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

I am pleased to present the budget for Fiscal Year 2012-13. The annual operating budget is the most important policy decision elected officials consider on an annual basis. This budget is intended to allocate limited resources to the highest community priorities guided by the City's Strategic Plan. During the budget development process we prioritized programs and initiatives, reviewed expenditure requests extensively and sought opportunities to improve efficiency while ensuring that essential public services continue to meet the needs of the community. Although this process was again challenging, the prudent decisions made over the last few years significantly reduced the budget gap. This process required tremendous effort, commitment and collaboration from City departments and budget staff. I am confident the budget is fiscally responsible and addresses the needs of Durham citizens.

Durham citizens' participation in the budget process has been nationally recognized. During the development of this budget we held five "Coffees with Council" and a "Citizen Engagement Workshop" which focused on the prioritization of Strategic Plan initiatives. Staff attended various other community meetings to confirm the community's budget priorities. City Council budget retreats were held in February and March 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 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

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

- Reserves in the **Debt Service Fund** will be used in-lieu of a tax increase to cover increases in debt service costs.
- **General Fund fund balance** will not be projected to fall below 12% at the end of FY2012-13. Projected General Fund balance over 12% may be considered for one-time (non-recurring) expenditures.
- Funding of the **Downtown Business Improvement District (BID)** will be considered with a tax increase of up to 7 cents per $100 assessed value on the property within the boundaries of the BID.
- Establishment of a dedicated **Housing Fund** will be considered with up to an additional 1 cent per $100 assessed value property tax increase.
- **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.
- **Parks and Recreation fees** will be adjusted and simplified based upon guidance from City Council.
- Proposed **water and sewer rate** increases will not exceed an average of 4% for FY2012-13.
- Proposed **stormwater rate** increases will not exceed 8.5% for National Pollution Discharge Elimination System (NPDES) required monitoring, maintenance and watershed plan implementation.
- 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.
- 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 (2%)
    - Pay Plan for sworn Police and Fire employees (3%-5%)
    - Supplemental Retirement - 401K (increase by 0.5% to 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 the **Strategic Plan initiatives**.
- Funding for **deferred maintenance** will be increased to $600,000 for FY2012-13 (an increase of $100,000 compared to the FY2011-12 budget).
- A **dedicated street resurfacing** fund will be established for paving and maintenance of streets and sidewalks, and will be funded at $1 million (an increase of $500,000 compared to the FY2011-12 budget).
- Funding for **capital projects** will be provided in the form of pay-as-you-go funding or for debt service payments, and will be established at a minimum of $500,000.
- **Public Transit Services** (including consideration of route adjustments resulting from the Designing a Better Bus Service Plan). General Fund support for expanded services beyond 3.2 cents per $100 must be specifically allocated by the City Council without impact to other General Fund allocations.

- **Fleet funding** will be maintained to replace vehicles with costs not to exceed $3 million 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.
- Up to $166,000 will be provided to support the contract with the NC Administrative Office of the Courts for the **Domestic Violence Court Contract**.

BUDGET OVERVIEW

The total **budget** for **FY2012-13 is $373.2 million** compared to $362.5 million for FY2011-12, an increase of $10.7 million (2.9%).

GENERAL FUND

The **General Fund budget** (which provides funding for core city services) is **$176.7 million** and represents a $6.1 million (3.4%) budget reduction from the FY 2011-12 budget of $182.8 million.

Revenues

- General Fund **property tax revenue** shows a decrease of 8.1% decrease due to the change to (1) recognize the property tax allocation to support the Transit Fund in the Transit Fund compared to FY2011-12 when the revenue were recognized in the General Fund and then transferred to the Transit Fund and (2) recognize the property tax allocation to support Fleet in the Debt Reserve Fund. These reductions are partially offset by growth and a 1 cent tax increase dedicated to housing.
- A 5.3% increase in **sales tax**.
- A 2.4% increase in **Business Licenses** revenue.
- Overall increase in **State Collected Local Government Revenues** of 3.4%.
    - A 2.4% increase in **Powell Bill** revenues
    - A 3.0% increase in **Beer and Wine tax**
    - A 3.9% increase in **Utility Franchise tax**
- A 12.7% decrease in transfer from **fund balance**.
- A 1.6% increase in **inspection fee** revenues and a 22.4% increase in **planning fee** revenues reflect a positive trend in development activity for FY2012-13 and an alignment with projected FY2011-2012 fee collections.
- A 23.6% decrease in **investment earnings**.

Property Taxes

The budget includes a **property tax rate increase of 1 cent** per $100 of assessed value, increasing the tax rate for **FY2012-13 to 56.75 cents** per $100 of assessed valuation compared to the **FY2011-12 rate of 55.75 cents** per $100 assessed valuation. **The tax rate of 56.75 cents per $100 is allocated as follows:**

- **40.03 cents per $100 for General Fund operations**
- **12.49 cents per $100 for Debt**
- **3.23 cents per $100 for Transit**
- **1.0 cent per $100 to establish dedicated housing funding**

A tax rate increase of 1 cent per $100 on a house valued at **$150,000 increases the annual tax bill by $15.00**.

Expenditures (budget-to-budget)

- **Personnel** expenditures increased by $3.2 million (2.6%).
- **Operating** expenditures decreased by $2.8 million (7.7%) which includes the additional 1 cent per $100 of assessed value dedicated to housing. Excluding the additional funding for housing, operating expenditures decreased by 14.9% ($5.4 million).
- **Capital and Debt** expenditures decreased by $0.45 million (61.6%).
- **Transfers** decreased by $6.1 million (25.9%).

WATER AND SEWER FUND

The **Water and Sewer Fund budget of $89.9 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 FY2012-13. The total rate increase to the average customer is approximately 2.7%. Rate changes were adopted at the May 7, 2012 City Council meeting and will be effective July 1, 2012, with implementation in the August and September billings.

	FY 12 Rates	FY 13 Rates
Monthly Water Rates (inside)		
Service Charge	$5.56	$5.77
Volume Charge - Tiered Rates (per 100 cubic foot - ccf)		
Tier 1 (0 - 2 ccf)	$1.73	$1.74
Tier 2 (>2 - 5 ccf)	$2.60	$2.62
Tier 3 (>5 - 8 ccf)	$2.85	$2.87
Tier 4 (>8 - 15 ccf)	$3.72	$3.75
Tier 5 (>15 ccf)	$5.57	$5.62
Monthly Sewer Rates (inside)		
Service Charge	$6.49	$6.73
Volume Charge (per ccf)	$3.56	$3.67

These rate changes account for most of the 3.5% increase in water and sewer user revenues over the FY2011-12 budget. Water consumption has also been increasing over the past few months and is expected to continue. The primary difference in overall fund revenues is due to the appropriation of $6.7 million in fund balance in FY2012-13 to increase the transfer to fund Capital Improvement Projects. This is a $5.2 million increase over FY2011-12.

Expenditures

Water and Sewer Capital Improvement Program (CIP) projects total $9.85 million to improve the infrastructure required to ensure adequate water supply, treatment and delivery, and an additional $21.8 million for wastewater projects for FY2012-13. A $20 million transfer to the CIP is planned for FY2012-13, a $10.3 million increase over FY2011-12.

Water and Sewer operating expenses have been refined for FY2012-13, resulting in a $1.6 million reduction. Over $0.5 million of this reduction is due a reduction in the required contributions to internal Risk and Other Post Employment Benefits service funds. The remainder is from other departmental operating reductions.

HIGHLIGHTS OF THE FY2012-13 BUDGET

Well-Managed City – provide professional management that is accountable, efficient and transparent.

Based on the 2011 Resident Satisfaction Survey, residents were generally satisfied with City customer service; 78% of residents were satisfied or very satisfied with how courteous city employees were and 71% with how easy City employees were to contact. Both of these demonstrate City employees' commitment to the "Culture of Service" initiative. We value our employees' contribution to making Durham a great place to live, work and play.

Employee Compensation and Benefits

- The City's contribution to the employee **401K** provides additional retirement savings for employees. This budget proposes to increase the City's contribution **from 4% to 4.5%** of eligible employees' salary in an effort to eventually return to the 5% contribution previously provided by the City. State statute requires local governments to contribute 5% for sworn law enforcement officers.
- In accordance with State Statute, the retirement rate for general employees decreased from **6.88% to 6.74%** and from **7.35% to 6.77%** for law enforcement officers for the **Local Government Employees Retirement System (LGERS)**, allowing the City to decrease its retirement contribution for all employees**.**
- The City hired a Senior Human Resource Consultant during FY2011-12 to manage our newly created **Employees Health Fund** and expand our wellness programs to reduce claims. A greater analysis of benefits plan design, claims trends, and medical costs would ensure that we are managing our health care costs to the greatest extent possible. This is a $30 million fund insuring over 5,100 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. All of the above efforts resulted in **no health or dental insurance premium insurance increases for employees for FY2012-13.**
- As a result of program prioritization and the resources required and available, a total of **26 positions** will be permanently eliminated. These positions are all currently vacant. Additionally, based on program prioritization and program needs, funding is included for a total of **10 new positions.**

The adoption of the City's first overall **Strategic Plan** by City Council set the direction for the future of the City and the allocation of resources. The Strategic Plan went through its first annual refresh and realignment in January 2012, in an effort to more effectively meet the needs of the organization and community. The original plan included 37 initiatives when adopted in April 2011, with an additional 14 initiatives added

during the plan refresh. Of the original 37 initiatives, five have been completed, seven are more than 75% complete, and twelve are more than 50% complete. Departmental Strategic Plans are also being developed to align with the overarching citywide plan.

The **Performance Management System dashboard** was launched for the public to use in August 2011. This is a tool to report progress made on the citywide measures and initiatives, providing a snapshot of performance to our citizens. It enables management to make more effective decisions about programs and services using a wide range of data. The dashboard was developed through a partnership between City staff and the Citizens Oversight Committee, consisting of 12 Durham residents. The committee provided input on site design and content with a major focus placed on using charts and graphs to tell a story. It has received both local and national recognition because of site capabilities and transparency.

An update of the **multi-year financial plan** was completed in November 2011. It provided information to clearly identify the budget gap prior to the beginning of the budget development process. This is a crucial component of planning for the future. This plan will project the financial impact of achieving the objectives in the Strategic Plan and the identify resources needed to fund those objectives.

The biennial **Employee Opinion Survey** will be conducted in late fall, 2012. All departments have been working on action plans related to the results of the 2010 survey to celebrate areas where we are doing well in making the most effective use of employees and to address areas where improvements are needed. The 2012 survey will provide feedback on our progress.

The biennial **Resident Satisfaction Survey**, conducted in December 2011, indicated that overall satisfaction has improved since the 2009 survey, with 82% of residents rating the city as an "excellent" or "good" place to live and 77% rating the city as an "excellent" or "good" place to work. These ratings are up from the 2009 survey, which were 78% and 75% respectively. Results from the 2011 survey indicate that satisfaction improved in 48 of the 57 areas, including feelings of safety, since the 2009 survey. Of the 48 items that showed increases, 27 had significant increases of 5% or more, while none of the seven decreases from 2009 were statistically significant. The results from this survey help the City determine priorities for the community as a part of the Strategic Plan and the ongoing budget planning process.

At the same time, staff continues to focus on **streamlining processes**, **implementing best practices** and **planning for the City's future**, all in an effort to explore opportunities to make our employees and processes more efficient and effective. In FY2011-12, **Process Improvement Studies** were conducted with both the Human Resources and Finance/Risk Management departments. The **Human Resources** process consisted of several phases that included the following: (1) conducting a departmental internal Strengths, Weaknesses, Opportunities, and Challenges (SWOC) assessment; (2) collecting external data through benchmarking, employee focus groups, surveys, and interviews; (3) and the analyzing of data to include

recommendations for improvement and solutions to address the identified weaknesses. Priority recommendations were identified and a timeline for implementation was developed with the Human Resource management team and staff. The **Risk Management** process focused on the development and implementation of enhancements needed to streamline the citywide workplace safety program, based on recommendations from a recent Safety and Health Gap Analysis Report. A restructuring of the Loss Prevention Committee, with a greater focus placed on loss leading activities, incident rates, hazard identification, and worker compensation claims, along with the City's first Risk Management Safety Summit, and the Safety Expo, were all accomplished during the first six months of the process. At the conclusion of each Process Improvement Study, the Process Improvement Team continues to provide oversight to ensure successful implementation of the priority action items.

An ongoing initiative, the **Culture of Service** organizational renewal and employee engagement effort, is taking root in departments, particularly in the area of Service to Community. City employees contributed over 1,000 hours of labor towards building a home with Habitat for Humanity at 1002 Chester Street. The City will begin a new project late in the summer. The focus during FY 2012-2013 will be to emphasize the benefits of Service to Self and Service to Co-Workers for the advancement and improvement of the organization.

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 38 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;
- Developing **performance measures** for all programs and services. We will communicate the return on the taxpayer's investment through these measures, which will be reported to the community via our **performance management dashboard**. These measures will help us to continually improve as an institution by monitoring progress toward our stated goals.

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

- The Public Technology Institute designated the City of Durham, a **Citizen-Engaged Community for 2011-2013**. The program was developed to recognize excellence in best practices for the use of Citizen Relationship/Records Management (CRM) systems, 311 services, web portal technology, telephony systems and mobile communications infrastructure.

Durham was one of only ten cities nationally to be awarded this designation. Durham received this award based on its use of technology to engage citizens.

- Fleet was recognized in **2011 by Government Fleet Magazine** as one of the Best 100 Fleets in North America. This recognition is based on a fleet program displaying best management practices.
- The Purchasing Division was awarded the **Sustained Professional Purchasing Award (SPPA) for 2011**. 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 include the use of technology, minority outreach, staff certification, customer training, vendor training, and the use of recycled products.
- The North Carolina Association of Government Information Officers (NCAGIO) recognized the City's Office of Public Affairs with first place awards for its **2010 Street Bond Voter Education Campaign and its "Creating Connections" – 2010 Year in Review video**. The Durham Police Department also won a second place award for its 2010 annual report, **"Behind the Badge".**
- The Government Finance Officers Association GFOA presented the **Distinguished Budget Presentation Award** to the City's Budget and Management Services Department for its 2011-2012 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 of the United States and Canada (GFOA). The City's Fiscal Year 2010-11 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 2011 Resident Survey even though 86% of residents feel safe walking alone in their neighborhood during the day, only 56% 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 is a high priority in the FY2012-13 budget.

- To address minimum staffing levels, funding is included for **two additional Firefighters**. This will allow the Fire Department to achieve minimum staffing an additional 36% of time, reversing a recent negative trend in response times and property loss. Funding is also provided for a **Strategic**

Planning Coordinator which will manage all functional areas of the accreditation process, the risk assessment process, strategic planning process and serve as the principle records manager for the department.

