested and completed, with the ability to generate reports showing the number of acquisitions, sales, etc. completed and efficiency in completing services.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Transactions completed on schedule	N/A	75%	87%	75%

% of evaluation survey respondents that report Real Estate Division services met or exceeded expectations based on: maintenance of schedule, technical proficiency, and reporting to client	N/A	75%	100%	75%
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Objective: To measure the workload of real estate officers performing acquisitions, sales, leasing, database development, and other real estate matters for both internal and external customers.

Initiative: To use a portfolio management technique to track the number of real estate matters handled per real estate officer.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
Average # of real estate transactions completed annually per Real Estate Officer	N/A	20	16	20

Goal: Thriving Livable Neighborhoods

Objective: To support strategies designed to strengthen the City's partnership with community groups to improve and enhance the appearance of Durham through litter abatement, solid waste reduction education and beautification.

Initiative: Focus on strategies that continue community cleanup activities, in conjunction with other City departments, community agencies and organizations, and Keep Durham Beautiful.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Partnerships formed/created	40	25	32	30
Cost/benefit return ratio	\$1:\$4.50	\$1:\$4.50	\$1:\$4.50	\$1:\$4.50

BUDGET ISSUES FOR FY 2014-15

- Continue capital projects implementation
 - Identifying resources for the implementation of an Asset/Space Management System
 - Continue facility Deferred Maintenance performance
 - Continue implementation of the departmental Strategic Plan
 - Carolina Theatre operations and implementation of new contract agreement
 - Amendment of DCC Interlocal Agreement
 - Integrate facility maintenance plans for preventive maintenance
 - Storage Platform needed for facility maintenance plans
 - Increasing landscape services in downtown and in parks

ACCOMPLISHMENTS FOR FY 2013-14

- Initiated City-Wide pool assessment
 - Initiated new Project Management tracking tools for new Project Management performance measures regarding change orders and cost estimates
 - Completed Real Estate transactions for Public Works-Angier/ Driver Streetscape project

- Initiated new Real Estate client survey tool to measure client department expectations, regarding schedule, technical proficiency and reporting
- Completed ADA settlement agreement improvements at Chapel Hill Street Deck and Lot and ET&D (400 Cleveland Street)
- Created model Facility Maintenance Plans (Facility Pilot 2.0) and developed detailed maintenance plans for Durham Station, DATA, Parking Decks, Durham Convention Center, Carolina Theater, Durham Arts Council, and Durham Bulls Athletic Park (Phase I).
- Implemented the CPTED (Crime Prevention through Environmental Design) principles in collaboration with DPD and the Trail Watch along the American Tobacco Trail
- Developed formal agreements with client departments to clarify roles and responsibilities on joint undertakings
- Implemented organizational development techniques to improve communication between work units
- Developed and implemented a system for close-the-loop customer feedback for work requests
- Developed and implemented a system to standardize/allow for work order prioritization
- Created written departmental policies and standard operating procedures
- Evaluated technologies which achieve 'in the field—real time' service delivery
- Updated the City's property inventory
- Created an asset management database (what information is available, what information is missing, i.e. survey, plats, appraisal)
- Began process to conduct a tree canopy inventory study
- Developed a management plan for various asset types by category (i.e. with DPR, Fire)
- Evaluated usage of Energy Management system at City Hall, Convention Center & other City facilities
- Replaced and upgraded lighting and other systems in core buildings to improve energy efficiency
- Upgraded HVAC controls in core buildings to improve energy efficiency
- Initiated total utility tracking model
- Continued implementation of new work order system for the Facilities Custodial Services and Building Maintenance Operations Divisions
- Entered into energy savings program for natural gas charges to City facilities
- Repaired roof and floor drains in the basement of City Hall
- Researched and designed a new awareness program to decrease litter and improve appearance
- Implemented reverse recycling system in all City Departments

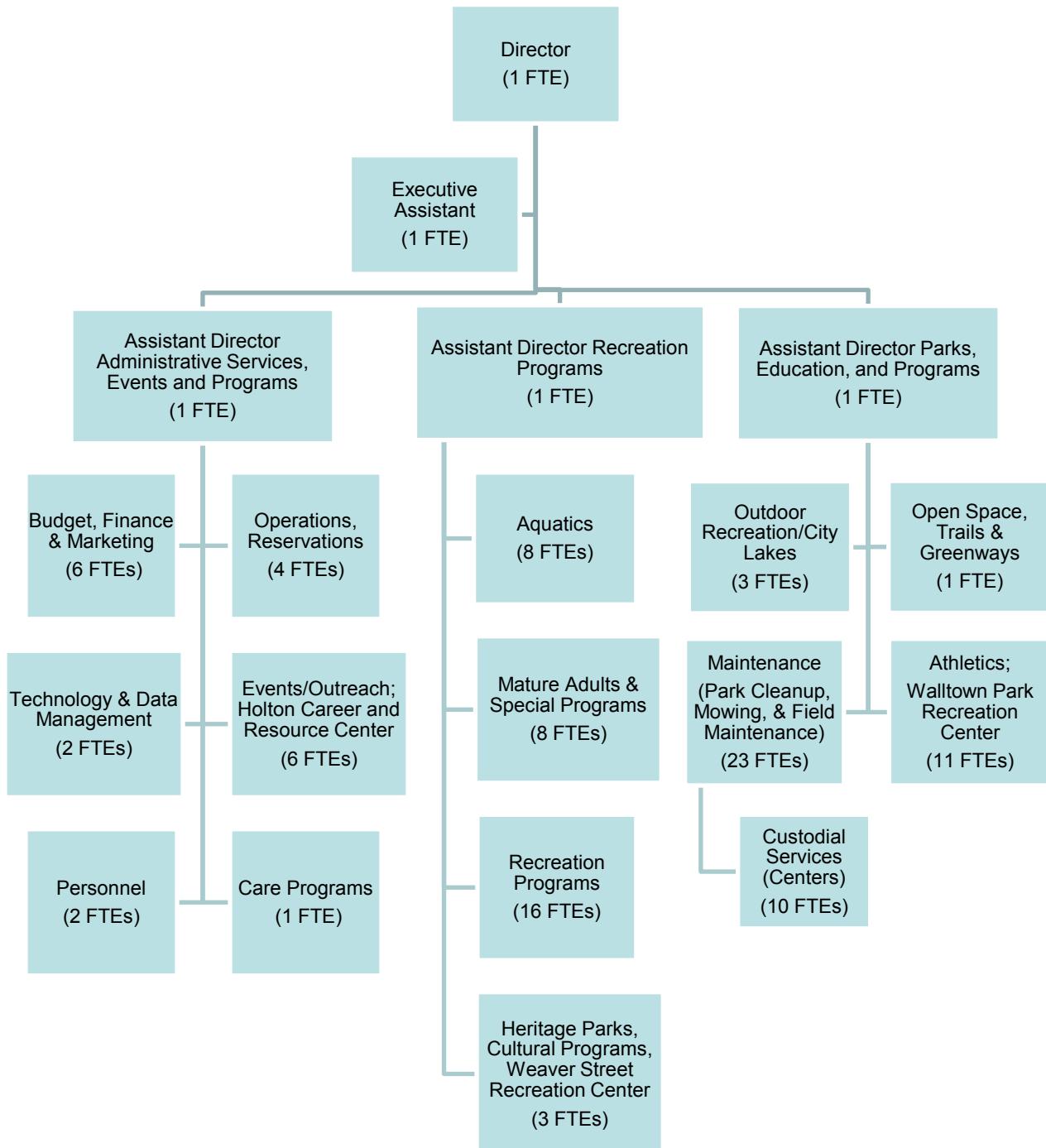
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Continue the CPTED (Crime Prevention through Environmental Design) principles in collaboration with DPD and the Trail Watch along the American Tobacco Trail
- Continue to conduct and evaluate a tree canopy inventory study
- Establish a signature Keep Durham Beautiful event
- Continue implementation of new work order system for the Facilities Custodial Services and Building Maintenance Operations Divisions
- Continue implementation of inventory control system for Facilities Custodial Services and Building Maintenance Operations Divisions
- Create facility maintenance plans for an additional eight (8) City facilities
- Continue verification process with City Operators for facility maintenance plans
- Identify storage platform for facility maintenance plans
- Complete City Hall stairwell upgrades throughout the facility
- Decrease amount of reactive maintenance work and increase planned/preventive maintenance efforts (Goal of 25%)
- Provide front line employees with technology that will assist with work order management in the field
- Assist with Energy Management upgrades in City facilities.
- Initiate design and preconstruction services on Police HQ/Annex/911 facility
- Continue development of facilities maintenance plans
- Complete design of new Fire Station 17
- Complete Armory Interior project
- Complete deferred maintenance requests in accordance with available funding
- Complete City Hall Human Resources consolidation project
- Snowhill Road Park-complete irrigation and lighting improvements
- Complete driveway improvements at various Parks

- Demolition of failing structures at various Parks
- Completed Real Estate transactions for Public Works- Fayetteville/Buxton/Riddle realignment project
- Completed Real Estate transactions for Public Works-Carver Street extension project
- Complete Real Estate transactions for the East End Connector project at Ellis Road and CR Wood Park
- Complete Real Estate transactions for the Brye Street Sewer Project
- Complete Real Estate transactions for the Avondale Drive Sidewalk Project
- Complete Real Estate transactions for the Fayetteville Road Sidewalk Project
- Complete Real Estate transactions for the Campus Walk Sidewalk Project
- Complete Real Estate transactions for the Southeast Pressure Zone Project
- Establish real estate property management improvement process
- Continue development of the joint GS/DPR process improvement initiative
- Increase trail maintenance and inspections, as well as additional landscaping support for parks with the addition of 6 FTEs.
- Partner with County on NC-147 gateway improvements between Blackwell and Fayetteville Streets



Parks and Recreation (109 FTEs)



PARKS AND RECREATION

Purpose Statement:

Durham Parks and Recreation provides opportunities for our community to Play More!

DEPARTMENT DESCRIPTION

Parks and Recreation	\$11,761,290
	109 FTEs

Administrative Services Division

Administrative Services provides support to staff and their programs, coordinates the department's budget, and develops and implements policies and standard operating procedures. It provides oversight to personnel management and is responsible for the department's Strategic Plan, planning, research and implementation of best practices, recreation software management, accreditation, marketing and public relations, special events, grants, sponsorships, facility agreements and rentals, data management, center computer labs and outreach programs.

Administration

This unit is responsible for providing professional management that is accountable, efficient and transparent. The unit provides the support and executive leadership to all full time and seasonal/part-time staff and programs.

Budget, Finance & Marketing

This unit develops, coordinates, and provides oversight to the departmental budget. Staff manages accounts payables, receivables, purchasing functions, and management of grants and discount/waiver programs (Sliding Fee Scale, Facility Fee Waivers). This unit is also responsible for the marketing and public relations functions for the department. Staff are responsible for department branding, all media relations, the DPR website, print materials including the "Play More" program guide, flyers and brochures, *DPRInfo* email, public service announcements, social media, promotional items and exhibit equipment, and marketing campaigns for special programs and events.

Personnel

This unit provides the timekeeping function for the department's full-time and part-time staff. Staff assist Human Resources in the screening and referral of seasonal applications, provide policy interpretation and assistance to staff, manage leave and attendance records, personnel requisitions, personnel actions, and ensure personnel are paid in a timely manner. The unit manages the department's background check requirements for employees, volunteers, and contractors. The unit ensures departmental compliance with City, State, and Federal guidelines (e.g. 1,000 hour employee benefits, retirement benefits, FLSA, etc.) The unit also coordinates benefits and training for departmental employees.

Technology and Data Management

Technology management, data control and computer lab management are the primary functions of this unit. Staff researches, recommends, implements, and manages technology hardware and software applications. This unit is responsible for providing development and management of program evaluations. Staff plays a critical role in the ongoing management of the department's recreation software. The unit serves as liaison to the Technology Solutions department, provides software training, and manages the department's technology inventory. In addition, staff are responsible for providing networking, hardware, and software management of the computer labs within the recreation centers.

Operations

This unit provides oversight of many of the key day-to-day operational functions within the department. Staff provides leadership and management of the department's CAPRA (Commission for the Accreditation of Parks

and Recreation Agencies) accreditation status and ongoing compliance. Staff also oversees the research, development, implementation and maintenance of departmental policies, standard operating procedures, and manuals. This unit provides reception at the Administrative Services office, and is responsible for reservations and facility management of rental facilities including the historic Armory in downtown Durham, Spruce Pine Lodge at Lake Michie, Forest Hills Neighborhood Clubhouse, McCown-Mangum House at West Point on the Eno Park, picnic shelters, outdoor plazas, and campsites, allowing for a variety of community events. Other operations managed by this work unit include Volunteer Management, Canine Recreation, Adopt-a-Park/Adopt-a-Trail program, and Safety programs (e.g. liaisons to Risk Management regarding employee and participant accidents, manages inspections, safety equipment and supplies, etc.).

Events and Outreach

This unit is responsible for planning and executing special events for the Durham community including Earth Day, Bimbé Cultural Arts Festival, the "Rock the Park" series providing movies and concerts within City parks, Latino Festival, Holiday Fun Fest, and the Senior Holiday Party. Staff also assists with the coordination of Durham Senior Games, and the July 4th Celebration. Outreach programs offer structured opportunities and classes at central locations to residents who have interests in a particular area. Outreach Coordinators assist the department in developing and marketing outreach programs specifically to the Latino community. Staff coordinates the collaborative efforts of the department to reach out to community agencies, developing partnerships for a more efficient use of available resources.

Park Planning and Education Division

This division is responsible for the planning and management of the department's outdoor physical facilities. This includes 68 parks, covering almost 3,000 acres, and the surrounding park area for the City's ten community and recreation centers. It also provides planning for several major regional facilities including the Armory, Spruce Pine Lodge, West Point on the Eno, Little River Lake and Lake Michie. 30 miles of greenway trails also exist as part of the parks system. The division also includes Outdoor Recreation, Athletics, Heritage Parks, and Park Maintenance.

Park Planning

Park planning includes a wide range of planning management for existing facilities, including 68 parks and 30 miles of greenway trails. Staff in this unit also directs the department's land acquisition, public meetings, development review, and liaison with General Services' project management division. This unit is also responsible for ongoing park planning, including master planning, cultural/historical planning and natural resource planning.

Outdoor Recreation and City Lakes

This unit conducts outdoor adventure programs and trips, and environmental education classes. The unit also interacts with other community agencies to develop a wide array of outdoor activities for youth and teens throughout the community. The unit operates a Low Ropes Challenge Course at Spruce Pine Lodge and a High Ropes Discovery Course at Bethesda Park, where participants focus on experiential learning. This unit makes a concerted, strategic effort to introduce young people into positive and satisfying activities that encourage their personal growth and help them meet challenges. Lake Michie and Little River Lake offer outdoor activities such as boating, fishing, hiking, camping and picnicking.

Athletics

Athletic activities are offered for participants of all ages, beginning at age three. Athletic leagues and tournaments are offered in a variety of sports, including basketball, softball, tennis, flag football, ultimate frisbee, soccer and volleyball. The unit also works cooperatively with local athletic associations and leagues to offer an even wider range of active sports. The unit manages athletic fields (baseball, softball, soccer, multipurpose) and courts (tennis, basketball) for the department.

Maintenance

The maintenance unit is responsible for mowing and maintaining athletic fields, mowing parks, park and trail cleanup, inspections of parks, and special event set-up and support. In addition, this unit includes the custodial

services staff for the Recreation Centers operated by Durham Parks and Recreation. This includes: Edison Johnson Recreation Center, Edison Johnson Aquatic Center, W. D. Hill Recreation Center, Weaver Street Recreation Center, Irwin R. Holmes, Sr. Recreation Center, and the Walltown Park Recreation Center.

Recreation Programs Division

The recreation programs division is responsible for providing diversified enrichment recreation programs for the community. This division is comprised of programming activities at nine recreation centers, two indoor aquatic facilities and two outdoor pools. The division also includes the programming for Special Programs and Mature Adults.

Recreation Centers

This unit operates Edison Johnson, Walltown Park, W. D. Hill, Weaver Street and the Irwin R. Holmes, Sr. at Campus Hills Recreation Centers. It also includes the operation of department offerings at the Community Family Life and Recreation Center at Lyon Park and provides recreation programs at the Holton Career and Resource Center. Teen enrichment programs are offered at these centers, i.e. performing dance and modeling groups, night flight basketball programs, etc. Also cultural programs are coordinated for families, including Kwanzaa, Black History Month, and the Martin Luther King, Jr. celebration. These centers also offer a wide variety of additional enrichment opportunities through fitness, performing arts, technology, and martial arts. Partnership programs, providing safe, structured recreational and educational activities are offered at the East Durham and W. I. Patterson Recreation Centers.

Care Programs

After School programs for youth ages 5-12 are provided at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, W. D. Hill Recreation Center, and for ages 6-12 at the Holton Career and Resource Center. Teen After School programs for ages 13-17 are provided at Walltown Park Recreation Center and the Holton Career and Resource Center. Also, After School programs are provided for adults and children with developmental and physical disabilities. "Explore" After School, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. Discover After School, for ages 5-21 offers opportunities to utilize existing skills or develop new ones. Typical after school activities are offered, including arts and crafts, sports, games and educational activities.

Summer camps for youth ages 5-12 are provided at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, Community Family Life and Recreation Center at Lyon Park, Weaver Street Recreation Center, West Point on the Eno, W. D. Hill Recreation Center, W. I. Patterson Center, and East Durham Center and for ages 6-12 at the Holton Career and Resource Center. Teen Summer Camp programs for ages 13-17 are provided at Walltown Park Recreation Center, Weaver Street Recreation Center and the Holton Career and Resource Center. DPR also provides an "Adventure Camp", a three-week Art Ventures Camp, and two sessions of a one-week "Volunteers in Training Camp". "Explore" Summer Camp, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. Discover Summer Camp offers opportunities for ages 12-21 with disabilities.

Intersession camps are provided during "out of school" time for year-round students for three periods, three weeks each, during the year for a total of nine weeks of programming. Programs are offered 7:30 am – 6:00 pm daily for the fall, winter and spring sessions.

Fun Days are offered 7:30 am – 6:00 pm at various Recreation Centers throughout the year during planned public school closures. Activities including sports, games, arts and crafts, dance, etc. are provided.

Heritage Parks

The City has several National Register Historic sites in its park portfolio, including West Point on the Eno Park, which offers passive recreational opportunities (hiking, fishing, picnicking), tours of the functioning mill and the McCown Mangum House, a facility that may be rented for private events; and Leigh Farm Park, which re-opened in 2014 and has a historic nineteenth century farmhouse and outbuildings and extensive natural areas.

Aquatics Programs

The Aquatics unit is responsible for the operation of four city aquatic facilities, including two indoor aquatic centers (Campus Hills Pool and Edison Johnson Aquatic Center), and two seasonal outdoor pools (Forest Hills Pool and Hillside Pool). This unit offers both structured and unstructured aquatic activities such as swim lessons, fitness programs, recreational swim and lap swim, and safety trainings. The aquatics unit is also responsible for aquatic facility rentals. The goal is to provide aquatic programs in sufficient quality and diversity that appeal to all of Durham's residents.

Special Programs and Mature Adults Programs

This unit provides recreational programs for adults and children with developmental and physical disabilities. The specialized programs include instructional, leisure, athletic and recreational activities. Special Olympic programs, programs for visually impaired participants, and outings are also offered. In addition to offering specialized programs, this unit facilitates oversight of inclusion by making accommodations within all other recreation programs. This unit is also responsible for coordinating programs for Mature Adults (55 and up), such as socials, trips, fitness, and the annual Durham Senior Games events.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 8,052,205	\$ 8,349,992	\$ 8,156,690	\$ 8,452,669	1.2%
Operating	2,180,977	2,330,390	2,538,442	2,346,145	0.7%
Capital and Other	19,108	36,305	58,638	962,476	2551.1%
Total Appropriations	\$ 10,252,290	\$ 10,716,687	\$ 10,753,770	\$ 11,761,290	9.7%
Full Time Equivalents	104	103	103	109	6
Part Time	82	82	82	82	-
Revenues					
Discretionary	\$ 9,026,695	\$ 9,475,732	\$ 9,533,291	\$ 10,541,920	11.3%
Program	1,225,595	1,240,955	1,220,479	1,219,370	-1.7%
Total Revenues	\$ 10,252,290	\$ 10,716,687	\$ 10,753,770	\$ 11,761,290	9.7%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration

General Fund: \$2,000,324

FTEs: 16

Administration	\$1,102,869, 6 FTEs
Budget, Finance, & Marketing	\$470,450, 6 FTEs
Technology and Data Management	\$189,569, 2 FTEs
Park Planning	\$237,436, 2 FTEs

Goal: Thriving and Livable Neighborhoods; Well Managed City

Objective: To provide responsive and accessible recreation programs by increasing connectivity of programs and facilities with customers and partners. To provide professional management that is accountable, efficient, and transparent.

Initiative: Maintain quality staff at sufficient levels needed to insure programming in response to citizen demand. Review and update DPR's compliance documentation for the Commission for Accreditation of Parks and Recreation Agencies (CAPRA). Simplify fee structure with consistent fee philosophy. Increase the collection and use of data and best practices to achieve operational excellence in core programs (i.e. evaluation tools, citizen satisfaction survey, etc.).

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of identified Strategic Plan initiatives meeting target implementation timeline	77%	100%	90%	100%
% of Strategic Plan measures rating at or above target	78%	80%	90%	85%
% of questions on employee opinion survey rating at or above 70%	70%	80%	70%	80%
% Compliant with CAPRA standards	100%	100%	100%	100%
# of Participants receiving a discounted fee (through Program Fee Waiver or Sliding Fee Scale Program)	1,519	1,300	1,500	1,500
Value of program fee waivers and Sliding Fee Scale discounts provided	\$614,898	\$685,000	\$630,000	\$650,000
# of Rentals (Organizations events, programs, meetings) receiving a discounted rental fee (through DPR's Facility and Field Fee Waiver Program)	108	100	100	100
Value of discounts provided to Organizations through DPR's Facility and Field Fee Waiver Program	\$114,005	\$100,000	\$105,000	\$105,000

Notes: The Sliding Fee Scale (SFS) provides for reduced fees for After School, Summer Camps, Intersession, and Fun Day programs). The scale is based on NC Health and Human Services poverty guidelines and is based on household income and #'s of persons residing in the household. Discounts are offered through this program that allow participants to pay 10%, 40%, or 70% of the total registration fee. Those in extreme hardship are granted a 100% waiver and attend the program at no cost. The Program Fee Waiver is available for the majority of all other registration based programs (not addressed under the SFS program). Under this program a 100% fee waiver available to participants if they are unable to pay. Verification is obtained through the Department of Social Services.

Program: Operations & Facility Reservations

General Fund: \$484,817

FTEs: 4

Goal: Thriving and Livable Neighborhoods, Stewardship of City's Physical Assets

Objective: To provide opportunities for our community to utilize recreation facilities to host events, increase the number of picnic shelter rentals and improve the quality of customer service received by users of DPR's rental operations.

Initiative: Improve marketing efforts to educate the public about available facilities and improve maintenance in parks.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Picnic shelter rentals	523	500	525	525
# of Rentals at rental facilities (Armory, Spruce Pine Lodge, Forest Hills, and McCown-Mangum House)	378	350	350	350
% of Participants (responding to evaluation surveys) rating overall rental experience as having "met" or "exceeded expectations"	86%	90%	90%	90%

Notes: Rental facilities include: Armory, Spruce Pine Lodge, Forest Hills, and McCown-Mangum House. Validated Complaint = facility not clean, rental start time delayed, etc.

Objective: To provide aesthetically pleasing and safe playgrounds for public use and increase customer satisfactions and safety on DPR playgrounds.

Initiative: Development and Implementation of adopted service standards in accordance with national industry standards for public playgrounds. Provide routine inspection against these established standards and address deficiencies as necessary and as resources allow. Staff maintains CPSI (Certified Playground Safety Inspector) certification.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Inspections of playgrounds per year (57 playgrounds @ 3 times each)	173	171	171	171
% of Playgrounds in compliance with minimum safety surfacing requirements	97%	95%	95%	95%

Program:	Recreation Program and Events	General Fund:	\$6,456,755
		FTEs:	56
	Adventure Programs and Environmental Education	\$319,859, 3 FTEs	
	Aquatics	\$908,338, 8 FTEs	
	Athletics	\$679,376, 6 FTEs	
	Events and Outreach	\$476,633, 3 FTEs	
	Heritage Parks and City Lakes	\$215,081, 2 FTEs	
Recreation Centers:	East Durham, WI Patterson, TA Grady, Walltown Park Recreation Center, IR Holmes, Sr.	\$2,401,570, 25FTEs	
Recreation Center at Campus Hills, Edison Johnson			
Recreation Center, Community Family Life and Recreation Center at Lyon Park, Holton Career and Resource Center, and Weaver Street Recreation Center			
	Special Programs/Mature Adults	\$637,336, 8 FTEs	
	Summer Camps and Intersession	\$818,562, 1 FTE	

Goal: Thriving and Livable Neighborhoods

Objective: To provide responsive and accessible recreation programs, increasing the number of participants who actively participate in activities/courses and events offered by DPR, through a wide variety of quality, specialized program areas as indicated in the program unit list provided.

Initiative: Complete Community Needs Index Survey to inform Master Plan and Recreation Program Plan development and updates. Update and support the departments marketing and communications plan to reach a range of audiences. Campaign to educate the public about programs offered by DPR and of fee programs that help those that cannot afford the full program fee. Continue to provide translation of DPR marketing materials into Spanish. Increase feedback opportunities (through surveys at conclusion of each program, through community meetings, etc.) that allow for DPR to collect data pertaining to the interest of the community (what programs are in demand) and to determine successes and areas that require attention. Insure staffs are knowledgeable about provision of quality programming and remain up to date on current programming trends.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Recreational opportunities offered	1,912	2,000	1,950	2,000
# of Individual participants served (registered programs and leagues)	24,220	22,000	22,000	22,000
# of Special events offered	44	40	40	40
% of Registered Course opportunities offered that met minimum registration requirements	72%	80%	75%	80%
% of Activities/courses exceeding maximum # of registrations allowed (participants waitlisted)	17.1%	9.0%	12.0%	11.0%
% of Participants (responding to evaluation surveys) rating programs attended as having "met" or "exceeded expectations"	88%	90%	90%	90%

% of Participants (responding to evaluation surveys) rating events attended as having "met" or "exceeded expectations"	88%	90%	92%	90%
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Program: Park Maintenance

General Fund: \$2,330,187
FTEs: 23

Goal: Thriving and Livable Neighborhoods; Stewardship of the City's Physical Assets

Objective: To provide aesthetically pleasing and safe parks {and recreation facilities} for public use providing regular and frequently scheduled service and monitoring of DPR facilities to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.

Initiative: Implement and provide ongoing support of the department's maintenance management system with operational standards as adopted as part of DPR's accreditation process. In the adopted Maintenance and Operations Plan, parks are assigned a level of service based upon usage from high to low (green, blue, and orange levels).

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Parks that are maintained (mowed, cleaned) in adherence with adopted standards as part of the DPR Operations and Management Plan.	41%	70%	60%	70%
% of Participants (responding to evaluation surveys) that rate condition of City parks and/or ball fields as having "met" or "exceeded expectations" (DPR survey targeting "booked" users)	82%	90%	87%	90%

Program: Custodial Services - Recreation Centers

General Fund: \$489,207
FTEs: 10

Goal: Stewardship of the City's Physical Assets

Objective: To provide aesthetically pleasing recreation facilities for public use providing regular and frequently scheduled service and monitoring of DPR (large) Recreation Centers to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.

Initiative: Development and Implementation of adopted service standards in accordance with national industry standards for recreation facilities. Provide routine inspection against the established standards and address deficiencies as necessary.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Participants (responding to evaluation surveys) rating cleanliness of facility as having "met" or "exceeded" expectations	93%	95%	94%	95%

BUDGET ISSUES FOR FY 2014-15

- Achieving desired maintenance standards within existing resources for athletic fields, park cleanup, and custodial services in recreation centers to address priorities identified in the resident satisfaction survey.
 - Implementing a workforce management solution for automation of timekeeping to achieve desired consistencies and efficiencies, minimize compliance risks, and control labor costs.
 - Providing adequate office space for staff and appropriate storage space for equipment and supplies.
 - Dealing with aging recreation facilities and the continuing effects of deferred maintenance on those facilities.
 - Ensuring all programs and facilities are as accessible as possible for all Durham residents.
-

ACCOMPLISHMENTS FY 2013-14

- DPR continued collaboration with community partners and prioritized relationships with similar agencies toward common community goals. Accomplishments in this area include:
 - The partnership between DPR and Duke Healthy Lifestyles Clinic's Bull City Fit was recognized as an innovative idea to combat the childhood obesity epidemic by the *American Journal of Preventive Medicine*. The program was selected second out of 25 national nominees as a model partnership between a health care provider and a community organization.
 - The non-profit partner at East Durham Recreation Center served an average of 26 children and youth (ages 6-17 years) in martial arts programming this spring and fall. The Ligo Dojo of Budo Karate also offered martial arts programing with DPR's Summer Day Camp at East Durham Recreation Center.
 - The 8th Annual Unity in the Community Day was hosted at the Holton Career and Resource Center on Saturday, October 5 from 11 a.m. - 2 p.m. The event, which celebrates Disability Awareness and Employment Month, featured local groups and organizations that provided information on disabilities or disability support services.
 - DPR continued the partnership with KidzNotes at Holton Career and Resource Center, approving their usage of additional space in the fall of 2013. KidzNotes had their end of school concert at Holton in May 2013 with over 400 in attendance. KidzNotes also held an event in December 2013 at the Holton Career and Resource Center to bring together for the first time their Raleigh and Durham KidzNotes participants, with all 265 students from 7 schools in Durham and Wake County to perform together in a myriad of KidzNotes orchestras and ensembles. It was a huge day for the kids and their families.
 - Fostering a collaboration between Special Olympics North Carolina (SONC), a 501(c)(3) nonprofit organization, and DPR to assist SONC with accomplishing their mission to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.
- On October 7, 2013 Durham Parks and Recreation was reaccredited by the National Parks and Recreation Commission for Accreditation of Park and Recreation Agencies (CAPRA). National accreditation through CAPRA is an extensive multi-year process, which includes the completion of an application and detailed self-assessment report, a site visit by a committee of experienced park and recreation professionals, and a final assessment completed by the agency and CAPRA. CAPRA evaluates agency oversight of various areas including goals, objectives, planning, finances, programming, facilities, land use, volunteer recruitment, risk management and public safety and is based on an agency's compliance with 144 standards. The City of Durham Parks and Recreation Department met all of the 144 national standards.
- On August 19, 2013, City Council adopted DPR's 2013 Master Plan. The purpose of the 2013 Master Plan is the establishment of a guide to direct the operations of the Department of Parks and Recreation in facility development for the next ten years and in recreation programming for the next five years. The plan was developed in alignment with the City's and the Department's Strategic Plans and the City's and the Department's mission and vision. Gathering data for this plan included extensive community input, a statistically valid household survey, a series of focus group meetings with selected stakeholder groups, and a variety of technical reports and assessments. In addition, the process included involvement and review by a resident Master Plan Steering Committee, the Recreation Advisory Commission, and the Durham City Council. The recently updated Durham Trails and Greenways Plan and Durham Comprehensive Plan were reviewed in order to build on that work already completed. Information from these various sources is included as supporting information as relevant in this document.