- Funding is included for **two additional Police Officers** assigned to the Police Bicycle Patrol Unit to provide security at City Hall.
- In October 2010, the Police Department was notified that it had been awarded 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. **With this funding all authorized sworn positions in the department are fully funded.** The City is required to assume funding for these 16 positions effective FY2013-14.
- **Additional overtime funding** is included for **North East Central Durham (NECD) and Southside** to increase police presence in these communities to continue to reduce crime.
- **Rental increases, facility upgrades and relocation costs** are included to provide space-appropriate operational facilities for several units of the Police Department.
- Funding is included to replace outdated **turn-out gear** and **helmets** for Firefighters.
- Funding is included to replace 911 surcharge funds previously used to cover the cost of the **Computer-Aided Dispatch** maintenance contract in the Emergency Communications Department. The State 911 Board deemed a portion of the maintenance ineligible for funding from that source.
- The Transportation Department has various functional activities that support Crime Prevention. Funding is included to maintain existing lighting and provide additional lighting, both **residential and thoroughfare lighting**.
- The fundable CIP includes funding for the replacement of the **800 MHz radio system** infrastructure for public protection in FY2012-13.
- Funding is included for the joint City/County **Warrant Control Office**. The City's contribution will cover 50% of the cost of salary and benefits for nine full-time civilian clerks, including one manager.
- Funding is included for the implementation of **Firehouse software** in the Fire Department. This software will automate the processes of the Fire Prevention Division.
- Funding is included to support the contract with the Administrative Office of the Courts (AOC) for a **Domestic Violence Judge**.

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 is being 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. A key focus has been to educate

landlords of their rights and responsibilities to support safe housing, in compliance with the minimum housing code.

- Funding is provided for **special needs housing** to augment services provided by the Community Development Department.
- **Code enforcement** efforts will continue to focus on compelling property owners to remediate code violations. The primary focus of FY2012-13 housing code enforcement will be the reduction of abandoned houses in the City. The Neighborhood Improvement Services department is targeting the "worst condition" houses with a goal of either eliminating or having active code enforcement cases against the owners by the end of calendar year 2012.

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

- Establishment of a **Dedicated Housing Fund** with an additional 1 cent per $100 assessed value property tax increase to address housing needs.
- $400,000 for **Neighborhood Commercial Revitalization** to enhance the tax base, create jobs for Durham residents and reduce poverty and crime.
- Funding to continue existing **housing activities** in Northeast Central Durham and Southwest Central Durham.
- The **Rolling Hills/Southside Redevelopment** project is expected to begin during FY2012-13 with the first phase of mixed income rental and homeownership development in the project area.
- 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.
- The **Neighborhood Vitality Index** initiative is to collect data on a wide set of variables (social, physical, crime, economic, etc.) to evaluate and improve the quality of life in Durham neighborhoods. For FY2012-13, $53,000 is being allocated for consulting services to expand the scope of variables to be measured in the project.
- The **Boarded House Remediation Program** will provide the means for identifying and reducing the number of boarded-up vacant houses in the City. This will reduce risks to public health and safety and provide more affordable housing.

Transit Services and Durham Area Transit Authority (DATA) – The budget includes **3.23 cents per $100 of the property tax rate** to provide continued funding to core transit services.

- Recommendations from the **Designing Better Bus Service** study have been presented to Council and were approved at the June 18, 2012 City Council meeting. Changes affectevery route in the DATA fixed route system. A few passengers will be adversely affected by the service changes, but thousands of passengers are expected to benefit from efficiency, effectiveness and **on-time performance improvements** associated with the route changes.
- **Fare free transit service on the Bull City Connector** continues, providing fast, frequent fare free transit service between Duke Hospital, Downtown and

Goldenbelt. This service is provided in partnership with Duke University.

- Efforts to develop 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 continues to see increasing interest in the yard waste collection program. In 2010, there were 16,483 yard waste participants, in 2013 that number is projected to reach 20,550.

- Recycling tonnage has increased from 13,152 tons to a projected 14,500 tons in FY2012-2013. The department began receiving revenue in December of 2011 for recyclables.
- Increasing the recycling participation rate and tonnage will continue to be a point of emphasis for the department.

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

- The City is assisting businesses to reduce energy and water use and improve their environmental performance through the **Green Business Challenge**. During this regional effort, businesses can assess their current performance in areas such as energy and water conservation, waste minimization, and healthy work environments, and then receive assistance to improve their performance.
- The City will be launching a **public education campaign** to increase awareness of environmental issues and encourage citizens to conserve resources and protect the environment.
- Two grants totaling more than $2.6 million for energy conservation will be closed out in FY2012-13. Final work on these grants includes **finishing home energy retrofits and energy-saving upgrades** on City-owned facilities.
- This budget includes funding for a 0.5 FTE and operating expenses to support the joint City/County **Sustainability Office**.
- The City will expand and enhance our public outreach and education programs for water conservation and continue and expand the **Water Efficiency Rebate Program** that incentivizes homeowners to install water efficient fixtures in their homes.

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 **youth care programs** (after school, intersession, fun days, and summer camp) at five City Recreation Centers (Irwin R. Holmes, Sr. Recreation Center, Edison Johnson Recreation Center, Weaver Street Recreation Center, Walltown Park Recreation Center, and the W. D. Hill Recreation Center), two shared-use sites (Holton Career and Resource Center, Community Family Life and Recreation Center at Lyon Park). Summer camp will also be offered at three City Recreation Centers (T.

A. Grady Recreation Center, East Durham Recreation Center, and the W. I. Patterson Recreation Center) and one outdoor park (West Point on the Eno). **Athletic programs for youth** (Jr. NBA/Jr. WNBA) provide basketball opportunities for approximately 400 youth. The **Durham Girls Soccer League** serves 600 youth. Sustaining these youth programs is a priority.

Arts and Culture - The City will continue its management agreements with the **Carolina Theatre,** the **Durham Arts Council** and **St. Joseph's Historic Foundation** for $614,520, $636,491 and $292,000 respectively. This budget also includes funding for the agreement with **Lyon Park** for $181,000. In addition, funding is included to support the creation of public art facilitated through the City's Public Art Policy.

A Strong and Diverse Economy - maintain and grow a strong and diverse economy through a variety of businesses, industries and employment opportunities for the community.

Downtown Revitalization and Parrish Street - The Office of Economic and Workforce Development 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.

- The revised **Economic Development, Financial Assistance and Incentive Policy for Job Creation, Job Retention and Capital Investment** adopted in May 2010 provides a clear blueprint for public-private partnerships that benefit Durham.
- This budget allocates $159,990 from Downtown Revitalization reserves for **Building Improvement Grants**, **Merchandise-based Incentive Grants,** and **Sign Grants** to build economic strength in the expanded Downtown Tier.
- This budget allocates $152,629 in Parrish Street funds for **Building Improvement Grants, Merchandise-based Incentive Grants**, and to operate the **Historic Parrish Street Forum Room** and associated educational programming to further preserve the history, highlight the unique character and promote the future of Parrish Street.

Youth Employment Opportunities -

- City departments will continue to hire youth for summer jobs through the **Mayor's Summer Youth Works Program** and encourage employees to volunteer as mentors or tutors to Durham children.
- The Durham Fire Department, in partnership with the Parks and Recreation Department and the Office of the State Fire Marshal, will continue its **Junior Fire Marshal Program**. This program exposes youth to the Fire Department as a potential future career choice.
- Parks and Recreation provides a **free aquatic school** to train teens to attain lifeguard certifications, **leading to employment with the department**. In addition to this program, job skills trainings (i.e. 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.

CAPITAL IMPROVEMENT PROGRAM

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 **FY2013-2018 Capital Improvement Program (CIP)** is presented to the City Council in a companion document to the FY2012-13 annual budget. The capital improvement budget **includes $63.9 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 from capital reserves, and Stormwater fees.

The majority of CIP projects approved were dedicated to Water and Sewer and Stormwater enterprise projects. Funding was also granted for General Fund capital projects for projects that were deemed a priority and essential to the City's capital infrastructure needs. 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 (https://ww2.durhamnc.gov/cip/index.cfm).

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 FY2012-13 budget does not include a tax increase for debt.** However, the budget includes a tax increase of 1 cent per $100 to fund housing. The projected General Fund debt to appropriations ratio for **FY2012-13 is 12.00%**.

The CIP budget includes:

- **General Capital Projects**:
  - $0.80 million for Americans with Disabilities Act (ADA) compliance repairs
  - $2.7 million for repairs to City facilities
  - $0.25 million for new sidewalk construction
  - $0.10 million for petition sidewalk construction
  - $0.55 million for Federal and State matching transportation projects
  - $0.48 million for a live fire training simulator building
  - $6.7 million for public safety communication infrastructure
- **Impact Fee Projects:**
  - $6 million for the continuation of the Carver Street extension project and Fayetteville Road widening project
  - $0.30 million for sports facilities lighting

- **Stormwater Projects:**
  - $3 million to address drainage repairs, retrofits and major stormwater infrastructure
- **Water and Sewer Projects:**
  - $31.65 million for water and sewer improvements including water and sewer rehabilitation, construction, automated meter replacement, facilities expansions, and water source protection
- **Fleet:**
  - $4.8 million for General Fund, Solid Waste, Stormwater and Water Management fleet vehicles.

The fundable Capital Improvement Plan (CIP) includes funding for a new **Police Headquarters** in FY2015-16. Funding was provided in FY2009-10 for a facility assessment study and in FY2011-12 for the replacement of elevators and HVAC systems at the current Police Headquarters.

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.
- **Streets** – Using the 2010 General Obligation (GO) Bonds, the City will continue to resurface many deteriorating streets and pave dirt streets throughout the City. This budget includes **$750,000** to begin to accumulate funds to address ongoing resurfacing needs on an annual basis in the operating budget.
- During FY2010-11, Parks and Recreation began implementing a **playground safety surfacing maintenance plan** to address deficiencies in playground surfacing across our park system. The department continues to make tremendous strides in tackling the first challenge which was to bring all existing playground structures up to an acceptable standard of care, based on national industry standards. Once this is achieved, the second challenge will be to maintain the playgrounds at that acceptable standard by insuring that annual de-compacting of surfacing material and application of top dressing is completed.

CONCLUSION

It is gratifying to see the results of the recently completed 2011 Resident Survey and know that 3 in 4 residents believe Durham is moving in the right direction and that this level of satisfaction is up almost 25% from 2005. As communities across the country continue to face unprecedented challenges we are fortunate to live in a community and a region that continues to lead, create and innovate with incredibly engaged residents.

I am confident the budget for fiscal year 2012-13 continues a commitment of innovation and improvement to progress Durham, help grow the community, and meet

the needs of all citizens, with transparency and stewardship. I continue to appreciate and value the close working relationship between the Mayor and City Council and the City Administration, and also congratulate you on the collegiality by which you conduct business and interact. Your political leadership and unselfish dedication to the Durham community is appreciated and at the same time inspiring. City employees continue to do great things and I am honored and privileged to lead them. In closing, special recognition and thanks are provided to Budget and Management Services Director, Bertha Johnson and the entire BMS staff as they have been at the forefront of not just the budget development process but also the continued execution of our Strategic Plan, aligned departmental strategic plans and many other process improvement initiatives this past year. Together we will continue to strive to make Durham a place of excellence where great things are happening.

Respectfully Submitted,

Thomas J. Bonfield
City Manager

CITY OF DURHAM GOALS
& FY 2012-13 STRATEGIC PLAN

At the April 18th, 2011 Council Meeting the Durham City Council adopted a new strategic plan for the City and five new 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, citizens and other stakeholders. During the Strategic Planning process, goals, objectives, outcome measures, initiatives and the key priorities were determined. The Strategic Plan serves as the framework for accomplishing these priorities. To ensure success, the organization has integrated the plan into annual budgets, daily operations and organizational measurements.

To achieve the goals of the plan, the City has developed and continues to monitor useful data. With this data, the City can develop strategies for improving outcomes in the areas that have been identified as goals. After the strategies are implemented, we can monitor successes and short-comings toward achieving goals by tracking the data. We intend to focus our budget and policy discussions on achieving the results we want, rather than competing for scarce resources.

As we develop and monitor community-wide indicators and departmental performance measures, we strive to identify the most meaningful data elements. Rather than focusing on how much we performed or how well we did it, we are trying to answer the question, "Is anyone better off?"

FY 2012-13

www.DurhamNC.gov/StrategicPlan

Revised 1/31/12

DURHAM
1869
CITY OF MEDICINE

Table of Contents

City Council FY12/13 4

Introduction 5

Letter from the City Manager 5
About Durham 6
The Mission 6
The Vision 6
Overview 7
Why Prepare a Strategic Plan? 8
Strategic Planning Process 8

Creating the Strategic Plan 10

Core Products and Services 10
Key Stakeholders 10
SWOC Analysis 11
SWOC Summary 12
Core Organizational Values 13

Goals, Objectives, Measures and Initiatives 14

Goals 15
Community Partnerships 22

Implementing the Strategic Plan 24

The Approach 24
Strategic Planning Calendar 2010-2013 27

Appendix 28

Definition of Terms 28
Who Worked on the Plan 29

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

J. Michael Woodard

Introduction

Letter from the City Manager

Dear City Residents and Employees,

As our City continues to grow, the City Council and I are looking to chart a course and create a vision for our future that will ensure our financial viability as well as our standards of living. We engaged our employees, citizens, and stakeholders in a Strategic Planning process throughout 2009 and 2010. The strategic planning process is designed to chart that course, provide focus and strategic direction, and assess our current and future services.

The City of Durham initiated the development of its citywide Strategic Plan in 2008 to identify long-term direction, short-term goals, and action steps for the organization. This highly participatory and transparent process included input and feedback from approximately 700 employees, citizens, and stakeholders. We thank all participants as the City continues to actively identify, recognize, and support the quality services and programs citizens expect from the City, along with the superior service standards that City employees expect of themselves.

The City of Durham Strategic Plan identifies five focus areas that the City Council and the City's management team will advance during the next three years. Our priorities and initiatives are reflected in specific strategic directions and goals in the Plan and our measures of success are clearly outlined.

Again, I am proud to present the City of Durham's first Citywide Strategic Plan, refreshed and realigned in January 2012, which serves as an organizational blueprint and foundation enabling Durham to be a leader in providing an excellent and sustainable quality of life.

I wish to thank the City Council for the support and direction they have provided during this process. It is their strength in leadership and vision that allows the City to excel in providing for the needs of our community today and in the future.

Sincerely,

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's 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, Fiscal Year 2011-12 ..... $362.5 million
General Fund Budget, Fiscal Year 2011-12 ..... $182.8 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.

Overview

This report presents the Durham Strategic Plan. This section describes what the Strategic Plan is and why it is important for Durham's future. The Strengths, Weaknesses, Opportunities, and Challenges (SWOC) section explains how Durham perceives its internal strengths, internal weaknesses, external opportunities, and external challenges. It describes the City's vision and its mission, and the goals that the City wants to achieve. It explains objectives that help move the City toward its goals, and ways to measure progress in accomplishing the objectives. The Plan section also includes a list of specific initiatives to accomplish the objectives. The Implementation section provides the plan approach along with the roles of the various teams. Finally, the Conclusion provides a calendar of Strategic Plan milestones and a list of the City staff involved in preparing the Plan.

Strategic Planning Roadmap

Why Prepare a Strategic Plan?

In November 2008, the Administration, proposed developing 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.

Department Director Retreat

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, and the community. Since the community, the economy, and the organization are continually changing, this plan should be considered as a beginning, rather than an end.

Strategic Planning Process

In November 2008, the Administration proposed and defined the scope of work for a citywide Strategic Plan. Staff spent several months benchmarking cities that successfully implemented a Strategic Plan and conducted a comprehensive analysis of all existing City plans. It was important to gain a better understanding of what commitments already existed and the status of those commitments.

The City is fortunate to have the internal capacity to support a citywide strategic planning process, however, Zelos, a consultant with expertise in initiating strategic planning and a proven methodology, was engaged to ensure success for the City of Durham. The consultant provided guidance during the project initiation, design phase, organizational analysis, the development of the Strategic Plan, and the implementation process. It is crucial that departments have the necessary tools to develop departmental plans that align with the citywide plan.