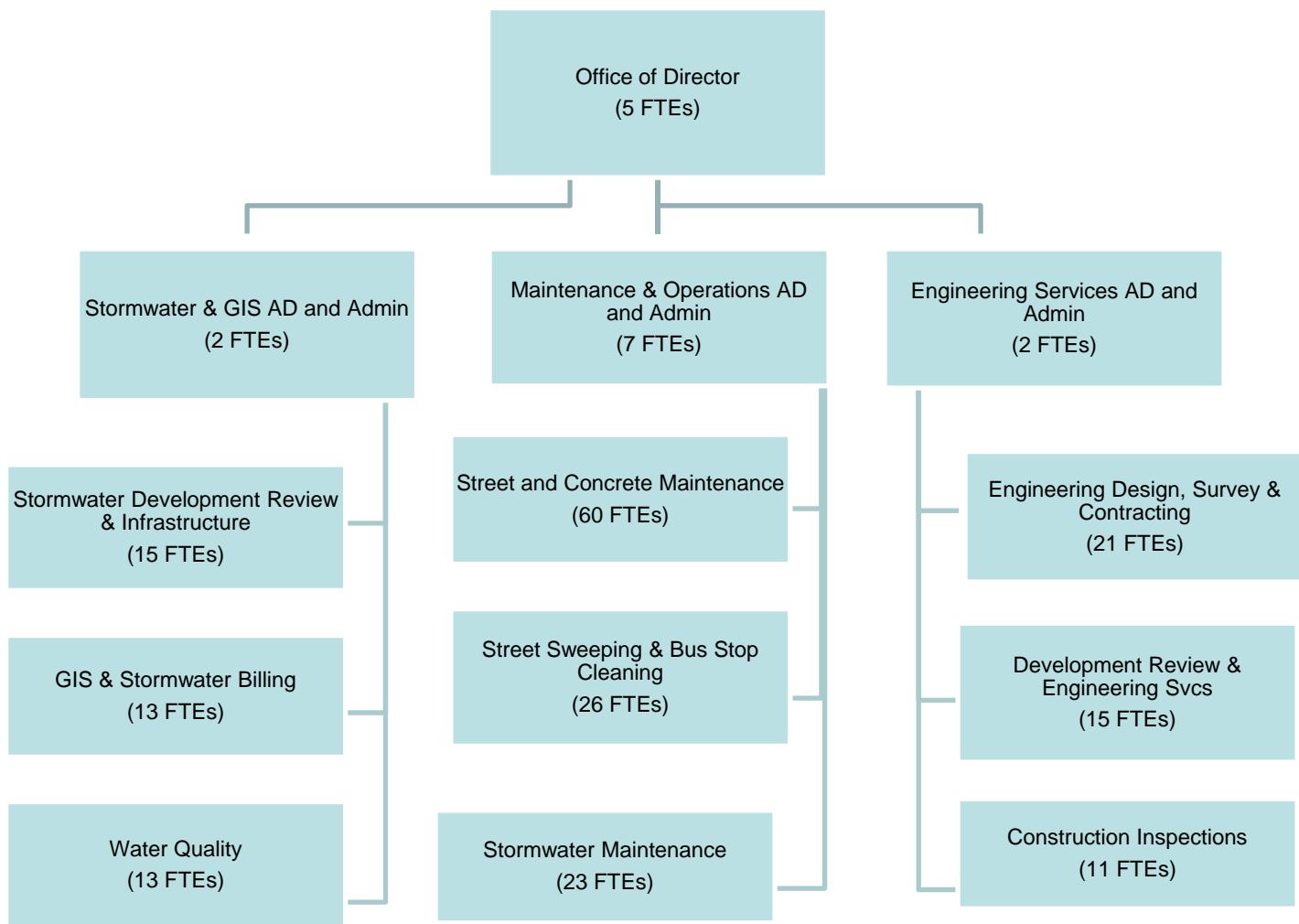
- KaBOOM!, a national non-profit dedicated to bringing play back into children's lives, honored Durham, NC as a Playful City USA for the fifth straight year. The honor is Durham's ongoing commitment to play and "for being a pioneer in play, investing in children, and believing in the vision of a great place to play within walking distance of every child in Durham, North Carolina."
- Re-opened the Leigh Farm Park, located at 370 Leigh Farm Rd, with a visitors' center, restrooms, new water lines, and some restoration to the historic buildings completed. DPR continues to promote education and conservation through both the unique partnerships already established and new cultural history programming developed by department staff at this site.
- Third Fork Creek re-opened as of August 29, 2013.
- Old North Durham Park re-opened October 31, 2013.
- DPR transitioned Park Maintenance operations from the Duke Park Maintenance shops to the new Park Maintenance Operations Center in the spring of 2014.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Increase connectivity of programs and facilities with customers and partners. Continue collaboration with community partners and prioritize relationships with similar agencies toward common community goals.
- Reallocate resources from programs not meeting minimum registration requirements to support offering new and trendy programs and services identified through public input in the development of the Master Plan.
- Enhance and expand marketing efforts to increase participation.
- Diversify offerings to include activities in parks that are designed to strengthen communities.
- Develop and implement a parks non-profit organization.
- Implement Bar|Scan Technology to capture DPR's equipment inventory.
- Work with other City departments to complete an assessment of the City's Trail system. This assessment will inform an Operations and Maintenance Plan for the Trails.
- Increase park inspections and maintenance with the addition of 6 FTEs as well as funding to address deferred maintenance repairs and replacement.



Public Works (213 FTEs)



PUBLIC WORKS

Purpose Statement:

To operate, maintain and improve the City's street and utility infrastructure and programs in a manner that cost effectively enhances the community's livability.

DEPARTMENT DESCRIPTION

Public Works Department

General Fund: \$6,832,316
Water and Sewer Fund: \$3,274,832
Stormwater Fund: \$8,042,375
213 FTEs

Engineering Survey, Design and Contracting

This program provides full scale engineering services to all Public Works Divisions as well as other City of Durham Departments. Services provided include field surveys, utility location, engineering design, acquisition of permits, contract management, project management, project consulting, and public hearings on proposed projects. The projects include streetscapes, pavement preservation, new street construction, existing street reconstruction, water and sewer extensions, new sidewalks, sidewalk repair and traffic calming.

Paved, Dirt Street and Sidewalk Maintenance

This program has responsibility for public roadway maintenance, street repaving, alley maintenance and sidewalk maintenance within the City. This program completes water and sewer utility cut repairs within the City. Street Maintenance also plans and executes the City's winter weather plan and assists other departments in debris removal operations from natural disasters.

Stormwater Quality

The Stormwater Quality Program management manages projects to improve surface waters through compliance with a National Pollutant Discharge Elimination System (NPDES) permit, Neuse River Nutrient Sensitive Waters Management Strategy, Jordan Lake Rules, Falls Lake Rules, and Water Supply Watershed Protection Rules. Program implementation is monitored and reported to regulatory agencies. The program provides industrial inspections and enforcement, municipal inspections and education, chemical, biological and hydrologic monitoring, and public education. The program detects, investigates and eliminates unauthorized connections and illegal discharges. The program also reviews and comments on proposed stormwater control measures (SCM's), water quality legislation, federal/state rule development, development of ordinances and implementation plans for federal and state rules. In addition, this program supports the development of watershed plans and implementation of those plans; and evaluates the compliance of public and private SCM's, coordinates stream restoration activities, and implements water quality projects.

Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning

The program maintains the stormwater drainage system within the City's Right-of-way (ROW). Other services include catch basin maintenance and repair, mechanical sweeping, carcass removal from City streets and vet hospitals, and litter removal from ditches, sidewalks, downtown areas and other public street ROW. This program also provides support during severe winter weather events by assisting with snow removal operations and roadway pretreatment operations. Bus Stop Cleaning provides general cleaning services and trash collection for all city bus shelters.

Engineering Inspections

This program provides inspections services for street construction and rehabilitation, water, sewer and stormwater infrastructure that is built by private developers, through City contracts, or through NCDOT contracts. The Inspections Group provides front-line assurance through every stage of the construction process that new installations are in accordance with all applicable local and state construction standards. They further assure a sustainable and reliable infrastructure by reviewing as-built infrastructure drawings and digital submittals for construction projects, and review and track surety bonds and other financial instruments posted by the development community in conjunction with obtaining plat approval for the projects.

Stormwater Infrastructure and Development Review

The Stormwater Infrastructure group is responsible for non-routine repair and improvement of stormwater infrastructure, drainage and floodplain customer response, and floodplain management services. The Drainage Projects Unit (DPU) provides for the evaluation, design, contracting, and project/construction management for stormwater infrastructure projects involving City Right-of-way (ROW), City owned property, and private drainage assistance. The Drainage and Floodplain Unit (DFU) investigates and responds to customer inquiries regarding private drainage/flooding issues and floodplain information requests, provides technical support for the National Flood Insurance Program (NFIP), coordinates flood mitigation grant submittals, and processes private drainage assistance requests.

Stormwater Development Review ensures new development is in compliance with applicable federal, state, and local stormwater regulations. This is achieved by reviewing development plans (zoning, site plans, preliminary plats, construction drawings, and final plats), stormwater impact analyses and engineering calculations. It also includes ensuring proposed structural stormwater BMPs proposed are properly constructed through construction oversight, an as-built plan/certification program, and by obtaining proper construction securities. Additionally, Stormwater Development Review ensures post-development stormwater compliance through education and the BMP Maintenance Certifier program, which includes annual inspection reports for BMPs, inspections, and enforcement.

GIS & Billing

The GIS & Stormwater Billing program maintains GIS mapping data for the City which includes data on street centerlines, sidewalks, the stormwater system, and the water and sewer collection and distribution system. This data set is utilized by the Emergency Communications, water and sewer maintenance personnel, stormwater maintenance personnel, engineers, planners, developers, and citizens. In addition, this program is responsible for all aspects of billing for the stormwater utility, including customer service inquiries, bill verification and adjustments, new fee implementation, mapping of stormwater impervious areas within the City limits for purposes of stormwater bill calculation, and the acquisition of satellite imagery and impervious area extraction for quality control purposes. The program supports and maintains the Azteca Cityworks software which is utilized City-wide to track incoming service requests; along with labor, equipment, and material costs associated with work done by Public Works staff and various City departments.

Engineering Development Review

Development Review provides a centralized location for the most common public works customer needs, from new commercial and residential development, to customer questions and concerns about water and sewer service, infrastructure petitions, and assessments. This program provides a location for the receipt, tracking, distribution, and pickup of Public Works permits, inspection requests, as well as payment of all Public Works fees and construction securities. Such permits include water, sewer, storm and street authorizations to construct, and permits for public and private projects. Additional services include the review of development plans in coordination with other City, county and state departments and agencies.

Office of the Director

The Office of the Director provides administrative, financial and technical planning as well as leadership support for all programs in the department. This office maintains, analyzes and reports on performance measures and other data for the department. This office also provides policy direction, financial monitoring, safety management and human resource leadership for the department.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$13,252,785	\$14,085,812	\$13,352,497	\$14,176,521	0.6%
Operating	2,808,814	4,303,802	4,349,520	3,924,502	-8.8%
Capital and Other	23,802	74,500	1,191,964	48,500	-34.9%
Transfers	-	-	-	-	0.0%
Total Appropriations	\$16,085,401	\$18,464,114	\$18,893,981	\$18,149,523	-1.7%
Full Time Equivalents	217	211	211	213	2
Part Time	1	1	1	1	-
Revenues					
Discretionary Program	\$ 5,397,496 875,039	\$ 6,596,062 778,000	\$ 7,051,869 785,000	\$ 6,247,316 585,000	-5.3% -24.8%
Total General Fund	\$ 6,272,535	\$ 7,374,062	\$ 7,836,869	\$ 6,832,316	-7.3%
Water and Sewer Fund	2,852,218	3,189,363	3,040,342	3,274,832	2.7%
Stormwater Fund	6,960,648	7,900,689	8,016,770	8,042,375	1.8%
Total Revenues	\$16,085,401	\$18,464,114	\$18,893,981	\$18,149,523	-1.7%
Total Budget	\$17,428,324	\$18,464,114	\$18,893,981	\$18,149,523	-1.7%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Engineering Survey, Design and Contracting	General Fund:	\$444,816
		Water & Sewer Fund:	\$1,461,330
		FTEs:	22
Goal:	Stewardship of the City's Physical Assets and Safe and Secure Community		
Objective:	To ensure that streets are repaved efficiently and effectively and other data is collected in support of a safe and secure community.		
Initiative:	Maintain City infrastructure through the efficient use of contractors.		

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Street repaving lane mile contracted cost	\$63,383	\$125,000	\$100,000	\$100,000
Linear feet of new sidewalk constructed	0	5,000	5,000	7,000
New sidewalk construction cost per linear foot	\$0	\$50	\$50	\$50
% of Asphalt roadways with Pavement Condition Index above 75	N/A	50%	66%	60%
% of contracts completed in 85-115% of original budget	N/A	80%	80%	80%
% of projects designed on time	N/A	80%	80%	85%

Program:	Paved, Dirt Street and Sidewalk Maintenance	General Fund: \$5,239,411 FTEs: 65		
Goal:	Stewardship of the City's Physical Assets			
Objective:	To ensure streets are safe for travel and well maintained.			
Initiative:	Provide timely and efficient repair of City infrastructure.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of potholes repaired	1,729	1,600	1,800	1,600
Average cost per pothole	\$77	\$100	\$65	\$75
% of potholes repaired within 3 business days	N/A	100%	50%	90%
Linear feet of sidewalk repaired	5,142	3,500	8,000	7,000
Average cost per linear foot for sidewalk repaired	\$38	\$55	\$30	\$40
Program:	Stormwater Infrastructure and Development Review	Stormwater Fund: \$1,593,877 FTEs: 14		
Goal:	Stewardship of City's Physical Assets			
Objective:	To protect and restore the drainage system, preserve and maintain floodplain function, and provide technical reviews and assistance with drainage and floodplain issues.			
Initiative:	Provide timely technical assistance to stormwater infrastructure customers and complete stormwater infrastructure projects.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of routine drainage service requests addressed within one month	92%	90%	90%	90%
Average cost to address a routine drainage service request	N/A	\$200	\$185	\$210
% of Annual SCM Inspection reports submitted	N/A	N/A	N/A	80%
Program:	Stormwater Quality	Stormwater Fund: \$1,359,981 FTEs: 15		
Goal:	Stewardship of City's Physical Assets			
Objective:	To ensure that surface water quality is in compliance with the NPDES permit.			
Initiative:	To provide timely water quality investigation, control pollution sources and follow up on violations discovered.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Rolling Water Quality Index	79	77	79	80
# Pollution sources controlled	107	100	129	120
# Business days needed to issue violation letter/referral	3.31	5.00	3.50	4.00

Program: Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning **Stormwater Fund:** \$3,676,405
FTEs: 52

Goal: Stewardship of the City's Physical Assets

Objective: To ensure the storm drainage system is inspected and maintained per NPDES.

Initiative: To provide stormwater drainage system maintenance as required by the NPDES permit.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Linear feet of storm drain videoed	37,326	60,000	60,000	60,000
Linear feet of storm water pipe flushed	52,560	32,000	55,000	64,000
Curb miles cleaned/swept	12,806	28,000	20,000	20,000

Program: GIS & Stormwater Billing

General Fund: \$176,750
Stormwater Fund: \$770,779
Water & Sewer Fund: \$232,263
FTEs: 13

Goal: Well-Managed City and Stewardship of City's Physical Assets

Objective: Provide seamless service, project a positive image of the City, and manage the following GIS Layers: water, sewer, stormwater, street, sidewalk, City limits, curb ramps, emergency snow plow routes, and street sweeping routes.

Initiative: Manage stormwater billing program and stormwater revenues and efficiently manage GIS updates.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Stormwater billing - % of stormwater adopted target revenue billed	105%	100%	100%	100%
Stormwater billing - revenue received from return mail of stormwater customers	\$156,318	\$86,500	\$135,000	\$86,500
GIS - % of digital submittals input within 20 business days of approval	87%	80%	85%	90%

Program: Engineering Inspections

**General Fund: \$225,147
Water & Sewer Fund: \$467,579
Stormwater Fund: \$232,075
FTEs: 11**

Goal: Strong and Diverse Economy

Objective: To ensure that City infrastructure complies with all City codes and laws.

Initiative: To complete accurate inspections in a timely and efficient manner.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
Linear feet of public infrastructure inspected	359,308	294,000	350,000	310,000
# Private utility permits issued	650	650	750	675

Right of Way and Certificate of Occupancy completed in 48 hrs for Commercial and Residential Construction

N/A

100%

100%

100%

Program: Engineering Development Review

General Fund: \$403,076
Water & Sewer Fund: \$898,832
Stormwater Fund: \$185,479
FTEs: 16

Goal: Strong and Diverse Economy; Thriving, Livable Neighborhoods; Well-Managed City; Stewardship of City's Physical Assets

Objective: To provide timely responses for development topics: water, sanitary sewer, street, stormwater conveyances and control measures, plan approval, permitting, and all customer service activities for the Public Works Department.

Initiative: To monitor and track customer service and routing accuracy and timeliness.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Engineering Development Review: Total Number of plans/items reviewed	2,066	1,850	1,850	1,850
Engineering Development Review: Percent of plans/items reviewed on time	90%	85%	85%	85%
Engineering Development Review: Total number of Customers	17,661	16,000	16,000	18,000

Objective: To further safety and general welfare and convenience of the citizens of Durham through assessing, managing, and completing all infrastructures for the struggling and failed developments in the City of Durham.

Initiative: To monitor and track failed developments; and to works towards completion of all infrastructure within a failed or struggling development.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# of Completed projects	69	35	40	10
Work hours spent on failed or struggling developments	1,000	1,150	400	250

Program: Office of the Director

General Fund: \$343,116
Water & Sewer Fund: \$214,828
Stormwater Fund: \$223,779
FTEs: 5

Goal: Well-Managed City

Objective: To drive operational initiatives, departmental safety and overall departmental effectiveness.

Initiative: Promote the satisfaction and safety of citizens and staff.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of Questions on Employee Opinion Survey rating at or above 70	64%	70%	N/A	70%
% of Citizens rating the condition of streets in their neighborhood as good or very good	N/A	60%	58%	N/A
% of identified safety deficiencies corrected as a result of safety inspections	N/A	70%	100	100%
# of Workman's comp claims per 100 FTEs	N/A	50	19	15

Note: Employee Opinion Survey conducted in odd fiscal years, Citizen's survey conducted every even fiscal year.

BUDGET ISSUES FOR FY 2014-15

- Meeting resident demand for street resurfacing within allotted budget.
- Completing the construction of new sidewalks and the repair of existing sidewalks within allotted budget.
- Implementing stormwater rate increase in support of CIP projects and stormwater fleet replacement.

ACCOMPLISHMENTS FOR FY 2013-14

- Completed an inventory and assessment of the City's existing sidewalk repair needs with respect to the currently proposed national ADA/PROWAG guidelines.
- Completed a Pavement Condition Index (PCI) study to rate the condition of all City of Durham streets and sidewalks.
- Resolved issues related to over 35 failed developments throughout the City.
- Began construction of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Completed design and construction of the Little Five Points streetscape in conjunction with the Office of Economic and Workforce Development.
- Completed design and began construction of the Carver Street Extension.
- Completed design of the Fayetteville/Buxton/Riddle intersection realignment.
- Completed four quarterly seminars for the development community on changes to design, construction and as-built characteristics of development within the City.
- Contracted for Little Lick Creek Water Shed Plan.
- Completed 25 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Completed feasibility studies for Algal Turf Scrubber and Aqualutions projects to address stormwater nutrient reduction requirements.
- Developed Nutrient Bank Request For Proposal to address stormwater nutrient reduction requirements.
- Integrated mobile technology (laptops, tablets, etc.) within the Maintenance division.
- Completed flushing of 65,000 linear feet of stormwater pipes.
- Began the development of a comprehensive safety and training program for all divisions within the department.
- Repaired and replaced 7,500 linear feet of damaged sidewalks city-wide.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

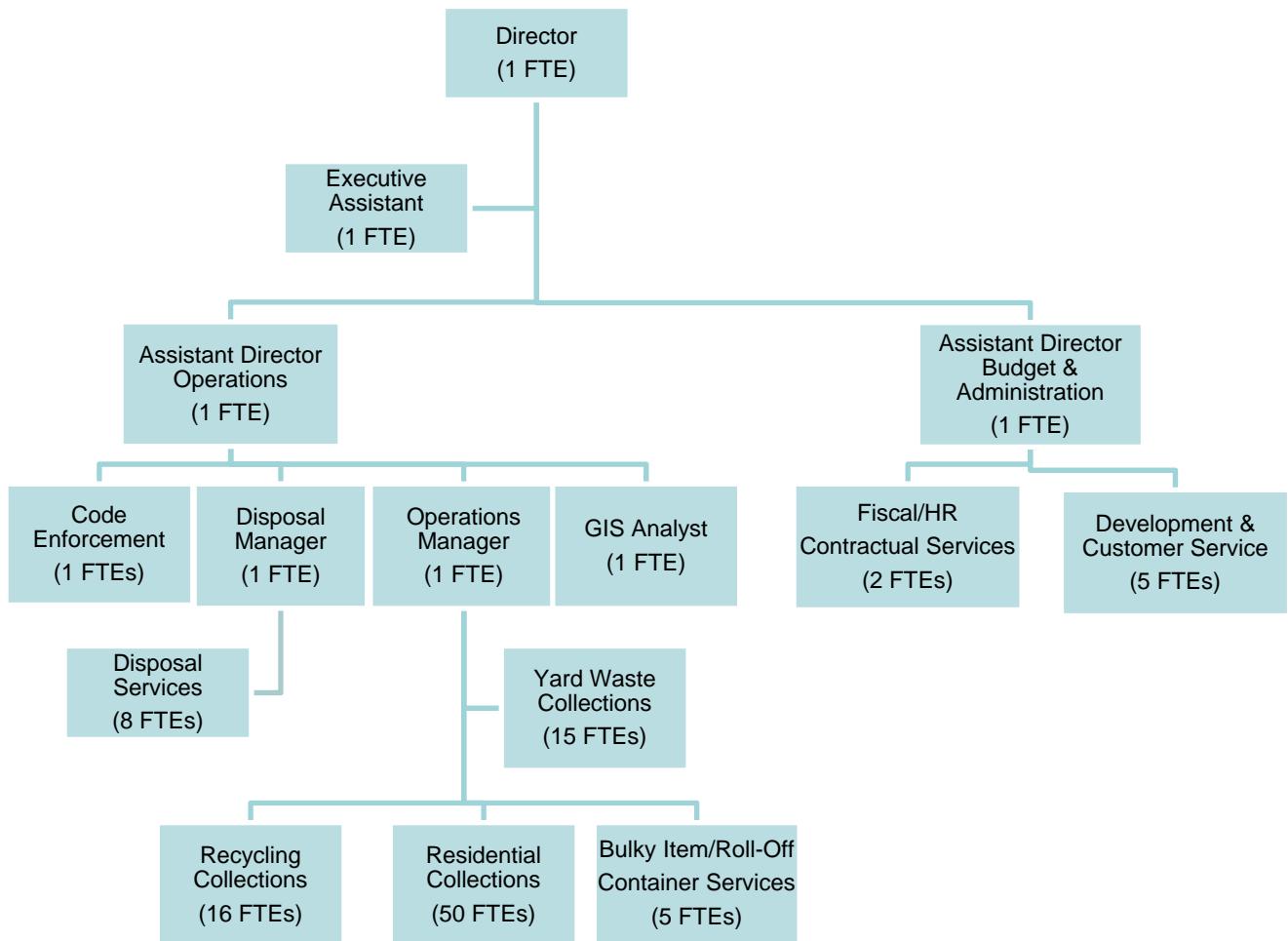
- Complete 20 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Complete the design of a stream restoration for Third Fork Creek.
- Begin the design of the South Ellerbe Creek Wetland Project.
- Issue request for bids for nutrient credits for Falls Lake Rule compliance.

- Complete monitoring of permeable pavement on clay soil as part of a joint project with NC State University.
- Complete two major repairs to City-owned stormwater control measures.
- Complete the Eno River watershed study.
- Complete an inventory and assessment of the City's existing sidewalk infrastructure; develop a multi-year maintenance plan that ensures compliance with currently proposed national ADA/PROWAG guidelines.
- Develop and refine a multi-year pavement preservation and rehabilitation program.
- Complete construction of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Begin construction of the Carver Street Extension.
- Complete construction of the Fayetteville/Buxton/Riddle intersection realignment.
- Mill and repave 10,000 linear feet of road to help increase road integrity and potentially raise the PCI rating of each segment.
- Repair or replace 7,000 linear feet of sidewalks.
- Complete 40,000 linear feet of stormwater ditching projects.
- Begin development of a comprehensive asset management plan for streets, sidewalks, bridges, and stormwater infrastructure.



Solid Waste Management

(109 FTEs)



SOLID WASTE MANAGEMENT

Purpose Statement:

To provide industry leading waste collection, recycling and disposal services. We will be responsive, accountable, and dependable to the citizens of Durham.

DEPARTMENT DESCRIPTION

Solid Waste Management**Solid Waste Fund: \$14,781,647****Stormwater Fund: \$249,900****109 FTEs**

The Department is primarily responsible for the collection and disposal of residential municipal solid waste, bulk items/brush and subscriber-based yard waste debris. The Department also provides curbside recycling services. Staff assures that all collection and disposal activities are done in accordance with state regulatory mandates, City Manager directive and according to City Council goals.

The Department is committed to its vision of accomplishing our mission in a safe, efficient, cost effective and environmentally sound manner; and to be a leader in the solid waste industry.

Administration

The Administration division provides leadership, administrative and planning support for all solid waste management programs and divisions. This division directly administers all aspects of customer service to Durham's citizens, which includes service request management, providing information to the public, resolving internal/external service issues and maintaining the highest level of customer satisfaction

Residential Collection

The Residential Collection division collects household waste in carts that are provided by the City. The carts are placed curbside by residential customers and some small businesses on a weekly basis. Fully automated and semi-automated vehicles are used to collect these carts. The division provides exempt services to residents who are physically unable to roll their carts to the curb for collection.

Yard Waste Collection

The Yard Waste Collection division collects yard waste on a weekly basis from customers who subscribe to this service. This division also provides Christmas tree collection to all households within the City limits. This program is designed to divert debris from the waste stream by recycling it into reusable earth products.

Curbside Recycling

The Curbside Recycling division provides single stream collections to residents on a bi-weekly schedule. The implementation of single stream recycling supports City Council's goals and the Department's mission of providing environmentally safe collections of recyclable material..

City Facilities and Downtown Collections

This cost is associated with services provided by the SWM Department to collect solid waste from all City-owned facilities, residents and businesses in the downtown area that require stationary container services.

Bulky Item/Bulky Brush Collection

The Bulky Item Collection division is a weekly curbside collection service for residents who have large items, e.g. household appliances (white goods) and furniture that is too large to be collected by the residential collection division, and quantities of brush too large to be collected by yard waste crews. The Bulky Item Division also provides limb and branch debris removal from streets during incidences of severe weather.

Code Enforcement Services

The Code Enforcement division utilizes a proactive approach to ensure compliance with solid waste management ordinances that support City Council's goals. This division interprets and enforces solid waste disposal and recycling ordinances, general statutes, and policies of the Department and the City of Durham.

Waste Reduction

The Waste Reduction division provides city-wide waste reduction education activities and program. City staff provides educational programs and activities that target various public and private schools and community groups annually. This division strives to promote community awareness of recycling events throughout the community.

Transfer Station

The Transfer Station provides proper municipal solid waste (MSW) disposal services for Durham residents and visitors. The program includes oversight of the transfer station and associated contract management and landfill debt administration. This division maintains equipment assigned to the post-closure Land Clearing Inert Debris (LCID) site. The division operates a Scale House which captures all municipal solid waste disposal, recycling, and yard waste composting activities by way of its scaling system. The number of customers served during the year and the weight of the waste brought to either the transfer station or the yard waste facility flows through this cost center and determines payments by the City to its contractors.

Convenience Center

The Convenience Center provides services associated with efforts to reduce the amount of waste that goes into a landfill, which is consistent with the City's recycling goals. Major activities include: white goods recycling, scrap tire recycling, e-waste recycling, and an active "swap shop", where reusable items are made available to the public at no cost. Other commodities such as used motor oil, automobile batteries, and cooking grease are accepted at the Recycling Center for reprocessing and reuse.

Yard Waste Composting Facility

The Yard Waste Composting Facility is permitted to receive up to 14,000 tons of yard waste material annually. Yard Waste is brought to the facility and ground into mulch and other "earth products" for reuse. This cost center captures labor, equipment, contractual services and other direct expenses associated with the operation of this facility, and supports the City Council goal of accountability and fiscal soundness.

Scrap Tire Disposal

The Scrap Tire Disposal program provides for collection and proper disposal of tires that are delivered to the convenience center. This program enables diversion of tires from the waste stream and provides an environmentally safe disposal service for discarded tires.

Household Hazardous Waste

The Household Hazardous Waste (HHW) program provides for special collection of items such as paints, solvents, household cleaners, pesticides, aerosols, and other similar waste products. These types of wastes, considered household hazardous waste, are unsafe to dispose of with regular trash and must be handled separately. The City provides for special collection of such items for citizens and residents of Durham, Orange, Wake, and Chatham Counties five days a week.

RESOURCE ALLOCATION						
	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change	
Appropriations						
Personal Services	\$ 6,130,296	\$ 6,267,654	\$ 6,168,803	\$ 6,159,049	-1.7%	
Operating	9,523,570	9,056,178	8,844,844	8,852,498	-2.2%	
Capital and Other	-	-	-	20,000	100.0%	
Transfers	530,899	747,000	747,000	-	-100.0%	
Total Appropriations	\$ 16,184,765	\$ 16,070,832	\$ 15,760,647	\$ 15,031,547	-6.5%	
Full Time Equivalents	114	112	112	109	-3	
Part Time	-	-	-	-	-	
Revenues						
Discretionary	\$ 10,408,532	\$ 9,350,585	\$ 9,843,518	\$ 8,551,487	-8.5%	
Program	5,566,127	6,475,447	5,672,129	6,230,160	-3.8%	
Solid Waste Fund	\$ 15,974,659	\$ 15,826,032	\$ 15,515,647	\$ 14,781,647	-6.6%	
Stormwater Fund	210,106	244,800	245,000	249,900	2.1%	
Total Revenues	\$ 16,184,765	\$ 16,070,832	\$ 15,760,647	\$ 15,031,547	-6.5%	

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES								
Program:	Administration			Solid Waste Fund:	\$ 1,079,553			
				FTEs:	12			
Goal:	Well-Managed City							
Objective:	Achieve exceptional customer service and a culture of professional development.							
Initiative:	Continuous communication updates to the City departments website, with accurate information, assuring that information regarding changes to departmental services are easily accessible.							
Measures:		Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15			
% Collection complaints resolved within 48 hours		99%	99%	99%	99%			
% Residents rating trash collection services as satisfactory or better		86%	86%	84%	84%			
% of Employee Opinion Survey questions rating at or above 70%		34%	80%	34%	80%			
Program:	Residential Collection			Solid Waste Fund:	\$ 3,446,583			
				FTEs:	50			
Goal:	Thriving Livable Neighborhoods							
Objective:	Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.							