To position the project for success, meetings were scheduled with the consultant, the project manager, and key staff to clarify expected project outcomes, establish roles and responsibilities, and determine key stakeholder groups to be involved with the process.

Five teams were established as follows:

- **Direction Setting Team**-responsible for creating high-level direction
- **Plan Development Team**-responsible for drafting the Strategic Plan
- **Department Directors**-responsible for reviewing the draft Strategic Plan
- **Core Team**-responsible for supporting the entire process
- **Strategic Plan Liaisons Team**-responsible for communicating information about the process to employees

Creating the Strategic Plan

The City adopted an innovative approach for creating the citywide Strategic Plan. The process involves thinking about the nature of the City government as an organization. It is important to identify the core products and services the City provides. The City cannot be all things to all people, so the focus should be on the City's fundamental purposes. Likewise, it is 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.

In creating the Strategic Plan, the City Council and staff took an in-depth look at the mission, vision, and core values of the organization. The City Council approved a new mission and vision statement for the City in 2010, and the Plan Development Team confirmed their continued validity. Finally, staff examined the values that the City wishes to foster among its employees. The Plan Development Team summarizes all of these below.

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

• Residents • Visitors • Business and Industry • Community Organizations	• Other Government Entities • Property Owners • Higher Education Institutions • Medical Institutions

SWOC Analysis

In October 2009, the Strategic Planning process was officially launched at the annual Department Directors retreat. From October through December 2009, staff conducted a Strengths, Weaknesses, Opportunities, and Challenges (SWOC) analysis to answer three critical questions. Where are we now? Where are we going? How are we going to get there?

This phase included the following components:

- Review of the City's existing position;
- Input from the City Council;
- SWOC survey distributed to City Council, Department Directors, staff, citizens and community stakeholders;
- SWOC input from staff via focus groups; and
- Review and comment by various advisory Boards/Committees/Commissions at a joint forum.

In February 2010, the consultant met with the City Council to discuss the results of the SWOC survey and to suggest, from its perspective, what the City's priorities might be. The Plan Development Team revised the City's Vision and Mission statements, identified the products and services, and consolidated the Council Goals. The Team also created objectives, intermediate objectives, measures, and initiatives.

SWOC Summary

Strengths	Weaknesses
• City leadership • Dedication of employees • Good customer service • Work quality • Teamwork	• Communication between departments • Communication from management to staff • Accountability • Equipment and facilities maintenance
Opportunities	**Challenges**
• Public - private partnerships • Downtown revitalization • Cultural diversity • Public transportation	• Media / public image of City • Developing & linking public transportation systems • Aging infrastructure • Loss of federal and state funding
Priorities	
• Appearance of the City infrastructure (streets, sidewalks, buildings) • Address deferred maintenance • Enhance public transportation • Crime prevention and reduction • Improve customer service	
Citizen Survey Results	
• Maintenance of City streets • Police protection • Transportation • Code enforcement	

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 citizens. 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 7 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 city. In developing the Strategic Plan, the Plan Development Team revisited the Vision and Mission statements to gauge whether they are still valid and useful. Minor changes were proposed and endorsed by the City Council in 2011.

Goals

Goal 1: A Strong and Diverse Economy Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities for the community.	
Outcome Measures	• Mean Salary (Durham Resident) • Median Salary (Durham Resident) • Percent Growth in Tax Base • Employment Growth • Poverty Rate • Percent of Jobs in Various Sectors
Objectives and Measures	**1. Target Business/Industry Recruitment Efforts** • Number and Value of Building Permits • Net Gain in Jobs **2. Ensure Well Trained, Qualified Community Workforce** • High School Graduation Rate • Percent of the Community With a Post-Secondary Credential • Adult Literacy **3. Create a Favorable Development Climate** • Ratio of Commercial/Industrial/Residential Tax Base **4. Encourage Retention and Expansion of Current Businesses** • Number of Business Relocating Into and Out of Durham **5. Leverage Local and Regional Workforce Development Partnerships** • Number of Students Graduated from Local Jobs Training Programs • Percentage of JobLink openings filled • Number of job placements overall
Initiatives	• Identify Specific Target Industries to Actively Recruit, Incentivize and Retain (i.e., Green or Biotech Industries) • Evaluate the Effectiveness of Existing Incentive Policies and Programs (Financial, Workforce Development and Infrastructure Based) that are Focused on Business Development • Assess Existing Programs Supportive of Small Business/Start Ups to Determine Most Responsive Programs/Gaps that Need to be Addressed • Expand Mayor's Summer Youth Works Program • Identify and Implement Further Development Review Process Improvements (Include Regulatory Issues) • Conduct an Annexation Study in Order to Promote a Strong and Diverse Economy

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	• Part 1 Property Crimes Per 100,000 Residents • Part 1 Violent Crimes Per 100,000 Residents • Percent of Emergency Response Times within Set Standards • Property Crime Clearance Rate • Violent Crime Clearance Rate • Increase Residents' Perception of Safety (Resident Survey)
Objectives and Measures	**1. Reduce Occurrence and Severity of Crime, Fire, and Hazards** • Homicides, Property Crimes and Violent Crime Rates/Incident and Clearance Rates • Percent of Priority 1/code 3 calls meeting response/time standards **2. Increase Visibility and Accessibility of Public Safety Personnel** • Vacancy Rate of Specific Funded Positions • Percent Participation in Crime and Fire Prevention Programs 3. **Improve Residents Perception of Safety**
Initiatives	• Improve First Responder Safety and Response Time to Emergency Calls, by Using Improved Technologies and Other Resources that Include Automatic Vehicle Locator (AVL) in Marked Emergency Vehicles • Inventory and Analyze Existing Public Safety Programs for Results • Target Specific Public Safety Problem Areas Through Inter-Agency Collaboration to Achieve Positive Outcomes ~~(Gang Reduction Plan)~~ • Create Centralized Repository for Digital Evidence • Reduce Radio Traffic on Primary Dispatch Channels (target 30% air saturation/hour) • Enhance the City's Public Safety Image Through Effective Communication that Informs Citizens • Coordinate Public Safety and Criminal Justice • Promote Community Policing Philosophy

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
- Using the Neighborhood Vitality Index to Improve Community Health
- Access to Affordable, Safe, and Healthy Housing
- Availability and Quality of Transit, Pedestrian, and Bicycle Facilities and Services
- Access to Open Space and Recreational Opportunities
- Environmental Stewardship

Objectives and Measures

1. **Increase Percentage of Residents Who Rate Their Neighborhoods as Either Good or Excellent in the Biennial Resident Survey**
   - Percent of Good or Excellent Responses to the "Quality of Your Neighborhood" Question in the Biennial Resident Survey
2. **Increase Percentage of Neighborhoods that are Beating the NVI Benchmark (if available) or Where the Trend is Improving (if no target is available)**
   - Level of Performance Improvement for Sub-components of the NVI Index (i.e., a piece of the total; not the comprehensive index)
3. **Increase Voluntary Code Compliance**
   - Number of Boarded up Houses in Low and Moderate Income Neighborhoods
4. **Revitalize Neighborhoods and Encourage Neighborhood Pride**
   - Percent of Vacant Lots within Southside that are Redeveloped
   - Homeownership Rate within Southside Neighborhood
   - Cleanliness Index
5. **Increase Access to Affordable, Safe, and Healthy Housing**
   - Number 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
6. **Increase Transportation Choices and Local & Regional Connectivity**
   - Percent of Population within ¼ Mile of Public Transportation
   - Public Transportation Ridership
   - Miles of Bicycle Lanes
   - Miles of Paved Trails
   - Ratio of Sidewalk Miles to Street Miles
7. **Increase Access to Recreational Facilities City-wide**
   - Number of Recreational Facilities Per Capita Compared to Four Largest Benchmark Cities
8. **Increase Access to Open Space County-wide**
   - Number of Acres of Permanently Protected Open Space Per Capita Compared to Four Benchmark Cities
9. **Decrease Greenhouse Gas Emissions**
   - Residential Greenhouse Gas Emissions Pounds Per Capita
   - Percent of Greenhouse Gas Emissions Reduction from Commercial Sector
10. **Increase Percentage of Solid Waste Diverted to Recycling**
    - Percent of Solid Waste Diverted to Recycling
11. **Increase Water Conservation and Water Efficiency**
    - Per Capita Water Consumption

Initiatives	• Develop a Neighborhood Vitality Index (NVI) Model and Use the Data to Improve Quality of Neighborhoods • Implement Boarded Vacant Properties Remediation Program • Develop a Comprehensive Housing Strategy • Develop a Long-Term Plan to End Homelessness • Establish a Partnership Targeted at Revitalizing Southside Neighborhood • Develop a Regional Plan for Transit, Including but Not Limited to Integration of Light Rail, Commuter Rail, High Speed Rail, and Bus • Evaluate Effectiveness of "Fare Free" Transit (Bull City Connector) • Increase the Efficiency of Durham Transit and Triangle Transit through Centralized Management, Planning and Marketing • Improve the Visibility of Alternative Modes of Transportation by Continuing to Implement Adopted Plans, Including the DurhamWalks! Pedestrian Plan, the Durham Comprehensive Bicycle Transportation Plan, and the Durham Trails and Greenways Master Plan • Improve Pedestrian Safety by Working with the UNC Highway Safety Research Center on a Four-Year Project Focused on Pedestrian Safety Education and Enforcement in Durham, as Funded by the National Highway Traffic Safety Administration (NHTSA) • Conduct City-wide Inventory of Existing Public and Private Recreational Facilities • Update County-wide Inventory of Existing Public and Private Open Space • Develop a Plan to Increase Public Access to Private and Other Publically-owned Recreational Facilities • Implement Neighborhood Energy Retrofit Program • Implement Green Business Challenge • Enhance Recycling and Waste Stream Diversion Efforts • Conduct e-Waste Events • Implement Toilet Rebate Program • Implement Water Leak Detection Program • Teach Environmental Stewardship (e.g., Education and Training about Energy, Solid Waste, and Water)

Goal 4: Well-Managed City Provide professional management that is accountable, efficient, and transparent.	
Outcome Measures	• Resident Satisfaction Rating • Employee Satisfaction Rating • Per Capita Tax Burden • Fiscal Wellness Index (debt ratio, bond rating and fund balance)
Objectives and Measures	**1. Engaged Community** • Resident Satisfaction Survey • Resident participation in city sponsored meetings **2. Provide Seamless Services** • Response/Resolution Time for Resident Complaints and Requests for Services **3. Promote Strong Financial Management** • 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 **4. Align Resources with City Priorities** • Milestones Met for Strategic Plan Implementation • Percent/Number of City Departments with Strategic Plans and Performance Measures Aligned with the City's Strategic Plan **5. Establish an Exceptional, Diverse, and Engaged Workforce** • Employee Turnover Rate • Employee Satisfaction Rating on Biennial Employee Opinion Survey • Employee Engagement Index • EEOC Statistics **6. Project a Positive Image of the City**

Initiatives	• Establish Criteria for Prioritizing Processes for Improvement; Develop a System for Tracking Results • Review and Update the Multi-Year Financial Plan and the CIP to Align Resources and Priorities • Identify and Prioritize CIP Needs • Ensure Sustainability of the Culture of Service Initiative • Develop the Systems, Processes and Structures to Ensure Accountability for Strategic Plan • Create and Implement Technology that Supports the Strategic Plan • Manage Talent and Ensure Continuity of Leadership • Develop and Deploy a Comprehensive Employee Wellness Program • Develop an Internal and External Communications Strategy • Increase the Use of Data and Best Practices to Achieve Operational Excellence

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	• Percent of City Assets/Infrastructure that are Performing at or Above a Defined Standard for each Asset type • Percent of Residents satisfied with each Asset/Infrastructure Component
Objectives and Measures	**1. City-Maintained Streets in Good or Better Condition** • Maintain Standard Three (3) Days for Pothole Repairs • Number of Miles Paved • Conduct Institute for Transportation Research and Education (ITRE) Evaluation • Standards and Adequate Funding **2. City-Owned Building Assets that are Maintained to an Industry Standard Maintenance Schedule** **3. Availability of Capacity of Water/Wastewater Utilities** **4. Percent of Streams with a Water Quality Index of 75 or Greater**
Initiatives	• Enhance Infrastructure Development Standards • Develop an Asset Management System • Create Rating Systems for Physical Assets • Recommend Priorities of Prospective Entryway Areas Citywide and Present to City Council for Approval (Partnership with the Durham City-County Appearance Commission) • Identify Resources to Design the Central Durham Gateway Plan • Determine Feasibility to Implement Citywide Fiber Optic Network • Creation of a Comprehensive Building Asset Inventory • Modify Wastewater Treatment Plant and Stormwater Discharge Processes in Order to Meet Water Quality Standards • Develop a Prototype Asset Registry

Community Partnerships

Goal	Partnerships
1. Strong and Diverse Economy	• Duke University • Duke University Healthcare System • Downtown Durham, Inc. • Durham Technical Community College • NC Employment Security Commission • Small Business Advisory Committee • Durham Workforce Development Board • Durham Housing Authority • North Carolina Central University • Greater Durham Chamber of Commerce • NC Employment Security Commission • Durham County • Durham Convention and Visitors' Bureau • Durham Public Schools • Durham Literacy Center • PACs/INC
2. Safe and Secure Community	• PACs/INC • Media • Crime Stoppers • NC Child Response Initiative • BECOMING • Juvenile Crime Prevention Council • District Attorney's Office • Durham County Sherriff's Office • SBI • FBI • US Immigration and Customs Enforcement • Bureau of Alcohol Tobacco and Firearms • DEA • Division of Alcohol Law Enforcement • US Marshall's Office • Probation and Parole
3. Thriving Livable Neighborhoods	• DATA • Triangle Transit • Duke University • NCCU • NC State University • Durham County • PACs/INC • Neighborhood Associations • Clean Energy Durham • Habitat for Humanity • DHA

4.Well Managed City	• Blue Cross Blue Shield • Citizens • PACs/INC
5. Stewardship of City's Physical Assets	• Development Community • Utility Service Providers • Citizens

Implementing the Strategic Plan

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 Team

The purpose of the Strategic Plan Implementation Team is to ensure the Plan is utilized 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.

In addition to supporting and promoting the concepts of strategic planning as a process, the Strategic Plan Implementation Team will:

- Be the owners of and ensure the production of all required planning deliverables in a timely manner as defined within the annual planning calendar.
- Be ultimately responsible to ensure data is reported, reviewed, analyzed and made available in a timely manner.
- Ensure that appropriate policies, procedures, and processes are implemented where necessary to make strategic planning a process and not a product.
- Help balance conflicting priorities and resources.
- Remove organizational barriers for implementation and establish accountability systems.

Roles and Responsibilities- This team will oversee the execution, monitoring and maintenance of all aspects of the Strategic Plan implementation and ensure alignment with internal and external partners and will champion the strategic planning process. This takes a major commitment by over 100 staff participating on one of five Goal and three Support Services (Performance Monitoring, Technology, and Communication and Marketing) ad hoc teams.

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
- Provide support to Goal Champions

Technology

- Provide technology support to the Goal Champions along with the Performance Monitoring and Communication & Marketing teams
- Increase the effectiveness and efficiency of the processes associated with strategic plan execution through the use of technology

Strategic Planning Calendar 2010-2013

Month	Milestone
October 2010	• Strategic Plan presented to City Council for comment • Strategic Plan Implementation Team to begin work on ten Priority Initiatives (37 initiatives in plan)
January 2011	• Selected citywide initiatives to align with FY12 budget • Performance Management System (dashboard) implementation begins
February 2011	• Citizens provide input on Strategic Plan and Performance Management System dashboard at Citizen Engagement Workshop
March - July 2011	• Strategic Plan presented to City Council for adoption • Work begins on Departmental Strategic Plans (6 pilot departments) • Work continues on Strategic Plan Initiatives • Performance Management System dashboard is implemented and available to citizens • Citizens Oversight Committee begins meeting on a monthly basis to provide input on design and functionality of Performance Management System dashboard
January 2012	• Strategic Plan is reviewed and updated to align with Budget • City Council is updated on Strategic Plan progress • Implementation continues
January 2013	• Strategic Plan is reviewed and updated to align with Budget • City Council is updated on Strategic Plan progress • Implementation continues

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 your organization that may have a favorable effect on it.

External Challenges.....The factors or situations that exist beyond your 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 you meet your performance targets.

Measures .....Meaningful indicators that assess progress toward the accomplishment of your goals and measures.

Internal Strengths ..... The resources or capabilities your organization has that can be used for accomplishing its mission and vision.

Internal Weaknesses.....The deficiencies in resources or capabilities that currently exist that might hinder your organization's ability to be successful.

Key Customers ..... Any person, group or organization receiving your 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 you must do well or barriers that you must overcome to achieve a specific goal.

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 you hope to achieve.

Vision Statement.....A word picture of the future that the organization intends ultimately to become or to influence.

Who Worked on the Plan

Special thanks to City staff who have spent over 2,000 hours on this comprehensive process, working on various teams, attending staff forums and information sessions, completing surveys, obtaining data, drafting the citywide Strategic Plan document, and providing support and input during the implementation phase.

Direction Setting Team	
Tom Bonfield	City Manager's Office
Wanda Page	City Manager's Office
Ted Voorhees	City Manager's Office
Keith Chadwell	City Manager's Office
Bertha Johnson	Budget and Management Services Department
Patrick Baker	City Attorney's Office
David Boyd	Finance Department
Alethea Bell	Human Resources Department
Beverly Thompson	Office of Public Affairs
Reginald Johnson	City Manager's Office
Karmisha Wallace	City Manager's Office

Plan Development Team	
Bertha Johnson	Budget and Management Services Department
Steve Medlin	City/County Planning Department
Keith Chadwell	City Manager's Office
Constance Stancil	Neighborhood Improvement Services Department
Mark Ahrendsen	Transportation Department
Katie Kalb	Public Works Department
Jesse Burwell	Police Department
Rhonda Parker	Parks and Recreation Department
Alethea Bell	Human Resources Department
Jim Soukup	911 Emergency Communications Department

Core Team	
Jay Reinstein, Project Manager	Budget and Management Services Department
Bertha Johnson	Budget and Management Services Department
Maria Ratliff	Fire Department

Scott Roberts	Fire Department
Vickie Atkinson	Budget and Management Services Department
Ruby Hargrove-Monds	Human Resources Department
Keith Luck	City/County Planning Department
Chris Boyer	General Services Department
Gina Morais	Parks and Recreation Department
Lew Wardell	Police Department

Department Directors Team	
Tom Bonfield	City Manager's Office
Germaine Brewington	Audit Services Department
Patrick Baker	City Attorney's Office
Ann Gray	City Clerk's Office
Bertha Johnson	Budget and Management Services Department
Gene Bradham	City/County Inspections Department
Steve Medlin	City/County Planning Department
Reginald Johnson	Community Development Department
Kevin Dick	Office of Economic and Workforce Development
Jim Soukup	911 Emergency Communications Department
Deborah Giles	Equal Opportunity/Equity Assurance
David Boyd	Finance Department
Bruce Pagan	Fire Department
TBA	Fleet Management Department
Joel Reitzer	General Services Department
Alethea Bell	Human Resources Department
Constance Stancil	Neighborhood Improvement Services Department
Rhonda Parker	Parks and Recreation Department
Jose Lopez	Police Department
Marvin Williams	Public Works Department
Donald Long	Solid Waste Management Department
Kerry Goode	Technology Solutions Department
Mark Ahrendsen	Transportation Department
Don Greeley	Water Management Department

Strategic Plan Liaisons Team	
Germaine Brewington	Audit Services Department
Terry Capers	City Manager's Office
Lisa Varner	City Attorney
LaVerne Brooks	City Clerk
Jay Reinstein	Budget and Management Services Department
Roy Brockwell	City/County Inspections Department
Aaron Cain	City/County Planning Department
Larry Jarvis	Community Development Department
Chris Dickey	Office of Economic and Workforce Development
Jim Soukup	911 Emergency Communications Department
Vincent Wingate	Equal Opportunity Equity Assurance Department
Joe Clark	Finance Department
Jeff Bunnell	Fire Department
TBA	Fleet Management Department
Kevin Patton	Human Resources Department
Gary Richards	Neighborhood Improvement Services Department
Mal Atkinson	Parks and Recreation Department
Keith Johnson	Police Department
TBA	Public Works Department
Robert Williams	Solid Waste Management Department
Robert Walker	Technology Solutions Department
Bob Dodson	Water Management Department
Tobin Freid	Sustainability Manager

Implementation Team	
Kevin Dick (Goal 1/Champion)	Office of Economic and Workforce Development
Keith Chadwell (Goal 1/Vice Chair)	City Manager's Office
Jim Soukup (Goal 2/Champion)	911 Emergency Communications Department
Loretta Clyburn (Goal 2/Vice Chair)	Police Department
Dan Curia (Goal 2 Vice Chair)	Fire 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
Steve Medlin (Goal 5/Champion)	City/County Planning Department

Chris Boyer (Goal 5/Vice Chair)	General Services Department
Ed Venable (Goal 5/Vice Chair)	Public Works Department
Beverly Thompson (Chair/ Communication)	Office of Public Affairs
Amy Blalock (Vice Chair/Communication)	Office of Public Affairs
Kerry Goode (Chair/Technology)	Technology Solutions Department
John Stinson (Vice Chair/Technology)	Technology Solutions Department
Germaine Brewington (Chair/ Performance Monitoring)	Audit Services Department
Gina Morais	Parks and Recreation Department
Vickie Atkinson	Budget and Management Services Department
Jay Reinstein (Project Manager)	Budget and Management Services Department

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

(City Policy, by resolution adopted June 21, 1999)

General Fund

- The City Council deems it desirable to achieve an undesignated fund balance level of 15% of adjusted appropriations. "Adjusted appropriations" shall equal total appropriations minus appropriations for debt service and transfers to other funds.

- Undesignated fund balance as a percentage of adjusted appropriations shall be no less than 12% of General Fund adjusted appropriations.

- Any fund balance between 12% and 15% of adjusted General Fund appropriations may be appropriated by the City Council, at its discretion, provided that the level of undesignated fund balance is not reduced below 12%.

- To limit the use of fund balance in the General Fund in any two-year budget preparation cycle, the maximum appropriation from fund balance shall be equivalent to a total of $0.04 on the prevailing tax rate over the two-year planning period.

- Any fund balance beyond 15% of General Fund adjusted appropriations shall be transferred to the Capital Projects Fund. This transfer shall be made upon completion of the annual financial audit. It is the intent of the City Council to effect this transfer through an amendment to the subsequent year's Budget Ordinance.

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 and have a useful life of at least six years.

- 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. Due to the Governor's actions on state-shared revenues for FY 2001-02 and FY 2002-03 and the modest amount of investment income the City earns, investment income remains in the General Fund.

- 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.

Investment Policy

1. Policy

It is the intent of the City of Durham to invest idle funds in accordance with North Carolina General Statutes (N.C.G.S.)159-30. The three chief objectives governing these guidelines are Safety of Principal, Liquidity, and Yield, in that order.

2. Scope

These investment guidelines apply to all the following funds in the City's cash pool (except debt

and fiduciary funds): General Fund, Special Revenue Funds, Capital Projects Funds (unless prohibited by bond indentures), Enterprise Funds (unless prohibited by bond indentures), Internal Service Funds (with the exception of Risk related funds).

3. Definitions:
Short Term Portfolio: Cash which is needed to meet the City's immediate and short-term payment obligations. Investment instruments in this portfolio will mature not later than one year after purchase.
Intermediate Portfolio: Cash which is needed to meet the City's obligations in the intermediate future (0-10 years). Investment instruments in this portfolio will mature not later than five years after purchase.
Long Term Portfolio: Cash which has been designated as an endowment to the Cemeteries and Transit Funds. Investment instruments in this portfolio will mature not later than twenty years after purchase.

4. Investment Priorities:
Consistent with the three chief policy objectives (Safety, Liquidity and Yield), all City funds covered by these guidelines, regardless of term, are invested with the following priorities:
a. Safety - The investments will be undertaken in a manner that the principal amounts of the City's portfolio are preserved.
b. Legality - The City's funds will be invested in accordance with State statutes and the City's investment guidelines.

The City's *short term and intermediate portfolios* are invested under the following priorities:
a. Liquidity - PRIMARY EMPHASIS - The City's funds will be invested in a manner that they are available when needed for disbursement without undue exposure to interest rate risk or maturity in accordance with the stated maximum maturity.
b. Yield - SECONDARY EMPHASIS - The investments will be made in instruments that provide a fair market rate of return.

The City's *long term portfolio* is invested under the following priorities:
a. Yield - PRIMARY EMPHASIS - The investments will be made in instruments that provide a fair market rate of return.
b. Liquidity - SECONDARY EMPHASIS - The City's funds will be invested in a manner that they are available when needed for disbursement without undue exposure to market risk or maturity in accordance with the stated maximum maturity.

5. Risk Tolerance:
The City's objective is not to incur any losses through trading of securities. If a loss has to be taken to restructure or reposition a portfolio, the action needs prior approval of the Finance Officer.

6. Delegation of Authority:
The Finance Officer, in accordance with N.C.G.S. 159-30, has the authority to invest unused city funds in any authorized investment instrument. Under the direction of the Finance Officer, the Treasury Manager has the responsibility for the day to day management of City funds. The Finance Officer can also retain investment advisors on a contractual basis to manage the City's idle cash. Any investment advisor must be fully registered under the Investment Advisory Act of 1940.

7. Oversight:

All contractual investment advisors retained by the City will be under the oversight of an independent Investment Consultant. Both the consultants and the investment advisors will be under the oversight of the Treasury Manager, under the direction of the Finance Officer.

8. Authorized Investments:
The City has statutory authorization (NCGS 159-30) to invest its funds in the following:
a. Certificates, notes, bonds or bills of the United States, or other obligations of the United States or its Agencies, where the same are fully guaranteed as to both principal and interest by the full faith and credit of the United States.
b. Obligations of government-sponsored entities (Instrumentality) listed in NCGS 159-30 (c) (2).
c. Obligations of the State of North Carolina and bonds and notes of North Carolina local government or public authorities, subject to such restrictions as the Secretary of the Local Government Commission may impose.
d. Certificates of Deposit of any North Carolina bank, secured in accordance with NCGS 159-31(b).
e. Prime quality Commercial paper rated the highest by one of the rating agencies and meeting the standards of NCGS 159-30 (c) (6).
f. Banker's 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).
g. Mutual funds certified by the Local Government Commission (LGC) and meeting the standards of NCGS 159-30 (c) (8).
h. Repurchase agreements meeting the standards of NCGS 159-30 (c) (12).
i. If the City is to invest in Collateralized Mortgage Obligations (CMO), the instruments must pass the Federal Financial Instrumentality Examination Council (FFIEC) High Risk Security Test. Having underlying securities issued by a Federal Agency or Instrumentality, must be an obligation of a federal agency or instrumentality as listed in NCGS 159-30(c)(2).
j. Other investments authorized by NCGS 159-30.
A copy of the state investment statute (NCGS 159-30) is attached (Appendix A).

9. Diversification:
Investments of the City covered by these guidelines must be diversified to eliminate the risk of loss as a result of over-concentration of securities in a specific issuer, or a specific class of securities. The City will permit the investment of funds (excluding investments with maturity of less than 30 days) up to the following percentages for the various types of securities:

Type of Security	Maximum Percentage
U.S. Treasury Certificates, Bonds, Notes Bills, and Federal Agency issued obligations (8A)	100% of Portfolio
United States Government Instrumentality (8B)	100% of Portfolio 30% per Instrumentality
Collateralized Mortgage Obligation (8I)	25% of Portfolio 20% per Security
North Carolina State and Local Bonds I (8C)	50% of Portfolio
Certificates of Deposit (8D)	100% of Portfolio
Commercial Paper I (8E)	25% of Portfolio
Bankers Acceptance I (8F)	25% of Portfolio

LGC certified mutual funds (8G)	100% of Portfolio
Repurchase Agreements (8H)	As required for overnight cash flow
Continuous, discrete or European Callable securities (8A)	25% of Portfolio

1. Within these classifications, no more than 20% of the Portfolio may be invested with a single issuer.
2. Does not apply to bond proceeds.
Note: Parenthetical references to section 8 of these guidelines.

10. Maximum Maturities:
Short Term Portfolio: The City will not invest in securities with a final maturity of more than one year from the date of purchase.
Intermediate Term Portfolio: The City will not invest in securities with a final maturity of more than five years from the date of purchase.
Long Term Portfolio: The City will not invest in securities with a final maturity of more than twenty years from the date of purchase.
Any exception from this will need the approval of the Finance Officer.

11. Collateralization:
The City requires collateralization for Certificates of Deposit and repurchase (and reverse repurchase) agreements. In both cases the collateral must cover at least 105% of market value of principal and accrued interest.
Collateral will be held by an independent third party with whom the City has a custodial agreement. Safekeeping receipts must be supplied to the City evidencing ownership.

12. Safekeeping and Custody:
All security transactions, including collateral for repurchase agreements, entered into by the City or directed by asset managers on behalf of the City, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be listed in the City's name if issued only in book entry form or held by a third party custodian designated by the Director of Finance and City Treasury Manager and evidenced by safekeeping receipts.

13. Standards:
Investments will be made according to the "Prudent Person" standard: "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 income to be derived." Officials and investment advisors making investment decisions in accordance with written procedures and the investment guidelines and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. Any person involved in the investment process shall refrain from personal business activities which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial decisions. Furthermore any person involved in the investment program shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Investment consultants and advisors and employees of the City involved in the investment process, shall disclose any material or adverse financial interest that could be related to the performance of the City's

investment portfolio. City employees shall comply with the Code of Ethics of the City.

14. Performance Standards:
Short Term Portfolio: The City designates the three month Treasury Bill or Federal Agency overnight rate (whichever is higher) as the benchmark to ascertain if market yields are being achieved.
Intermediate Term Portfolio: The City designates the Lehman Intermediate Government Index net of cost as the benchmark for this portfolio.
Long Term Portfolio: The City designates the Lehman Long Term Government Bond Index net of cost as the benchmark for this portfolio.

15. Reporting:
The Treasury Manager will prepare and submit a monthly investment and cash forecasting report to the Finance Officer. In addition, a quarterly report will be submitted by the Finance Officer to the City Manager and City Council. The Treasury Manager is also responsible for providing investment and cash information to the City's external auditors.

16. Authorized Financial Dealers and Institutions:
All financial dealers and institutions that conduct investment transactions with the City will have on file with the City a Broker/Dealer Questionnaire (See Attachment 2). This questionnaire must be submitted prior to a firm being authorized to trade with the City, and annually thereafter in the month of June (does not apply to outside money managers.)