Initiative: Increase the use of technology, best practices and training for field staff and managers.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Participating Households	69,230	70,811	69,600	69,800
Tons collected (Curbside)	45,519	47,500	47,500	47,600
Collection and disposal costs per collection point	\$1.59	\$1.62	\$1.56	\$1.45

Program:	Yard Waste Collection	Solid Waste Fund:	\$1,350,512
		FTEs:	15

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Provide Durham residents with an efficient program to dispose of earth products.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Yard Waste Subscribers	16,714	22,000	18,300	17,006
Tonnage collected	8,753	10,100	9,300	9,300
% Waste stream diverted through yard waste collection	12.6%	7.5%	12%	13%

Program:	Curbside Recycling	Solid Waste Fund:	\$1,615,264
		FTEs:	15.8

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Provide Durham residents with an effective and efficient program to dispose of recyclable materials.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Participating Households	69,230	70,811	69,600	69,800
Tonnage collected	13,776	14,800	13,700	13,800
% Waste stream diverted through recycling	23.2%	25%	24%	25%

Program:	City Facilities and Downtown Collections	Solid Waste Fund:	\$57,414
		FTEs:	0

Goal: Thriving Livable Neighborhoods

Objective: Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

Initiative: Collection services in downtown area and City-owned facilities.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Collection points	13	13	13	14

Program:	Bulky Item Collection	Solid Waste Fund:	\$720,089	
		FTEs:	4.4	
Goal:	Thriving Livable Neighborhood			
Objective:	Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.			
Initiative:	Use of GPS technology to effectively mange timely collections, resources and personnel.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Bulky item/brush collections	14,377	15,430	19,000	17,500
% Bulky collection complaints resolved within 48 hours	99%	99%	99%	100%
Bulky Tonnage Removed	1,272	1,320	2,118	1,700
Program:	Code Enforcement	Solid Waste Fund:	\$69,037	
		FTEs:	1	
Goal:	Thriving Livable Neighborhood			
Objective:	Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuseable and recyclable products from the waste stream thus increasing the diversion rate).			
Initiative:	Increased code enforcement officer's presence City of Durham communities.			
Measures:	Actual FY14	Adopted FY14	Estimated FY14	Adopted FY15
# Monthly Code enforcement investigations completed per officer each month	328	260	260	200
% Violations corrected by citizen within 30 days of notification	99%	95%	96%	96%
Fines Levied	4	1	2	1
Program:	Waste Reduction	Solid Waste Fund:	\$7,000	
		FTEs:	0	
Goal:	Thriving Livable Neighborhood			
Objective:	Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuseable and recyclable products from the waste stream thus increasing the diversion rate).			
Initiative:	Educate all citizens through educational forums, media outlets and planned events.			
Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Educational events	39	45	45	15
# Educational event participants	6,020	5,500	5,500	1,500
# Public Service Announcements	63	65	65	0
Program:	Transfer Station	Solid Waste Fund:	\$5,650,792	
		FTEs:	5	
Goal:	Well-Managed City			
Objective:	Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.			

Initiative: Education of public on recyclable materials and staff training on waste stream diversion.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Small users (cars/small trucks)	20,071	20,000	20,000	21,000
#Large users (hydraulic dump trucks)	25,000	25,000	25,000	25,000
Disposal costs per ton	\$45.54	\$42.00	\$37.00	\$38.00

Program:	Convenience Center	Solid Waste Fund:	\$181,845
		FTEs:	3.8

Goal: Thriving Livable Neighborhoods

Objective: Increase citizen's awareness and use of convenience center to dispose of recyclables.

Initiative: Increased outreach efforts through education and marketing.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
% Waste stream diverted from landfill due to convenience center	2.30%	2.70%	3.0%	3.5%
Tonnage of appliance/scrap metal	371	375	375	375
White goods revenue	73,172	75,000	\$80,000	\$70,000

Program:	Yard Waste Composting Facility	Solid Waste Fund:	\$327,019
		FTEs:	1

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of resale and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Train staff through a DENR-approved composting operations and maintenance certification program.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
Tonnage of yard waste collected	13,998	13,900	14,520	14,500
Yard waste tipping fee revenue	\$71,149	\$90,550	\$127,200	\$98,500
Pounds of non-yard waste material entering the facility	41,220	17,000	50,000	35,000

Program:	Household Hazardous Waste	Stormwater Fund:	\$249,900
		FTEs:	1

Goal: Thriving Livable Neighborhoods

Objective: To divert household hazardous waste (HHW) away from the waste stream and out of the environment.

Initiative: Contract for safe disposal of household hazardous waste.

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Pounds of HHW collected	243,517	300,000	375,000	250,000
# Pounds of E-Waste collected	284,996	490,000	360,000	350,000

Program:	Scrap Tire disposal	Solid Waste Fund:	\$276,539
		FTEs:	0
Goal:	Thriving Livable Neighborhoods		
Objective:	To divert tires from entering into the waste stream.		
Initiative:	Educational forums for citizens on tire disposal's impact on the waste stream and effective tire recycling.		
Measures:	Actual	Adopted	Estimated
	FY13	FY14	FY14
# Tons of tires collected	2,493	3,250	2,900
Tire disposal revenue (citizens)	\$4,737	\$4,000	\$2,400
			Adopted
			FY15
			3,000
			\$2,500

BUDGET ISSUES FOR FY 2014-15

- Cart delivery and maintenance costs.
- Transportation of recyclable materials.
- Identifying new revenue streams to replace the decrease in MSW revenues.

ACCOMPLISHMENTS FOR FY 2013-14

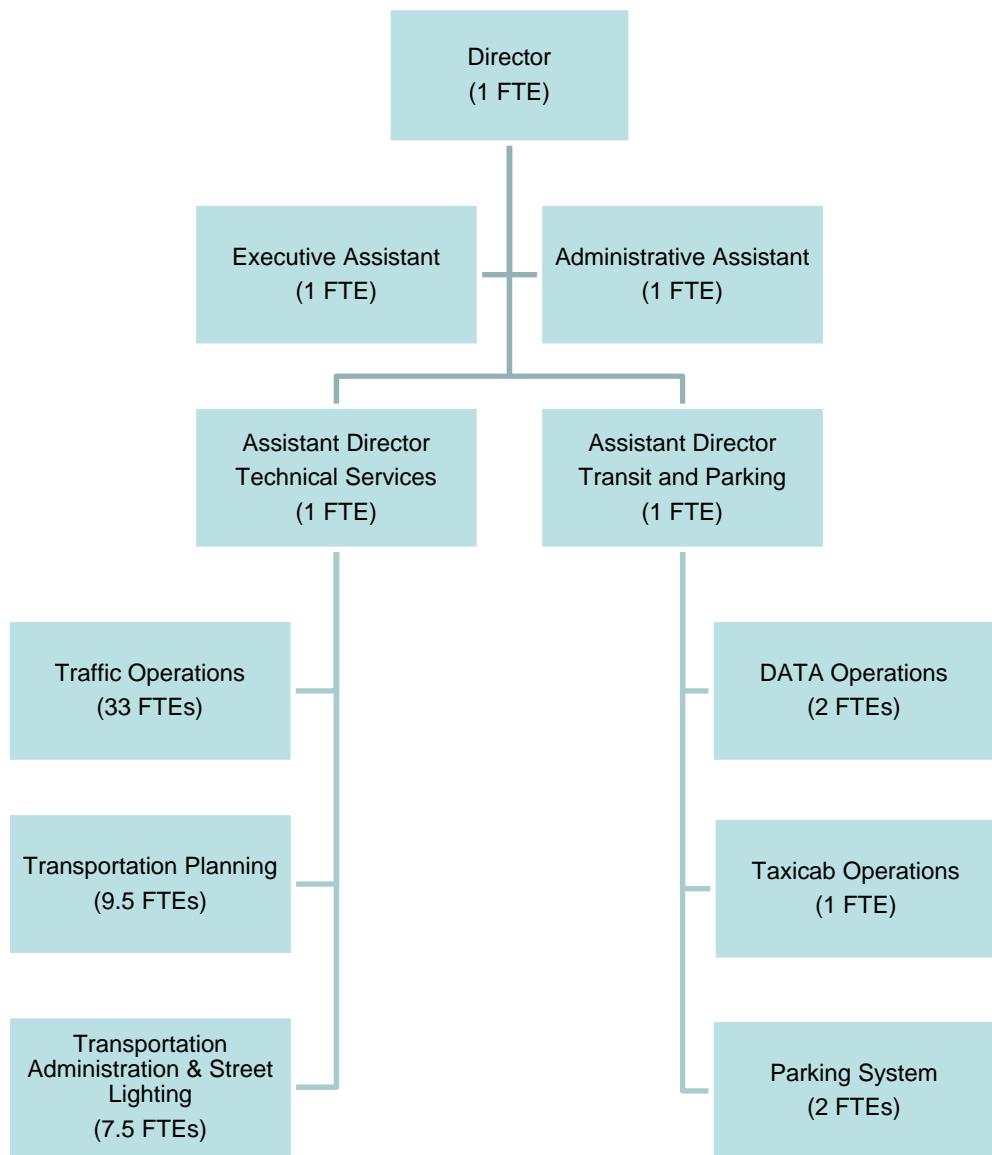
- Transfer Station renovation in process HHW facility relocated to the Solid Waste Operations
- Implemented Solid Waste Fee.
- Revised Strategic Plan.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Completion of Transfer Station Renovations.



Transportation (60 FTEs)



TRANSPORTATION

Purpose Statement:

To serve our citizens, businesses and visitors by ensuring a safe, efficient, accessible and convenient transportation system that meets our City's interests and enhances the quality of life of our citizens, today and into the future.

DEPARTMENT DESCRIPTION

Transportation Department	General Fund: \$ 8,043,414 46.5 FTEs
	Transit Fund: \$18,324,469 Parking Fund: \$2,343,514 2 FTEs
	Grant Funds: \$7,810,252 11.5 FTEs

Transportation Services

Transportation Services includes the Office of the Director, development review services, project planning, transportation planning, bicycle and pedestrian activities, and administration of the City's Passenger Vehicle for Hire program. Transportation Planning functions include fulfillment of federal and State requirements for comprehensive multimodal transportation planning, including updates of the Long Range Transportation Plan, transportation systems monitoring and reporting, travel demand model forecasting, bi-annual development of the Transportation Improvement Program, state and regional project coordination, and related Clean Air Act compliance. Services include administrative support for the Metropolitan Planning Organization's advisory Technical Coordinating Committee and policy board, and the Transportation Advisory Committee. Transportation planning is funded primarily through grant funds with a City match. The City's Passenger Vehicle for Hire program includes issuance and regulation of operator and driver permits, vehicle inspections, driver training, and administrative support to the City Council's Taxicab Subcommittee and the Passenger Vehicle for Hire Commission.

Traffic Operations

Traffic Operations includes the operation and maintenance of the City's traffic signals, traffic control signs, street name markers, and pavement markings. This includes operation of the City's traffic signal computer system which coordinates signal timing operations throughout the City and adjacent urban area. Other functions include studies, design, and construction management of traffic signal and pavement markings projects.

Street Lighting

The Street Lighting Program includes the utility cost for 20,000 street lights, which are owned and operated by the City's two electric service providers: Duke Energy and Piedmont Electric Membership Corporation.

Transit

Transit service functions include the administration, planning and operation costs of the City's public mass transit system, the Durham Area Transit Authority (DATA). Effective October 1, 2010 Triangle Transit assumed oversight responsibility for the City's fixed route and Paratransit services. This new arrangement includes former City staff as well as shared resources between the City and Triangle Transit and provides expanded and broad support for the City's transit system. The DATA fixed route service provides citizens with alternative transportation options and is essential to transit dependent riders which often includes senior citizens and students. The DATA Paratransit service (ACCESS) is a transportation option for citizens whose disabilities prevent them from using the fixed route service. Both services improve mobility, job access, and the quality of life within the community. Fixed route and ACCESS service is provided by a private contractor managed by Triangle Transit.

Parking

Parking Administration provides management oversight for the City's off-street and on-street parking system. The daily operation of the parking system is provided by a private contractor.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 3,112,877	\$ 3,327,005	\$ 3,363,068	\$ 3,375,436	1.5%
Operating	20,014,392	21,527,408	21,921,678	23,649,714	9.9%
Capital and Other	105,952	50,000	310,116	202,500	305.0%
Transfers	1,619,681	1,484,508	1,396,319	1,483,747	-0.1%
Total Appropriations	\$ 24,852,902	\$ 26,388,921	\$ 26,991,181	\$ 28,711,397	8.8%
Full Time Equivalents	48.5	49.5	48.5	48.5	-1
Part Time	1	1	1	1	-
Revenues					
Discretionary Program	\$ 6,104,686	\$ 6,507,210	\$ 6,626,133	\$ 6,781,676	4.2%
Total General Fund	\$ 1,170,072	1,095,476	1,053,500	1,261,738	15.2%
Transit Fund	\$ 7,274,758	\$ 7,602,686	\$ 7,679,633	\$ 8,043,414	5.8%
Parking Fund	15,639,102	16,819,253	16,991,278	18,324,469	8.9%
Total Revenues	1,939,042	1,966,982	2,320,270	2,343,514	19.1%
	\$ 24,852,902	\$ 26,388,921	\$ 26,991,181	\$ 28,711,397	8.8%
Grants					
Transportation Planning Grant					
Personal Services	\$ 738,500	\$ 950,000	\$ 1,129,400	\$ 1,129,400	18.9%
Operating	1,335,093	1,078,628	1,329,986	1,646,737	52.7%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 2,073,593	\$ 2,028,628	\$ 2,459,386	\$ 2,776,137	36.8%
Full Time Equivalents	9.5	9.5	9.5	9.5	-
Part Time	2	2	2	2	-
Transportation Planning Grant Revenues	\$ 2,073,593	\$ 2,028,628	\$ 2,459,386	\$ 2,776,137	36.8%
Transit Grant					
Personal Services	\$ 105,903	\$ 116,380	\$ 85,000	\$ 109,914	-5.6%
Operating	4,669,912	4,834,114	4,834,114	4,874,358	0.8%
Capital and Other	-	48,299	-	49,843	3.2%
Total Appropriations	\$ 4,775,815	\$ 4,998,793	\$ 4,919,114	\$ 5,034,115	0.7%
Full Time Equivalents	2	2	2	2	-
Part Time	-	-	-	-	-
Transit Grant Revenues	\$ 4,775,815	\$ 4,998,793	\$ 4,919,114	\$ 5,034,115	0.7%
Total Budget	\$ 31,702,310	\$ 33,416,342	\$ 34,369,681	\$ 36,521,649	9.3%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Transportation Services	General Fund:	\$1,529,419
		FTEs:	12.5
		Grants:	\$2,776,137
		FTEs:	9.5
Goal:	Thriving and Livable Neighborhoods		
Objective:	To plan, operate and maintain safe and efficient transportation systems for the City by reviewing 95% of Traffic Impact Analyses (TIA) within 60 days and site plans within allotted review times.		
Initiative:	Assign a development review staff person with primary responsibility for Traffic Impact Analysis and use on-call development review services as development applications warrant.		

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# TIAs reviewed	15	14	10	12

Goal:	Thriving and Livable Neighborhoods		
Objective:	To ensure safe, reliable and customer-friendly vehicle for hire service effectively and efficiently enforcing the Passenger Vehicle for Hire Ordinance and regulations by inspecting 100% of all vehicles for hire and drivers' eligibility requirements annually.		
Initiative:	Inspect all vehicles for hire annually for compliance with established vehicle insurance, equipment, condition, appearance, and safety standards, and annually review all driver permit applications and renewals to ensure driver standard's compliance.		

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# of Passenger Vehicles for Hire inspected annually	193	350	198	260
# of Drivers permitted	102	325	245	290

Program:	Traffic Operations	General Fund:	\$3,084,189
		FTEs:	33.0
Goal:	Thriving and Livable Neighborhoods and Stewardship of City's Physical Assets		
Objective:	To operate and maintain a well-managed traffic signal system with 90% of signalized intersections operating at Level of Service (LOS) D or better by analyzing traffic volumes and signal timing plans for all traffic signals once every eighteen months to ensure minimum vehicle delay and maximum efficiency.		
Initiative:	Conduct peak-hour turning movement counts and traffic analysis all traffic signals every two years.		

Measures:	Actual	Adopted	Estimated	Adopted
	FY13	FY14	FY14	FY15
# Signals maintained	401	403	401	405
# Signals maintained per FTE	44.6	44.8	44.8	45.0
% Signals operating > LOS D	95%	95%	95%	95%

Goal:	Stewardship of City's Physical Assets
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Objective: To maintain well-marked, highly visible pavement markings to ensure efficient traffic operations and public safety, by restriping 50% of the pavement lane markings (90 miles/year). Restriping 75% of all stop bars and crosswalks (20,000 ft./yr) and 50% of all pavement symbols (600/yr.) once every five years.

Initiative: Maintain an inventory of all pavement markings, monitor established life-cycles and conduct routine field inspections which ensure conformance with Manual on Uniform Traffic Control Devices (MUTCD) maintenance schedules.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# Miles of lane markings striped	90	90	90	90
# Feet of markings striped per labor hour	429	400	400	420
# Feet of crosswalks & stop bars striped	21,497	22,000	22,000	22,000
# Feet of crosswalks & stop bars striped per labor hour	36	32	32	32

Goal: Safe and Secure Community and Thriving Livable Neighborhoods

Objective: To maintain a safe and efficient transportation system by improving street lighting, reviewing and implementing new street lighting requests as submitted by the Durham Police Department, citizens, PACs, or as identified by traffic safety studies and road construction project designs.

Initiative: Issue design and installation requests to electric utility for 95% of all eligible projects within two weeks of receiving a sufficient petition or property owner notification.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
# New street lights installed	400	450	450	450
# Street lights per 1,000 capita	88	87	88	88

Goal:	Thriving and Livable Neighborhoods
Objective:	To provide reliable fixed-route transit service to people who live, work, or play in Durham in order to connect them to the places that they want to go in a timely manner, increasing average daily ridership by 2.5% from 20,100 boardings to 20,600 daily boardings, and to improve on-time performance by 10 percentage points from 80% to 90% with an eventual target of 95% of all trip departures between the scheduled departure time and five minutes late.

Initiative: To monitor demand, modify and operate routes and schedules to improve service convenience and efficiency of service delivery, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
Average daily boards	20,015	21,000	20,100	20,600
Cost per revenue hour	\$87.45	\$98.00	\$90.04	\$92.07
On-time Performance	76.1%	90.0%	82.0%	85.0%

Goal: Thriving Livable Neighborhoods

Objective: To provide ADA paratransit service to people with limited mobility that cannot use the DATA fixed-route service of Durham in order to connect them to the places they want to go in a timely manner, cost-effectively meeting demand by increasing the passengers per hour from 2 to 2.115 and maintaining on-time paratransit schedule performance above 90%.

Initiative: To monitor demand, modify scheduling and procedures to improve service efficiency, transition people to the fixed route and other transit services, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% Operate paratransit service within 15 minutes of scheduled time	85.1%	90.0%	83.0%	85.0%
# Passengers per hour	2.15	2.15	2.15	2.16

Goal: Well-Managed City and Thriving Livable Neighborhoods

Objective: To increase overall performance with parking operations by collecting 72% of all citations.

Initiative: To reduce the balance of outstanding and uncollectable citations.

	Actual	Adopted	Estimated	Adopted
Measures:	FY13	FY14	FY14	FY15
% Collection of citations issued	71.20%	71.60%	72.00%	72.00%
% Increase in parking citations issued	3.00%	1.00%	1.00%	3.00%
% of Citations appealed vs. issued	6.03%	5.50%	5.50%	5.50%

Goal: Well-Managed City and Thriving Livable Neighborhood

Objective: To increase the utilization of the City's off-street parking facilities

Initiative: Implement strategies to increase occupancy of parking facilities

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
Average occupancy in parking garages	59.5%	54.0%	54.0%	56.0%
Average occupancy off-street parking lots	54.2%	40.6%	40.6%	51.0%
Average revenue per space for garages and off-street lots	\$48.99	\$45.00	\$45.00	\$48.00

BUDGET ISSUES FOR FY 2014-15

- Duke/DATA/TTA transit service coordination.
 - Update the multi-year budget for the transit system.
 - Develop a multi-year budget for the Parking Enterprise Fund.

- Public/Private parking opportunities in the Downtown.
- Manage limited resources without service impacts.

ACCOMPLISHMENTS FOR FY 2013-14

- Completed the Downtown and Ninth Street Parking Studies
- Completed the Traffic Separation Study of the NC Railroad Corridor.
- Developed Transportation Department Strategic Plan.
- Implemented amendments to the Passenger Vehicle for Hire Ordinance.
- Implemented new off-street parking fees.
- Implemented new DATA service improvements.
- Optimized traffic signal timing at 200 intersections.
- Completed 90 miles of pavement markings.
- Enhanced bicycle and pedestrian amenities.
- Installed 450 new street lights.
- Implemented paid parking in 9th Street parking lot.
- Implemented on-street time limits in 9th Street area.

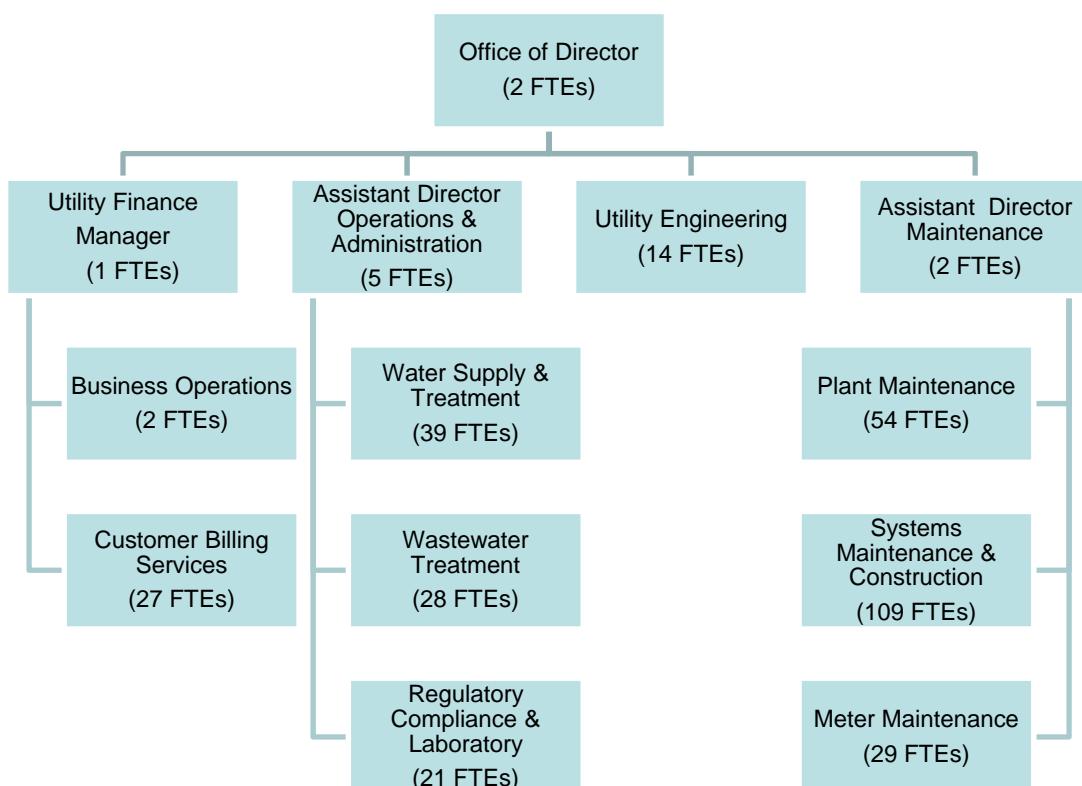
ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Implement new Downtown on-street parking limits
- Implement parking enforcement within American Tobacco, Bright leaf, Durham Central Park areas.
- Increase security in parking garages.
- Plan for implementing paid on-street parking.
- Develop Request for Proposal and select parking system management company.
- Improve accessibility and amenities at DATA bus stops.
- Transport 20,600 daily fixed route passengers.
- Implement new DATA service improvements.
- Optimize traffic signal timing at 200 intersections.
- Complete 90 miles of pavement markings.
- Continue to enhance bicycle and pedestrian amenities.
- Continue the City's Speed Hump Program with traffic studies, petitions, and installations.
- Implement traffic calming measures on Club Blvd.
- Implement traffic calming measures on Duke and Gregson Streets



Water Management

(333 FTEs)



WATER MANAGEMENT

Purpose Statement:

To provide cost effective water and wastewater services that meet customers' expectations and all regulatory requirements.

DEPARTMENT DESCRIPTION

Water Management

Water and Sewer Fund: \$41,326,784
332.5 FTEs

Solid Waste Fund: \$251,605
0.5 FTE

The Department of Water Management provides critical services for public health and safety by providing water that is safe to drink, and to use for other key purposes including fire protection. Additional functions include ensuring sustainable, reliable operations of water supply and water and wastewater treatment facilities. Wastewater collection and treatment services not only protect the public's health and safety but also the environment. By delivering these services, the department supports the City's goals of maintaining a strong and diverse economy, providing a safe and secure community and thriving, livable neighborhoods. Attention to security for both water and wastewater facilities and systems remains an integral part of operations for reliable short and long term needs. Long range planning for expanding water resources and treatment capacities contributes to a sustainable, well-managed City. The department champions the City's goal of stewardship of our physical assets through effective maintenance and improvement activities. The department pursues self-evaluation, benchmarking opportunities and other sound business practices in an effort to remain competitive with other cities and utilities, while promoting a positive image for the City and the services provided. Support for expanded automation of plant operations continues with the goal of maximizing chemical and power efficiencies, even in an environment of more stringent regulatory requirements and escalating energy costs, while improving reliability and maximizing staff deployment. The department is committed to ensuring that Durham citizens live and work in a well-managed City with efficient and accountable provision of water and sewer services. Implementation of the long-range Capital Improvement Plan continues to be a focus to promote stewardship of the City's physical assets. Staff will continue to develop appropriate tools to expand departmental financial management strategies.

AdministrativeAdministration

Administration is tasked with the management, oversight and planning necessary to provide adequate and sustainable water supplies and treatment capacity for both drinking water and wastewater to meet the needs of a growing community and providing the foundation for a prosperous economy. Personnel are responsible for the fiscal management of the Water and Sewer fund and administering a broad range of environmental programs to ensure that citizens are safe, enjoy a flourishing economy and healthy environment, and have an efficient and accountable city government. These efforts provide critical services to the citizens of Durham related to water quality, wastewater treatment and industrial/commercial activity. Administrative staff is also responsible for coordinating public education/information activities and customer outreach programs.

Customer Billing Services

This division is the first point of contact for most customers. Staff provides billing services for the utility which include responding to customer inquiries, establishing new accounts, closing accounts for customers who move out, updating customer accounts for any changes, and enforcing collection of charges from active customers. Employees in the field services unit provide connection and disconnection services. Staff will continue to transition all customers to monthly billing with the on-going implementation of Automated Meter Reading...

Regulatory Compliance

This division addresses regulatory compliance issues, tracks legislative issues, and administers the City's Industrial Waste Pretreatment/Fats, Oil and Grease Program that enforces the City's Sewer Use Ordinance as well as the Cross Connection Control program which further insures the protection of the potable water system.

The Water Efficiency and Conservation Program supports water supply management strategies by tracking compliance with the year-round water irrigation measures, implementing the water efficiency rebate program and active advertising and marketing of water efficiency programs and practices.

Laboratory Services

The Laboratory Services Section of the department, located at the South Durham Facility, provides lab analysis in the State certified laboratory for the water, wastewater, industrial waste and stormwater programs. This ensures that citizens enjoy an efficient and accountable city government while assuring that drinking water meets state and federal standards and that wastewater discharges meet permit limits to protect the environment and downstream users.

Operations

Water Supply and Treatment

The key mission of this division is to provide a safe, reliable, economical and sufficient supply of drinking water to the citizens of Durham City and County. Through optimizing treatment processes, maximizing water transfer strategies and conducting monitoring activities, staff ensures that adequate supplies of consistently high quality drinking water are available. The Water Supply and Treatment Division operates and maintains two conventional water treatment facilities with a combined treatment capacity of 52 million gallons per day (MGD), and two surface water reservoirs with a combined safe yield of 27.9 MGD. Certified staff operates equipment and adjusts treatment technologies to optimize the physical and chemical processes vital for effective water treatment and selects pumping scenarios to assure adequate supplies at economical costs. Major projects in the design phase will expand the capacity of the Brown Water Treatment Plant to 42 MGD and provide reliable residuals handling facilities for both water treatment plants.

Wastewater Treatment

Charged with providing the citizens of Durham with cost effective, wastewater treatment and residuals management, certified staff optimize the treatment processes so that the North Durham and South Durham facilities discharge consistently high quality effluent in compliance with State permit requirements. The North and South Durham workgroups operate and maintain state-of-the-art tertiary treatment facilities, each with a permitted capacity of 20 MGD. Both facilities are tasked with developing operational strategies to reduce the discharge of nutrients into receiving streams in accordance with state mandates such as the Falls and Jordan Lake Rules. Numerous facility upgrades are either under way or planned to meet stringent water quality or biosolids disposal regulations.

Maintenance

This service area provides the citizens of Durham with cost effective maintenance of water and sewer infrastructure including the distribution and collection systems, raw water lake facilities, water treatment and water reclamation facilities, pump stations and elevated storage tanks.

Systems Maintenance and Construction

The Systems Maintenance and Construction division provides routine and emergency maintenance to the water distribution and wastewater collection systems as well as the installation of new service lines. Tasks include the inspection, cleaning and repair of water mains and sewer trunk lines. This division also operates and maintains fire hydrants and water valves, and installs and repairs water and sewer service connections.

Meter Maintenance

The Meter Maintenance workgroup is responsible for reading water meters and providing routine and emergency response to water meter problems, including leaks, unusual consumption rates and water pressure concerns. This workgroup will transition to monthly meter reading with the on-going implementation of the Automated Meter Reading program.

Plant Maintenance

Plant Maintenance provides essential support for water and wastewater facilities, pump stations and other facilities by providing both major corrective maintenance and conducting minor construction activities. This division also provides support in the long-term maintenance of the closed landfill. Expenses for these support services are apportioned to the appropriate core services of water and wastewater as they relate to performance indicators.

Engineering

Utility Engineering

Utility Engineering manages the ongoing evaluation and improvement of departmental facilities and engineering projects for water and wastewater facilities as a part of the Capital Improvements Program. This unit also provides water distribution and wastewater collection system monitoring and analytical support necessary for detecting inflow and infiltration problems. The program also has oversight of manhole rehabilitation and replacement projects, supplemental flow studies and major pipeline reconstruction and renewal services for both the water distribution and wastewater collection systems.

Post-Closure Monitoring

This service area provides oversight for the monitoring and maintenance of the closed landfill and is supported by the Solid Waste Fund. With the implementation of the landfill gas to power project, there is a revenue stream associated with this function.

RESOURCE ALLOCATION

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Adopted FY 2014-15	Change
Appropriations					
Personal Services	\$ 19,724,392	\$ 20,664,954	\$ 20,631,301	\$ 20,799,808	0.7%
Operating	18,123,968	20,529,907	21,071,912	20,778,581	1.2%
Capital and Other	245,112	-	11,818	-	0.0%
Total Appropriations	\$ 38,093,472	\$ 41,194,861	\$ 41,715,031	\$ 41,578,389	0.9%
Full Time Equivalents	329	329	329	333	4
Part Time	2	2	2	2	-
Revenues					
Water and Sewer Fund	\$ 37,877,169	\$ 40,944,127	\$ 41,405,369	\$ 41,326,784	0.9%
Solid Waste Disposal Fund	216,303	250,734	309,662	251,605	0.3%
Total Revenues	\$ 38,093,472	\$ 41,194,861	\$ 41,715,031	\$ 41,578,389	0.9%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration

Water & Sewer Fund: \$1,628,366

FTEs: 12

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

Objective: To sustain the community's drinking water needs by maintaining water demand/supply capacity percentage at 80% or less.

Initiative: To monitor annual demands, track daily and monthly demands and trends and project future raw water demands to meet system growth needs. Initiate planning for future expansion and/or increased allocation prior to reaching 80% benchmark.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures: Annual demand as a percent of water supply volume	62%	72%	69%	72%

Objective: To preserve adequate wastewater treatment capacity for community needs by maintaining treatment plant discharges/treatment plant capacity percentage at 80% or less.

Initiative: Track monthly discharge flows and trends and monitor treatment flows as a percentage of the rated capacities and project future system needs for capacity and process treatment. Initiate planning for expansion or upgrades prior to reaching 80% benchmark.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures: Wastewater Average annual flow as a percentage of rated capacity	44%	55%	55%	55%

Goal: Well-Managed City

Objective: To enhance and increase customer responsiveness by promptly answering telephone calls transferred from Durham One Call.