17. Guideline Exceptions:
Any deviation from the above guidelines must be confirmed in advance and in writing by the Finance Officer or Treasury Manager, under the direction of the Finance Officer.

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-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well-Managed	Assets
City Clerk	Execute contracts in a timely manner	VI-11				■	
City Clerk	Citizenry aware of public meetings	VI-11				■	
City Clerk	Return contracts to departments in a timely manner	VI-11				■	
City Clerk	Timely provide council adopted documents to departments	VI-11				■	
City Clerk	Prepare agenda items in a timely manner	VI-11				■	
City Clerk	Enhance Employee Morale	VI-12				■	
City Clerk	Provide administrative support to Mayor and members of Council	VI-12				■	
City Manager	Improve communications with citizens	VI-15				■	
City Manager	Increase awareness by public and employees about City of Durham	VI-15				■	
City Manager	Increase overall efficiency and customer satisfaction	VI-16				■	
City Manager	Stewardship of the City's financial condition	VI-16				■	
City Manager	Provide organizational climate for excellent service delivery	VI-16				■	
City Manager	Improve citizen experience	VI-16				■	
City Manager	Increase teen participation in programs	VI-17	■				
Audit Services	Complete comprehensive audits	VII-5				■	
Audit Services	Present audit plan and monthly reports	VII-5				■	
Audit Services	Increase awareness of fraud, waste and abuse	VII-5				■	
Audit Services	Training and certifications for staff	VII-6				■	
Audit Services	Engage in continuous process improvement	VII-6				■	
Audit Services	Ensure effective communication	VII-6				■	
Budget	Provide quality budget document	VII-9				■	
Budget	Accurately project General Fund discretionary revenues	VII-10				■	
Budget	Provide timely and accurate reports	VII-10				■	
Budget	Project City department budgets and fund budgets at or below budget	VII-10				■	
Budget	To invest in public infrastructure	VII-10					■
Budget	To grow the City's tax base	VII-10	■				
Budget	Initiate efficient and effective process improvements	VII-11				■	
Budget	Establish an exceptional, diverse, and engaged workforce	VII-11				■	

Goal Crosswalk FY-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well-Managed	Assets
Budget	Manage talent to ensure continuity of leadership	VII-12				■	
Budget	Engage in continuous process improvement	VII-12				■	
Budget	Ensure effective communication / satisfaction	VII-12				■	
EOEA	Make available business development opportunities for SDBE firms	VII-16	■				
EOEA	Implement Small Business Enterprise Program	VII-16				■	
EOEA	Contract compliance	VII-17				■	
EOEA	Conduct a disparity study	VII-17				■	
EOEA	Department employee satisfaction	VII-17				■	
EOEA	Provide educational programs	VII-17	■				
Finance	Maintain the highest possible credit ratings	VII-21				■	
Finance	Process payroll on time	VII-22				■	
Finance	Reconcile balance sheet general ledger accounts	VII-22				■	
Finance	Pay invoices in a timely fashion	VII-22				■	
Finance	Prepare timely financial reports	VII-23				■	
Finance	Purchasing cycle in a timely fashion	VII-23				■	
Finance	Complete pre-audit in timely fashion	VII-23				■	
Finance	Actively manage City's investment portfolio	VII-23				■	
Finance	Best practices to improve collection rate	VII-24				■	
Finance	Improve billing services	VII-24				■	
Finance	Improve business license discovery process	VII-24				■	
Finance	Same day posting of payments	VII-25				■	
Finance	To reduce delinquent accounts	VII-25				■	
Finance	Increase safety at City facilities	VII-25		■			
Finance	Reduce number of loss workdays per claim	VII-26		■			
Finance	Reduce at fault automobile accidents	VII-26		■			
Finance	Timely reporting of medical evaluations	VII-26		■			
Finance	Utilize best practices and continuously improve quality	VII-26				■	
Human Resources	Maintain customer satisfaction	VII-31				■	
Human Resources	Recruit and retain applicants for City employment	VII-31				■	
Human Resources	To have a healthy workforce	VII-31				■	
Human Resources	Maintain satisfaction with salary and classification services	VII-32				■	
Human Resources	Promote positive work environment	VII-33				■	
Human Resources	Comprehensive record keeping	VII-33				■	

Goal Crosswalk FY-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well Managed	Assets
Human Resources	Provide training and enhance career development	VII-33				■	
Human Resources	Ensure effective communication / satisfaction	VII-34				■	
Technology Solutions	Align IT resources with business needs	VII-38				■	
Technology Solutions	Improve IT customer service	VII-39				■	
Inspections	Building code compliance	VIII-6				■	
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	Ensure customer satisfaction	VIII-11				■	
Planning	Timely response to customer complaints	VIII-12				■	
Planning	Enforce and administer regulations	VIII-12				■	
Planning	Provide timely information to customers	VIII-12				■	
Planning	Monthly reporting on progress of department strategic plan	VIII-12				■	
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	Ensure safe, decent, energy efficient housing	VIII-21	■				
Community Development	Increase home ownership rate	VIII-21			■		
Community Development	To effectively manage funds to ensure fiscal responsibility	VIII-22				■	
Community Development	To reduce the number of families who experience homelessness	VIII-23			■		
Economic Development	Drive commercial activity and job creation	VIII-29	■				
Economic Development	Improve pedestrian environment and experience	VIII-30	■				

Goal Crosswalk FY-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well Managed	Assets
Economic Development	Improve business prospects for small businesses	VIII-30	■				
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	Ensure professional workplace culture	VIII-34				■	
Neighborhood Improvement Services	Enforce Minimum Housing Code / reduce code violations	VIII-41			■		
Neighborhood Improvement Services	Remediate unsafe residential and non-residential properties	VIII-42			■		
Neighborhood Improvement Services	Reduce response time to public nuisances	VIII-43			■		
Neighborhood Improvement Services	Expand outreach activities	VIII-43			■		
Neighborhood Improvement Services	Ensure compliance with Fair Housing Ordinance	VIII-44			■		
Neighborhood Improvement Services	Maximize efficiency and effectiveness of department employees	VIII-45				■	
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		■			
Emergency Communications	Dispatch all priority calls within 90 seconds or less	IX-5		■			
Emergency Communications	Ensure effective communication	IX-5				■	

Goal Crosswalk FY-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well Managed	Assets
Fire	Meet response standards to maximize citizen and firefighter safety	IX-13		■		■	
Fire	Ensure all inspected businesses are in compliance with the International Fire Code	IX-13		■			
Fire	Engage in continuous process improvement	IX-14				■	
Fire	Ensure effective communication	IX-14				■	
Fire	Develop a depreciation and replacement schedule for equipment	IX-14					■
Fire	Develop asset management plan	IX-14					■
Fire	Ensure appropriate training for staff	IX-14				■	
Police	Maintain the number of violent crimes at or below 700 per 100,000	IX-20		■			
Police	Maintain the number of property crimes at or below 4,800 per 100,000	IX-20		■			
Police	Ensure average response time of 5.8 minutes or less to Priority 1 calls	IX-20		■			
Police	Respond to 57% or more Priority 1 calls in less than 5 minutes	IX-20		■			
Police	Maintain a minimum Violent Crime Clearance Rate of 50% or higher	IX-20		■			
Police	Maintain a minimum Property Crime Clearance Rate of 23% or higher	IX-20		■			
Police	Achieve a real vacancy rate of 2% or lower per month	IX-21				■	
Police	Achieve an operational vacancy rate of 10% or lower per month	IX-21				■	
Police	Conduct citywide survey to measure perception of safety	IX-21				■	
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-5				■	
Fleet Management	Ensure effective communications	X-6				■	
General Services	Utilize work order system to improve responsiveness	X-10				■	■
General Services	Ensure people with disabilities have access to City government	X-10				■	■

Goal Crosswalk FY-13

Department	Departmental Objective / Initiative	Budget Page	Council Goals: Economy	Safe	Neighborhoods	Well Managed	Assets
General Services	Provide asset space management services	X-10				■	■
General Services	Provide maintenance in systematic manner	X-11					■
General Services	Maintain project scope, schedule and budget	X-12				■	
General Services	Manage the City's use of energy to reduce costs / carbon footprint	X-13				■	
General Services	Strengthen partnerships with community groups	X-13			■		
General Services	Complete the sale of properties	X-14					■
General Services	Use portfolio management to track real estate matters	X-14				■	
Parks & Recreation	Provide responsive and accessible recreation programs	X-20			■	■	
Parks & Recreation	Provide programs at affordable, reasonable fee rates	X-21			■	■	
Parks & Recreation	Provide aesthetically pleasing and safe parks and playgrounds and recreation facilities	X-22			■		■
Public Works	Provide safe & well maintained city streets	X-30		■			■
Public Works	Improve drainage & water quality	X-30					■
Public Works	Ensure storm drainage system is inspected and maintained	X-31					■
Public Works	Ensure engineering inspections are accurate and timely	X-31				■	
Public Works	Manage stormwater billing program	X-32				■	
Public Works	Provide prompt, accurate information to customers	X-33				■	
Public Works	Monitor and track failed developments	X-33				■	
Public Works	Monitor and report on budgets and work plan	X-34				■	
Solid Waste	Provide citizens and departments with accurate information	X-40				■	
Solid Waste	Maintain or reduce collection costs	X-40				■	
Solid Waste	Divert recyclables and reusable earth materials from the waste stream	X-41			■		
Solid Waste	Continuous efficient refuse collections	X-41			■		
Solid Waste	Provide bulk item collection services	X-42			■		
Solid Waste	Enforce the City's Solid Waste Ordinance	X-42			■		
Solid Waste	Increase recycling participation rate to 90%	X-42			■		
Solid Waste	Reduce disposal costs	X-43				■	
Solid Waste	Increase citizen use of convenience center	X-43			■		
Solid Waste	Safely operate a full-service yard waste disposal site	X-43				■	

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 and the major Enterprise Funds.

GENERAL FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
General Property Taxes	$ 97,432,048	$ 100,237,376	$ 103,124,867	$ 106,096,946	$ 109,156,117	$ 112,304,952
Taxes: Prior Year Levy/Interest	1,785,000	1,811,713	1,867,285	1,915,298	1,972,807	2,036,993
Other Local Taxes	38,573,096	39,856,314	41,200,465	42,623,622	44,096,346	45,620,366
State-Shared Revenues	20,488,846	20,897,230	21,313,781	21,738,666	22,172,045	22,614,093
Licenses and Permits	6,285,053	6,342,724	6,467,245	6,661,267	6,861,855	7,069,247
Investment/Rental Income	317,529	321,729	326,013	330,383	334,840	339,386
Charges for Current Services	8,399,956	8,468,793	8,568,220	8,705,676	8,847,323	8,993,301
Intragovernmental Services	2,363,391	2,410,659	2,458,872	2,508,049	2,558,211	2,609,375
Other Revenues	708,635	708,635	708,635	708,635	708,635	708,635
Additional Revenues	314,338	2,605,803	6,035,213	9,001,354	12,003,778	15,100,865
Total Revenues	**$ 176,667,892**	**$ 183,660,976**	**$ 192,070,596**	**$ 200,289,896**	**$ 208,711,957**	**$ 217,397,213**
Appropriations						
Personal Services	$ 125,410,732	$ 130,107,552	$ 136,165,672	$ 141,050,361	$ 146,399,114	$ 151,982,600
Operating	30,775,166	33,492,601	35,393,457	38,670,794	41,460,079	44,616,257
Capital Outlay	182,951	148,020	150,980	157,019	163,300	169,832
Debt Service	100,000	100,000	100,000	100,000	100,000	100,000
Others	2,744,877	2,814,256	2,885,633	2,959,066	3,034,614	3,112,337
Appropriation to Fund Balance	-	-	-	-	-	-
Transfers to Other Funds	17,454,166	16,998,547	17,374,854	17,352,656	17,554,850	17,416,187
Total Appropriations	**$ 176,667,892**	**$ 183,660,976**	**$ 192,070,596**	**$ 200,289,896**	**$ 208,711,957**	**$ 217,397,213**
Property Taxes Needed	$ 97,432,048	$ 100,400,153	$ 106,646,678	$ 112,512,462	$ 118,499,497	$ 124,668,675
Projected Levy	97,432,048	97,794,350	100,611,465	103,511,108	106,495,719	109,567,810
Surplus/(Shortfall)	$ -	$ (2,605,803)	$ (6,035,213)	$ (9,001,354)	$ (12,003,778)	$ (15,100,865)
One Cent on Tax Rate	$2,374,654	$ 2,383,484	$ 2,452,144	$ 2,522,815	$ 2,595,557	$ 2,670,432
Tax Rate (General Fund Only)	0.4103	0.4103	0.4103	0.4103	0.4103	0.4103
Tax Rate Equivalent	**0.0000**	**0.0109**	**0.0246**	**0.0357**	**0.0462**	**0.0565**
Tax Rate (cents)	**0.4103**	**0.4212**	**0.4349**	**0.4460**	**0.4565**	**0.4668**
12% Undesignated Fund Balance	$ 19,093,647	$ 19,649,781	$ 20,605,213	$ 21,585,381	$ 22,562,699	$ 23,612,243
Undesignated Fund Balance	$ 19,535,258	$ 19,535,258	$ 19,535,258	$ 19,535,258	$ 19,535,258	$ 19,535,258
Fund Balance %	12.5%	11.9%	11.4%	10.9%	10.4%	9.9%

GENERAL FUND PROJECTION

Revenue Assumptions

- Property Tax Base is projected to grow at 2.88% annually overall.
- FY 2015-16 is a revaluation year in which property tax rates will be reappraised.
- Other Local Taxes (Sales and Hotel/Motel) are projected at 3.5% growth annually.
- Intergovernmental projection: State shared revenues are assumed to have slow growth of 2%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Interest & Rental Income are projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have flat growth.
- Other revenue is projected to grow at 0.5% annually.

Appropriation Assumptions

- Personal Services (all salaries and benefits) appropriations are projected to grow at 3.5% overall.
- Operating appropriations are generally projected to grow at 2% in FY 2014-15, then at 4% thereafter. 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 grow at 2% in FY 2014-15, then at 4% thereafter.
- 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 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Property Taxes	$ 29,659,027	$ 30,912,702	$ 32,361,580	$ 30,871,407	$ 32,076,387	$ 33,038,679
Interest	30,097	18,549	-	-	-	-
Other Revenue	692,521	692,520	692,520	685,692	670,996	691,126
Transfers from Other Funds	1,203,484	1,076,963	1,029,825	988,338	944,876	973,222
Appropriation from Fund Balance	1,939,938	2,350,000	1,854,883	-	-	-
Total Revenues	**$ 33,525,067**	**$ 35,050,734**	**$ 35,938,808**	**$ 32,545,437**	**$ 33,692,259**	**$ 34,703,027**
Appropriations						
Debt Service	$ 33,525,067	$ 35,050,734	$ 35,938,808	$ 32,545,437	$ 33,692,259	$ 34,703,027
Total Appropriations	**$ 33,525,067**	**$ 35,050,734**	**$ 35,938,808**	**$ 32,545,437**	**$ 33,692,259**	**$ 34,703,027**

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).

Transfers from Other Funds – Transfers made from the General Fund.