Initiative: Closer monitoring of incoming phone call levels and managing staffing levels/training to minimize wait time for assistance and call abandonment which compounds difficulty when customers call back.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
Average minutes hold time in queue before answer	2.3	N/A	5.0	2.5
% of Callers who abandon (hang up) call prior to CBS staff answering	11.93%	N/A	25.00%	15.00%

Objective: Enforce ordinances and collection policies for water and sewer services and reduce the number of accounts delinquent more than 60 days to less than 10% of accounts billed.

Initiative: Aggressively enforce cut-offs for non-residential accounts. Review aging reports to monitor effectiveness of cut-off strategy.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% of Active Accounts delinquent more than 60 days	14.00%	12.00%	11.00%	11.00%

Program: Regulatory Compliance **Water & Sewer Fund:** \$1,317,515

FTEs: 12

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

Objective: To protect the City's potable water supply by implementing and enforcing the City's Cross Connection Control Ordinance and to achieve compliance with annual backflow preventer (BFP) testing as mandated by the City's Cross Connection Control Ordinance.

Initiative: Maintain database, conduct inspections, mail notices and review test and maintenance submittals monthly to ensure compliance with ordinance requirements.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% of BFP owners conducting & submitting reports as required	94%	95%	95%	95%

Program: Water Supply and Treatment **Water & Sewer Fund:** \$8,047,189

FTEs: 39

Goal: Stewardship of the City's Physical Assets

Objective: To provide customers with a sufficient and aesthetically pleasing supply of safe drinking water, meeting all regulatory requirements, in a cost efficient manner.

Initiative: To produce drinking water that meets all regulatory requirements, while monitoring operations at the reservoirs and water treatment facilities to ensure cost efficiencies are consistently applied.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
% Compliance with Federal and State drinking water quality standards	100%	100%	100%	100%
Treatment cost per million gallons of treated water	\$913.07	\$875.00	\$912.00	\$932.95

Objective: To maintain water quality throughout the distribution system consistent with the water quality produced at the treatment plants.

Initiative: Monitor the water quality in the distribution system and respond to customer calls and concerns. If results are found to not be within water quality targets the issue is evaluated, recorded and steps taken to resolve the concern.

Measures:	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
# Water Quality investigations/month requiring corrective action (outside established criteria)	1.67	3	1.5	3

Program: Wastewater Treatment **Water & Sewer Fund:** \$8,519,794

FTEs: 28

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

Objective: To provide citizens with cost effective wastewater treatment and residuals management while ensuring compliance with all current and future regulations (Falls Lake & Jordan Lake Rules) by reducing discharges of nutrients (Nitrogen and Phosphorus) into the receiving streams.

Initiative: Optimize processes and construct facilities to reduce levels of Nitrogen and Phosphorus discharged.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
NDWRF:				
Lbs. of N (335,435 allowed)*	88,392	90,000	109,632	120,000
Lbs. of P (10,631 allowed)*	8,234	7,973	7,676	7,900
SDWRF:				
Lbs. of N (334,705 allowed)*	248,471	267,765	245,000	267,765
Lbs. of P (14,053 allowed)*	9,369	10,540	7,500	10,540

*Calendar year

Program: WSM/Systems Maintenance & Construction **Water & Sewer Fund:** \$9,718,642
FTEs: 109

Goal: Well-Managed City & Stewardship of City's Physical Assets

Objective: To ensure the operational functionality of the City's sanitary sewer collection system by providing timely and efficient routine maintenance, reducing instances of emergency maintenance, and controlling Sanitary Sewer Overflows (SSOs), to the extent practicable, so that wastewater flows from customers reach water reclamation facilities for appropriate treatment.

Initiative: To maintain sewer collection system in good condition and meet sewer collection system permit requirements.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
# of Repeat SSOs	0	1	1	0

% of Total sewer system cleaned per year to meet regulatory requirement 24.62% 12.00% 19% 15%

Program: WSM/Meter Maintenance **Water & Sewer Fund:** \$2,477,447
FTEs: 29

Goal: Well-Managed City

Objective: To ensure that the city measures the amount of water sold accurately and responsibly.

Initiative: Identify and resolve AMR meter failures and regularly test large meters to ensure accuracy in both large and residential meters.

	Actual FY13	Adopted FY14	Estimated FY14	Adopted FY15
Measures:				
% of 3" and larger meters within AWWA recommendation for accuracy per month	93%	98%	98%	98%

Program: Utility Engineering **Water & Sewer Fund:** \$1,464,271
Solid Waste Fund: \$251,605
FTEs: 14

BUDGET ISSUES FOR FY 2014-2015

- Maintain current levels of water and wastewater services. Energy and chemical costs constitute a substantial portion of water and wastewater treatment costs. Increasing energy and chemical expenditures reflect the costs of meeting increasingly stringent standards for drinking water quality and wastewater discharges. Sampling programs must be expanded to ensure compliance with existing and future for nutrient removal; supporting these necessary programs will be costly.
- Expanded efforts to improve revenue for the utility will continue to address CIP funding and the long-term financial health of the Water & Sewer Fund. Continue to evaluate opportunities to enhance revenue streams through on-going improvements and enhancements to MUNIS Utility Billing System and intensified delinquent account collection practices.
- Continue efforts to enhance long range plans for system reliability and water supply, both raw and treated water, which will require additional CIP funding. Predicted changes in weather patterns and climate may impact the reliability of current sources.
- Sustainable funding of infrastructure rehabilitation and replacement continues to be an issue of concern for the utility.

ACCOMPLISHMENTS FOR FY 2013-14

- Provided 26.58 Million Gallons per Day (MGD) of drinking water that met all state and federal water quality standards to Durham customers.
- Discharged 18.5 MGD of highly treated effluent meeting all NPDES permit requirements into the receiving waters in the Neuse and Cape Fear basins.
- Completed the installation of Automated Meter Reading (AMR) program for the Residential Meter Replacement Project, continued work on Phase II of the Commercial Meter Replacement Project.
- Continued utilizing AMR and staffing initiatives to move toward monthly billing of water and sewer customers by implementing monthly billing for 8 of 18 routes.
- Completed the installation and implementation of Nexgen AM CMMS within Plant Engineering and Maintenance, Water Supply and Treatment Facilities, and Water Reclamation Facilities.
- Completed initial drive to improve concerns discovered in the Employee Opinion Survey.
- Issued RFP and selected vendor to provide an IVR system for customer and billing services offering ability to pay utility bills by phone as well as extending web options for payment and customer account self-service.
- In collaboration with Jordan Lake Partners, completed Volume II – Regional Needs Assessment of the Triangle Regional Water Supply Plan which supports pursuing additional allocation of the Jordan Lake water supply/storage pool and developing direct access to Jordan Lake.
- Completed the permitting phase of the Water Treatment Regulatory Compliance and Water Facilities Rehabilitation Projects.
- Completed the master plan for the Water Management Facility Expansion.
- Completed several sewer replacement and rehabilitation projects at numerous sites.
- Completed construction of the Angier Elevated Storage Tank.
- Completed design and permitting of the Downtown Loop water main replacement project.
- Completed design and permitting of the Southeast Pressure Zone elevated storage tank and new water mains.
- Completed departmental Strategic Plan.
- Began design of Phase I of the Downtown Durham Development Rehabilitation project.
- Completed design and construction of numerous rehabilitation projects at North and South Durham WRFs.
- Began construction of the Chemical Feed/Nutrient Removal Systems project at North and South Durham WRFs. Completed construction of Phase II of the Southern Reinforcing Main Project.
- Completed Contract SR-57 which included CCTV inspection of sewer mains, smoke testing and manhole inspections.
- Completed construction of the US 70 Raleigh Interconnection Project.
- Solicited a consultant for a Reclaimed Water Master Plan.
- Completed the pilot program to evaluate the Drive Cam system. After evaluation of the in-vehicle camera system, staff determined that program did not provide additional benefits or enhance the current Safety initiative.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2014-15

- Continue Phase II and begin Phase III of the Commercial Meter Replacement Project.
- Complete implementation of monthly billing for remaining water and sewer customers.
- In concert with Jordan Lake Partners, continue collaborative efforts to develop mutually supportive requests for additional allocation of the Jordan Lake water supply/storage pool. Continue planning to develop direct access to Jordan Lake with interested partners.
- Implement enhanced customer responsiveness through new/expanded technologies for payment options over the phone and web.
- Continue to implement tools and strategies to increase collection rates for water and sewer bills.
- Complete several sewer replacement and rehabilitation projects at numerous sites.
- Begin construction of the Downtown Loop water main replacement project.
- Begin construction of the Southeast Pressure Zone elevated storage tank and new water mains.
- Begin the construction of the Water Treatment Regulatory Compliance and Water Facilities Rehabilitation projects.
- Begin design and permitting of the CY 2014 WRF Improvements at North and South Durham WRFs.
- Complete design of the Downtown Durham Development Rehabilitation project.
- Complete Route Analysis and begin design of the Downtown East-West Reinforcing Main.
- Begin design for the Water Management Facility Expansion.
- Continue to participate in the City's strategic plan implementation and implement the department's Strategic Plan.
- Continue succession planning effort for department, focusing on key/critical positions as a part of employee and leadership development within the department.
- Implement departmental and divisional actions plans to address issues noted in the 2012 Employee Opinion Survey.
- Continue the implementation of an asset management system and integration of asset management culture in to the Department.
- Continue support of professional development and certification attainment for all staff where applicable.
- Maintain emphasis on working safe, enhancing safety training to ensure worker safety while protecting the City's/department's investment in equipment/vehicles.
- Continue to develop a safety culture and programs that drive the Department closer to achieving the North Carolina Department of Labor SHARP status.
- Promote public awareness through education, outreach and marketing campaigns for water conservation/efficiency and the Fats, Oils and Grease efforts; maintain and expand water efficiency incentive programs.

DEBT MANAGEMENT

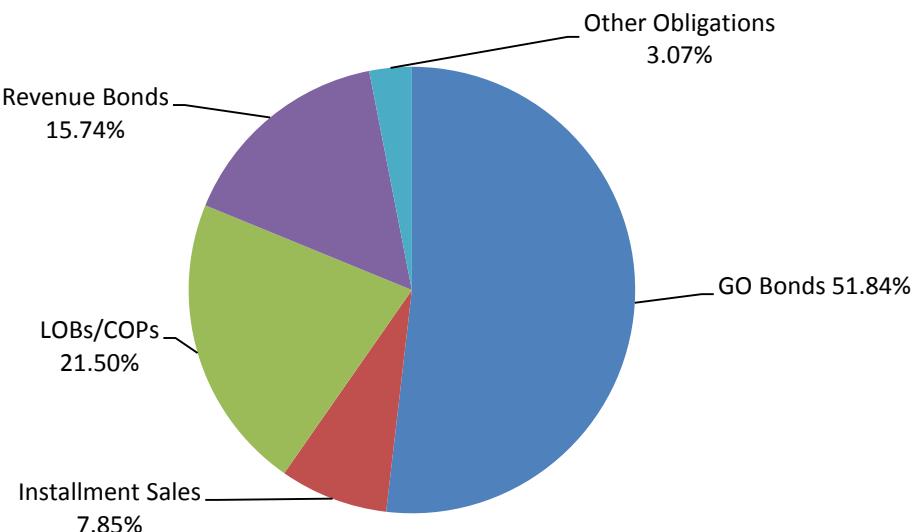
The City manages its long term financing needs through periodic issuance of General Obligation Bonds. Debt service expenditures include principal and interest payments on the City's outstanding bonded debt. These payments are budgeted in the funds that incur the debt: for example, water and sewer debt service is paid from the Water and Sewer Fund. In addition to General Obligation bonds, the City issues revenue bonds and enters into installment sales/lease obligations as allowed under state statutes.

Ratings: Bond ratings are measures of the City's credit worthiness. The rating agencies analyze the City's economic condition, debt management, administrative leadership, and fiscal planning and management to determine the quality of the City's credit. The City has a "triple A" rating from all three rating agencies (Standard and Poor's, Fitch Ratings Ltd. and Moody's Investor Service). This represents the highest possible rating for municipal debt, indicating that the City has outstanding credit worthiness. The City's high bond ratings have allowed it to broaden the market for its bonds and to lower the interest costs for borrowing.

Summary of Outstanding Debt Issues

	Fiscal Year 2014-15 Obligations			Future Obligations		
	Principal	Interest	Total	Principal	Interest	Total
General Obligation Bonds	\$18,980,000	\$8,987,325	\$27,967,325	\$197,465,000	\$54,453,690	\$251,918,690
Installment Sales	3,475,000	1,807,019	5,282,019	29,270,000	18,586,884	47,856,884
Revenue Bonds	3,260,000	3,205,463	6,465,463	62,440,000	41,536,975	103,976,975
Limited Obligation Bonds	9,570,000	3,322,194	12,892,194	80,265,000	22,975,009	103,240,009
Other Obligations	3,264,498	133,545	3,398,043	9,552,240	186,451	9,738,691
Total Debt Service:	\$38,549,498	\$17,455,546	\$56,005,004	\$378,992,240	\$137,739,009	\$516,731,249

**Outstanding Debt by Type of Issue
FY2014-15**



Legal Debt Limit:

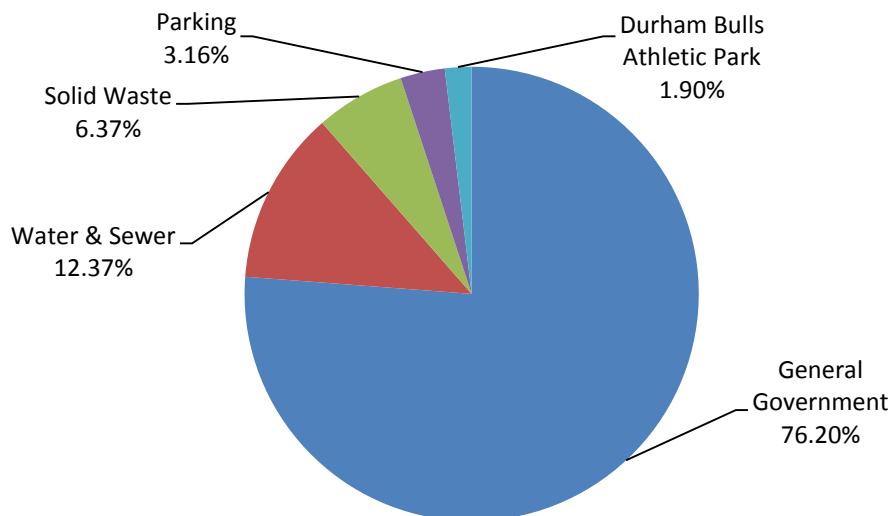
The City is subject to the Local Government Bond Act. The Act limits the net bonded debt that the City may have outstanding to eight percent of the appraised value of property subject to taxation. As of February 1st, 2014 the statutory limit for bonded debt for the City was \$1,788,613,049 providing a debt margin of approximately \$1,436,711,311.

Outstanding General Obligation Debt

General Obligations

General Government	\$ 164,931,880
Water & Sewer	26,771,254
Solid Waste	13,784,761
Parking	6,852,421
Durham Bulls Athletic Park	4,104,684
Total	\$216,445,000

**Outstanding General Obligation Debt
FY 2014-15**

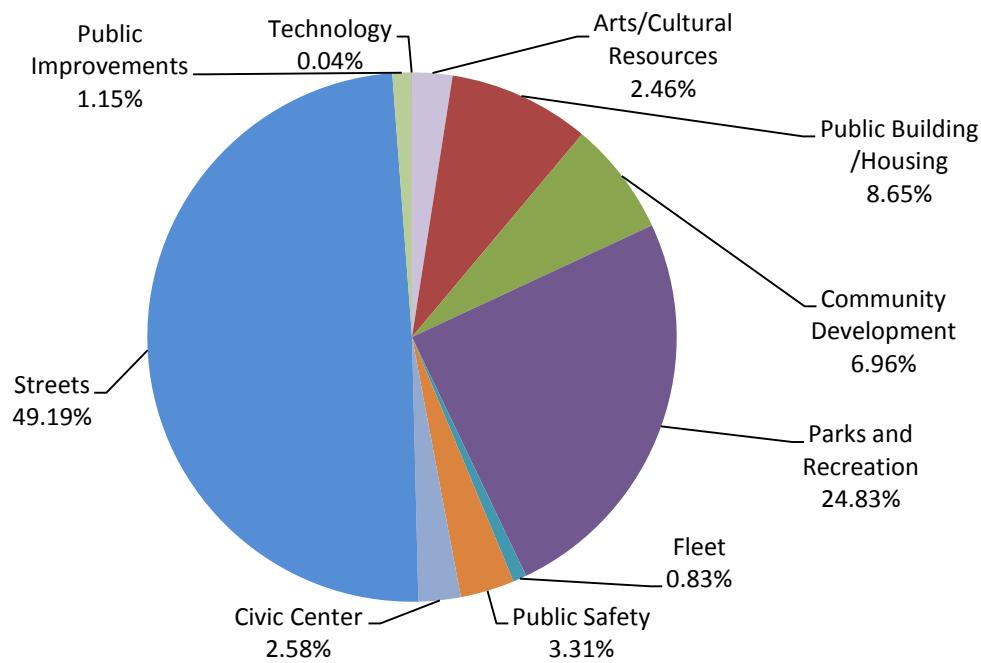


Outstanding General Government General Obligation Debt

General Government

Arts/Cultural Resources	\$4,057,935
Public Building /Housing	14,259,153
Community Development	11,481,053
Parks and Recreation	40,962,298
Fleet	1,367,106
Public Safety	5,457,194
Civic Center	4,248,568
Streets	81,135,219
Public Improvements	1,896,613
Technology	66,741
Total	\$164,931,880

Outstanding General Government G.O. Debt FY 2014-15



Outstanding General Government General Obligation Debt

The City currently has no Authorized and unissued Debt

Outstanding Variable Rate Debt

The City currently has no outstanding Variable Rate Debt.

Annual Principal and Interest Requirements FY 2014-15

<u>Issue</u>	<u>Debt Purpose</u>	<u>Principal</u>	<u>Interest</u>	<u>Future Principal Obligations</u>
DURHAM-2001-B	State Loan / Clean Water	\$135,000	\$30,996	\$945,000
DURHAM-2005-A	COP Series 2005	2,585,000	156,300	975,000
DURHAM-2005-AA	GO Series 2005A	500,000	20,000	-
DURHAM-2005-BB	GO Series 2005B (Taxable)	550,000	57,000	650,000
DURHAM-2005-C	GO Refunding (96, 97, 00A partial)	3,085,000	304,050	3,635,000
DURHAM-2005-CC	GO Series 2005C	550,000	22,000	-
DURHAM-2005-D	Revenue Bonds 2005 (Ref)	2,260,000	749,563	12,125,000
DURHAM-2006-A	2006B GOs	500,000	554,825	12,990,000
DURHAM-2006-C	2006A GOs (Taxable Housing)	475,000	64,793	985,000
DURHAM-2007-A	Refund (98 99 00B 02 04)	4,335,000	1,566,669	27,145,000
DURHAM-2007-CPA	Durham Performing Arts Center	890,000	1,650,719	28,295,000
DURHAM-2008-A	23 G.O. Bonds	375,000	433,313	10,100,000
DURHAM-2008-B	05 & 07 authority (\$8M streets)	1,425,000	1,614,175	38,020,000
DURHAM-2009-A	REFUNDING 98, 99, 00B, 02, 04	1,740,000	364,650	7,270,000
DURHAM-2010-A	GO Series 2010 A&B	2,195,000	1,484,096	35,045,000
DURHAM-2010-LOB	LOBS Series 2010 A&B	4,965,000	1,684,084	35,785,000
DURHAM-2011-R	Revenue Bond Series 2011	1,000,000	2,455,900	50,315,000
DURHAM-2012-LOBS A	LOBS Series 2012A	815,000	214,825	5,795,000
DURHAM-2012-LOBSB	LOBS Series 2012B	130,000	187,283	7,625,000
GO-2012-ABCD	GO Bonds Series 2012 ABCD	3,250,000	2,501,756	61,625,000
LEASE-2011-A	Private Placement	614,750	25,227	1,259,500
LEASE-2013-A	Radio Lease	2,514,748	77,322	7,347,740
<u>LOBS-2013-AB</u>	<u>LOBS-2013-AB</u>	<u>3,660,000</u>	<u>1,236,002</u>	<u>31,060,000</u>
Total		\$38,549,498	\$17,455,545	\$378,992,240



CITY OF DURHAM, NORTH CAROLINA

CAPITAL IMPROVEMENT PLAN FY 2015 – 2020



Durham – Where Great Things Happen

CITY OF DURHAM CAPITAL IMPROVEMENT PROGRAM PROCESS

The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. It is vital to the City because it is the principal planning tool designed to achieve urban growth and development. This program is developed for a six year period and is updated and revised annually. To be included in the CIP, a project should require a total expenditure of at least \$100,000.

By providing a planned schedule, cost estimates, and location of public sector improvements, the Capital Improvement Program provides private sector decision makers with valuable information upon which to base investment decisions. It also provides local elected officials and the public with valuable information concerning proposed public facilities and their associated costs. Ultimately, this coordination of orderly and efficient programs of private and public investment will benefit the City.

The 2015 CIP Process

For the preparation of the 2015-20 CIP the City continues its strategic prioritization process in the selection of capital projects. The process involves the participation of senior management, the internal CIP advisory committee, and the Citizen Capital Improvement Panel (CCIP). Keys to ensuring that the City's capital needs will continue to be met under restrictive financial limitations include asset management, effective project costing, and ongoing prioritization of capital projects.

CIP Preparation

The CIP process includes a professional analysis of projects, the guidance of citizens, businesses, and community leaders, and the leadership of the City Manager and City Council to produce a sound CIP for FY 2015-2020. The City also maintains a web-based application that allows citizens to view an update on all capital projects at: <http://ww2.durhamnc.gov/cip/>.

CIP PROCESS

The FY 2015-20 CIP process included the participation of the CIP Advisory Committee and a Citizen Capital Improvement Panel (CCIP).

The CIP Advisory Committee consists of representatives from across the organization charged with:

1. Aligning projects with identified master and strategic plans.
2. Identifying issues that may be roadblocks to successful project management.
3. Strengthening cross-functional communication between internal project managers.
4. Focusing on continuous improvement in the Capital Improvement Process.

The Scoring Team was composed of CIP Internal Committee members who are City staff with professional expertise in the range of project categories. The team was charged with:

1. Reviewing and refining the project scoring matrix.
2. Guiding departments through the project scoring process.
3. Ensuring consistency, fairness, and objectivity through the scoring and ranking process.

The Citizen Capital Improvement Panel (CCIP) is composed of business and community leaders charged with:

1. Helping City staff prioritize the right combination of new capital improvement projects.
2. Advising the City Council of the most critical CIP projects to meet the City's ongoing needs.
3. Evaluating and recommending projects for funding in the Capital Improvement Plan.

The Budget and Management Services Department (BMS) initiated the CIP process by soliciting proposals from departments for capital project needs within the scope of their operations. The CIP Advisory Committee assisted with the identification of projects. Departments scored their own projects

using the refined scoring matrix. Department staff presented their rationale for project scores to the Scoring Team, who then reviewed all project scores and modified scores to ensure consistency and objectivity.

While the Scoring Team managed the internal review and assessment of requested projects, the CCIP received a presentation on capital project needs, and developed guiding principles by which projects are prioritized.

The FY 2015-20 CIP includes approximately \$100.9 million for capital projects funded through impact fees, enterprise funds, grants, the capital project fund, pay-go funding, and debt financings. The majority of these projects are Enterprise Fund projects.

The recommendations of the CIP Advisory Committee, the Scoring Team, and the CCIP were submitted to the City Manager for review and were presented to the City Council. The Plan was adopted by the City Council on June 16, 2014.

GOALS OF THE CIP

The CIP is prepared with the guidance of two major goals:

1. To address the City's immediate and long-term capital needs, especially those related to:

- Maintaining the existing infrastructure in order to protect the City's investments.
- Expanding the tax base in a way that will benefit both future and current citizens.
- Managing and encouraging orderly growth in compliance with the Comprehensive Plan.
- Providing City services in the most efficient and safe manner.
- Maintaining and improving the quality of life in a way that enhances the perception of the community by citizens and potential investors.

2. To explore all feasible funding sources (as time and resources permit) in order to finance the City's capital needs.

The CIP is also prepared with the guidance of the five adopted goals of the City Council:

- A Strong and Diverse Economy
- Safe and Secure Community
- Thriving Livable Neighborhoods
- Well-Managed City
- Stewardship of City's Physical Assets

FUNDING PRIORITIES

Projects with the following characteristics are given priority for funding:

- Public health and public safety – prevents or corrects a major or minor health or safety hazard.
- Legal requirement – clearly demonstrates a mandate by State or Federal law.
- Major deferred maintenance on existing, large infrastructure/facilities – lack of project will likely result in compounded repair costs in the future and/or materially disrupts the enjoyment of the facilities.
- Economic development – directly increases net annual revenues and creates indirect community wealth, i.e. jobs, business retention, etc.
- Cultural, social, or leisure demand – directly addresses a major cultural, social, or leisure demand.
- Operating budget impact – directly reduces operating costs or is eligible for available funding sources.
- Extent of primary service area – serves the entire City.

- Relationship to other projects – completes a project that is underway or advances the effectiveness of another project.
- Comprehensive and/or strategic plans or policies – is consistent with the City's existing long range strategic plans.
- Equitable distribution – considers geographic, environmental and socio-economic balance.
- Green projects – uses sustainable environmental building principles and minimizes traffic and sprawl.
- Joint use – combines two or more projects in the same site or facility resulting in immediate or future savings.
- Enhance artistic/cultural heritage – preserves existing cultural activities and historic features of the community or attracts new beneficial cultural and artistic activities.
- Best practices – maintains the City's systems or facilities for delivering services and information to the public.

RELATIONSHIP OF THE CIP TO THE OPERATING BUDGET

The operating budget and the CIP are closely related. The CIP is a program that matches the City's major capital needs with the financial ability to meet those needs. As a plan, it is subject to change. However, a sound and reliable CIP is critical to maintaining the good financial health of the City.

CIP projects that are proposed to be funded via the General Fund, Water and Sewer Fund and Stormwater Fund are intended to be included in the annual budget in the appropriate year(s). Even so, because circumstances may change between the adoption of the CIP and the annual budget, CIP projects must be resubmitted as part of each department's annual capital improvement budget request. Funds for such projects are not available unless and until they are included by specific ordinance in the annual budget approved by the City Council. The needs greatly outpace the resources available to address adequately, so many projects are deferred each year. Projects with revenue sources showing as "Unidentified" have no set funding source and must compete for the same limited resources each year.

In many cases, the completion of capital projects will impact a department's operating budget as projects are completed and require maintenance and upkeep. Some facilities may require additional utilities, such as electricity and water, above current consumption levels – an impact may not be readily evident when projects are funded and then constructed over several years. Consequently, the impacts of capital projects on the annual operating budget are estimated when available and noted in the CIP under each project. Most projects will not have an operating impact in the year during which they are funded since this is typically the construction/installation phase. Also, if a project is a renovation which does not include expansion and the operating costs are already captured in the department's annual operating budget, no additional operating costs will be listed.

RELATIONSHIP OF THE CIP TO IMPLEMENTATION OF PLANNING AND GROWTH MANAGEMENT POLICIES

It is essential that CIP project proposals support plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to the conformity of proposals with the comprehensive plan, the City's broadest overall policy and planning tool for managing growth.

CIP CATEGORIES

- I. Culture and Recreation. Projects in this category are related to enhancing the cultural and recreational opportunities for city residents, including park and recreation center renovations, the construction of new parks, playgrounds, trails, and athletic fields. This year's CIP included funding for Herndon and Twin Lakes Soccer Field Upgrades, Edgemont Park Playground Equipment, W. Ellerbee Creek Trail Phase II, and the continuation of the cultural public art fund.

- II. Downtown Development. Projects in this category provide for the revitalization and enhancement of downtown Durham. This year's CIP includes funding for the completion of Durham Armory Upgrades.
- III. General Services. Projects in this category are related to city buildings and facilities. This year's CIP includes funding for ADA Compliance, critical Cemeteries Upgrades, Energy Management Projects, the purchase of fleet vehicles, and for renovations to several City facilities.
- IV. Public Protection. Public protection projects will enhance the City's ability to protect lives and property through police, fire, and emergency communication services. Projects in this category include deferred maintenance corrections at police and fire facilities and the renovation of city-owned buildings. This year's CIP includes funding for the Police Headquarters Replacement & 911 Annex, Fire Station #17 construction, and replacement of all Self Contained Breathing Apparatus (SCBA) equipment for the Fire Department.
- V. Solid Waste. This category contains funding for solid waste management projects. This year's CIP includes funding for the purchase of Solid Waste fleet vehicles.
- VI. Technology. This category contains projects that improve the technological capabilities of the City, producing a more efficient and accountable government. This year's CIP includes funding for enhanced Voice Over Internet Protocol.
- VII. Transportation. Transportation projects provide street, thoroughfare, sidewalk, and mass transit improvements by constructing new infrastructure or making significant improvements to the City's existing roadway and sidewalk network. This year's CIP includes funding for the continuation of the Carver Street extension, the Fayetteville/Buxton/Riddle Road alignment project; for street paving and sidewalk construction and repairs.
- VIII. Water. Projects in this category are related to water rehabilitation such as Lake Michie & Little River, maintenance such as Water Distribution System Rehabilitation, or improvement to water main lines such as Downtown East-West Reinforcing project.
- IX. Wastewater. Projects in this category are related to maintenance such as the Sewer Collection System Rehabilitation, or improvement of the City's sanitary sewer collection and treatment system. Funding for projects this fiscal year will come from the Capital Facilities Fee Fund, Water and Sewer Fund operating revenues and revenue bonds. This year's CIP including funding for Water & Sewer fleet replacement vehicles.
- X. Stormwater. Projects in this category are designed to address and improve stormwater flow throughout the City. Projects capture the City's efforts to correct sustained damage resulting from defective and malfunctioning city lines. This year's CIP includes funding for future watershed planning and design, major stormwater infrastructure improvements, and funding for Stormwater fleet replacement vehicles.
- XI. Other Enterprise Funds. Projects in this category are specific to unique enterprise funds that were established in FY13 to address capital infrastructure needs for the Parking Fund and Bull Park Fund. This year's CIP including funding for deferred maintenance upgrades to the Durham Bull's Athletic Park and Transit Fund Fleet purchases.

REVENUE SOURCES

The City of Durham uses many revenue sources to finance capital projects. The planned uses of these sources are reflected in the FY 2015-2020 Capital Improvement Program. The following describes the City's major revenue sources:

Pay-As-You-Go

This funding originates from revenue generated from the General Fund and the Capital Projects Fund, or from enterprise fund appropriations made in the City's annual operating budget. Typically, these appropriations are transferred to the Capital Projects Fund for accounting purposes if the project period lasts more than one fiscal year. CIP projects that are proposed to be funded via the annual operating budget are intended to be included in the annual budget in the appropriate year. Funds for such projects are not available unless and until they are approved by the City Council.

General Obligation Bond

The City may borrow money from lenders, pledging the full faith and credit of the City to pay the loan through property tax revenue. This method generally requires both the approval of voters through a referendum and the approval of the Local Government Commission. The City's voters approved referenda during November 1996, November 2005, November 2007, and November 2010 to finance capital projects with general obligation bonds.

The City sells general obligation bonds to pay for expenses associated with capital projects. Bond sales are held as needed. The City may issue general obligation debt under the two-thirds rule, wherein the City may issue up to two-thirds the value of the general obligation debt retired in the prior year so long as no new general obligation debt was issued in the same year.