Appropriation Assumptions

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

WATER AND SEWER FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Water & Sewer Sales	$ 81,490,068	$ 82,495,522	$ 85,004,503	$ 87,921,879	$ 92,395,685	$ 96,456,979
Other Operating Revenues	485,000	494,700	504,594	514,686	524,980	535,480
Investment/Rental	540,600	551,412	562,440	573,689	585,163	596,866
Licenses and Permits	56,000	57,120	58,262	59,427	60,616	61,828
Frontage Fees/Assessments	240,000	244,800	249,696	254,690	259,784	264,980
Other Revenues	66,028	67,349	68,696	70,070	71,471	72,900
Transfers From Other Funds	308,942	298,288	287,635	276,982	-	-
Appropriation from Fund Balance	6,714,865	39,343,750	-	2,272,231	-	-
Total Revenues	**$ 89,901,503**	**$ 123,552,941**	**$ 86,735,826**	**$ 91,943,654**	**$ 93,897,699**	**$ 97,989,033**
Appropriations						
Personal Services	$ 23,139,908	$ 23,776,255	$ 24,727,305	$ 25,469,124	$ 26,233,198	$ 27,020,194
Operating	27,203,562	27,747,633	28,302,586	28,868,638	29,446,011	30,034,931
Capital Outlay	10,000	10,200	10,404	10,612	10,824	11,040
Transfer to CIP	20,000,000	55,179,122	7,368,366	15,608,940	6,675,846	6,738,854
Transfer to Other Funds	656,982	670,122	683,524	697,194	711,138	725,361
Debt Service	18,891,051	16,169,609	21,865,972	21,289,146	26,794,513	26,574,521
Appropriation to Fund Balance	-	-	3,777,669	-	4,026,169	6,884,132
Total Appropriations	**$ 89,901,503**	**$ 123,552,941**	**$ 86,735,826**	**$ 91,943,654**	**$ 93,897,699**	**$ 97,989,033**

Debt Coverage Ratio:

Parity Debt	4.33	4.46	2.26	2.30	1.75	1.91
All Debt	1.88	2.36	1.76	1.84	1.53	1.68

CIP Related:

Revenue or G.O. Bond Issue	$ 11,650,000	$ 29,220,878	$ 84,231,634	$ 49,591,060	$ 57,224,154	$ 57,161,146
CIP Appropriations	$ 31,650,000	$ 84,400,000	$ 91,600,000	$ 65,200,000	$ 63,900,000	$ 63,900,000
Rate Funded	$ 20,000,000	$ 55,179,122	$ 7,368,366	$ 15,608,940	$ 6,675,846	$ 6,738,854

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 passed for FY 2012-13. This rate increase is projected to equate to about a 2.7% increase for a tier three (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

- Personal Services costs increase at a rate of 2 - 4% annually.
- Operating costs increase at a rate of 2% annually.
- Capital costs increase at a rate of 2% annually.
- The non-departmental costs generally increase at a rate of 2% annually.
- Debt Service projections for existing debt as provided by the City's Finance Department are further projected with proposed future debt service on general obligation bonds to be issued as approved in the 2005 bond referendum, and future revenue bonds and/or General Obligation bonds issued to fund the proposed CIP in fiscal year 2013 and out.
- Transfers to other funds includes a transfer to Stormwater to cover an arrangement regarding the Household Hazardous Waste program, and transfers to capital funds to pay for fleet replacements.

SOLID WASTE FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	$ 26,000	$ 26,260	$ 26,523	$ 26,788	$ 27,056	$ 27,326
Charges for Current Services	8,295,525	8,378,480	8,462,265	8,546,888	8,632,357	8,718,680
Transfers from Other Funds	13,706,256	14,050,544	14,433,903	14,418,419	14,554,087	14,375,747
Total Revenues	**$ 22,027,781**	**$ 22,455,284**	**$ 22,922,691**	**$ 22,992,095**	**$ 23,213,499**	**$ 23,121,753**
Appropriations						
Personal Services	$ 6,347,414	$ 6,474,362	$ 6,603,850	$ 6,735,927	$ 6,870,645	$ 7,008,058
Operating	12,664,862	12,918,159	13,176,522	13,440,053	13,708,854	13,983,031
Debt Service	3,015,505	3,062,763	3,142,319	2,816,116	2,634,000	2,130,664
Total Appropriations	**$ 22,027,781**	**$ 22,455,284**	**$ 22,922,691**	**$ 22,992,095**	**$ 23,213,499**	**$ 23,121,753**

SOLID WASTE PROJECTION

Revenue Assumptions

- Charges for Current Services are projected at an increase of 1% annually for future years.

Appropriation Assumptions

- Personal Services are projected to grow by 2% annually in future years.
- Operating costs are projected to grow by 2% annually.
- Debt Service estimates are provided by the Finance Department.

STORMWATER MANAGEMENT FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Operating Revenues	$ 11,985,688	$ 12,465,116	$12,963,720	$ 13,482,269	$ 14,021,560	$14,582,422
Interest and Rental Income	9,000	9,090	9,181	9,273	9,365	9,459
Miscellaneous Revenue	144,800	149,144	153,618	158,227	162,974	167,863
Transfers from Other Funds	232,047	239,008	246,179	253,564	261,171	269,006
Subtotal Revenues	**$ 12,371,535**	**$ 12,862,358**	**$13,372,698**	**$ 13,903,333**	**$ 14,455,070**	**$15,028,750**
Appropriation from Fund Balance	590,000	-	-	-	-	-
Total Revenues	**$ 12,961,535**	**$ 12,862,358**	**$13,372,698**	**$ 13,903,333**	**$ 14,455,070**	**$15,028,750**
Appropriations						
Personal Services	$ 6,489,776	$ 6,814,265	$ 7,154,978	$ 7,512,727	$ 7,888,363	$ 8,282,781
Operating	2,689,274	2,756,506	2,825,418	2,896,054	2,968,455	3,042,667
Capital Outlay	42,800	43,656	44,529	45,420	46,328	47,255
Transfers to Other Funds	3,739,685	3,178,732	3,019,796	3,080,192	3,141,795	3,298,885
Transfers to Fund Balance	-	69,199	327,977	368,940	410,128	357,162
Total Appropriations	**$ 12,961,535**	**$ 12,862,358**	**$13,372,698**	**$ 13,903,333**	**$ 14,455,070**	**$15,028,750**

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). An 8.5% rate increase has been adopted for FY 2012-13.

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

- $2.57 for less than 2,000 square feet
- $5.34 for more than 2,000 and less than 4,000 square feet
- $10.68 for more than 4,000 square feet

The monthly charge for each commercial ERU is $5.34. 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.

- 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.

- All other revenues are projected to increase by 3% annually.

Appropriation Assumptions

- Personal Services costs are projected to grow at a rate of 5% annually.

- Operating costs are projected to grow at 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.

- The fund is planned to be budgeted with a surplus each year to build a sufficient fund balance for future operational needs and/or potential debt service on future infrastructure projects.

TRANSIT FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
General Property Taxes	$ 7,670,132	$ 7,891,032	$ 8,118,294	$ 8,352,100	$ 8,592,641	$ 8,840,109
Licenses and Permits	2,200,000	2,263,359	2,328,544	2,395,606	2,464,600	2,535,580
Intergovernmental	2,548,772	2,621,342	2,696,003	2,772,814	2,851,837	2,933,136
Charges for Current Services	3,677,038	4,029,446	4,229,111	4,333,723	4,441,429	4,552,340
Other Revenue	107,433	108,873	110,399	112,017	113,732	115,550
Appropriation from Fund Balance	-	-	-	108,448	445,454	809,380
Total Revenues	**$ 16,203,375**	**$ 16,914,052**	**$ 17,482,351**	**$ 18,074,708**	**$ 18,909,693**	**$ 19,786,096**
Appropriations						
Operating	14,774,000	15,289,847	16,034,790	16,816,970	17,638,248	18,500,578
Debt Service	217,955	212,736	208,098	203,459	198,821	194,182
Transfers to Other Funds	1,211,420	1,018,662	1,036,294	1,054,279	1,072,624	1,091,336
Appropriation to Fund Balance	-	392,807	203,169	-	-	-
Total Appropriations	**$ 16,203,375**	**$ 16,914,052**	**$ 17,482,351**	**$ 18,074,708**	**$ 18,909,693**	**$ 19,786,096**

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 will affect the funding of overall Transit operations.

- The Transit Fund currently receives 3.2 cents of the tax rate. Growth in the tax base is projected at 2.88% annually. There are no assumptions about implementing the approved half cent sales tax increase that voters approved for Transit in November 2011.

- Licenses and Permits are projected to grow by 2.88% annually. No assumptions are made about including future increased fees.

- Intergovernmental (State grant) revenue growth is projected to grow by 2.88% annually.

- Charges for Services are generally projected to grow at 3% for Transit and Paratransit services, except for the portion associated with Duke University's contribution to the Bull City Connector (BCC) which is projected by assuming that Duke pays 50% of the BCC's costs.

- Appropriation from Fund Balance for the purpose of this schedule is the projected deficit for the Transit Fund in each year. The Transit Fund does not have fund balance available to fund these deficits, so identification of a long term funding solution to the ongoing operations of the transit system, and any potential future growth, will be necessary for fiscal planning and continuity of operations.

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.

- Most Transit service operating costs are projected to rise at an annual rate of 5% without any increase in service levels. Some savings shown here will be realized in FY 2012-13 and FY 2013-14 if the Designing Better Bus Service (DBBS) recommendations are approved and implemented as proposed.

- 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 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Charges for Current Services	2,090,341	2,111,244	2,132,357	2,153,681	2,175,218	2,196,970
Appropriation from Fund Balance	320,064					
Transfers from Other Funds				20,408	43,094	66,470
Total Revenues	**$ 2,412,405**	**$ 2,113,244**	**$ 2,134,357**	**$ 2,176,089**	**$ 2,220,312**	**$ 2,265,440**
Appropriations						
Personal Services	$ 64,155	$ 66,080	$ 68,062	$ 70,104	$ 72,207	$ 74,373
Operating	1,984,516	2,024,206	2,064,690	2,105,984	2,148,104	2,191,066
Capital	363,734	-	-	-	-	-
Transfer to Fund Balance	-	22,958	1,605	1	1	1
Total Appropriations	**$ 2,412,405**	**$ 2,113,244**	**$ 2,134,357**	**$ 2,176,089**	**$ 2,220,312**	**$ 2,265,440**

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 1% annually. In FY 2012-13, two garages will have reduced revenues due to planned maintenance activities that will require partial closures.
- Transfers from Other Funds are a subsidy from the General Fund. Current projections would require the subsidy to start in FY 2015-16.

Appropriation Assumptions

- Personal Services are projected to grow by 3%.
- Operating costs are projected to grow by 2% annually.
- Capital costs are one-time in FY 2012-13 for parking equipment upgrades.

BALLPARK FUND
PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	$ 564,447	$ 570,091	$ 575,792	$ 581,550	$ 587,366	$ 593,239
Charges for Service	125,000	125,000	125,000	125,000	125,000	125,000
Transfers from Other Funds	1,594,931	451,591	467,105	483,022	499,349	516,101
Total Revenues	**$ 2,284,378**	**$ 1,146,682**	**$ 1,167,897**	**$ 1,189,572**	**$ 1,211,715**	**$ 1,234,341**
Appropriations						
Personal Services	$ 114,135	$ 117,559	$ 121,086	$ 124,718	$ 128,460	$ 132,314
Operating	867,068	884,409	902,098	920,139	938,542	957,313
Debt Service	978,378	33,988	27,898	21,474	14,695	7,544
Transfers to Other Funds	324,797	110,726	116,816	123,240	130,018	137,170
Total Appropriations	**$ 2,284,378**	**$ 1,146,682**	**$ 1,167,897**	**$ 1,189,572**	**$ 1,211,715**	**$ 1,234,341**

BALLPARK PROJECTION

Revenue Assumptions

- Rental and lease income includes Skybox revenue, rents and a ticket surcharge and is projected to grow at 1% annually.
- Charges for Service represent ticket surcharges which are projected to have flat growth.
- The Transfer from Other Funds represents a subsidy from the General Fund for debt service payments and a portion of operating expenses. Though this shows the subsidy decreasing substantially in FY 2013-14 due to current debt service payments expiring, current negotiations for the new contract may include adding a capital reserve component that may keep the current subsidy near its present level in future years.

Appropriation Assumptions

- Personal Services costs are projected to grow by 3% annually.
- Operating costs are projected to grow by 2% annually.
- Debt Service estimates are supplied by the Finance Department.

City of Durham, North Carolina
Budget
Fiscal Year 2012 - 2013

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 cover depicts activities that support the Culture of Service organizational renewal and employee engagement undertaking. City of Durham employees have the opportunity every day to make a difference. It may be a big difference or a small difference, but the opportunity is there. Most public service employees choose to work in local government because they want to make a difference in the community and in the lives of others. In fact, many feel a "calling to serve." The Culture of Service seeks to engage employees' discretionary efforts in three areas: Service to Self, Service to Coworkers and Service to Community. One aspect of Service to Self is physical and emotional health. Healthy employees are better prepared to serve others. Service to Coworkers emphasizes cooperation and collaboration. The STARs employee recognition program highlights peer and resident recognition of excellence among employees. Service to Community encompasses not only quality in regular duties but also volunteer efforts in the community. This past year volunteers dedicated more than 1,000 hours of service toward building a home with Habitat for Humanity and numerous hours assisting children, schools and non-profit organizations in the community.

Mayor

William V. "Bill" Bell

City Council

Eugene A. Brown
Diane Catotti
Howard Clement, III
Cora M. Cole-McFadden
Steve Schewel
Michael Woodard

City Manager's office

Thomas J. Bonfield, City Manager
Wanda Page, 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, 2011.

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, 2011

President Executive Director

City of Durham
Organizational Chart

TABLE OF CONTENTS

Letter of Transmittal

Manager's Letter I-1-16

City Priorities and Policies

Overview II-1
Strategic Plan II-2-32
Budget and Financial Policies II-33-39
Crosswalk of Department Goals to City Goals II-40-46

Multi-Year Projections

Overview III-1
General Fund Appropriation and Revenue Projections III-2-3
Debt Fund Appropriation and Revenue Projections III-4
Water and Sewer Fund Appropriation and Revenue Projections III-5-6
Solid Waste Disposal Fund Appropriation and Revenue Projections III-7
Stormwater Management Fund Appropriation and Revenue Projections III-8
Transit Fund Appropriation and Revenue Projections III-9
Parking Facilities Fund Appropriation and Revenue Projections III-10
Ballpark Fund Appropriation and Revenue Projections III-11

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
Estimated 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-16-21
Capital Facilities Fees Fund V-22
Solid Waste Disposal Fund V-23
Stormwater Management Fund V-24-25
Transit Fund V-26
Parking Facilities Fund V-27

Ballpark Fund V-28
Law Enforcement Officers' Separation Allowance Fund V-29
Cemetery Fund V-30
Other Post Employment Benefits Fund V-31
Emergency Telephone System Surcharge Fund V-32
Durham Performing Arts Center Fund V-33
Durham Performing Arts Center Capital Reserve 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

Governance

Budget Summary VI-1-2
City Council VI-3-4
City Attorney VI-5-8
City Clerk VI-9-12
City Manager VI-13-18

Administrative and Support Services

Budget Summary VII-1-2
Audit Services VII-3-7
Budget and Management Services VII-8-13
Equal Opportunity and Equity Assurance VII-14-18
Finance VII-19-27
Human Resources VII-28-35
Technology Solutions VII-36-40

Community Building

Budget Summary VIII-1-2
City/County Inspections VIII-3-7
City/County Planning VIII-8-16
Community Development VIII-17-24
Economic and Workforce Development VIII-25-37
Neighborhood Improvement Services VIII-38-47
Contract Agencies – Arts and Culture VIII-48
Contract Agencies – Community Services VIII-49

Public Safety

Budget Summary IX-1-2
Emergency Communications IX-3-6
Emergency Management IX-7-9
Fire IX-10-16
Police IX-17-22

Public Services

Budget Summary X-1-2
Fleet Management X-3-6
General Services X-7-15

Parks and Recreation X-16-25
Public Works X-26-36
Solid Waste X-37-45
Transportation X-46-54
Water Management X-55-65

Debt Management

Debt Management XI-1-6
Debt Management Policy XI-7-22

Capital and Grant Project Information .....