Revenue Bond

The City may borrow money from lenders, pledging the revenues generated from the specific operations of the project to pay the debt. Because of the nature of the security, revenue bonds do not require voter approval. Like general obligation bonds, the City sells revenue bonds as needed to pay for expenses associated with capital projects.

Installment Sales

The City may enter into an installment sales (Certificates of Participation) contract for a building or for equipment using that building or equipment to secure the financing, similar to a mortgage transaction. The City does not pledge the use of its taxing power to pay the contract. The Local Government Commission must approve the use of installment sales contracts.

Impact Fees

Impact fees are one-time charges levied against new development based on the impact on city infrastructure as determined by the land use of the project. The impact fees will be used as a funding source for a proportionate cost of capital facilities and land made necessary by new construction. Impact fees cannot be used for routine or periodic maintenance, or improvements made to the existing infrastructure where the improvements are not related to new development.

The City's impact fees are collected in three zones for streets, parks and recreation facilities, and open space land; Street Zone 4 (Southwest Durham), Street Zone 5 (Northeast Durham), Street Zone 6 (Downtown), Recreation and Open Space Zone 1 (Southwest Durham), Recreation and Open Space Zone 2 (East Durham) and Recreation and Open Space 3 (North Durham). Impact fees will be used only to serve the zone where the fees were collected. The revenue must be appropriated within ten years or returned to the developer. The expenditure of this revenue is programmed with the CIP cycle.

Intergovernmental Revenues

This category of revenues identifies funding from Durham County, the State of North Carolina, and the Federal Government. The funding sources include the State's revolving loan fund for wastewater treatment plants, state and federal funding for transportation and transit-related improvements. Project pages also show Community Development Block Grant and HOME funds in Housing CIP projects for informational purposes.

Other

Capital projects may be fully or partially funded through miscellaneous revenue sources not referenced above. Examples of other funding sources include program revenues, land sales or contributions, payments in lieu of taxes, private contributions, loan repayments, and rental income.

Unidentified

Projects that do not have an identified source of future revenue to fund them are listed here. These projects usually compete for a small pool of general fund dollars, though some may later be determined to be eligible for use of impact fees or certificates of participation. These projects are also candidates for inclusion in future general obligation bond referendums.

Completed Projects

The following CIP projects were completed during FY 2014:

Culture and Recreation

- American Tobacco Trail/I-40 Bridge
- Burton Park Upgrade
- Campus Hill Park/I.R. Holmes Center Upgrades
- CR Wood Park Upgrade
- Garrett Road Park Upgrade
- Hillside Park Upgrade
- Leigh Farm Site Renovation
- System Wide Park Security
- T.A. Grady Park Upgrade

Downtown Revitalization

- Carolina Theatre Phase III Upgrade
- Chapel Hill Street Parking Deck

General Services

- ADA Compliance – Public Improvements
- City Hall Chiller Replacement

Public Protection

- Digital File Management System
- Live Fire Training Simulator (Burn Building)

Water

- Finished Water Storage and Pressurization
- Southern Reinforcing Main – Ph. II

CITY OF DURHAM
CAPITAL IMPROVEMENT PROGRAM

FY 2015 - 2020 CAPITAL IMPROVEMENT PROGRAM SUMMARY

SUMMARY BY PROJECT CATEGORY

Category	Prior Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Future Years	Total Request
Culture & Recreation	26,417,395	5,066,600	360,000	0	0	0	0	0	31,843,995
Downtown Revitalization	250,000	0	0	0	0	0	0	0	250,000
General Services	19,316,925	4,083,000	3,305,000	0	0	0	0	0	26,704,925
Other Enterprise Funds	16,909,103	0	0	0	0	0	0	0	16,909,103
Public Protection	26,424,705	61,888,057	0	0	0	0	0	0	88,312,762
Solid Waste	4,930,787	1,700,000	0	0	0	0	0	0	6,630,787
Stormwater	21,695,849	4,575,000	10,500,000	5,875,000	6,825,000	6,475,000	5,600,000	0	61,545,849
Technology	7,501,556	0	0	0	0	0	0	0	7,501,556
Transportation	44,626,087	2,504,246	1,171,325	2,141,725	1,500,000	900,000	400,000	0	53,243,383
Wastewater	128,847,481	3,500,000	21,900,000	24,900,000	15,900,000	15,900,000	15,900,000	0	226,847,481
Water	185,878,553	17,607,000	30,800,000	11,050,000	61,050,000	41,050,000	11,050,000	0	358,485,553
	\$482,798,441	\$100,923,903	\$68,036,325	\$43,966,725	\$85,275,000	\$64,325,000	\$32,950,000	\$0	\$878,275,394

SUMMARY BY REVENUE SOURCE

Source	Prior Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Future Years	Total Funds
GOB Authorized	36,983,904	350,000	0	0	0	0	0	0	37,333,904
GOB Unauthorized	12,000,000	0	0	0	0	0	0	0	12,000,000
Impact Fees	27,832,143	1,818,000	0	0	0	0	0	0	29,650,143
Installment Sales	31,581,035	60,403,483	360,000	0	0	0	0	0	92,344,518
Intergovernmental	30,395,338	3,462,420	0	0	0	0	0	0	33,857,758
Other	36,069,057	8,803,000	0	0	0	0	0	0	44,872,057
Pay-As-You-Go	100,717,487	9,087,000	33,350,000	16,975,000	17,925,000	17,575,000	16,700,000	0	212,329,487
Rev Authorized	5,949,501	0	0	0	0	0	0	0	5,949,501
Rev Unauthorized	201,269,976	17,000,000	29,850,000	24,850,000	65,850,000	45,850,000	15,850,000	0	400,519,976
Unidentified	0	0	4,476,325	2,141,725	1,500,000	900,000	400,000	0	9,418,050
	\$482,798,441	\$100,923,903	\$68,036,325	\$43,966,725	\$85,275,000	\$64,325,000	\$32,950,000	\$0	\$878,275,394

Operating Costs from Associated Capital Expenditures

	2013-14	2014-15	2015-16	2016-17	2017-18	<u>Future Years</u>	Total
Culture & Recreation							
Capital Outlay	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000	\$ -	\$ 110,000
Maint/Operations		1,500	12,000	18,000	19,000	23,500	- 74,000
Personnel		35,000	40,000	43,000	48,000	50,000	- 216,000
Total	\$ 36,500	\$ 52,000	\$ 61,000	\$ 122,000	\$ 128,500	\$ -	\$ 400,000
Public Protection							
Maint/Operations	\$ 3,000	\$ 3,000	\$ 3,500	\$ 9,000	\$ -	\$ 15,000	\$ 33,500
Personnel	-	-	-	-	-	-	-
Total	\$ 3,000	\$ 3,000	\$ 3,500	\$ 9,000	\$ -	\$ 15,000	\$ 33,500
General Capital Improvements							
Operating Costs Total:	\$ 39,500	\$ 55,000	\$ 64,500	\$ 131,000	\$ 128,500	\$ 15,000	\$ 433,500
All Capital Improvements							
Operating Costs Total:	\$ 39,500	\$ 55,000	\$ 64,500	\$ 131,000	\$ 128,500	\$ 15,000	\$ 433,500

**CITY OF DURHAM
BALL PARK CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14627

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Ball Park Fund	\$	12,000,000
TOTAL	\$	12,000,000

Section 1. Description of Projects

(a) Ball Park

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Durham Bulls Athletic Park Improvements		12,000,000	
	CC017	2013 Limited Obligation Bonds		12,000,000
	TOTAL		\$ 12,000,000	\$ 12,000,000

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
Phyllis Gray

**CITY OF DURHAM
GENERAL CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14623

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY	
Culture and Recreation	\$ 42,575,620
Downtown Revitalization	15,469,316
General Services	21,126,791
Housing	39,065,762
Public Protection	94,613,974
Technology	8,334,125
Transportation	70,985,455
TOTAL	\$292,171,043

Section 1. Description of Projects

(a) Culture and Recreation

Number	Project Title	Revenue Source	Appropriation	Revenue
1	American Tobacco Trail Phase E CH056	Open Space Impact Fees (Zone 1) Private Grant Miscellaneous Revenue Payment in Lieu Zone 1B Third Fork Payment in Lieu Zone 1-C Northeast Creek General Obligation Bonds (2007) 2/3 Bond - Series 2008 Parks and Recreation Bonds (1996) Federal Match/ Grants Distributed Interest Impact Fees P&R Zone 3 Open Space Impact Fees (Zone 3) Open Space Impact Fees (Zone 2)	11,816,838	468,956 150,000 38,375 73,150 73,150 967,320 1,500,000 350,986 7,497,057 197,844 201,316 112,389 186,295
2	American Tobacco Trail Parking Lot CH285		100,000	100,000
3	Athletic Courts Improvements CH510	Parks and Recreation Impact Fees (Zone 1) 2013 Limited Obligation Bonds Debt Installment Sales General Obligation Bonds (2005)	2,329,806	585,000 630,000 297,496 817,310
4	Athletic Field Irrigation/Lighting (Snow Hill) CH058	2013 Limited Obligation Bonds	550,000	550,000
5	Bethesda Park CH080	Payment in Lieu Lick Creek 2-B Miscellaneous Revenue Parks and Recreation Impact Fees (Zone 2) General Obligation Bonds (2005)	4,385,184	29,170 2,304 961,336 3,392,374

6	Campus Hills Park Renovation and CH025		1,797,438
		Transfer from General Fund	127,872
		General Obligation Bonds (2005)	1,669,566
7	Demolition DPR Structures CH057		58,751
		Miscellaneous Revenue	58,751
8	Duke Park Restrooms CH133		200,000
		Debt	200,000
9	Edgemont Park (Playground Equipment) CH195		200,000
		Parks and Recreation Impact Fees (Zone 2)	200,000
10	Forest Hills Park Upgrade CH270		662,886
		Installment Sales	464,430
		General Obligation Bonds (2005)	198,456
11	Herndon Park - Soccer Field CH196		900,000
		Parks and Recreation Impact Fees (Zone 1)	900,000
12	Lake Michie Upgrade CH007		868,710
		General Obligation Bonds (2005)	868,710
13	Leigh Farm Park Phase I & II CH140		1,500,954
		Payment in Lieu District 1-A New Hope	200,000
		Installment Sales	202,094
		General Obligation Bonds (2005)	300,000
		Parks and Recreation Impact Fees (Zone 1)	798,860
14	Lyon Park Upgrade CH340		600,494
		Installment Sales	386,495
		General Obligation Bonds (2005)	163,999
		Miscellaneous Revenue	50,000
15	Northgate Renovations CH193		20,000
		Miscellaneous Revenue	20,000
16	Old Chapel Hill Road Park CH100		4,046,804
		Parks and Recreation Bonds (1996)	74,473
		Payment in Lieu Zone 1-A New Hope	37,636
		Miscellaneous Revenue	5,000
		2/3 Bond - Series 2005	2,600,000
		Parks and Recreation Impact Fees (Zone 1)	1,271,994
		General Obligation Bonds (2005)	57,701
17	Oval Drive Park CH191		5,386
		Miscellaneous Revenue	5,386
18	Park Renovations CH410		1,243,289
		Parks and Recreation Bonds (1996)	281,640
		Miscellaneous Revenue	98,810
		Sale of Land	99,250
		Parks and Recreation Impact Fees (Zone 2)	241,000
		General Fund (2005)	522,589
19	Park Restrooms Pilot Project CH197		250,000
		Parks and Recreation Impact Fees (Zone 2)	250,000
20	Pool Assessment CH027		75,000
		Miscellaneous Revenue	75,000
21	Public Art Funding 70003		30,000
		Pay As You Go	15,000
		Other	15,000
22	Sports Facilities Lighting Package CH504		600,000
		Impact Fees	300,000
		Installment Sales	300,000

23	Third Fork Creek Trail		6,258,798
	CH060	American Recovery And Reinvestment Act	955,847
		General Obligation Bonds (1996)	1,844,242
		General Obligation Bonds (2005)	444,535
		General Fund (2005)	211,806
		Installment Sales	953,844
		Parks and Recreation Impact Fees (Zone 1)	969,502
		Parks and Recreation Impact Fees (Zone 2)	94,632
		Parks and Recreation Impact Fees (Zone 3)	13,303
		Payment in Lieu Zone 3-B Eno North	20,986
		Open Space Impact Fees (Zone 1)	450,741
		Open Space Impact Fees (Zone 2)	92,821
		Open Space Impact Fees (Zone 3)	187,907
		Sale of Land	18,632
24	Twin Lakes Park Restrooms		155,650
	CH132	Debt	155,650
25	Twin Lakes Park - Soccer Field		400,000
	CH198	Pay As You Go	400,000
26	Twin Lakes Park Upgrade		625,000
	CH131	Impact Fees (Zone 2)	385,000
		General Obligation Bonds (2005)	240,000
27	Weaver Street Center and Park Upgrade (formerly Renovation of Weaver Street)		620,336
	CH150	Miscellaneous Revenue	58,486
		Payment in Lieu District 1-B Third Fork	158,843
		General Obligation Bonds (2005)	403,007
28	West Ellerbee Creek Trail Phase 2		2,021,600
	CH505	2013 Limited Obligation Bonds	75,000
		Debt	212,000
		Other (CMAQ)	1,081,600
		Payment in Lieu Zone 3-A South Eno	89,522
		Parks and Recreation Impact Fees (Zone 3)	471,327
		Open Space Impact Fees (Zone 3)	92,151
29	West Point on the Eno Upgrade		252,696
	CH320	Parks and Recreation Impact Fees (Zone 3)	17,019
		General Obligation Bonds (2005)	235,677
	TOTAL	\$ 42,575,620	\$ 42,575,620

(b) Downtown Revitalization

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Carolina Theatre		7,194,168	
	CH030	Installment Sales	5,102,714	
		General Obligation Bonds (2005)	2,091,454	
2	Chapel Hill Street Deck Repaving		36,000	
	CC019	Debt		36,000
3	Durham Armory Upgrades		905,000	
	CH059	2013 Limited Obligation Bonds	340,000	
		Debt		565,000

4	Durham Arts Council Renovations CC012		5,994,461
	General Fund		410,058
	Capital Projects Fund		93,857
	Installment Sales		3,957,252
	Other Revenue		65,047
	General Obligation Bonds (2005)		1,468,247
5	9th Street Infrastructure Redevelopment CH111		1,039,687
	2013 Limited Obligation Bonds		1,039,687
6	NCIMED Streetscape CH095		300,000
	Debt		300,000
	TOTAL	\$ 15,469,316	\$ 15,469,316

(c) General Services

Number	Project Title	Revenue Source	Appropriation	Revenue
1	400 Cleveland Street Exterior Renovation CC240	Installment Sales	600,000	600,000
2	ADA Compliance CH215	General Obligation Bonds (2005) Debt 2/3 Bond - Series 2012 General Fund FY10	906,530 34,939 350,000 507,973 13,618	34,939 350,000 507,973 13,618
3	Cemeteries Upgrade CC018	Transfer from General Fund Transfer from Cemetery Fund	440,000 100,000 340,000	100,000 340,000
4	City Hall Annex and Building Envelope CC210	2013 Limited Obligation Bonds Transfer from General Fund 2/3 Bond - Series 2008 2/3 Bond - Series 2012 Limited Obligation Bonds General Obligation Bonds (2005)	6,241,292 987,500 22,143 116,373 4,101,658 1,011,257 2,361	987,500 22,143 116,373 4,101,658 1,011,257 2,361
5	City Hall HR Suite Renovations CH900	Debt	261,000	261,000
6	DAP Sound System CH029	Miscellaneous Revenue	54,000	54,000
7	DPR Operations Facility CH520	Parks and Recreation Impact Fees (Zone1) Parks and Recreation Impact Fees (Zone2) Parks and Recreation Impact Fees (Zone3) 2005 GO Bonds Installment Sales	2,186,545 442,575 442,576 442,575 822,639 36,180	442,575 442,576 442,575 822,639 36,180
8	Driveway/Parking Lot Paving CH026	Miscellaneous Revenue	317,000	317,000
9	Energy Management Projects Ph. I & II CH295	2013 Limited Obligation Bonds Debt	1,247,490 854,490 393,000	854,490 393,000
10	Fleet Maintenance Re-roofing CS260	Installment Sales	600,000	600,000

11	General Fund Fleet Vehicles		6,421,934
	S3001	2013 Limited Obligation Bonds	3,000,000
		Fleet 2015	3,000,000
		Transfer from Fleet	421,934
12	General Services Generator		66,000
	CH028	Miscellaneous Revenue	66,000
13	New Sign & Signal Shop		1,130,000
	CL001	General Obligation Bonds (2005)	1,130,000
14	Project Financial Management		300,000
	AA000	Interest Income	300,000
15	Project Mgmt. Software		200,000
	CC016	Water and Sewer Operating Fund	200,000
16	PWOC Security Upgrades		155,000
	CH096	Debt	155,000
	TOTAL		\$ 21,126,791 \$ 21,126,791

(d) Housing and Neighborhood Revitalization

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Eastway Ave (Barnes Ave) Redevelopment DB018	Loan Repayments Investment Income Land Sales Rental Income	10,164,810	6,841,366 1,029,877 2,256,221 37,346
2	Loan Servicing/Administration DB010	Loan Repayments	799,084	799,084
3	Neighborhood Streetscape 70002	General Fund General Fund FY09 2/3 bonds - Series 2005 General Obligation Bonds (2005)	3,721,670	250,000 500,000 1,471,670 1,500,000
4	Reserve for Pending Projects DB001	Loan Repayments Land Sales	190,702	179,443 11,259
5	Southside East Phase I QEP1Y	Sale of Land Sale of Property Section 108 Loan Miscellaneous Income Federal Grant Loan Repayments Investment Income	15,392,941	367,360 2,531,254 5,400,392 137,935 65,000 4,753,786 2,137,214
6	Single Family Lead Abatement Match DB022	Loan Repayments	245,256	245,256
7	Southside West Homeownership Redevelopment QWH1Y	Section 108 Loan Loan Repayments	4,067,623	3,264,023 803,600
8	Southside East Phase II QEP2Y	Loan Repayments Section 108 Loan	395,585	260,000 135,585
9	Southside Dedicated Funding QWDFY	Transfer from Dedicate Housing Fund	3,835,131	3,835,131

10	Southside West Homeownership QWH2Y		113,077
	Loan Repayments		36,866
	General Fund		18,638
	Sale of Property		57,573
11	Southside East Infrastructure Balance (Bond PI) QEP3Y		139,883
	Loan Repayments		139,883
	TOTAL	\$ 39,065,762	\$ 39,065,762

(e) Public Protection:

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Communications Radio Building CC310		1,293,036	
	Capital Project Funds		202,618	
	Debt		85,000	
	Installment Sales		852,200	
	Miscellaneous Income		153,218	
2	Digital File Management System CK106		258,500	
	Miscellaneous Revenue		258,500	
3	911 Facility CK003		11,337,242	
	2013 Limited Obligation Bonds		650,000	
	Debt		10,687,242	
4	Fire Station #1 Upgrade CB009		553,523	
	2/3 Bonds - Series 2008		53,523	
	Pay-As-You-Go		500,000	
5	Fire Station # 9 CB007		4,321,600	
	Installment Sales		4,321,600	
6	Fire Station #17 CB011		5,400,000	
	2013 Limited Obligation Bonds		67,010	
	Debt		5,332,990	
7	Live Fire Training Simulator CB010		482,240	
	Installment Sales		482,240	
8	Police HQ Replacement & Annex CK002		51,096,815	
	Debt		44,205,815	
	2013 Limited Obligation Bonds		6,891,000	
9	Police Headquarters Repair CK001		4,721,018	
	Instaliment Sales		3,246,018	
	General Obligation Bonds (2005)		1,475,000	
10	SCBA Replacement (DFD) CK107		1,800,000	
	Debt		1,800,000	
11	Radio Infrastructure Replacement CC320		13,350,000	
	Intergovernmental		6,650,000	
	Installment Sales		6,650,000	
	Pay-As-You-Go		50,000	
	TOTAL	\$ 94,613,974	\$ 94,613,974	

(f) Technology

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Enterprise Resource Planning System AN001		5,790,000	
		Capital Projects Fund		260,000
		Installment Sales		5,530,000
2	IT Infrastructure Improvements NP001		1,751,556	
		Water and Sewer Construction Fund		87,000
		Transfer from Water & Sewer Fund		1,664,556
3	VOIP Project N0003		792,569	
		General Fund		89,688
		Transfer from Water & Sewer Fund		661,386
		Transfer from Transit Fund		14,074
		Transfer from Solid Waste Fund		15,753
		Transfer from Stormwater Fund		11,668
TOTAL			\$ 8,334,125	\$ 8,334,125

(g) Transportation

Number	Project Title	Revenue Source	Appropriation	Revenue
1	2010 Street Repaving Project LE300		23,861,545	
		General Obligation Bonds (2007)		862,851
		2/3 Bond - Series 2008		1,028,000
		2/3 Bond - Series 2012		1,500,000
		Interest Income		470,694
		General Obligation Bonds (2010)		20,000,000
2	Brick Pavers Repairs LF700		250,000	
		Debt		250,000
3	Carver Street Extension LE003		8,185,000	
		Street Impact Fees (Zone 5)		8,185,000
4	DATA Operations Facility LD001		1,075,976	
		Installment Sales		1,075,976
5	Dirt/Petition Street Paving LF800		700,000	
		Debt		700,000
6	Failed Development Infrastructure LE450		489,985	
		Other Revenues		229,985
		Transfer from Stormwater Fund		60,000
		Installment Sales		200,000
7	Fayetteville Road Widening Phase II LE004		8,035,789	
		Street Impact Fees (Zone 1)		567,953
		Street Impact Fees (Zone 4)		7,467,836
8	Fayetteville/Buxton/Riddle Rd. Improvements LF900		5,000,000	
		Street Impact Fees (Zone 1)		1,600,000
		Street Impact Fees (Zone 4)		3,400,000
9	Federal and State Match Projects LC100		7,556,774	
		Grants		600,720
		Capital Projects Fund		56,924
		Debt		1,518,318
		Installment Sales		712,095
		Street Impact Fees (Zone 4)		2,000,000
		2/3 Bond - Series 2008		56,970
		Department of Transportation		569,640
		Other Revenue		1,466,771
		General Obligation Bonds (2005)		575,336

10	Miscellaneous Thoroughfares and Street Improvements LC200	General Fund FY09 2/3 Bond - Series 2008 Debt	768,586 126,650 461,708 180,228
11	NC 147 Bicycle Pedestrian Bridge LE007	General Fund FY09 Installment Sales NC Department of Transportation	3,250,000 200,000 250,000 2,800,000
12	Sidewalk Repair, ADA and Gaps LF150	Debt Sidewalk-in-Lieu of Payment Installment Sales Capital Projects Fund General Obligation Bonds (2005) General Obligation Bonds (2007) General Fund FY09 2/3 Bond - Series 2008 Other Revenue	9,640,094 500,000 521,659 450,000 403,662 4,857,974 2,032,680 300,000 350,000 224,119
13	Street Paving & Maintenance LF950	General Fund FY15	1,000,000 1,000,000
14	Traffic Calming LC160	General Obligation Bonds (2005) Debt	1,171,706 671,155 500,551
TOTAL			\$ 70,985,455 \$ 70,985,455

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK
J. Ben Gray

CITY OF DURHAM
DURHAM PERFORMING ARTS CENTER CAPITAL IMPROVEMENTS PROJECT ORDINANCE

ORDINANCE #14630

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY			
Durham Performing Arts Center Fund	\$	900,000	
TOTAL	\$	900,000	

Section 1. Description of Projects

(a) Durham Performing Arts Center

Number	Project Title	Revenue Source	Appropriation	Revenue
1	DPAC Condo Purchase		650,000	
	CH901	DPAC Operating Fund		650,000
2	DPAC Furnishings		250,000	
	CH902	DPAC Operating Fund		250,000
	TOTAL		\$ 900,000	\$ 900,000

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

D. Ben Gray

**CITY OF DURHAM
PARKING CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14628

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Parking Fund	\$	1,074,233
TOTAL	\$	1,074,233

Section 1. Description of Projects

(a) Parking

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Church Street Parking Deck Upgrade		1,074,233	
CC015		Installment Sales		1,074,233
	TOTAL		\$ 1,074,233	\$ 1,074,233

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
D. Ben Gray

**CITY OF DURHAM
SOLID WASTE CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14626

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Solid Waste Fund	\$	10,574,929
TOTAL	\$	10,574,929

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

D. Ben Gray
CITY CLERK

Section 1. Description of Projects

(a) Solid Waste

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Solid Waste Fleet Vehicles		5,027,343	
	S4401	2013 Limited Obligation Bonds	2,100,000	
		Grant Funds	82,048	
		Transfer from Fleet	1,971	
		Fleet 2013	1,143,324	
		Fleet 2015	1,700,000	
2	Solid Waste Transfer Station		1,612,475	
	CM001	General Fund	185,948	
		2/3 Bond - Series 2008	746,452	
		General Obligation Bonds (2005)	680,075	
3	Solid Waste Cart Buyout		3,935,111	
	M0002	W & S Capital Project Fund	3,410,211	
		Solid Waste Operating Fund	524,900	
	TOTAL		\$ 10,574,929	\$ 10,574,929

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**CITY OF DURHAM
STORMWATER CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14625

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Stormwater Fund	\$	24,083,391
TOTAL	\$	24,083,391

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

Dawn Gray
CITY CLERK

Section 1. Description of Projects

(a) Stormwater

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Drainage Repair of City Owned Properties		1,875,417	
	LK105	Stormwater Fund		1,875,417
2	Floodplain Mitigation		681,000	
	LK106	Stormwater Fund		681,000
3	Major Stormwater Infrastructure & BMP Improvements		5,289,000	
	LK107	Stormwater Fund		5,289,000
4	Private Property Drainage Projects		4,339,370	
	LK100	Stormwater Fund		4,339,370
5	Stormwater Fleet Vehicles		1,417,287	
	S4301	Fleet 2014 - Pay As You Go		393,031
		Fleet 2013 - Pay As You Go		311,256
		Fleet 2015 - Pay As You Go		713,000
6	Stormwater Retrofitting		4,883,000	
	LK109	Stormwater Fund		4,883,000
7	Watershed Planning & Design		5,598,317	
	LK102	Grants		242,811
		Stormwater Fund		5,355,506
	TOTAL		\$ 24,083,391	\$ 24,083,391

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**CITY OF DURHAM
TRANSIT FUND CAPITAL IMPROVEMENTS PROJECT ORDINANCE**

ORDINANCE #14629

FISCAL YEAR 2014-15

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Transit Fund	\$	4,460,000
TOTAL	\$	4,460,000

Section 1. Description of Projects

(a) Transit

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Transit Fleet Vehicles		4,460,000	
	S4501	Intergovernmental Revenues		4,460,000
	TOTAL		\$ 4,460,000	\$ 4,460,000

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
John Gray

CITY OF DURHAM
WATER AND WASTEWATER CAPITAL IMPROVEMENTS PROJECT ORDINANCE
FISCAL YEAR 2014-15

ORDINANCE #14624

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY			
Water	\$ 215,964,650		
Wastewater	105,806,779		
TOTAL	\$ 321,771,429		

Section 1. Description of Projects

(a) Water

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Asbestos Cement Line Replacement P0100	Water and Sewer Construction Fund Revenue Bonds	750,000 250,000 500,000	
2	Automated Meter Replacement P0410	Pay-As-You-Go Future Revenue Bonds Water and Sewer Operating Fund	20,600,000 257,000 14,943,000 5,400,000	
3	Brown Water Treatment Plant Expansion and Rehabilitation P0200	Water and Sewer Operating Fund Water and Sewer Construction Fund Revenue Bonds Capital Facilities Fee Fund General Obligation Bonds (2005)	13,577,957 1,520,957 5,570,000 3,457,920 2,029,080 1,000,000	
4	Downtown East-West Reinforcing Main P0420	Pay-As-You-Go	2,350,000 2,350,000	
5	Finished Water Storage and Pressurization P0400	Future Revenue Bonds Water and Sewer Operating Fund Water and Sewer Construction Fund	7,334,713 6,100,000 34,713 1,200,000	
6	Jordan Lake Water Treatment Plant P0610	Future Revenue Bonds Water and Sewer Construction Fund	3,000,000 2,000,000 1,000,000	
7	Lake Michie and Little River Rehabilitation P0500	Water and Sewer Operating Fund Future Revenue Bonds	2,943,361 743,361 2,200,000	
8	Raleigh Water Interconnection P0B05	Future Revenue Bonds Revenue Bonds	5,925,000 5,175,000 750,000	
9	Southeast Distribution System Expansion P0B08	Future Revenue Bonds	7,162,000 7,162,000	
10	Southern Reinforcing Main Phase I P0700	Water and Sewer Operating Fund Pay-As-You-Go Future Revenue Bonds General Obligation Bonds (2005)	6,600,000 500,000 1,100,000 400,000 4,600,000	
11	Southern Reinforcing Main Phase II P0710	Future Revenue Bonds	9,150,000 9,150,000	
12	Teer Quarry Water Supply Phase II P0800	Future Revenue Bonds Water and Sewer Operating Fund Capital Facilities Fee Fund Revenue Bonds	15,016,950 9,963,450 2,680,000 2,173,500 200,000	

13	Two-Inch Water Main Replacement P0900		2,088,000
		Water and Sewer Operating Fund	558,000
		Water and Sewer Construction Fund	300,000
		Revenue Bonds	1,230,000
14	Water Distribution System Rehabilitation P0B01		30,035,003
		Water and Sewer Operating Fund	3,783,744
		Future Revenue Bonds	25,174,479
		General Obligation Bonds (2005)	1,076,780
15	Water Facilities Rehabilitation P0B09		31,094,000
		Future Revenue Bonds	29,583,223
		Water and Sewer Operating Fund	1,510,777
16	Water - Future Supply/Source Protection P0B03		4,624,921
		Future Revenue Bonds	2,200,000
		Water and Sewer Construction Fund	1,424,921
		Revenue Bonds	1,000,000
17	Water Lines Extensions & Improvements P0A00		11,726,005
		Future Revenue Bonds	2,000,000
		Pay-As-You-Go	4,750,000
		Water and Sewer Operating Fund	843,228
		Water and Sewer Construction Fund	1,629,777
		Revenue Bonds	2,250,000
		General Obligation Bonds (2005)	253,000
18	Water Regulatory Improvements P0B06		33,768,000
		Future Revenue Bonds	31,508,000
		Water and Sewer Construction Fund	2,260,000
19	Water Residuals Handling P0B10		6,550,000
		Pay-As-You-Go	1,300,000
		Future Revenue Bonds	5,250,000
20	Water & Sewer Fleet Vehicles S4101		1,218,740
		Fleet 2014 Pay-As-You-Go	556,344
		Fleet 2013	55,396
		Fleet 2015 Pay-As-You-Go	607,000
21	Watershed Protection - Southview Property P3000		450,000
		Watershed Protection Fund	210,114
		Water and Sewer Operating Fund	39,886
		Sale of Land	200,000
	TOTAL		\$ 215,964,650 \$ 215,964,650

(b) Wastewater

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Enhanced Nitrogen Removal P2130		15,596,000	
		Future Revenue Bonds	15,596,000	
2	Facility Paving P2110		2,860,000	
		Pay-As-You-Go	1,460,000	
		Water and Sewer Construction Fund	330,000	
		Future Revenue Bonds	770,000	
		Water and Sewer Operating Fund	300,000	
3	Orange Co. Economic Development Zone Improvements P2650		700,000	
		Pay-As-You-Go	700,000	
4	Reclaimed Water Systems Phase I & II P2530		2,181,000	
		Future Revenue Bonds	2,181,000	

5	Sewer Collection System Rehabilitation P2800		30,140,562
		Water and Sewer Operating Fund	10,121,099
		Pay-As-You-Go	1,126,111
		Revenue Bonds	150,450
		Future Revenue Bonds	18,289,118
		General Obligation Bonds (2005)	453,784
6	Sewer Lines-Extensions & Improvements P2600		10,327,080
		Water and Sewer Construction Fund	2,081,732
		Pay-As-You-Go	3,000,000
		Future Revenue Bonds	5,000,000
		General Obligation Bonds (2005)	245,348
7	Wastewater Process Rehabilitation P2510		32,702,137
		Future Revenue Bonds	28,289,382
		Pay-As-You-Go	2,000,000
		Capital Facilities Fee Fund	1,055,394
		Water and Sewer Construction Fund	1,357,361
8	Water Mgmt. Facility Expansion P2120		11,300,000
		Pay-As-You-Go	5,500,000
		Future Revenue Bonds	5,000,000
		Water and Sewer Construction Fund	500,000
		Water and Sewer Operating Fund	300,000
	TOTAL		\$ 105,806,779 \$ 105,806,779

Section 2. Each project authorized by this ordinance is for the period of July 1, 2014 through June 30, 2015.

Section 3. The City Manager is hereby authorized to undertake each project listed under "Project Title" above within the limitations of the revenues listed as associated with it under "Revenue Source." The amounts listed under "Revenue Source" are estimated to be available for the project. Each of the amounts listed under "Appropriation" is hereby appropriated for the project in its row. In case of conflict, the dollar amounts listed in the "Appropriation" and "Revenue" columns control over the dollar amounts shown in the "Summary" section of this ordinance.

Section 4. This Capital Improvement Projects Ordinance is adopted pursuant to G.S. Section 159-13.2 in the Local Government Budget and Fiscal Control Act.

Section 5. Any other ordinances that conflict with this ordinance are hereby repealed to the extent of the conflict.

Section 6. Within five days after adoption, the City Clerk shall file a copy of this ordinance with the Director of Finance and the Budget Director.

Section 7. This ordinance shall be in full force and effect from and after its passage.

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK
Bruce Shay

EMPLOYMENT AND TRAINING FUND

The City of Durham is awarded Employment and Training grants annually from the North Carolina Department of Commerce, Division of Employment and Training. The grants are multi-year grants and are not included in the Employment and Training Department's annual operating budget. Unexpended grant dollars may be carried over to the following year to be used in accordance with the cost categories established by each grant or title.

Prior Year Employment & Training (Workforce Investment Act) Grants:

FY 2012-14 Grants:

PY12-14 WIA ADMINISTRATIVE

Amount of Grant	\$ 187,640
Expenditures	187,640
BALANCE	\$0

PY12-14 WIA ADULT

Amount of Grant	\$ 448,066
Expenditures	448,066
BALANCE	\$0

PY12-14 WIA DISLOCATED WORKER

Amount of Grant	\$ 704,597
Expenditures	704,597
BALANCE	\$0

PY12-14 WIA YOUTH

Amount of Grant	\$ 536,099
Expenditures	536,099
BALANCE	\$0

PY12-14 WIA CONTIGENCY, OJT, PILOT PROGRAMS, SPECIAL ACTIVITIES

Amount of Grant	\$ 602,356
Expenditures	580,000
BALANCE*	\$ 22,356

*Projected Balance for 6/30/14. All PY12 must be fully expended by 6/30/14 except the pilot program which expires 9/30/2014

ANTICIPATED PY14-16

WIA Admin	\$ 192,397
WIA Adult	556,547
WIA Dislocated Worker	544,020
WIA Youth	631,005
WIA Contingency, OJT	
Total	\$ 1,923,969

FY 2013-15 Grants:

PY13-15 WIA ADMINISTRATIVE

Amount of Grant	\$ 168,532
Expenditures	151,679
BALANCE	\$ 16,853

PY13-15 WIA ADULT

Amount of Grant	\$ 535,078
Expenditures	374,555
BALANCE	\$ 160,523

PY13-15 WIA DISLOCATED WORKER

Amount of Grant	\$ 381,258
Expenditures	266,881
BALANCE	\$ 114,377

PY13-15 WIA YOUTH

Amount of Grant	\$ 600,458
Expenditures	420,321
BALANCE	\$ 180,137

*PY13 grants must be at least 70% spent by 6/30/14

**CITY OF DURHAM EMPLOYMENT AND TRAINING 2014-2016 GRANT
PROJECT ORDINANCE FOR FEDERAL GRANT**
July 1, 2014– June 30, 2016

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM,
NORTH CAROLINA** that, pursuant to Section 13.2 of Chapter 159 of the General
Statutes of North Carolina, the following grant project ordinance is hereby adopted.

- Section 1. The project authorized is the implementation of Workforce Investment Act (WIA) funds as a part of the City of Durham Employment and Training Department Program as approved by the City Council of the City of Durham for the period July 1, 2014 to June 30, 2016.
- Section 2. The City Manager is hereby directed to proceed with the implementation of the project within the terms of the various grant agreements.
- Section 3. The following revenues are anticipated to be available to the City of Durham, North Carolina to complete the project:

Federal Grant	\$1,923,969
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- Section 4. The following amount is appropriated for the project:

WIA-Administrative	\$192,397
WIA-Adult	\$556,547
WIA-Dislocated Worker	\$544,020
WIA-Youth	\$631,005

Total	\$1,923,969
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- Section 5. A copy of this ordinance shall be furnished within five days after adoption to the Budget Director, to the Finance Director, to the Accounting Manager, and to the City Clerk. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

- Section 6. This ordinance shall be in full force and effect from and after its passage.

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK

Dave Gray

**U.S. Department of Housing and Urban Development Community
Development Block Grant (CDBG) FY 2014-2015
Grant Project Ordinance and Authorization
to Execute Grant Agreement**

WHEREAS, the City of Durham has been awarded a grant from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG); and

WHEREAS, the City of Durham intends to pursue the development and redevelopment of certain areas in the City of Durham; and

WHEREAS, on July 1, 2014, the City of Durham anticipates an appropriation from HUD in the amount of \$1,795,508 and estimates \$340,000 in Program Income for a total of \$2,135,508 for FY 2013-2014; and

WHEREAS, \$1,742,406 will be allocated for public services, homeownership, property rehabilitation, site preparation, infrastructure and code enforcement; and

WHEREAS, \$393,102 will be allocated for administrative costs; and

NOW THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that:

- Section 1. The projects authorized are the improvements and redevelopment of Durham as noted in the FY 2014-2015 Annual Action Plan.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the CDBG funds and to undertake the projects.

**APPROVED BY
CITY COUNCIL**

MAY 5 2014

CITY CLERK
Section 4.

Brian Gray

Section 5.

The following revenue is anticipated to be available to the City of Durham to complete the projects:

Federal Community Development Block Grant	\$1,795,508
Estimated Program Income	<u>340,000</u>
Total	\$2,135,508

The following amount is appropriated:

2014-2015 CDBG	\$2,135,508
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Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager, and the Director of the Department of Community Development. A copy of the ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

Section 6. This ordinance shall be in full force and effect from and after its passage.

**U.S. Department of Housing and Urban Development HOME Consortium
Program FY 2014-2015 Grant Project
Ordinance and Authorization to Execute Grant Agreement**

WHEREAS, the City of Durham has been awarded a grant from the U.S. Department of Housing and Urban Development under the HOME Investment Partnerships Program (HOME); and

WHEREAS, on July 1, 2014, the City of Durham anticipates an appropriation from HUD in amount of \$831,909 in HOME grant funds and estimates \$430,000 in Program Income for a total of \$1,261,909 for FY 2014-2015; and

WHEREAS, \$1,157,219 will be allocated towards HOME program activities and \$104,690 towards administration costs; and

NOW THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that,

Section 1. The projects authorized are the improvements and redevelopment of the City of Durham as noted in the FY 2014-2015 Annual Action Plan.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the HOME funds and to undertake the projects.

Section 3. The following revenue is anticipated to be available to the City of Durham to complete the projects:

**APPROVED BY
CITY COUNCIL**

MAY 5 2014

Federal HOME Funds	\$831,909
Program Income	430,000
Total	\$1,261,909

The estimated required match of \$181,805 will be met through the expenditures of housing bond program income, carry-over match, and other local funds for HOME eligible activities. The match amount will be kept separate from any HOME fund.

Section 4. The following amount is appropriated for the project:

2014-2015 HOME Program	\$1,261,909
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Section 5. Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager, and the Director of the Department of Community Development. A copy of the ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

Section 6. This ordinance shall be in full force and effect from and after its passage.

**U.S. Department of Housing and Urban Development
Emergency Solutions Grant (ESG) FY 2014-2015 Grant Project
Ordinance and Authorization to Execute Grant Agreement**

WHEREAS, the City of Durham has been awarded a grant from the U.S. Department of Housing and Urban Development (HUD) under the Emergency Solutions Grant (ESG) program; and

WHEREAS, on July 1, 2014, the City of Durham anticipates an appropriation from HUD in the amount of \$147,357; and

WHEREAS, a total of \$136,306 will be used for operations, essential services, homelessness prevention and rapid re-housing; and

WHEREAS, \$11,051 is allocated for administrative costs; and

NOW THEREFORE, PURSUANT TO N.C.G.S. 159013.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that

Section 1. The projects authorized are consistent with the objectives to address homelessness identified in the Durham Consolidated Plan.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the ESG funds and to undertake the projects.

Section 3. The following revenue is anticipated to be available to the City of Durham to complete the projects:

FY 2014-2015 ESG: \$147,357

The non-federal funding source for the match requirement of \$147,357 will be provided by the ESG subrecipients for \$136,306 and \$11,051 matched with general fund personnel project management services. The match will be kept separate from all ESG funds and acknowledged when a subrecipient requests reimbursement for services provided per the subrecipient's agreement.

Section 4. The following amount will be appropriated for the project:

FY 2014-2015 ESG: \$147,357

Section 5. Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager, and the Director of the Department of Community Development. A copy of the ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

Section 6. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

MAY 5 2014

CITY CLERK

Brian Gray

Section 4.

**CITY OF DURHAM NORTH CAROLINA AND THE U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT (HUD) GRANT SUPERSEDING GRANT
PROJECT ORDINANCE NO. 14548**

WHEREAS, the City of Durham through the Human Relations Division of the Neighborhood Improvement Services Department has been awarded a HUD Cooperative Grant from the U.S. Department of Housing and Urban Development; and

WHEREAS, the City has always promoted fair housing through education, outreach, partnership activities and training;

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

**NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE
CITY COUNCIL OF THE CITY OF DURHAM**

that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted for the period beginning March 1, 2014 and terminating on September 30, 2019.

Section 1. The project authorized is to fund fair housing training, education, case processing and additional funding has been awarded for partnership activities and to continue to affirmatively further fair housing in Durham.

Section 2. The City Manager is authorized and directed to undertake the project within the limitations of the funds appropriated herein.

Section 3. The following revenue is anticipated to be available to the City of Durham Neighborhood Improvement Services Department for the projects:

U.S. HUD Cooperative Agreement Award (Case Processing, Administrative Costs, Training)	\$ 76,160.00
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U.S. HUD FHAP Partnership Grant	\$ 96,720.00
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Section 4. **The total amount appropriated for this project is: \$ 172,880.00**

Section 5. Within five days after adoption, the City Clerk shall file a copy of the ordinance with the Director of Finance, the Director of Budget and Management Services, the Accounting Services Manager and the Neighborhood Improvement Services Director. A copy of this ordinance shall be filed in the Office of the City Clerk and shall be available for public inspection as provided by law.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
D. Ben Gray

**FY2014-15 CITY OF DURHAM AND STATE APPRENTICE PROGRAM GRANT
AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

WHEREAS, the City of Durham anticipates receiving grants by the North Carolina Department of Transportation for Durham's mass transit system; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking for the City of Durham;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. This ordinance is a grant project ordinance authorizing the transit projects for the Durham transit system beginning on July 1, 2014 until all projects are completed.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the State Apprentice Program Grant and to undertake the project.

- Section 3. The following revenues are anticipated to be available to the City of Durham to complete the program:

State Apprentice Program Grant	\$29,189
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- Section 4. The following amount is available to provide the City match for these grants:

State Apprentice Program Grant- City Match	\$6,524
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- Section 5. The following amount is appropriated for the project:

State Apprentice Grant Program Project Ordinance	\$35,713
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- Section 6. Within five days after the adoption the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, Transportation Director, Assistant Director (Transit), and the Budget and Management Services Director. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
Dawn Gray

FY 2014-15 TRANSIT PLANNING AND CAPITAL GRANT PROJECT ORDINANCE AND
AUTHORIZATION TO EXECUTE GRANT AGREEMENT

WHEREAS, the City of Durham anticipates receiving grants from the Federal Transit Administration and the North Carolina Department of Transportation for Durham's mass transit system; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking for the City of Durham;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. This ordinance is a grant project ordinance authorizing this transit project for the Durham transit system beginning on July 1, 2014 until the project is completed.
- Section 2. The City Manager is authorized to execute the grant agreements and other documents that are required or appropriate in order for the City to receive the Federal Transit Administration and the North Carolina Department of Transportation Transit planning and capital grant and to undertake the project.
- Section 3. The following revenues are anticipated to be available to the City to complete the project:

FTA Section 9 Planning Grant	\$ 245,072
NCDOT Section 9 Planning Grant	\$ 30,634
FTA Section 9 Capital Grant	<u>\$ 3,742,346</u>
 TOTAL	 <u>\$ 4,018,052</u>
- Section 4. The following amount is available to provide the City match for these grants:

Transit Fund- Section 9 Planning	\$ 30,634
Transit Fund- Section 9 Capital	<u>\$ 935,586</u>
 TOTAL	 <u>\$ 966,220</u>
- Section 5. The following amount is appropriated:

FY2014-15 Transit Planning Grant Project Ordinance	\$ 306,340
FY2014-15 Transit Capital Grant Project Ordinance	<u>\$ 4,677,932</u>
 TOTAL	 <u>\$ 4,984,272</u>
- Section 6. Within five days after the adoption the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, Transportation Director, Assistant Transportation Director (Transit), and the Budget Director. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

APPROVED BY
CITY COUNCIL

JUN 16 2014
D. Ben Gray
CITY CLERK

**FY 2014-2015 (FY 2015) 5303 METROPOLITAN TRANSIT PLANNING GRANT PROJECT
ORDINANCE AND AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

WHEREAS, the City of Durham has been awarded a Section 5303 metropolitan transit planning grant by the Federal Transit Administration (FTA) through the North Carolina Department of Transportation for conducting transit planning projects; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and Desirable undertaking of City staff; and

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. The ordinance is a grant project ordinance concerning the Federal Transit Administration Section 5303 Metropolitan Transit Planning project for the period July 1, 2014 through June 30, 2015 as described in the Unified Planning Work Program for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, fiscal year 2014-2015, as amended. Funds are for FY 2014-15 or until funds are expended and /or projects are completed.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required in order for the City to receive the Federal Transit Administration (FTA) and the North Carolina Department of Transportation (NCDOT) Section 5303 metropolitan transit planning and to undertake the project.
- Section 3. The following revenue is anticipated to be available to the City of Durham to Complete the project:
- | | |
|---|----------------|
| FTA Section 5303 Grant (passed through NCDOT) | \$ 301,104 |
| NCDOT-PTD Section 5303 Matching Grant | 37,638 |
| City of Durham -DATA Matching Grant | 19,195 |
| Town of Chapel Hill Matching Grant | 18,443 |
|
TOTAL |
\$ 376,380 |
- Section 4. The following amount is appropriated for the project:
- | | |
|---|----------------|
| City of Durham -DATA | \$ 191,945 |
| Pass Through Grants (upon appropriate invoice): | |
|
Chapel Hill |
\$ 184,426 |
|
TOTAL |
\$ 376,380 |
- Section 5. The grant match to be provided by the Town of Chapel Hill is reflected in this ordinance.
- Section 6. Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager and the Transportation Planning Manager. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
D. Ben Gray

**FFY-2013 & FFY-2014 FTA Section 5339 BUS AND BUS FACILITIES GRANT PROJECT ORDINANCE
(GPO) AND AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

WHEREAS, the City of Durham has been awarded a Section 5339 Bus and Bus Facilities grant by the Federal Transit Administration (FTA) for capital funding to replace, rehabilitate and purchase bus and related equipment and to construct bus-related facilities projects; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and Desirable undertaking of City staff; and

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The ordinance is a grant project ordinance concerning the Federal Transit Administration Section 5339 Bus and Bus Facilities funding for the federal fiscal year 2013 and 2014 (FFY-2013 and FFY2014) project for the period July 1, 2014 through June 30, 2015 as described in the federal Registrar and the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHCMPO) Split Letter to FTA.. Funds are valid until completion of the grant project or until funds are expended and /or projects are completed.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the Federal Transit Administration (FTA) Section 5339 bus and bus facilities funds for approved projects and to undertake the project. The 5339 grant funding will be used in conjunction with financing allocated within the state/federal match budget of the Transportation Department.

Section 3. The following revenue is anticipated to be available to the City of Durham to Complete the project:

FTA Section 5339 Grant	\$ 1,654,318
NCDOT-PTD Section 5339 Matching Grant	\$206,790
City of Durham -DATA Matching Grant	\$112,600
Town of Chapel Hill Matching Grant	\$57,930
Triangle Transit (TTA)	<u>\$36,260</u>
TOTAL	\$2,067,898

Section 4. The following amount is appropriated for the project:

City of Durham -DATA	\$1,125,997
Pass Through Grants (upon appropriate invoice):	
Chapel Hill	\$579,296
Triangle Transit (TTA)	\$362,605

TOTAL \$2,067,898

Section 5. The grant match to be provided by the Town of Chapel Hill is reflected in this ordinance.

Section 6. Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager and the Transportation Planning Manager. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
Dawn Gray

ORDINANCE #14637

FY 2014-15 CITY OF DURHAM AND FEDERAL TRANSIT ADMINISTRATION SECTION
5307 STPDA GRANT PROJECT ORDINANCE AND
AUTHORIZATION TO EXECUTE GRANT AGREEMENT

WHEREAS, the City of Durham anticipates receiving grants from the Federal Transit Administration Section 5307 STPDA; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking for the City of Durham;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. This ordinance is a grant project ordinance authorizing this transit project for the Durham transit system beginning on July 1, 2014 until the project is completed.
- Section 2. The City Manager is authorized to execute the grant agreements and other documents that are required or appropriate in order for the City to receive the Federal Transit Administration Section 5307 STPDA grant and to undertake the project.
- Section 3. The following revenues are anticipated to be available to the City to complete the project:

FTA Section 5307 STPDA Grant	\$3,484,400
NCDOT Section 5307 STPDA Grant	<u>\$ 435,550</u>
TOTAL	\$3,919,950

- Section 4. The following amount is available to provide the City match for these grants:

Transit Fund	\$ 435,550
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- Section 5. The following amount is appropriated:

Section 5307 STPDA Grant Project Ordinance	\$4,355,500
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- Section 6. Within five days after the adoption the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, Transportation Director, Assistant Transportation Director (Transit), and the Budget Director. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK
D. Bruce Shay

ORDINANCE #14638

**CITY OF DURHAM AND NORTH CAROLINA DEPARTMENT OF TRANSPORTATION SECTION
104(f) AND SECTION 133(b)(3)(7) TRANSPORTATION PLANNING GRANT PROJECT ORDINANCE –
FY 2014-2015 (FY 2015) AND AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

WHEREAS, the City of Durham has been awarded a grant by the Federal Highway Administration through the North Carolina Department of Transportation for conducting a transportation planning project; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and Desirable undertaking of City staff; and

**NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF DURHAM that:**

Section 1. The ordinance is a grant project ordinance concerning a transportation planning Project for the period July 1, 2014 through June 30, 2015 as described in the Unified Planning Work Program for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, fiscal year 2014-2015, as amended. Funds are for FY 2014-15 or until funds are expended.

Section 2. The City Manager is authorized to undertake the project within the terms of the "Disbursement and Accounting of Urban Transportation Planning Funds Appropriated Under Section 104(f), Title 23 United States Code" and the "Disbursement and Accounting of Transportation Funds Appropriated Under Section 133(b)(3)(7), Title 23 United States Code" agreements with the North Carolina Department of Transportation.

Section 3. The following revenue is anticipated to be available to the City of Durham to Complete the project:

Federal Transportation Planning Grant (passed	
Through the State)	\$2,221,161
City of Durham Matching Grant	446,530
Town of Carrboro Matching Grant	36,802
Town of Chapel Hill Matching Grant	47,147
Orange County Matching Grant	11,062
Triangle-J COG	13,750
TTA	0
TOTAL	\$2,776,452

Section 4. The following amount is appropriated for the project:

City of Durham NCDOT Planning Grant Project	\$2,232,649
Pass Through Grants (upon appropriate invoice):	
Carrboro	184,008
Chapel Hill	235,735
Orange County	55,310
Triangle-J COG	68,750
TTA	0
TOTAL	\$2,776,452

Section 5. The grant matches to be provided by the Town of Chapel Hill, the Town of Carrboro, Orange County, Triangle-J COG and TTA are reflected in this ordinance.

Section 6. Within five days after the adoption, the City Clerk shall file a copy of this ordinance with the Budget Director, Director of Finance, Accounting Services Manager and the Transportation Planning Manager. A copy of this ordinance shall be filed in the office of the City Clerk and shall be available for public inspection as provided by law.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

D. Bill Gray

**DURHAM POLICE DEPARTMENT
NEW ORDINANCES FOR FY 2014/2015:**

The U.S. Department of Justice, FY 2014/2015 Federal Asset Forfeiture Grant
Funds - \$565,000

Every year, the Police Department equitably shares in cash received from federal asset forfeitures and we set up an ordinance each year to receive the expected revenues. The federal asset forfeiture revenue and all accrued interest must be used for law enforcement purposes only, to supplement, and not supplant, the Police Department's existing resources.

The State of North Carolina FY 2014/2015 Controlled Substance Abuse Grant
Funds - \$200,000

Every year, the Police Department equitably shares in cash received from North Carolina controlled substances excise tax assessments, also called Tax Stamp Funds, and we set up a new ordinance each year to receive the expected revenues. The controlled substance excise tax assessment revenue and all accrued interest must be used to enhance the ability of law enforcement agencies to deter and investigate crimes, especially drug offenses, and must supplement, and not supplant, the Police Department's existing resources.

The Federal Government, 2014 Federal Task Team Initiatives Grant Funds -
\$160,000

The City of Durham has entered into an agreement with the Federal Government, to provide experienced City of Durham Investigators to assist the Bureau of Alcohol, Tobacco and Firearms, the Drug Enforcement Agency, the FBI and Organized Crime Drug Enforcement Task Force. The government agreed to reimburse the City for overtime wages for specific investigators and the City's cost will be a match in the form of benefits provided for these wages.

The U.S. Department of Justice, 2014 Bulletproof Vest Partnership Grant Funds -
\$20,000

Since 1999, the Police Department has participated in a reimbursement program with the U.S. Department of Justice Bulletproof Vest Partnership Program. We set up a new ordinance each year to receive the expected reimbursement of that year's portion of funds available in the federal program for large cities. This program was established to assist municipalities in offsetting the costs incurred in supplying bulletproof vests to its officers.

**The United States Marshals Service, 2015 Fugitive Apprehension Task Force
Agreement Grant Funds - \$18,638**

The City of Durham, through the Durham Police Department, has been awarded funding through The Presidential Threat Protection Act of 2000 that provides, “the Attorney General shall, upon consultation with appropriate Department of Justice and Department of the Treasury law enforcement components, establish permanent Fugitive Apprehension Task Forces consisting of Federal, State, and local law enforcement authorities in designated regions of the United States, to be directed and coordinated by the US Marshals Service, for the purpose of locating and apprehending fugitives.” The government agrees to reimburse the City for overtime wages for specific investigators and the City’s cost will be a match in the form of benefits provided for these wages.

**The U.S. Department of Justice, Office of Justice Programs, Bureau of Justice
Assistance 2014 Justice Assistance Grant - \$81,610**

The City of Durham, through the Durham Police Department, has been awarded funding from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance (USDOJ/OJP/BJA) for the Justice Assistance Grant (JAG). The grant has been made available to be split evenly between the City of Durham and to the County of Durham where as the County of Durham has agreed to be designated as the applicant/fiscal agent. The grant award must be used for the purpose of reducing crime and improving public safety and must supplement, and not supplant, existing resources.

**The City of Durham and the U.S. Department of Justice Programs, 2014 High
Intensity Drug Trafficking Area (HIDTA) Grant Funds - \$338,613**

The City of Durham, through the Durham Police Department, has been awarded funding from the Executive Office of the President, Office of National Drug Control Policy for the 2014 High Intensity Drug Trafficking Area (HIDTA) Program. The grant award must be used to support initiatives designed to implement the Strategy proposed by the Executive Board of the Atlanta High Intensity Drug Trafficking Area (HIDTA) and approved by the Office of National Drug Control Policy (ONDCP). The HIDTA program enhances and helps to coordinate drug trafficking control efforts among federal, state, and local law enforcement agencies. HIDTA works to complement and support federal, state, and local law enforcement agencies collaborating to fight drug traffic. HIDTA funding supports this joint effort between local law enforcement agencies.

**The Town of Chapel Hill Request for Temporary Law Enforcement Assistance,
2014 Halloween Grant - \$25,000**

Every year for Halloween, the Town of Chapel Hill expects several thousand people to gather in its business district for a Halloween celebration. The Town of Chapel Hill does not have the adequate personnel resources to manage the event. Consequently, the Chapel Hill Police Department requested that the Durham Police Department provide assistance

under their existing Mutual Assistance Agreement. The Town of Chapel Hill offers to reimburse the City of Durham for the costs incurred for this assistance.

2014 North Carolina Governor's Highway Safety Program: Triad Region Bike Safe Grant - \$10,000

The City of Durham through the Durham Police Department has been awarded a grant from the State of North Carolina, Department of Transportation, Governor's Highway Safety Program (NCGHSP) to support the purchase of bike and traffic safety equipment. The NC GHSP is a program that promotes highway safety awareness and reduces the number of traffic crashes in the state of North Carolina through the planning and execution of safety programs.

The U.S. Department of Treasury, 2015 Financial Crimes Task Force Grant - \$27,360

The City of Durham, through the Durham Police Department, has been awarded funding through The Treasury Forfeiture Fund Act of 1992, which provides for the reimbursement of certain expenses of local, county, and state law enforcement agencies incurred as participants in joint operations/task forces with a Department of the Treasury law enforcement agency. A Durham Police Department Criminal Investigator from the Fraud Unit will join the Financial Crimes Task Force that focuses on the monetary aspect of significant crimes and criminal organizations. The government agrees to reimburse the City for overtime wages and other expenses for the investigator assigned to this task team.

2015 North Carolina Governor's Highway Safety Program Grant - \$120,000

The City of Durham through the Durham Police Department has been awarded a grant from the State of North Carolina, Department of Transportation, Governor's Highway Safety Program (NCGHSP) to support the purchase of equipment for the Motorcycle Unit. The NC Governor's Highway Safety Program is a program that promotes highway safety awareness and reduces the number of traffic crashes in the state of North Carolina through the planning and execution of safety programs.

**THE U.S. DEPARTMENT OF JUSTICE, U.S. MARSHALL'S OFFICE, FY 2014/2015
FEDERAL ASSET FORFEITURE FUNDS GRANT PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has and will continue to equitably share in cash received from the U.S. Department of Justice, U.S. Marshall's Office, Federal Asset Forfeiture program; and

WHEREAS, such funds and accrued interest from the funds must be used for law enforcement purposes only and must supplement, and not supplant, existing resources; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. The project described in "A Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies" (April 2009) is hereby authorized to be undertaken until all project activity is completed.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive U.S. Department of Justice, U.S. Marshall's Office, Federal Asset Forfeiture funds.
- Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

U.S. Department of Justice, U.S. Marshall's Office, FY 2014/2015 Federal Asset Forfeiture Program	\$545,000
Interest Income	<u>20,000</u>
Total	\$565,000

- Section 4. The following amounts are appropriated for this project:

FY 2014/2015 Federal Asset Forfeiture Funds Grant	\$565,000
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- Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

**THE STATE OF NORTH CAROLINA, DEPARTMENT OF JUSTICE,
DEPARTMENT OF REVENUE, FY 2014/2015 CONTROLLED SUBSTANCE ABUSE
FUNDS GRANT PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has and will continue to equitably share in cash received from the state controlled substances excise tax, as determined under the State of North Carolina, Department of Justice, Department of Revenue, Controlled Substance Abuse Funds Program; and

WHEREAS, such funds and accrued interest from the funds must be used to enhance the ability of law enforcement agencies to deter and investigate crimes, especially drug offenses, and must supplement, and not supplant, existing resources; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The project described in N.C.G.S. 105-113.111 (b), State Controlled Substance Excise Tax Assessments, is hereby authorized to be undertaken until all project activity is completed.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the N.C. State Controlled Substance Excise Tax Assessments funds.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

N.C. State Controlled Substance Excise Tax Assessments Funds FY 2014/2015	\$185,000
Interest Income	<u>15,000</u>
Total	\$200,000

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

D. Ben Gray
Section 4. The following amount is appropriated for this project:

FY 2014/2015 Controlled Substance Abuse Funds Grant	\$200,000
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Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

2014 FEDERAL TASK TEAM INITIATIVES GRANT PROJECT ORDINANCE

WHEREAS, the City of Durham has agreed to provide experienced City of Durham Police Department Investigators for specified task teams; and

WHEREAS, the Federal Government will reimburse the City of Durham for approved overtime costs for Investigators assigned to specific investigations; and

WHEREAS, funds received will be used to reimburse the City of Durham's overtime accounts; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The grant project is the participation of the City of Durham in Federal Task Team Initiatives and is hereby authorized to be undertaken during the grant period of October 1, 2014 through September 30, 2015 or until all funds are expended.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the Federal Government grant and to undertake the project.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

Federal Government	\$128,773
Local Match (Police General Funds Budget)	<u>31,227</u>
Total	\$160,000

Section 4. The following amount is appropriated for this project:

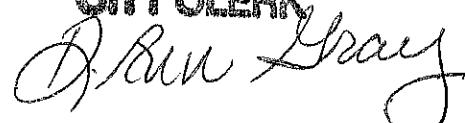
2014 Federal Task Team Initiatives	\$160,000
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Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK



**THE U.S. DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE,
OFFICE OF JUSTICE PROGRAMS, 2014 BULLETPROOF VEST PARTNERSHIP
PROGRAM GRANT PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has been awarded a grant from the U.S. Department of Justice, Bureau of Justice Assistance, Office of Justice Programs, 2014 Bulletproof Vest Partnership Program (USDOJ/BJA/OJP/BVP); and

WHEREAS, the USDOJ/BJA/OJP/BVP will reimburse the City of Durham for up to 50% of costs incurred from the purchase of approved bulletproof vests from April 1, 2014 through a date to be determined by the U.S. Department of Justice; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The grant project described in the Catalog of Federal Domestic Assistance (CFDA), section 16.607, is hereby authorized to be undertaken during the grant period from April 1, 2014 through March 31, 2016 or until all funds are expended.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the USDOJ/BJA/OJP/BVP Grant and to undertake the project.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

USDOJ/BJA/OJP/BVP Grant FY 2014	\$20,000
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Section 4. The following amount is appropriated for the project:

2014 Bulletproof Vest Partnership Grant	\$20,000
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Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

Dawn Gray

**THE UNITED STATES MARSHALS SERVICE, 2015 FUGITIVE APPREHENSION
TASK FORCE AGREEMENT PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has been given a memorandum of understanding from the US Marshals Service (USMS). The agreement has been made available to the City of Durham under the 2015 Fugitive Apprehension Task Force Program in the amount of \$18,638; and

WHEREAS, the funds must be used in direct support of overtime activities involving the USMS fugitive apprehension task forces and approved by the USMS Supervisory Deputy, Chief Deputy, or US Marshal; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The project described in the US Marshals Service MOU is hereby authorized to be undertaken during the period of October 1, 2014 through September 30, 2015 or until all funds are expended.