Capital Improvement Program Process and Revenue sources XII-1-7
Operating Costs from Associated Capital Expenditures XII-8
General Capital Improvement Project Ordinance XII-9-19
Water and Wastewater Capital Improvement Project Ordinance XII-20-22
Stormwater Capital Improvement Project Ordinance XII-23
Solid Waste Capital Improvement Project Ordinance XII-24
Employment and Training Grants XII-25-27
Community Development Block Grants XII-28-29
HOME Grant XII-30-32
Emergency Shelter Grant XII-33
Human Relations Grant XII-34
Transit Grants XII-35-36
Police Grants XII-37-46

Supplemental Information

Annual Budget Process XIII-1

FY2012-13 City of Durham adopted Ordinances and Resolutions XIII-2-7

Pertinent Facts about Durham, North Carolina XIII-8-16

Glossary XIII-17-22

Index XIII-23-25

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.

SUMMARY OF REVENUES AND APPROPRIATIONS
FOR ALL FUNDS

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13
General Property Taxes	$ 126,901,476	$ 131,415,227	$ 131,337,520	$ 136,947,540
Other Local Taxes	35,352,266	37,927,983	38,096,587	39,873,096
Intergovernmental	23,214,312	22,195,415	21,479,008	23,037,618
Licenses and Permits	9,408,008	8,671,566	8,848,171	8,541,053
Investment and Rental Income	2,613,304	1,999,141	1,847,293	1,633,173
Charges for Current Services	26,133,864	28,707,021	29,113,351	29,111,783
Intragovernmental Charges	2,749,998	2,390,773	2,246,705	2,363,391
Operating Revenues	92,133,340	94,750,697	95,078,252	99,420,893
Other Revenues	12,326,728	4,037,483	4,308,219	3,776,637
Transfers from Other Funds	32,831,367	24,084,918	27,494,002	17,754,660
Appropriation from Fund Balance	22,334,984	6,331,003	13,941,825	10,712,624
Total Revenues	**$ 385,999,647**	**$ 362,511,227**	**$ 373,790,933**	**$ 373,172,468**
Personal Services	$ 158,949,594	$ 164,737,764	$ 164,442,618	$ 167,769,058
Operating	92,974,405	99,148,131	99,468,926	93,742,223
Capital	572,095	982,343	852,341	599,485
Debt Service	72,857,235	55,591,045	59,465,948	59,215,054
Transfers To Other Funds	47,720,266	39,592,024	43,483,350	46,857,550
Other	-	123,621	61,626	2,867,210
Transfer to Fund Balance	12,926,052	2,336,299	6,016,124	2,121,888
Total Appropriations	**$ 385,999,647**	**$ 362,511,227**	**$ 373,790,933**	**$ 373,172,468**

SUMMARY OF REVENUES AND APPROPRIATIONS FOR ALL FUNDS

FY 2012-2013 REVENUES

FY 2012-2013 APPROPRIATIONS

SUMMARY OF ALL FUNDS
RECOGNIZED IN BUDGET ORDINANCE

Budget Ordinance

SUMMARY OF REVENUES FOR ALL FUNDS RECOGNIZED IN BUDGET ORDINANCE

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13
General Fund				
General Property Taxes	$ 102,891,508	$ 107,997,056	$ 102,318,102	$ 99,217,048
Other Local Taxes	34,124,805	36,677,983	36,846,587	38,573,096
State-Shared Revenues	20,572,713	19,806,250	19,307,730	20,488,846
Licenses and Permits	7,121,466	6,426,066	6,624,999	6,285,053
Interest and Rental Income	784,760	549,412	349,290	317,529
Charges for Current Services	7,287,611	7,499,775	7,969,307	8,399,956
Intragovernmental Revenues	2,749,998	2,390,773	2,246,705	2,363,391
Other Revenues	3,372,671	859,780	884,493	708,635
Transfers from Other Funds	2,956,672	244,581	690,828	-
Subtotal Current Revenues	**$ 181,862,204**	**$ 182,451,676**	**$ 177,238,041**	**$ 176,353,554**
Appropriation from Fund Balance	20,617,145	360,055	6,999,649	314,338
Total Revenues	**$ 202,479,349**	**$ 182,811,731**	**$ 184,237,690**	**$ 176,667,892**
Debt Service Fund				
General Property Taxes	$ 24,009,968	$ 23,418,171	$ 29,019,418	$ 29,659,027
Interest	-	37,500	17,817	30,097
Other Revenue	347,974	645,698	692,520	692,521
Transfers from Other Funds	6,426,807	1,243,173	3,730,833	1,203,484
Subtotal Current Revenues	**$ 30,784,749**	**$ 25,344,542**	**$ 33,460,588**	**$ 31,585,129**
Appropriations from Fund Balance	-	3,685,907	3,685,907	1,939,938
Total Revenues	**$ 30,784,749**	**$ 29,030,449**	**$ 37,146,495**	**$ 33,525,067**
Water and Sewer Fund				
Investment and Rental Income	$ 833,819	$ 574,069	$ 586,127	$ 540,600
Water and Sewer Sales	75,779,026	78,724,503	77,890,801	81,490,068
Other Operating Revenue	495,149	513,000	416,868	485,000
Licenses and Permits	51,552	45,500	63,133	56,000
Frontage Fees/Assessments	387,674	276,000	575,000	240,000
Other	4,136,323	66,028	66,028	66,028
Transfer from Other Funds	25,000	319,595	344,595	308,942
Subtotal Current Revenues	**$ 81,708,543**	**$ 80,518,695**	**$ 79,942,552**	**$ 83,186,638**
Appropriations from Fund Balance	-	1,426,968	1,238,446	6,714,865
Total Revenues	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**
Solid Waste Disposal Fund				
Investment and Rental Income	$ 63,085	$ 29,597	$ 34,237	$ 26,000
Charges for Current Services	7,606,813	8,537,975	8,381,023	8,119,800
Debt Proceeds	440	725	725	725
Landfill Gas	215,104	200,000	192,600	175,000
Transfers from Other Funds	12,950,905	12,506,477	12,506,477	13,706,256
Subtotal Current Revenues	**$ 20,836,347**	**$ 21,274,774**	**$ 21,115,062**	**$ 22,027,781**
Appropriations from Fund Balance	970,247	-	613,381	-
Total Revenues	**$ 21,806,594**	**$ 21,274,774**	**$ 21,728,443**	**$ 22,027,781**
Stormwater Management Fund				
Operating Revenues	$ 9,836,621	$ 10,836,166	$ 10,836,166	$ 11,985,688
Interest and Rental Income	20,000	11,551	12,185	9,000
Miscellaneous Revenue	227,203	105,707	188,403	144,800
Transfer from Other Funds	232,047	232,047	477,335	232,047
Subtotal Current Revenues	**$ 10,315,871**	**$ 11,185,471**	**$ 11,514,089**	**$ 12,371,535**
Appropriations from Fund Balance	-	273,722	163,676	590,000
Total Revenues	**$ 10,315,871**	**$ 11,459,193**	**$ 11,677,765**	**$ 12,961,535**
Transit Fund				
General Property Taxes	$ -	$ -	$ -	$ 7,670,132
Licenses and Permits	2,234,990	2,200,000	2,160,039	2,200,000
Intergovernmental	2,641,599	2,389,165	2,171,278	2,548,772
Charges for Current Services	2,919,304	3,280,717	3,413,911	3,677,038
Other Revenue	382,984	90,575	107,471	107,433
Transfers from Other Funds	7,748,926	7,505,016	7,709,905	-
Subtotal Current Revenues	**$ 15,927,803**	**$ 15,465,473**	**$ 15,562,604**	**$ 16,203,375**
Appropriation from Fund Balance	156,081	-	642,187	-
Total Revenues	**$ 16,083,884**	**$ 15,465,473**	**$ 16,204,791**	**$ 16,203,375**
Parking Facilities Fund				
Interest and Rental Income	$ 3,504	$ 4,638	$ 1,746	$ 2,000
Charges for Current Services	1,871,559	2,170,981	2,156,560	2,090,341
Subtotal Current Revenues	**$ 1,875,063**	**$ 2,175,619**	**$ 2,158,306**	**$ 2,092,341**
Appropriations from Fund Balance	358,350	-	-	320,064
Total Revenues	**$ 2,233,413**	**$ 2,175,619**	**$ 2,158,306**	**$ 2,412,405**

Ballpark Fund				
Interest and Rental Income	$ 587,869	$ 567,153	$ 599,252	$ 564,447
Charges for Services	121,030	125,000	99,977	125,000
Debt Refunding	1,789,319	-	-	-
Transfers from Other Funds	1,646,053	1,391,020	1,391,020	1,594,931
Subtotal Current Revenues	**$ 4,144,271**	**$ 2,083,173**	**$ 2,090,249**	**$ 2,284,378**
Appropriation from Fund Balance	-	-	112,105	-
Total Revenues	**$ 4,144,271**	**$ 2,083,173**	**$ 2,202,354**	**$ 2,284,378**
LEO Special Separation Fund				
Charges for Current Services	$ 1,319,633	$ 1,299,676	$ 1,299,676	$ 1,383,281
Interest and Rental Income	14,847	10,686	9,467	6,500
Subtotal Current Revenues	**$ 1,334,480**	**$ 1,310,362**	**$ 1,309,143**	**$ 1,389,781**
Appropriation from Fund Balance	21,286	6,739	22,169	-
Total Revenues	**$ 1,355,766**	**$ 1,317,101**	**$ 1,331,312**	**$ 1,389,781**
Cemetery Fund				
Interest and Rental Income	$ 16,804	$ 12,303	$ 11,102	$ 7,500
Transfer from Other Funds	22,391	-	-	-
Subtotal Current Revenues	**$ 39,195**	**$ 12,303**	**$ 11,102**	**$ 7,500**
Appropriations from Fund Balance	-	232,278	233,479	92,500
Total Revenues	**$ 39,195**	**$ 244,581**	**$ 244,581**	**$ 100,000**
Other Post Employment Benefits Fund				
Charges for Services	$ 3,490,667	$ 3,996,566	$ 3,996,566	$ 3,802,617
Contributions	755,086	870,848	765,892	780,495
Subtotal Current Revenues	**$ 4,245,753**	**$ 4,867,414**	**$ 4,762,458**	**$ 4,583,112**
Appropriations from Fund Balance	66,911	-	-	61,507
Total Revenues	**$ 4,312,664**	**$ 4,867,414**	**$ 4,762,458**	**$ 4,644,619**
Emergency Telephone Surcharge Fund				
Charges for Services	$ 1,517,247	$ 1,796,331	$ 1,796,331	$ 1,413,750
Interest and Rental Income	9,126	5,008	6,189	4,000
Subtotal Current Revenues	**$ 1,526,373**	**$ 1,801,339**	**$ 1,802,520**	**$ 1,417,750**
Appropriations from Fund Balance	11,519	171,311	164,618	382,581
Total Revenues	**$ 1,537,892**	**$ 1,972,650**	**$ 1,967,138**	**$ 1,800,331**
Business Improvement District Fund				
General Property Taxes	$ -	$ -	$ -	$ 401,333
Transfers from Other Funds	-	-	-	250,000
Total Revenues	**$ -**	**$ -**	**$ -**	**$ 651,333**
Durham Performing Arts Center Fund				
Other Local Taxes	$ 1,227,461	$ 1,250,000	$ 1,250,000	$ 1,300,000
Other Revenues	711,950	922,122	835,087	861,000
Operating Revenues	1,080,791	700,000	900,000	918,000
Transfer from Other Funds	206,000	100,000	100,000	-
Subtotal Current Revenues	**$ 3,226,201**	**$ 2,972,122**	**$ 3,085,087**	**$ 3,079,000**
Appropriation from Fund Balance	133,445	174,023	66,208	296,831
Total Revenues	**$ 3,359,646**	**$ 3,146,145**	**$ 3,151,295**	**$ 3,375,831**
DPAC Capital Reserve Fund				
Interest and Rental Income	$ 1,404	$ 1,688	$ 6,331	$ 1,000
Transfer from Other Funds	616,566	543,009	543,009	459,000
Total Revenues	**$ 617,970**	**$ 544,697**	**$ 549,340**	**$ 460,000**
Watershed Protection Fund				
Charges for Services	$ -	$ -	$ -	$ 100,000
Total Revenues	**$ -**	**$ -**	**$ -**	**$ 100,000**
Impact Fee Fund				
Operating Revenues	$ 2,407,861	$ 1,719,602	$ 1,742,137	$ 1,742,137
Interest and Rental Income	251,703	175,047	184,654	113,000
Total Revenues	**$ 2,659,564**	**$ 1,894,649**	**$ 1,926,791**	**$ 1,855,137**
Capital Facilities Fees Fund				
Operating Revenues	$ 2,533,892	$ 2,257,426	$ 3,292,280	$ 2,800,000
Interest and Rental Income	26,383	20,489	28,896	11,500
Total Revenues	**$ 2,560,275**	**$ 2,277,915**	**$ 3,321,176**	**$ 2,811,500**
Total Budget Ordinance	**$ 385,999,647**	**$ 362,511,227**	**$ 373,790,933**	**$ 373,172,468**

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

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13
Risk Reduction Fund				
Interest and Rental Income	$ 102,580	$ 84,267	$ 58,738	$ 80,249
Charges for Current Services	4,742,720	4,781,100	4,781,100	3,712,485
Transfer from Other Funds	-	778,842	778,842	48,709
Subtotal Current Revenues	**$ 4,845,300**	**$ 5,644,209**	**$ 5,618,680**	**$ 3,841,443**
Appropriation from Fund Balance	-	270,776	-	1,965,000
Total Revenues	**$ 4,845,300**	**$ 5,914,985**	**$ 5,618,680**	**$ 5,806,443**
Employee Insurance Fund				
Charges for Current Services	$ 23,009,473	$ 28,914,846	27,751,020	29,112,275
Interest	18,090	18,750	30,165	12,500
Total Revenues	**$ 23,027,563**	**$ 28,933,596**	**$ 27,781,185**	**$ 29,124,775**
Total Internal Service Funds	**$ 27,872,863**	**$ 34,848,581**	**$ 33,399,865**	**$ 34,931,218**

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

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13
Community Development	6,593,156	4,458,054	4,343,532	3,226,498
Employment and Training	2,605,121	1,689,843	2,500,192	2,336,402
Transit	4,270,358	3,677,560	4,634,359	4,643,512
Transportation Planning	1,928,218	1,692,785	1,649,729	1,692,785
Law Enforcement	2,800,306	1,152,630	2,289,583	1,177,251
Total Major Grant Funds	**$ 18,197,159**	**$ 12,670,872**	**$ 15,417,395**	**$ 13,076,448**
TOTAL ALL REVENUES	**$ 432,069,669**	**$ 410,030,680**	**$ 422,401,300**	**$ 421,180,134**