Section 2. The City Manager is authorized to execute the agreement and other documents that are required or appropriate in order for the City to receive the 2015 Fugitive Apprehension Task Force Agreement and to undertake the project.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

US Marshals Service 2015 Fugitive Apprehension Task Force \$18,638

Section 4. The following amount is appropriated for this project to be expended in the following manner:

FY 2015 Fugitive Apprehension Task Force Agreement	\$15,000
Local Match (Police Department's General Fund)	<u>3,638</u>
Total Grant Amount	\$18,638

Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
Dawn Gray

**THE U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, BUREAU
OF JUSTICE ASSISTANCE, 2014 LOCAL SOLICITATION EDWARD BYRNE
MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has been awarded a grant from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance (USDOJ/OJP/BJA). The grant has been made available to the City of Durham and to the County of Durham jointly, under the 2014 Local Solicitation Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of \$163,220; and

WHEREAS, the Council has authorized the City Manager to execute an inter-local agreement between the County of Durham and the City of Durham to submit a joint application for the aggregate of funds allocated to Durham county and for the City to receive \$81,610 of the awarded JAG funds for purposes identified in the joint application; and

WHEREAS, the County of Durham has agreed to be designated as the applicant/fiscal agent and thus, all JAG fund \$81,610 of the awarded JAG funds to the City of Durham; and

WHEREAS, the grant award and all accrued interest must be used for the purpose of reducing crime and improving public safety and must supplement, and not supplant, existing resources; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. The project described in the US/DOJ/BJA Local Solicitation JAG grant application is hereby authorized to be undertaken during the grant period of October 1, 2014 through September 30, 2017 or until all funds are expended.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the US/DOJ/BJA Local Solicitation JAG and to undertake the project.
- Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

US/DOJ/BJA Local Solicitation JAG	\$81,610
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- Section 4. The following amount is appropriated for this project to be expended in the following manner:

2014 US/DOJ/BJA Local Solicitation JAG Grant \$81,610

Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK

Dawn Gray

**THE EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF NATIONAL DRUG
CONTROL POLICY, 2014 HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA)
GRANT PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has been awarded a grant from the Executive Office of the President, Office of National Drug Control Policy. The grant has been made available to the City of Durham under the 2014 High Intensity Drug Trafficking Areas (HIDTA) Program in the amount of \$338,613; and

WHEREAS, the grant funds must be used to support initiatives designed to implement the Strategy proposed by the Executive Board of the Atlanta High Intensity Drug Trafficking Area (HIDTA) and approved by the Office of National Drug Control Policy (ONDCP); and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The project described in the ONDCP grant application is hereby authorized to be undertaken during the grant period of January 1, 2014 through December 31, 2015 or until all funds are expended.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the ONDCP HIDTA Grant and to undertake the project.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

ONDCP HIDTA	\$328,000
Local Match (Police General Funds)	<u>10,613</u>
Total Grant Amount	\$338,613

APPROVED BY
CITY COUNCIL

JUN 16 2014

CITY CLERK

Section 4.

The following amount is appropriated for this project to be expended in the following manner:

FY 2014 ONDCP HIDTA	\$338,613
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Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**THE TOWN OF CHAPEL HILL REQUEST FOR TEMPORARY LAW ENFORCEMENT
ASSISTANCE, 2014 HALLOWEEN GRANT PROJECT ORDINANCE**

Whereas, the City of Durham agrees to provide temporary law enforcement assistance to the Town of Chapel Hill on the evening of Friday, October 31 through the early morning of Saturday, November 1, 2014; and

Whereas, the Town of Chapel Hill will reimburse the City of Durham for its overtime costs, including applicable benefits, for officers providing the requested law enforcement assistance; and

Whereas, funds received will be used to reimburse the City of Durham's overtime accounts; and

Whereas, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S 159.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The project described in the agreement with the Town of Chapel Hill is hereby authorized to be undertaken until all project activity is completed.

Section 2. The City Manager is hereby authorized to execute the grant agreement and other documents that are required or appropriate in order for the City of Durham to receive reimbursement for providing temporary law enforcement services by the Town of Chapel Hill.

Section 3. The following revenues are anticipated to be reimbursed to the City of Durham for its assistance in this project. Town of Chapel Hill – \$25,000

Section 4. The following amount is appropriated for this project to be spent in the following manner:

2014 Halloween Grant	\$25,000
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Section 5. Within five (5) days after this ordinance is adopted, the City of Durham shall file a copy of the ordinance with the Finance Director, Accounting Services Manager, the Budget Director and the Chief of Police.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
John Gray

2014 NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY PROGRAM: TRIAD REGION BIKE SAFE GRANT PROJECT ORDINANCE

WHEREAS, the City of Durham, through the Durham Police Department, has been awarded a grant from the North Carolina Governor's Highway Safety Program, in the amount of \$10,000; and

WHEREAS, the grant must be used to support the purchase of Highway Safety equipment for the Durham Police Department; and

WHEREAS, the City Council of the City of Durham deems this activity to be worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

- Section 1. The grant project is authorized to support the purchase of bike and traffic safety equipment and is hereby authorized to be undertaken until all project activity is completed.
- Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the North Carolina Governor's Highway Safety Program: Triad Region Bike Safe Initiative Grant and to undertake the project.
- Section 3. The following revenue is anticipated to be available to the City of Durham to complete the project:

NC GHSP: Bike and Traffic Equipment Grant	\$10,000
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- Section 4. The following amount is appropriated for this project to be spent in the following manner:

2014 NC GHSP: Triad Region Bike Safe Grant	\$10,000
--	----------

- Section 5. Within five days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
D. Ben Gray

2015 FINANCIAL CRIMES TASK FORCE GRANT PROJECT ORDINANCE

WHEREAS, the City of Durham has agreed to provide an experienced City of Durham Police Department Investigator for the Financial Crimes Task Force; and

WHEREAS, the Federal Government will reimburse the City of Durham for approved overtime and other expenses for the Investigator assigned to the task force; and

WHEREAS, funds received will be used to reimburse the City of Durham's overtime accounts; and

WHEREAS, the City Council of the City of Durham deems this activity to be a worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM THAT:

Section 1. The grant project is the participation of the City of Durham in Federal Task Team Initiatives and is hereby authorized to be undertaken during the grant period of October 1, 2014 through September 30, 2015 or until all funds are expended.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the Federal Government grant and to undertake the project.

Section 3. The following revenues are anticipated to be available to the City of Durham to complete this project:

Federal Government	\$23,500
Local Match (Police General Funds Budget)	<u>3,860</u>
Total	\$27,360

Section 4. The following amount is appropriated for this project:

2015 Financial Crimes Task Force Grant	\$27,360
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Section 5. Within five (5) days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
D. Ben Gray

**2015 NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY PROGRAM GRANT
PROJECT ORDINANCE**

WHEREAS, the City of Durham, through the Durham Police Department, has been awarded a grant from the North Carolina Governor's Highway Safety Program, in the amount of \$120,000; and

WHEREAS, the grant must be used to support the purchase of Highway Safety equipment for the Durham Police Department; and

WHEREAS, the City Council of the City of Durham deems this activity to be worthy and desirable undertaking;

NOW, THEREFORE, PURSUANT TO N.C.G.S. 159-13.2, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The grant project is authorized to support the purchase of motorcycles, and is hereby authorized to be undertaken until all project activity is completed.

Section 2. The City Manager is authorized to execute the grant agreement and other documents that are required or appropriate in order for the City to receive the North Carolina Governor's Highway Safety Program Grant and to undertake the project.

Section 3. The following revenue is anticipated to be available to the City of Durham to complete the project:

2015 NC Governor's Highway Safety Program Grant	\$120,000
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Section 4. The following amount is appropriated for this project to be spent in the following manner:

2015 NC Governor's Highway Safety Program Grant	\$120,000
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Section 5. Within five days after this ordinance is adopted, the City Clerk shall file a copy of this ordinance with the Finance Director, Accounting Services Manager, and the Budget Director.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK
Dawn Grace

Annual Budget Process

The City of Durham's annual budget process is the framework for communicating major financial operational objectives and for allocating resources to achieve them. This process is a complex undertaking involving the whole government. The process begins in October and runs until the end of June. By state law, the City must adopt an annual budget ordinance by June 30 of each year. Coordination of the process is essential to the building of the budget. To achieve coordination, a calendar of activities is summarized on this page.

Once the budget is approved, the focus of the budget becomes control. Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by department heads and the Budget Department. The Accounting Services Division ensures that changes are correctly entered and payments are appropriate.

The Budget and Management Services Department reviews all requests from departments to make sure that sufficient appropriations have been budgeted. All funds are reviewed on a regular basis, and a budget report is submitted to the City Council on a quarterly basis.

The City Manager has the authority to transfer budgeted amounts between departments within any function. However, transfers between functions, additions or deletions require a budget amendment. To amend the budget, a revised budget ordinance must be approved by the City Council.

January	February	March
<ul style="list-style-type: none">❖ Budget kick-off. City Manager explains financial and operational objectives.	<ul style="list-style-type: none">❖ Department budgets submitted to Budget office.❖ City Council retreat to discuss vision and service issues.❖ Public input on budget sought through engagement activities; "Coffees with Council", "E-Town Hall", etc.	<ul style="list-style-type: none">❖ Coffees with Council continue.❖ City Council retreat to discuss financial issues.❖ Budget office projects revenues.
April	May	June
<ul style="list-style-type: none">❖ Departments present budgets to the City Manager.❖ Balance expenditure requests with revenue estimates.	<ul style="list-style-type: none">❖ Preliminary Budget and Capital Improvement Plan prepared and formally transmitted to Council.❖ City Council conducts work sessions on proposed budget.	<ul style="list-style-type: none">❖ Second Public Hearing is held in accordance with state law.❖ The City Council adopts the budget. State law requires it to be adopted by June 30.
July	August	September
<ul style="list-style-type: none">❖ New fiscal year begins. Budget becomes control instrument for all expenditures.	<ul style="list-style-type: none">❖ Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by Department Directors, Budget and Finance.	<ul style="list-style-type: none">❖ Annual audit of prior year expenditures is conducted and Comprehensive Annual Financial Report (CAFR) is published.
October	November	December
<ul style="list-style-type: none">❖ Management Team discusses and develops overall budget goals for next fiscal year.	<ul style="list-style-type: none">❖ Appropriation Transfers and Budget Amendments are reviewed and processed throughout the year, as necessary.	<ul style="list-style-type: none">❖ Develop budget manual, train departments in use of budget development software.❖ Departments have Budget Pre-Meetings with the City Manager.

OPTION ONE**2014-15 CITY OF DURHAM BUDGET ORDINANCE**

WHEREAS, the budget estimate for fiscal year 2014-15 for the City of Durham, North Carolina was submitted to the City Council on May 19, 2014 by the City Manager (Budget Officer) and filed in the Office of the City Clerk; and has continuously been made available for public inspection; and a copy of same has been made available to all news media in Durham County; and a statement has been published in the Durham Herald-Sun on May 23, 2014, stating that the budget estimate will be presented to the City Council, a copy of same is on file in the Office of the City Clerk, and the City would hold a public hearing on June 2, 2014 at which time any persons who wish to comment on the budget may appear; and the budget estimate for fiscal year 2014-15 for the City of Durham, North Carolina, was submitted to the City Council and filed in the Office of the City Clerk at least ten (10) days prior to the adoption of this ordinance; and

WHEREAS, on June 2, 2014, the City Council of the City of Durham, North Carolina held a public hearing at which time any persons who wished to comment on the budget could appear; now therefore, pursuant to North Carolina General Statute 159-13,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM:

- Section 1. That for the purpose of financing the City of Durham, North Carolina for the fiscal year 2014-15 beginning July 1, 2014 and ending June 30, 2015, the amounts included in Attachment 1 are appropriated from the taxes and other revenues collectible for the use of the various departments and subdivisions of the City, and for the payment of its bonded indebtedness.
- Section 2. Appropriations made for purposes other than those authorized by North Carolina General Statute 160A-209 are hereby made and authorized from revenues derived by sources other than the levy of property taxes.
- Section 3. It is estimated that the revenues sources included in Attachment 2 will be available during the fiscal year beginning July 1, 2014 and ending June 30, 2015 to meet the appropriations included in Attachment 1.
- Section 4. The following tax rates are hereby levied on each one hundred dollars (\$100) valuation of taxable real and personal property within the corporate limits of the City of Durham, North Carolina as listed on the first day of January, 2014, for the purpose of raising revenue to defray expenses for the proper governance of the City for fiscal year 2014-15 (as shown in the Revenue Section of this Ordinance as General Property Taxes):

2014-15 CITY OF DURHAM BUDGET ORDINANCE, CONTINUED

General Fund Operations	\$0.3843
Debt	\$0.1582
Transit Operations	\$0.0387
Dedicated Housing Funding	\$0.0100
Total Rate per \$100 Valuation of Taxable Property	\$0.5912

Section 5. The following tax rate is hereby levied on each one hundred dollars (\$100) valuation of taxable real and personal property within the established boundaries of the Municipal Service District (commonly referred to as the Business Improvement District) of the City of Durham, North Carolina as listed on the first day of January, 2014, for the purpose of raising revenue to fund downtown service enhancements for fiscal year 2014-15. This is shown in the Revenue Section of this Ordinance under the Business Improvement District Fund as General Property Taxes:

Business Improvement District
Rate per \$100 Valuation of Taxable Property **\$0.0700**

- Section 6. That the taxes hereby levied shall be due and collectible on September 1, 2014.
- Section 7. That any operating funds encumbered on the financial records as of June 30, 2014 are hereby reappropriated to the FY 2014-15 budget.
- Section 8. A copy of this ordinance shall be furnished to the Finance Director (as Finance Officer) to be kept on file in his office for his direction in the disbursement of City funds, and to the Director of Budget and Management Services.
- Section 9. This ordinance shall be in full force and effect from and after its passage.

**APPROVED BY
CITY COUNCIL**

JUN 16 2014

CITY CLERK

Brian Gray

**2014-15 City of Durham Budget Ordinance
Appropriations**

General Fund	\$ 175,004,614
Emergency Telephone System Fund	2,228,425
Business Improvement District Fund	683,488
Dedicated Housing Fund	3,133,611
Debt Service Fund	43,069,510
Impact Fee Fund	2,063,831
Watershed Protection Fund	100,000
Capital Facilities Fee Fund	7,936,099
Water and Sewer Fund	85,291,336
Transit Fund	18,862,127
Solid Waste Disposal Fund	20,248,813
Storm Water Fund	14,988,907
Ballpark Fund	1,468,405
Parking Facilities Fund	4,790,041
Durham Performing Arts Center Fund	3,725,486
Cemetery Fund	346,000
LEO Special Separation Fund	1,542,665
Other Post Employment Benefits Fund	<hr/> 4,450,272
 Total	 \$ 389,933,630

2014-15 City of Durham Budget Ordinance
Revenues

General Fund

General Property Taxes	\$ 94,818,475
Other Local Taxes	50,189,456
Licenses and Permits	6,875,000
State-Shared Revenues	11,890,319
Intragovernmental Revenue	2,419,932
Charges for Current Services	7,280,727
Investment and Rental Income	52,332
Other Revenue	663,123
Appropriation from Fund Balance	815,250
Subtotal	\$ 175,004,614

Emergency Telephone System Fund

Other Local Taxes	\$ 1,608,226
Investment and Rental Income	2,000
Appropriation from Fund Balance	618,199
Subtotal	\$ 2,228,425

Business Improvement District Fund

General Property Taxes	\$ 433,488
Transfer from Other Funds	250,000
Subtotal	\$ 683,488

Dedicated Housing Fund

General Property Taxes	\$ 2,417,396
Appropriation from Fund Balance	716,215
Subtotal	\$ 3,133,611

Debt Service Fund

General Property Taxes	38,243,207
Other Revenue	642,660
Intragovernmental Revenue	2,505,000
Transfer from Other Funds	172,125
Appropriation from Fund Balance	1,506,518
Subtotal	\$ 43,069,510

Impact Fee Fund

Investment and Rental Income	\$ 124,500
Operating Revenue	1,939,331
Subtotal	\$ 2,063,831

Watershed Protection Fund

Operating Revenue	\$ 100,000
Subtotal	\$ 100,000

Capital Facilities Fees Fund

Investment and Rental Income	\$ 33,000
Operating Revenue	4,416,000
Appropriation from Fund Balance	3,487,099
Subtotal	\$ 7,936,099

2014-15 City of Durham Budget Ordinance
Revenues

Water and Sewer Fund

Licenses and Permits	\$ 83,000
Operating Revenue	83,978,201
Other Revenue	436,638
Investment and Rental Income	505,862
Transfers from Other Funds	287,635
Subtotal	\$ 85,291,336

Transit Fund

General Property Taxes	\$ 9,355,323
Licenses and Permits	2,431,883
Intergovernmental Revenue	3,356,952
Operating Revenue	3,508,787
Other Revenue	209,182
Subtotal	\$ 18,862,127

Solid Waste Disposal Fund

State Shared Revenue	\$ 145,000
Operating Revenue	6,270,160
Investment and Rental Income	5,000
Debt Proceeds	672
Transfer from Other Funds	13,827,981
Subtotal	\$ 20,248,813

Storm Water Fund

Operating Revenue	\$ 14,776,860
Investment and Rental Income	(20,000)
Transfer from Other Funds	232,047
Subtotal	\$ 14,988,907

Ballpark Fund

Operating Revenue	\$ 181,788
Investment and Rental Income	1,000
Transfers from Other Funds	1,285,617
Subtotal	\$ 1,468,405

Parking Facilities Fund

Operating Revenue	\$ 2,801,717
Investment and Rental Income	1,000
Transfers from Other Funds	1,987,324
Subtotal	\$ 4,790,041

Durham Performing Arts Center Fund

Other Local Taxes	\$ 1,400,000
Operating Revenue	1,874,566
Investment and Rental Income	25,920
Other Revenues	425,000
Subtotal	\$ 3,725,486

2014-15 City of Durham Budget Ordinance
Revenues

Cemetery Fund

Investment and Rental Income	\$ 6,000
Appropriation from Fund Balance	340,000
Subtotal	\$ 346,000

LEO Special Separation Allowance Fund

Operating Revenue	\$ 1,537,665
Investment and Rental Income	5,000
Subtotal	\$ 1,542,665

Other Post Employment Benefits Fund

Contributions	\$ 4,449,272
Investment and Rental Income	1,000
Subtotal	\$ 4,450,272

Total All Revenues \$ 389,933,630

**RESOLUTION ESTABLISHING FY 2014-15 FINANCIAL PLANS
FOR INTERNAL SERVICE FUNDS**

WHEREAS, FY 2014-15 financial plans for the City's Internal Service Funds are submitted to the City Council as required under North Carolina General Statutes 159-13.1, and

WHEREAS, While these internal service funds are not required to be included in the budget ordinance, the City Council must adopt balanced financial plans for each fund, now therefore;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURHAM that:

Section 1. The following FY2014-15 financial plan is adopted for the **Risk Reduction Fund**:

Estimated Revenues:

APPROVED BY CITY COUNCIL	Charges for Current Services	\$ 4,983,011
JUN 16 2014 <i>D. M. Gray</i> CITY CLERK	Investment Income	30,000
	Appropriation from Fund Balance	1,004,016
	Transfers from Other Funds	<u>48,709</u>
	TOTAL	\$ 6,065,736

Estimated Expenses:

Personnel	\$ 390,641
Operating	<u>5,675,095</u>
TOTAL	\$ 6,065,736

Section 2. The following FY2014-15 financial plan is adopted for the **Employee Insurance Fund**:

Estimated Revenues:

Charges for Current Services	\$ 29,069,810
Investment Income	30,000
Appropriation from Fund Balance	<u>502,707</u>
TOTAL	\$ 29,602,517

Estimated Expenses:

Personnel	\$ 80,739
Operating	<u>29,521,778</u>
TOTAL	\$ 29,602,517

Section 3. The approved financial plans will be entered into the minutes of the governing board upon approval.

Section 4. This resolution is effective July 1, 2014.

PERTINENT FACTS ABOUT DURHAM, NORTH CAROLINA

MUNICIPAL GOVERNMENT IN DURHAM

Durham, North Carolina is located in North Carolina's eastern Piedmont to the northeast of the state's geographical center. Located at 36 degrees north latitude and 78 degrees 55 minutes west longitude, Durham is the fourth largest city in the state, the county seat, and the only municipality in Durham County. The City takes pride in its educational, cultural, athletics, and medical assets.

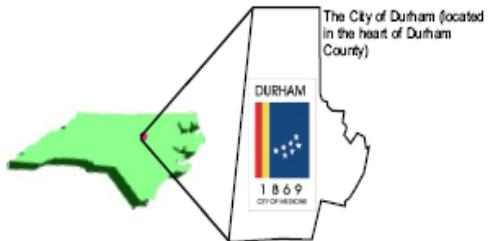


Durham was first named in 1851 when a postmaster was appointed for the area and the name Durhamville was used. The town's name originated from the family name of Dr. Bartlett Snipes Durham, who at that time, owned several acres of land in what is now downtown Durham. The town's first step in becoming a major city came in 1854 when the North Carolina Railroad Company decided to locate a station in the town. The station was built on four acres of land owned by Dr. Durham near today's Corcoran Street. The North Carolina General Assembly incorporated Durham in 1866 and again in 1869 after Congress invalidated the governments of the old Confederacy.

A significant piece of United States history took place in Durham. Due to a disagreement between plantation owners and farmers, North Carolina was one of the last states to secede from the Union. Durham residents fought in several North Carolina regiments. Seventeen days after General Lee surrendered his army at Appomattox, General Sherman and Confederate General Johnston negotiated the largest surrender of confederate troops and ended the Civil War at Bennett Place in Durham.

Area and Population

Durham covers an area of 108.23 square miles. The estimated population of 242,810 includes a rich diversity of racial and ethnic backgrounds.



City Government



The City of Durham has operated under the Council–Manager form of government since 1921. Durham City Council is comprised of seven members: three members from specific wards, three at-large members and the Mayor. The terms for City Council seats are staggered and nonpartisan elections are held every two years. The ward members elected in 2011 serve a four-year term. The at-large seats filled in 2013 are serving a four-year term. The Mayor is elected for a two-year term. City Council is the legislative and policy-making body for Durham and is the final authority on most matters relating to the City. The Council is responsible for establishing general policies for the City: appointing the City

Manager, City Attorney, City Clerk and members of various boards and commissions; enacting ordinances, resolutions and orders; adopting the annual budget; and authorizing contracts on the City's behalf. The City Council convenes its regular business meeting every first and third Monday at 7 p.m. in the Council Chambers of City Hall (101 City Hall Plaza). The meetings are open to the public and can also be viewed on cable channel 8. Work sessions are held two Thursdays preceding its regular business meeting to receive information briefings and presentations. The work session is held at 1:00 p.m. in the Council's Committee Room (2nd floor City Hall). Citizens Matters are held during the work session at 4:00 p.m.

The Mayor serves as presiding officer of the City Council and votes on all matters that come before the body. The Mayor also appoints standing and special committees of the Council, unless the Council votes to elect such committees. As the official head of city government, the Mayor represents the City on ceremonial occasions. The City Manager is the administrative head of city government and is responsible for the efficient management of the City operations. The Council appoints the Manager who ensures the ordinances and policies set by Council are carried out. The Manager is also responsible for preparing the annual budget and for supervising city departments and personnel (except the City Attorney's and City Clerk's offices). As an employee of the City Council, the Manager normally attends all Council meetings.

City Government services are headquartered at Durham City Hall in downtown Durham. Service facilities including police, fire stations, recreational facilities, water and wastewater facilities and public works operations can be found throughout the community.

Building Activity

BUILDING PERMIT ACTIVITY (CITY)					
1997-2013 AND 2014-TO-DATE (THROUGH MARCH, 2014)					
CALENDAR YEAR	NEW RESIDENTIAL	NEW NON-RESIDENTIAL	RESIDENTIAL REPAIRS, ETC.	NON-RESIDENTIAL REPAIRS, ETC.	TOTAL
1997	\$200,723,467	\$152,273,227	\$13,738,163	\$134,120,754	\$500,855,611
1998	\$224,692,786	\$159,748,339	\$17,549,699	\$151,091,419	\$553,082,243
1999	\$300,643,840	\$114,257,675	\$13,924,889	\$91,136,424	\$519,962,828
2000	\$261,002,113	\$143,890,502	\$14,517,062	\$131,249,678	\$550,659,355
2001	\$306,025,338	\$154,255,259	\$24,506,028	\$292,234,819	\$777,021,444
2002	\$291,526,550	\$109,201,360	\$29,327,701	\$99,168,841	\$529,224,452
2003	\$327,239,746	\$217,285,504	\$35,050,384	\$212,491,852	\$792,067,486
2004	\$331,848,984	\$195,831,808	\$23,253,877	\$123,264,032	\$674,198,701
2005	\$370,163,430	\$173,910,511	\$21,724,046	\$175,842,013	\$741,640,000
2006	\$384,501,587	\$150,486,203	\$19,305,591	\$265,475,644	\$819,769,025
2007	\$297,498,143	\$133,729,117	\$26,400,002	\$180,850,890	\$638,478,152
2008	\$207,446,064	\$292,284,719	\$22,983,287	\$224,883,098	\$747,597,168
2009	\$184,179,789	\$119,840,349	\$33,409,418	\$153,131,652	\$490,561,208
2010	\$197,828,412	\$232,172,103	\$30,810,642	\$241,690,281	\$702,501,438
2011	\$197,159,573	\$61,666,023	\$52,957,198	\$442,838,051	\$754,620,845
2012	\$333,750,978	\$97,014,353	\$44,726,201	\$235,228,391	\$710,719,923
2013	\$387,927,453	\$62,701,564	\$52,478,544	\$356,041,917	\$859,149,478
2014-March	\$75,091,158	\$17,351,706	\$38,302,465	\$30,199,501	\$160,944,830

Numbers are based on a calendar year period.

Calendar period from 1/1/11 - 3/31/2011

Commerce and Industry

In recent years, industry in the City has been diversifying rapidly, lessening the dependence of the local economy on the tobacco industry. Among the larger industries located in the city are: textiles, machinery, healthcare, biotechnology, pharmaceuticals, education, software design, banking, furniture, lumber products, building materials, life insurance, containers, chemicals, and food for livestock. Some of the corporate headquarters located in the Greater Durham area include GlaxoSmithKline, IBM, and Cree, Inc.

Some of the largest employers in the Durham area are:

Duke University and Medical Center	Cree, Inc.
International Business Machines (IBM)	AW North Carolina, Inc.
Durham Public Schools	U.S. Environmental Protection Agency (EPA)
GlaxoSmithKline	Durham County Government
Blue Cross and Blue Shield of North Carolina	National Institute of Environment Health Sciences
Durham City Government	North Carolina Central University
Fidelity Investments	Walmart
Quintiles Transnational Corp.	Merck & Co., Inc.
RTI International, Inc. (Research Triangle Institute)	Lab Corp
Veterans Administration Medical Center	BASF Corporation Agricultural Products Group

Some major research companies are also located in the Durham area. Research Triangle Park, the largest planned research park in the United States, is located nearly equidistant from the four major universities: North Carolina State University in Raleigh, the University of North Carolina at Chapel Hill, North Carolina Central University and Duke University in Durham. The Park was organized in 1959 and is under the direction of the Research Triangle Foundation, a non-profit organization. The 7,000 acre campus for research laboratories and research-oriented industries are adjacent to Durham. Approximately 90 percent of the total park area is located in Durham County. Since its establishment in 1959, Research Triangle Park has been home to some of the brightest minds in the world. With over 39,000 employees working for over 190 companies, RTP is one of the largest research parks in the world.

Top Ten Organizations in Research Triangle Park

Lenovo (IBM) 3039 Cornwallis Road P.O. Box 12195 www.ibm.com	Net App, Inc. 7301 Kit Creek Road www.netapp.com/us
Cisco Systems 7001-8 Kit Creek Road P.O. Box 14987 www.cisco.com	Credit Suisse 7200 Kit Creek Road www.credit-suisse.com
GlaxoSmithKline, Inc. 5 Moore Drive P.O. Box 13398 www.gsk.com	U.S. Environmental Protection Agency (EPA) 109 T.W. Alexander Drive www.epa.gov
Fidelity Investments 4008 E NC Highway 54 Research Triangle Park,, NC 27709 www.fidelityinvestments.com	Biogen Idec 500 Davis Drive www.biogenidec.com
RTI International 3040 Cornwallis Road P.O. Box 12194 www.rti.org	National Institute of Environmental Health Sciences 79 T.W. Alexander Drive P.O. Box 12233 www.niehs.nih.com

Durham Banks

Bank of America	Latino Community Credit Union
Branch Banking and Trust	Mechanics and Farmers Bank
Cardinal Bank & Trust	RBC Centura Bank
Coastal Federal Credit Union	State Employees Credit Union
First Citizens Bank and Trust	SunTrust
First South Bank	Wells Fargo Bank

Education

Some of Durham's greatest assets are its outstanding educational facilities. Durham, North Carolina is the home of two universities – Duke University and North Carolina Central University.



Duke University, founded in 1924 as Trinity College, is a private Methodist church-related university with an enrollment of 14,600 (including part-time) in its ten schools and colleges. Students pursue graduate, undergraduate and professional degrees in 120 different disciplines, including medicine, nursing, engineering and allied health fields. Duke University is among the nation's top universities. Duke University's mission is "...to provide superior liberal education to undergraduate students, attending not only to their intellectual growth but also to their development as adults committed to high ethical standards and full participation as leaders in their communities...".

The highlights of the campus include Duke Chapel, Sarah P. Duke Gardens, Cameron Indoor Stadium, 7,200 acre Duke Forest, Duke University Museum of Art, Duke University Medical Center and the Primate Center. Richard H. Brodhead became the ninth president of the university as of July 1, 2004. www.duke.edu

North Carolina Central University, the nation's first publicly supported historically black educational institution, encourages attendance from all ethnic backgrounds. This state-supported university, founded in 1910, has an enrollment of over 8,300 students (including part-time). North Carolina Central University offers eight schools for academic enhancement – law, business, library sciences, arts, technology, nursing, education and various sciences – offering degrees in more than 146 disciplines. The university is located on a 135 acre campus in southeast Durham. The university features a bronze statue of founder Dr. James E. Shepard, an art museum, a law school rated the nation's

highest for women, and the Leroy T. Walker Athletic Complex, named for the former president of the United States Olympic Committee. One of the goals of this university is to prepare students academically and professionally to become leaders prepared to advance the consciousness of social responsibility in a diverse, global society. Debra Saunders-White serves as the university's eleventh chief administrator, and first permanent female chancellor, as of February 8, 2013. www.nccu.edu



Durham Technical Community College, founded in 1961, has a main campus near Research Triangle Park, an auxiliary campus in northern Durham, and classes at the Orange County Skills Development Center in Chapel Hill. Over 26,000 students attend Durham Technical Community College annually for career education, skill training and personal enrichment. More than 75 degree, diploma and certificate programs are offered in computers, health, business, public services, industry, engineering and other career fields, along with one of the best university transfer programs in the state. Durham Tech's Corporate Education Center trains Triangle employees either at the work site or at the college.



www.durhamtech.edu

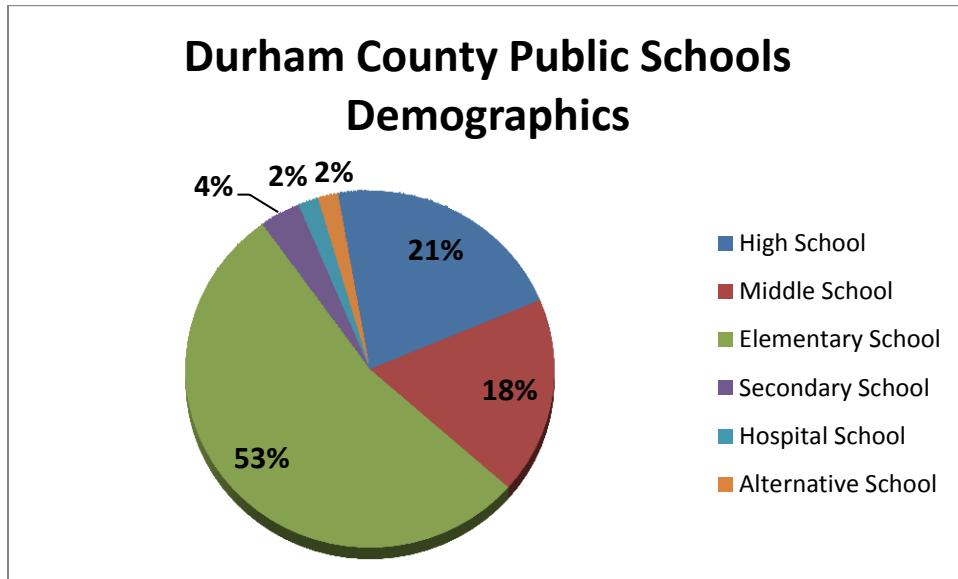
The North Carolina School of Science and Mathematics opened in September 1980 and is a state-supported high school for eleventh and twelfth grade students who are exceptionally talented in the fields of science and mathematics. Located in west Durham on the site formerly occupied by the Watts Hospital facility, the School of Science and Mathematics has received national acclaim for its emphasis in advanced math and science education for high school students.



www.ncssm.edu

Also located near Durham are the University of North Carolina at Chapel Hill www.unc.edu, ten miles to the southwest and North Carolina State University www.ncsu.edu, which is located in Raleigh, 23 miles east of Durham. Both of these universities have highly rated undergraduate, graduate and professional schools.

The Durham Public School System has 12 public senior high schools, 10 middle schools, 2 secondary school (grade 6-12), 1 alternative school, 1 hospital school, and 30 elementary schools that serve all sections of Durham and Durham County. Durham Public Schools www.dpsnc.net currently provides education for over 33,000 students in all of its school districts. In addition, there are 25 private and parochial schools that offer classes ranging from kindergarten through senior high and 10 charter schools.



Medicine

The Durham area has one of the highest per capita concentrations of hospital beds and physicians in the world. Two excellent university teaching hospitals are located in the area -- Duke Medical Center in Durham and UNC Hospitals (state teaching hospital) in Chapel Hill.

The north division of Duke University Hospital, the largest construction project ever undertaken in Durham at \$95.4 million, opened in 1980. Duke is licensed for 924 acute care beds. In 2000 the \$30.5 million McGovern-Davison Children's Health Center, a division of Duke Medical Center, was completed. It serves more than 35,000 patients each year. Durham also has a 271 bed Veterans' Administration Hospital and the Duke Regional Hospital with 369 acute care beds. North Carolina Specialty Hospital has 18 licensed beds. Lincoln Community Health Center is an outpatient clinic in south Durham that provides various health services especially for economically deprived citizens of the community.

Research in the field of medical technology is prevalent in the Durham area with several laboratories in the Research Triangle Park undertaking research in the areas of pharmaceutical products, medical devices, health care products and health sciences, and processing of health information.

In recognition of the outstanding quality and quantity of medical technology and services in the Durham area, the Durham City Council in 1981 designated Durham's slogan as the "City of Medicine." A special "City of Medicine" exhibit from Durham was displayed in the 1982 World's Fair in Knoxville, Tennessee, as the result of a joint effort of a Duke physician and the North Carolina Museum of Life and Science in Durham.

Utilities

For the calendar year 2013, the City provided an average of 26.58 million gallons per day (MGD) to its customers. The City's two water treatment facilities have a combined maximum water treatment capacity of 52 MGD; raw water supplies of 37.9 MGD are available. Wastewater treatment capacity of the City totals 40 million gallons per day. During 2013, City wastewater treatment facilities processed an average of 18.01 MGD. The City's water and sewer system is self-supporting with approximately 80,000 active/inactive City/County accounts.

Duke Power Company serves the City with electricity, natural gas is provided by PSNC Energy and telephone service by Verizon.

The City owns five off-street parking garages, with operations provided for the Chapel Hill, Church, Corcoran, and Durham Centre garages by Lanier Parking Solutions, and American Tobacco Campus providing operations for the North garage. The City owns five reserved parking lots, two public parking lots, and one combination reserved/hourly parking lot in the central business district. Lanier Park Solutions manages the operation of the lots for the City.

Transportation

Durham is served by U. S. Highways 15-501 and 70; Interstates 85 and 40; and N.C. Highways 54, 55, 98, 147 (Durham Freeway), 157 (Guess Road) and 751. The City maintains 705.19 miles of paved, 19.96 miles unpaved and 139.88 miles of State roads.

Domestic airlines (AirTran, Delta, Frontier, Jet Blue, Southwest, US Airways, Air Canada, American Airlines, and United) fly over 10 million passengers annually from Raleigh-Durham International Airport, located ten miles from Durham. Direct service is available to major cities throughout the United States including New York/Newark, Washington, Orlando, Las Vegas, San Francisco and others. American Airlines offers one daily non-stop departure to London.

The City is served by two railroads - Norfolk Southern Corporation and Amtrak. Durham offers connections to all points with Greyhound/Carolina Trailways bus lines. Local bus service is provided by Durham Area Transit Authority (DATA) with 24 bus routes throughout the city and by Triangle Transit Authority (TTA) with six bus routes.

Sightseeing

Durham is proud of its many historic and educational sightseeing attractions. Among these are:

American Tobacco Historic District, *400 Blackwell Street*, a former Lucky Strike cigarette factory and former headquarters of American Tobacco Company is being transformed into a one-million sq.-ft. retail/residential/office adaptive reuse district. It is one of the most ambitious, largest, and farthest reaching historic preservation and renovation projects in the history of NC. The American Tobacco Historic District includes restaurants, shops, an amphitheater and on-site parking garages.
www.americantobaccohistoricdistrict.com

Bennett Place State Historic Site, *4409 Bennett Memorial Road*, is the location of the surrender by Confederate General Johnston to Union General Sherman at the end of the Civil War in 1865. This site is open Tuesday through Saturday from 9 a.m.-5 p.m. The site features a restoration with furnishings and picnic sites and modern visitors center with exhibits and AV program. There is no admission charge.
www.ah.dcr.state.nc.us/sections/hs/bennett/bennett.htm

Carolina Theatre of Durham, Inc., *309 W. Morgan Street*, is located in the renovated downtown historic 1926 Beaux Arts auditorium for performing arts. Features 1,016-seat Fletcher Hall and two art-film cinemas. www.carolinatheatre.org

Downtown Durham Historic District, *Downtown Durham, Morgan-Peabody Loop*, is North Carolina's first commercial district on the National Register of Historic Places. The Downtown Durham Historic District includes Main Street, government buildings, the central business district and the Carolina Theatre. A site of major festivals in May and September, it is the home of the Durham Bulls. A second district near the intersection of West Main Street and Gregson Street is Brightleaf Historic District, anchored by the namesake Brightleaf Square, which includes turn-of-the-century brick tobacco warehouses with world-class restaurants, art galleries, jewelers, clothiers and specialty shops. www.preservationdurham.org

Duke Chapel, *Duke University West Campus*, is a Gothic edifice with 77 inspirational stained glass windows and a 210-ft. bell tower patterned after Canterbury Cathedral in England. During the academic year, it is open daily from 8 a.m. through 10 p.m. At other times, it is open daily from 8 a.m. through 8 p.m. Guided tours can be arranged by calling the (919) 684-2572. www.chapel.duke.edu

Duke Homestead State Historic Site, *2828 Duke Homestead Road*, A National Historic Landmark where the Duke fortune and the nation's tobacco industry began. Adjacent to Duke Homestead, a tobacco history museum traces the history of tobacco from the Indians to the present. The site is open Tuesday through Saturday from 9 a.m. through 5 p.m. www.ah.dcr.state.nc.us/sections/hs/duke/duke.htm

Duke University Nasher Museum of Art, *Duke University Central Campus*, is an attraction with collections of varied arts and crafts from many ages and points around the world. There is a \$5 admission fee, \$4 for seniors, \$3 for non-Duke students with I.D. and free for children 15 and younger. Admission is FREE to Duke University students, faculty and staff with I.D. The museum is open Tuesday, Wednesday, Friday and Saturday from 10 a.m.- 5 p.m., Thursday 10 a.m. - 9 p.m., and Sunday from noon - 5 p.m. The Museum is free to all on Thursday between the hours of 5 p.m. and 9 p.m. www.nasher.duke.edu

Durham Bulls Athletic Park (DBAP), is located at *409 Blackwell Street*, Downtown Durham and can be accessed from the Durham Freeway. The ballpark reflects many characteristics of old-time parks and the historic Downtown Durham architecture. A 32-foot-high wall stands in left field 305 feet from home plate, resembling Fenway Park's Green Monster. The Blue Monster, as it's called in Durham, contains a similar old-style manual scoreboard. The ballpark's most distinctive feature is the Bull that stands tall above the Blue Monster. This Bull was modeled after the bull used in the 1988 film, Bull Durham. The actual Bull from the movie is hung in the concourse level of the DBAP.
http://www.durhambulls.com/stadium/athletic_park.html

Durham Performing Arts Center (DPAC), *123 Vivian Street*, is a \$47 million state-of-the-art performing arts venue, which is the newest addition to the downtown skyline and signifies that Durham's

proud tradition of cultural arts continues. Featuring North Carolina's largest stage for major Broadway shows, opera, concerts, drama, and family shows, the center features 2,800 seats in a very intimate setting and has no seat more than 135 feet from the stage. The Durham Performing Arts Center is located just off the Durham Freeway (Highway 147, Exits 12B or 13), and is adjacent to the famous Durham Bulls Athletic Park. Access is fast and convenient from all parts of the region via I-40, I-540 and I-85. To learn more, visit www.dpacnc.com

Durham Station Transportation Center, located at 515 W. Pettigrew Street is downtown's transportation hub and home to local, regional, intercity bus and taxi services, provides multiple alternatives to automobile traffic, an essential component needed to support Durham's growing population. http://data.durhamnc.gov/durham_station.cfm

The Durham Skate Park, located at 524 Rigsbee Ave in Durham Central Park, downtown Durham, is the City's newest park for skaters and is open daily from dawn until dusk.
<http://durhamcentralpark.org/visit/>

Hayti Heritage Center, 804 Old Fayetteville Street, features permanent displays of photography and equipment of the early 20th-century local photographer. Contemporary exhibits featured on a rotating basis. Open Monday – Friday 10 a.m. through 5 p.m. and Saturday 10 a.m. through 3 p.m. Additional hours for special and scheduled events. (919) 683-1709. www.hayti.org

Historic Durham Athletic Park, 500 West Corporation Street, is the film location for the movie Bull Durham starring Kevin Costner, Susan Sarandon, and Tim Robbins. It was the original home of the Durham Bulls for 50 years. The Bulls now play a few miles south in the Durham Bulls Athletic Park www.durhambulls.com, a facility which captures the brick texture of historic Durham yet remains fully state-of-the-art. (919) 687-6546.

Historic Stagville, 5825 Old Oxford Highway, is a State Historic Site. Once among the largest plantation holdings in the South, the site features 18th and 19th century buildings dedicated to preservation as well as African American cultural/historic studies. Barn and original slave quarters at Horton Grove provide insight into plantation life, society, and culture. Admission is free and the site is open Tuesday through Saturday from 10 a.m. to 4 p.m. (919) 620-0120. <http://www.stagville.org/>

Museum of Durham History, 500 West Main Street, is a 21st-century museum that uses stories about people, places and things to promote an understanding of diverse perspectives about the Durham community and its history. The museum opened in October 2013. The History Hub is open Tuesday-Saturday, 10am-5pm, with extended hours on the third Friday of the month, from the months of April through October. There is no admission fee. <http://museumofdurhamhistory.org/>

North Carolina Museum of Life and Science, 433 Murray Avenue, is a state-of-the-art interactive indoor/outdoor science-technology center including the renowned Magic Wings Butterfly House, a Farmyard, Ellerbee Creek Railway, weather and aerospace displays, daily science shows, and ever-changing traveling hands-on exhibits. The museum is open Mondays through Saturdays from 10 a.m.- 5 p.m. and on Sunday from 12 p.m.- 5 p. m. Beginning Memorial Day weekend through Labor Day, the Museum is open until 6 p.m. A general admission charge applies (adults \$14, children ages 3-12 \$10, free under age 2, Senior Citizens \$11). www.ncmls.org

Sarah P. Duke Memorial Gardens, Duke University West Campus, is a valley of flora bordered by a pine forest and centering on a lily pond, stone terraces and wisteria-covered gazebo, with seasonal plantings in a spectacular array of color. It attracts approximately 300,000 visitors annually to view 55 acres. It is open daily to the public without charge from 8:00 a.m. until dusk. <http://gardens.duke.edu/>

St. Joseph's A.M.E. Church, 804 Old Fayetteville Street, is one of the first autonomous African-American churches in America. The 1891 brick sanctuary includes a stained-glass portrait of Washington Duke. The church was converted into a performance hall in the fall of 2001. The sanctuary is trimmed with beautiful glass and Richardsonian architecture. The performance hall contains 416 seats and is adjacent to the Hayti Heritage Center. (919) 683-1379. www.hayti.org/Performance_Hall/index.htm

The Streets at Southpoint, 6702 Fayetteville Road, is a super-regional mall that includes an outdoor cityscape called Main Street. It features 1.3 million square feet of retail space with more than 150 shops and restaurants. Featuring North Carolina's first Nordstrom, The Streets at Southpoint also includes Sears, JC Penny, Belk, and Macy's as anchor stores. <http://www.streetsatsouthpoint.com/>

West Point on the Eno, Roxboro Road across from Riverview Shopping Center, is a forty-acre city park, part of over four-hundred acres owned by the City of Durham along a two-mile stretch of the Eno River. Nestled within this wilderness area, West Point on the Eno has a strong historical focus. There are trails and woods and waters, each somewhat as they were centuries ago when this area was the home of the Shocco Adshusheer and Eno Indians. There are also restored buildings and gardens, designed to give visitors an accurate picture of life as it was in the heyday of this once-thriving mill community. The restored McCown-Mangum House is a visitor center and small museum. Special activities sponsored by the "Eno River Association" are held at the park site on July 4th each year. The area is open year-round to the public daily, 8 a.m. to dark, free of charge. www.ci.durham.nc.us/departments/parks/parks.cfm

GLOSSARY

ADA:	Americans with Disabilities Act. The ADA is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability.
Adjusted Appropriations:	The annual budget may be adjusted, either increased or decreased, by subsequent City Council action.
Annual Budget:	The annual budget forecasts revenues and outlines expenditures planned for the current fiscal year.
Appropriation:	An authorization by the City Council to spend money for a specific purpose.
Appropriated Fund Balance:	The amount of fund balance appropriated as a revenue source for the current fiscal year.
Assessed Valuation:	The total value of real and personal property in the City. The assessed valuation is used as the basis for levying property taxes.
Associated Revenues:	Associated revenues include user fees, licenses and permits, and intergovernmental revenues which are associated with a particular City department.
Authorized Position(s):	Positions authorized by the City Council to perform specific duties within a City department. Salaries and benefits of authorized positions are budgeted in the department the authorized position is assigned to.
BABs:	Build America Bonds are taxable municipal bonds which carry special tax credits and federal subsidies for either the bond issuer or the bondholder.
Benchmarking:	A strategic management process in which organizations evaluate various processes in relation to identified best practices from other organizations. The City participates in the North Carolina Benchmarking Project along with fifteen other North Carolina municipalities.
Best Practice:	A management technique or process which has been identified as being more effective at delivering a desired outcome than other identified techniques or processes.
BID:	Business Improvement District is a defined area in the downtown core within which businesses pay an additional tax or fee in order to fund improvements within the district's boundaries.
BMP:	Nationally accepted best management practices with regard to stormwater management and the evaluation of stormwater management practices.

Bond:	The City sells bonds to finance major capital projects. A bond is a written promise to pay back the amount of bonds sold plus interest within a specified period of time. General Obligation bonds require voter approval and are secured by the City's full faith and credit (taxing ability). Revenue bonds do not require voter approval and are backed by enterprise revenues.
Bond Rating:	A bond rating is an evaluation of the credit risk associated with a particular bond issue. Bond ratings range from AAA (extremely strong capacity to pay interest and repay principal) to D (currently in default). A higher bond rating results in a lower interest rate, thus reducing the cost of a capital project financed with bonds. The City of Durham currently has a AAA rating.
Budget Ordinance:	The legal document adopted by the City Council which outlines the annual spending plan and anticipated revenues for City government for the fiscal year.
Capital Expenditure:	Money spent to acquire or upgrade physical assets such as buildings and machinery.
Capital Improvement Program (CIP):	A long range plan which outlines proposed capital projects and estimates the costs and funding sources associated with capital projects.
Capital Outlay:	Capital outlay includes budgeted expenditures of at least \$5,000 for tangible items with a useful life of at least one year.
Capital Project:	Capital projects are major City projects with estimated costs of at least \$100,000. Capital projects generally include acquisition of property, construction of City facilities, or acquisition of major equipment.
Capital Projects Fund:	A fund used to account for revenues and expenditures associated with capital projects.
Certificates of Participation:	An accepted alternative financing mechanism in which certificates are sold to investors to finance capital projects. Principal and interest on Certificates of Participation (COPs) are paid back within a specified period of time. Certificates of Participation do not require voter approval and are generally secured by the project financed.
Charges for Current Services:	Charges to individuals, corporations, and other units of government for services performed by City departments.
Contingency:	Funds reserved in the General Fund or Water and Sewer Fund for unanticipated expenditures during the fiscal year. Contingency funds are appropriated as necessary by the City Council.
Coverage Ratio:	Related to revenue bond covenants, the coverage ratio is a measurement of the amount of net revenues available to cover required debt service payments.
DATA:	Durham Area Transit Authority (DATA,) is the public bus and para-transit (van) service in Durham.
DBAP:	Durham Bulls (Triple A Baseball Club) Athletic Park.
DCTC:	Durham City Transit Company, the DATA operator.
Debt Covenants:	Legal obligations contained in a bond issue; such as a covenant for a specified debt service coverage ratio.

Debt Service:	The payment of principal and interest to creditors on outstanding debt.
Dedicated Housing Fund:	A one-cent portion of the property tax is dedicated to housing related issues.
DPAC:	Durham Performing Arts Center.
Discretionary Revenue:	Revenues not derived from or dependent upon direct activity from a single targeted activity. These revenues can be appropriated at the discretion of City Council, since they have no legal tie to a specific use.
Encumbrance:	A financial commitment to pay for goods and services that have not yet been delivered.
Enterprise Fund:	A fund used to account for operations in which the cost of providing services are financed or recovered primarily through user charges.
Enterprise Revenue:	Enterprise revenue is generated by user charges for City provided services.
EPA:	Environmental Protection Agency (federal agency).
ERU:	Equivalent Residential Units, a standardized square foot measurement of impervious surface used to determine stormwater billing charges.
Expenditure:	An amount paid by the City for a specific good, service, program, or project.
Fiduciary Fund:	A fund used to account for assets held by the City in a trustee capacity.
Fiscal Year (FY):	The twelve-month period to which the annual operating budget applies. The fiscal year for the City of Durham begins on July 1 and ends on June 30.
Fringe Benefits:	Funds budgeted in the Personal Services budget category for the City's contribution for employee benefits. Fringe benefits include such items as social security, retirement, and health, dental, and life insurance.
Fund:	A fiscal and accounting entity with a self-balancing set of accounts segregated to carry out specific activities.
Fund Balance:	The difference between the accumulated revenues and expenditures for a particular fund.
GASB:	Government Accounting Standards Board.
General Fund:	The General Fund is the principal operating fund for City government. The General Fund is used to account for all City government activities, except those activities with a legal, contractual, or managerial requirement to be accounted for in a separate fund. The General Fund provides resources for the functional areas of general government, development, public protection, general services, parks and recreation, and for non-departmental expenditures.
General Obligation Bonds:	Bonds issued by the City which are backed by the full faith and credit (taxing ability) of the City.

GFOA:	Government Finance Officers Association.
GIS:	Geographic Information Systems.
Grants:	The City competes for Federal and State allocations of funding (grants) for a defined use. These grants often have strict spending requirements and timeframes, and may require a City match to obtain.
HUD:	Housing and Urban Development (federal agency).
Impact Fees:	Fees charged to new development or facility expansion which place a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land.
Impervious Surface:	Impervious surfaces are mainly constructed surfaces - rooftops, sidewalks, roads, and parking lots - covered by impenetrable materials such as asphalt, concrete, brick, and stone which repel water.
Indirect Costs:	The portion of the total cost of a program which is provided by and budgeted in another department or division. Indirect costs are budgeted to more accurately reflect the true cost of a program.
Installment Sales:	An accepted financing instrument. Installment Sales do not require voter approval and are generally secured by the project financed (example, see: "Certificates of Participation")
Interfund Transfer:	A transfer from one fund to another fund to either subsidize the activities in that fund or make payment for services provided through that fund.
Internal Service Fund:	A fund used to account for the financing of goods or services provided by one City department for other City departments.
Intragovernmental Revenue:	Revenues received by one City department for services provided to another City department.
Investment Income:	The interest earned on the City's various investments. City funds are generally invested in U.S. Treasury Notes, Government Agencies, bankers' acceptances, commercial paper, the North Carolina Cash Management Trust Fund, and the State and Local Asset Management Fund.
Intergovernmental Revenues:	Revenue received by the City from federal, state, and county government in the form of grants, shared revenues, or entitlements.
LCID:	Land Clearing and Inert Debris Landfill.
Lease-Purchase Agreement:	An alternative method of financing the acquisition of property, construction of City facilities, or acquisition of major equipment. Lease-purchase agreements allow the City to spread the costs of property, facilities, or equipment over a specified period of time.
Licenses and Permits:	Revenue received by the City from individuals and corporations for the issuance of various licenses and permits.

NCA:	Non-City Agency. Contract non-profit agencies which are partially funded by City grants. These agencies serve needs in community development, youth, arts and culture.
Nondepartmental:	Nondepartmental appropriations include appropriations which are not attributable to a specific department, contributions to non-city agencies, debt service payments, and transfers to other funds.
NCDOT:	North Carolina Department of Transportation
One cent on Tax rate:	The amount of revenue derived from one penny of property tax assessed against the valuation of property within City limits.
Operating Expenses:	Funds budgeted for day-to-day expenses that are necessary to support the City's services and programs. Operating expenses include such items as telephone charges, electrical service, office supplies, gasoline, uniforms, asphalt, etc. Operating expenses do not include salaries and wages, fringe benefits, capital outlay, and other expenses.
Other General Fund Resources:	The amount of a department's budget that is not funded by associated revenues. Other General Fund Resources consist of property taxes, sales taxes, and other revenue not attributable to a specific department's activities.
Other Local Taxes:	Other local taxes include taxes collected by the State of North Carolina and distributed to local governments. Examples of other local taxes are local option sales tax, intangibles tax, and the hotel/motel occupancy tax.
Outstanding Debt:	Existing debt service obligations due in future years.
Personal Property:	Personal property includes visible and movable property not permanently affixed to real property. Examples of taxable personal property include automobiles, boats, trailers, and equipment.
Program Revenue:	Defined by the City as General Fund revenues collected toward a targeted purpose. Generally these operating revenues are budgeted within one City department.
Property Tax:	A tax levied on the assessed value of real and personal property. The property tax rate is expressed as a dollar value per \$100 of assessed valuation.
Personal Services:	Funds budgeted for full time employee salaries, part-time employee salaries, and contractual personal services. Also includes budgeted funds for fringe benefits, retirement plan and longevity.
Real Property:	Real property includes land, buildings, and items permanently affixed to land or buildings.
Rental Income:	Revenue generated by the leasing of various City-owned properties.
Reserve:	An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark funds for a specific purpose in the future.
Revenue:	All funds that the City receives as income. Revenues include property taxes, other local taxes, user fees, intergovernmental revenues, fines, investment income, and rental income.

Revenue Bonds:	Bonds issued by the City which are backed by operating revenues of an enterprise fund for which the bond proceeds are intended.
Special Revenue Fund:	A fund used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
State-Shared Revenues:	The City receives a share of revenues collected by the State for utility franchise taxes, gasoline taxes, beer and wine taxes, and alcoholic beverage control profits.
Tax Base:	The total assessed valuation of real and personal property in the City.
Tax Levy:	The total amount of property tax revenue expected to be generated during a fiscal year. The tax levy is a function of the total assessed valuation and the property tax rate.
Transit:	Public bus and para-transit (van) services.



City of Durham Budget Index

Item	Location
<i>911 Wireless Surcharge</i>	V-33, IX-4
<i>Administrative and Support Services</i>	Section VII
<i>Appropriated Fund Balance</i>	IV-12, XIII-18
<i>Arts and Culture</i>	VIII-47
<i>Assessed Valuation</i>	IV-11, XIII - 18
<i>Audit Services</i>	VII-4
<i>Authorized Positions</i>	IV-14 - 15, XIII-18
<i>Ballpark Fund</i>	III-12, V-28
<i>BMS Staff</i>	Introductory Pages
<i>Bond</i>	Section XI, XII-5,XIII - 19
<i>Bond Rating</i>	Section XI, XIII - 19
<i>Budget and Financial Policies</i>	II-35 - 57
<i>Budget and Management Services</i>	VII-8
<i>Budget Ordinance</i>	IV-3, XIII - 3, XIII - 19
<i>Budget Process</i>	XIII-1
<i>Business Improvement District (BID)</i>	V-36, XIII-18
<i>Capital Facilities Fee Fund</i>	V-21
<i>Capital Improvement Program (CIP)</i>	II-37, V-21, Section XI, XII, XIII-19
<i>Capital Projects</i>	II-37, V-1, V-21, Section XI, XII, XIII-19
<i>Cemetery</i>	V-31, X-9
<i>Certificates of Participation</i>	Section XI, XIII-19
<i>Charges for Current Services</i>	V-10, XIII-19
<i>City Attorney</i>	VI-5
<i>City Clerk</i>	VI-8
<i>City Council</i>	Introductory Pages, VI-3
<i>City Goals</i>	Introductory Pages, II-1,
<i>City Manager</i>	Introductory Pages, VI-13
<i>Community Development</i>	VIII-18
<i>Community Building</i>	Section VIII
<i>Contract Agencies</i>	VIII-47 - 48
<i>Council Goals</i>	Section II
<i>Coverage Ratio</i>	III-5, XIII-19
<i>Crosswalk Department to City Goals</i>	II-58-65
<i>Durham Area Transit Administration (DATA)</i>	V-26, X-46, XIII-19
<i>Durham Bulls Athletic Park (DBAP)</i>	V-28, X-9, XIII-19
<i>Debt Covenants</i>	II - 47, XIII-19
<i>Debt</i>	III - 45, III-4, V-15
<i>Debt Management</i>	Section XI
<i>Debt Service</i>	Section III, XI, V-1, 4, 15, 16, 18, 20, 23, 27, 28, 29, 35, & , XIII-20
<i>Dedicated Housing Fund</i>	V-41, VIII-19-20, XIII - 20
<i>Discretionary Revenues</i>	V-4, XIII-20
<i>Durham Performing Arts Center (DPAC)</i>	III-13, V-34, X-9, XIII-20
<i>Economic & Workforce Development</i>	VIII-26

City of Durham Budget Index

Item	Location
<i>Emergency Communications</i>	IX-3
<i>Emergency Management</i>	IX-7
<i>Emergency Telephone System</i>	V-33, IX-4
<i>Employee Insurance Fund</i>	V-38
<i>Enterprise Fund</i>	V-1, XIII-20
<i>Equal Opportunity & Equity Assurance</i>	VII-15
<i>Equivalent Residential Unit (ERU)</i>	V-24, XIII-20
<i>Facts about Durham</i>	XIII-9
<i>Fiduciary Funds</i>	V-1, XIII-20
<i>Finance</i>	VII-20
<i>Fire</i>	IX-10
<i>Fleet Management</i>	X-3
<i>Fund</i>	Section V, XIII-20
<i>Fund Balance</i>	II-36, IV-13 - 14, V-9, XIII-20
<i>General Fund</i>	II-35, III-2, V-1 - 14, XIII-20
<i>General Obligation Bonds</i>	Section XI, XIII-20
<i>General Services</i>	X-8
<i>GFOA Award</i>	Introductory Pages
<i>Glossary</i>	XIII - 18
<i>Goals, Objectives & Strategies</i>	Section II, XII-2
<i>Governance</i>	Section VI
<i>Grants</i>	Section XII, VI, VII, VIII, IX, X, XIII-21
<i>Graphic Information Systems (GIS)</i>	VII-38, VII-40
<i>Human Resources</i>	VII-30
<i>Impact Fees</i>	V-35, XIII-21
<i>Impervious Surface</i>	V-24, XIII-21
<i>Inspections</i>	VIII-3
<i>Installment Sales</i>	XIII-21
<i>Intergovernmental Revenues</i>	V-7, XIII-21
<i>Internal Service Fund</i>	V-1, V-37, V-38, XIII - 21
<i>Intrabudget Transfers</i>	IV-9
<i>Investment Policy</i>	II-38
<i>Law Enforcement Officers' Separation Allowance (LEO)</i>	V-30
<i>Letter of Transmittal</i>	Section I
<i>Licenses and Permits</i>	V-5, V-7, V-10, V-16 -18, XIII-22
<i>Local Option Sales Tax</i>	V-6 - 7
<i>Mission</i>	Introductory Pages
<i>Multi-Year Projections</i>	Section III
<i>Non-City Agency (NCA)</i>	VIII-47-48
<i>Neighborhood Improvement Services</i>	VIII-37
<i>Nondepartmental</i>	V-14, V-19, XIII-22
<i>One Cent Tax Equals</i>	IV-11, XIII-22
<i>Organization Chart - City</i>	Introductory Pages

City of Durham Budget Index

Item	Location
<i>Other Local Taxes</i>	V-6, XIII-22
<i>Other Post Employment Benefits (OPEB)</i>	V-32
<i>Parking Facilities</i>	III-11, V-27
<i>Parks and Recreation</i>	X-17
<i>Personal Property</i>	IV-10, XIII-22
<i>Planning</i>	VIII-8
<i>Police</i>	IX-20
<i>Program Revenues</i>	V-10
<i>Property Tax</i>	IV-11, XIII-22
<i>Public Safety</i>	Section IX
<i>Public Works</i>	X-28
<i>Real Property</i>	IV-10 - 11, XIII-23
<i>Revenue Bonds</i>	Section XI, III-5, XIII-23
<i>Risk Reduction</i>	V-37
<i>Sales Tax</i>	V-6 - 7
<i>Solid Waste Fund</i>	III-7, V-22
<i>Solid Waste Management</i>	X-37
<i>Special Revenue Fund</i>	V-1, XIII-23
<i>State Shared Revenues</i>	V-8, XIII-23
<i>Strategic Plan</i>	II-1 - 34, VII-8
<i>Storm Water Management</i>	III-9, V-25 - 26
<i>Supplemental Information</i>	Section XIII
<i>Tax Base</i>	IV-10 - 11, XIII-23
<i>Tax Levy</i>	IV-11, XIII-23
<i>Technology Solutions</i>	VII-37
<i>Transit</i>	III-10, V-26, X-46, XIII-23
<i>Transportation</i>	X-45
<i>Vision</i>	Introductory Pages
<i>Water & Sewer</i>	III-5, V-16 - 20
<i>Water Management</i>	X-52
<i>Watershed Protection Fund</i>	V-39