SUMMARY OF APPROPRIATIONS FOR ALL FUNDS

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13
Budget Ordinance				
General Fund				
Governance	$ 5,644,722	$ 6,006,749	$ 5,932,654	$ 5,756,268
Administrative and Support	14,799,113	15,659,074	16,451,034	15,920,503
Community Building	13,871,961	14,669,095	15,937,667	17,694,475
Public Safety	75,470,998	76,914,894	78,317,136	80,280,086
Public Services	59,757,910	60,781,420	62,722,822	55,824,859
Non-assigned	32,934,646	8,780,499	4,882,377	1,191,701
Total General Fund	**$ 202,479,350**	**$ 182,811,731**	**$ 184,243,690**	**$ 176,667,892**
Water & Sewer Fund				
Public Services	$ 38,384,015	$ 43,149,022	$ 43,967,954	$ 43,125,337
Administrative and Support	190,730	188,659	142,979	183,947
Non-departmental	43,133,798	38,607,982	37,070,065	46,592,219
Total Water & Sewer Fund	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**
Debt Service Fund	30,784,749	29,030,449	37,146,495	33,525,067
Solid Waste Disposal Fund	21,806,594	21,274,774	21,728,443	22,027,781
Stormwater Fund	10,315,871	11,459,193	11,677,765	12,961,535
Transit Fund	16,083,884	15,465,473	16,204,791	16,203,375
Parking Facilities Fund	2,233,413	2,175,619	2,158,306	2,412,405
Ballpark Fund	4,144,271	2,083,173	2,202,354	2,284,378
LEO Special Allowance Fund	1,355,766	1,317,101	1,331,312	1,389,781
Cemetery Fund	39,195	244,581	244,581	100,000
Other Post Employment Benefits Fund	4,312,664	4,867,414	4,762,458	4,644,619
Emergency Telephone System Fund	1,537,892	1,972,650	1,967,138	1,800,331
Business Improvement District Fund	-	-	-	651,333
Durham Performing Arts Center Fund	3,359,646	3,146,145	3,151,295	3,375,831
DPAC Capital Reserve Fund	617,970	544,697	549,340	460,000
Watershed Protection Fund	-	-	-	100,000
Impact Fee Fund	2,659,564	1,894,649	1,926,791	1,855,137
Capital Facilities Fee Fund	2,560,275	2,277,915	3,321,176	2,811,500
Total Budget Ordinance	**$ 385,999,648**	**$ 362,511,227**	**$ 373,796,933**	**$ 373,172,468**
Internal Service Funds				
Risk Reduction Fund	$ 4,845,300	$ 5,914,985	$ 5,618,680	$ 5,806,443
Employee Insurance Fund	23,027,563	28,933,596	27,781,185	29,124,775
Total Internal Services Funds	**$ 27,872,863**	**$ 34,848,581**	**$ 33,399,865**	**$ 34,931,218**
Major Grant Funds				
Community Development	$ 6,593,156	$ 4,458,054	$ 4,343,532	$ 3,226,498
Employment and Training	2,605,121	1,689,843	2,500,192	2,336,402
Transit	4,270,358	3,677,560	4,634,359	4,643,512
Transportation Planning	1,928,218	1,692,785	1,649,729	1,692,785
Public Safety	2,800,306	1,152,630	2,289,583	1,177,251
Total Major Grant Funds	**$ 18,197,159**	**$ 12,670,872**	**$ 15,417,395**	**$ 13,076,448**
Subtotal All Funds	**$ 432,069,670**	**$ 410,030,680**	**$ 422,614,193**	**$ 421,180,134**
Less: Intrabudget Transactions	(29,760,668)	(24,863,760)	(24,491,254)	(17,803,369)
Less: Internal Service Charges	(15,136,767)	(15,328,659)	(8,707,666)	(7,515,102)
Total All Funds	**$ 387,172,235**	**$ 369,838,261**	**$ 389,415,273**	**$ 395,861,663**

ALL FY 2012-13 OPERATING FUNDS BY APPROPRIATION CATEGORY

	Personal Services	Operating	Capital Outlay	Debt Service	Transfers to Other Funds	Other	Total
Budget Ordinance							
General Fund	$ 125,410,732	$ 30,775,166	$ 182,951	$ 100,000	$ 17,454,166	$ 2,744,877	$ 176,667,892
Water & Sewer Fund	23,139,908	27,203,562	10,000	18,891,051	20,656,982	-	89,901,503
Debt Service Fund	-	-	-	33,525,067	-	-	33,525,067
Solid Waste Disposal Fund	6,347,414	12,664,862	-	3,015,505	-	-	22,027,781
Stormwater Fund	6,493,576	2,686,274	42,000	-	3,739,685	-	12,961,535
Transit Fund	-	14,774,000	-	217,955	1,211,420	-	16,203,375
Parking Facilities Fund	64,155	1,984,516	363,734	-	-	-	2,412,405
Ballpark Fund	114,135	867,068	-	978,378	324,797	-	2,284,378
LEO Special Allowance	1,388,581	1,200	-	-	-	-	1,389,781
Cemetery Fund	-	-	-	-	100,000	-	100,000
Other Post Employment Benefits	4,627,869	16,750	-	-	-	-	4,644,619
Emergency Telephone Fund	186,488	1,609,843	-	-	-	4,000	1,800,331
Business Improvement District	-	630,000	-	-	-	21,333	651,333
Durham Performing Arts Center	-	429,733	-	2,487,098	459,000	-	3,375,831
DPAC Capital Reserve Fund	-	197,249	-	-	-	262,751	460,000
Watershed Protection Fund	-	-	-	-	100,000	-	100,000
Impact Fee Fund	-	-	-	-	-	1,855,137	1,855,137
Capital Facilities Fee Fund	-	-	-	-	2,811,500	-	2,811,500
Total Budget Ordinance	**$ 167,772,858**	**$ 93,840,223**	**$ 598,685**	**$ 59,215,054**	**$ 46,857,550**	**$ 4,888,098**	**$ 373,172,468**
Internal Service Funds							
Risk Retention Fund	$ -	$ 5,806,443	$ -	$ -	$ -	$ -	$ 5,806,443
Employee Insurance Fund	76,889	29,047,886	-	-	-	-	29,124,775
Total Internal Service Funds	**$ 76,889**	**$ 34,854,329**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 34,931,218**
Grant Project Ordinances							
Community Development Grants	$ 513,404	$ 2,713,094	$ -	$ -	$ -	$ -	$ 3,226,498
Employment and Training	767,000	1,569,402	-	-	-	-	2,336,402
Transit Grants	78,956	4,518,121	46,435	-	-	-	4,643,512
Transportation Planning	841,728	851,057	-	-	-	-	1,692,785
Public Safety	239,036	938,215	-	-	-	-	1,177,251
Total Grant Proj Ordinances	**$ 2,440,124**	**$ 10,589,889**	**$ 46,435**	**$ -**	**$ -**	**$ -**	**$ 13,076,448**
Total - All Funds	**$ 170,289,871**	**$ 139,284,441**	**$ 645,120**	**$ 59,215,054**	**$ 46,857,550**	**$ 4,888,098**	**$ 421,180,134**

INTRABUDGET TRANSFERS

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
To Operating Budget Funds					
To Ballpark Fund					
From General Fund	$ 1,531,498	$ 1,391,020	$ 1,391,020	$ 1,594,931	14.7%
To Solid Waste Fund					
From General Fund	$ 12,950,805	$ 12,506,477	$ 12,506,477	$ 13,706,256	9.6%
To Transit Fund					
From General Fund	$ 7,564,441	$ 7,505,016	$ 7,709,905	$ -	-100.0%
To BID Fund					
From General Fund	$ -	$ -	$ -	$ 250,000	100.0%
To Water and Sewer Fund					
From General Fund	$ -	$ 319,595	$ 319,595	$ 308,942	-3.3%
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	$ 6,426,807	$ 1,243,173	$ 1,243,173	$ 1,203,484	-3.2%
To DPAC Fund					
From General Fund (Downtown Fund)	$ 206,000	$ 100,000	$ 100,000	$ -	-100.0%
To DPAC Capital Reserve					
From DPAC Fund	$ 616,566	$ 543,009	$ 543,009	$ 459,000	-15.5%
To Other Post Employment Fund					
Charges for Services General Fund	$ 3,303,779	$ 3,061,298	$ 3,061,298	$ 3,009,616	-1.7%
Charges for Services Other Funds	687,318	935,268	935,268	793,001	-15.2%
Subtotal	$ 3,991,097	$ 3,996,566	$ 3,996,566	$ 3,802,617	-4.9%
To General Fund					
From Transit Fund	$ 193,309	$ -	$ -	$ -	0.0%
From Cemetery Fund	39,195	244,581	244,581	-	-100.0%
Subtotal	$ 232,504	$ 244,581	$ 244,581	$ -	-100.0%
To Internal Service Funds					
To Fleet Fund					
Charges for Services General Fund	$ 4,629,950	$ 5,601,247	$ -	$ -	-100.0%
Charges for Services Other Funds	1,773,000	949,746	-	-	-100.0%
Subtotal	$ 6,402,950	$ 6,550,993	$ -	$ -	-100.0%
To Risk Retention Fund					
From General Fund	$ -	$ -	$ -	$ 48,709	100.0%
From Fleet Fund	-	778,842	201,447	-	-100.0%
Charges for Services General Fund	3,303,779	2,911,522	2,841,522	2,358,257	-19.0%
Charges for Services Other Funds	1,438,941	1,869,578	1,869,578	1,354,228	-27.6%
Subtotal	$ 4,742,720	$ 5,559,942	$ 4,912,547	$ 3,761,194	-32.4%
From the General Fund - Transfers	$ 28,679,551	$ 23,065,281	$ 23,270,170	$ 17,112,322	-25.8%
From Other Funds - Transfers	$ 1,081,117	$ 1,798,479	$ 1,221,084	$ 691,047	-61.6%
Charges for Services - General Fund	$ 11,237,508	$ 11,574,067	$ 5,902,820	$ 5,367,873	-53.6%
Charges for Services - Other Funds	$ 3,899,259	$ 3,754,592	$ 2,804,846	$ 2,147,229	-42.8%
Total Intrabudget Transfers	$ 44,897,435	$ 40,192,419	$ 33,198,920	$ 25,318,471	-37.0%

PROPERTY TAX BASE INFORMATION

Tax Base Components:

Real Property is comprised of all land and buildings that are taxable. An increase of 1.87% is assumed for FY 2012-13 based on data obtained from the County Tax Assessor's Office. Real property makes up approximately 87% of the tax base for FY 2012-13.

Personal Property is comprised of property located in businesses. Based on data from the County Tax Assessor's office and recent trends in this category a decrease of 0.12% is projected for FY 2012-13. Personal property makes up approximately 7% of the tax base for FY 2012-13.

Motor Vehicle is comprised of items such as automobiles, boats, trailers and equipment. We project an increase of 6.9% in value for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up approximately 5% of the tax base for FY 2012-13.

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 7.2% is projected for FY 2012-13. Public utility property makes up approximately 1% of the tax base in FY 2012-13.

The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 1999-2000. Property is reassessed every eight years. The last revaluation was effective with the FY2008-09 fiscal year. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 01	7,520	5.55%	954	9.74%	1,125	0.28%	278	-11.01%
FY 02	11,171	48.56%	1,139	19.44%	1,147	2.03%	379	36.31%
FY 03	11,652	4.31%	1,186	4.14%	1,175	2.41%	345	-9.06%
FY 04	12,099	3.83%	1,248	5.23%	1,162	-1.11%	334	-3.18%
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%

TAX RATE AND ESTIMATED TAX COLLECTIONS

	Actual FY2010-11	Adopted FY2011-12	Estimated FY2011-12	Adopted FY2012-13
Assessed Value				
Real Property	$ 21,550,813,190	$ 20,456,624,331	$ 19,894,033,558	$ 20,839,163,206
Personal Property	-	1,606,988,509	1,714,548,505	1,604,548,508
Motor Vehicles	1,250,013,589	1,229,881,977	1,315,667,330	1,315,667,330
Public Utility Property	326,818,989	322,590,029	299,930,597	299,930,597
Assessed Valuation	$ 23,127,645,768	$ 23,616,084,846	$ 23,224,179,990	$ 24,059,309,641
Tax Rate Per $100 Valuation				
General Fund	$ 0.4326	$ 0.4326	$ 0.4326	$ 0.4003
Dedicated Housing	$ -	$ -	$ -	$ 0.0100
Transit Fund	$ -	$ -	$ -	$ 0.0323
Debt Reserve Fund	0.1193	0.1249	0.1249	0.1249
Total Tax Rate	$ 0.5519	$ 0.5575	$ 0.5575	$ 0.5675
Tax Levy	$ 127,641,477	$ 131,659,673	$ 129,474,803	$ 136,536,582
Less: Uncollected Taxes	(1,595,518)	(1,974,895)	(1,553,698)	(1,774,976)
Estimated Collectable Levy	$ 126,045,959	$ 129,684,778	$ 127,921,105	$ 134,761,606
Less: Discounts	-	-	-	-
Estimated Collections	$ 126,045,959	$ 129,684,778	$ 127,921,105	$ 134,761,606
Appropriated to:				
General Fund	$ 102,024,175	$ 100,630,735	$ 99,262,189	$ 95,057,394
Dedicated Housing Fund	$ -	$ -	$ -	$ 2,374,654
Transit Fund	$ -	$ -	$ -	$ 7,670,132
Debt Reserve Fund	$ 24,009,968	$ 29,054,043	$ 28,658,917	$ 29,659,427
*one cent equals	$ 2,283,855	$ 2,326,184	$ 2,294,549	$ 2,374,654

The FY 2012-2013 budget includes a 1.00 cent per $100 of assessed value tax rate increase for dedicated housing funding. 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 2011-12 the amount of uncollected taxes is equal to 1.5% 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 also maintain a fund balance of 12%. For FY 2012-13 the adopted fund balance of 12.5% is a result of an increase in General Fund fund balance from the prior year, and an appropriation from fund balance for carryover requests and subsequent year's expenditures. The actual Undesignated Fund Balance will be determined following the annual audit of revenues and expenditures for FY 2011-12. The City does not have a Fund Balance policy for the Enterprise and Special 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, 2011	$ 21,879,765	
Minus: appropriation from Fund Balance for subsequent year's expenditures	(360,055)	
Minus: designated for subsequent year's expenditures	-	
Total unrestricted fund balance at June 30, 2011	$ 21,519,710	
Add: Estimated Addition/(Reduction) during FY 2011	-	
Total unrestricted fund balance available for appropriation at June 30, 2011	$ 21,519,710	
Minus: designated for subsequent year's expenditures	(1,670,114)	
Add: Estimated FY12 General Fund budgets returned to Fund Balance	-	
Minus: appropriation from fund balance for subsequent year's expenditures	(314,338)	
Total unrestricted fund balance at June 30, 2012	$ 19,535,258	12.5%

Estimated Changes in Fund Balance – Appropriated Funds

	General Fund Unrestricted	Enterprise Funds (*)	Special Revenue Funds (*)	Fee Generated Funds (*)
Estimated Beginning Balance FY 12	$ 19,535,258	$ 98,887,152	$ 3,422,567	$ 1,570,884
Budget Revenues FY 13	176,667,892	124,913,197	3,190,112	2,811,500
Budgeted Expenditures FY 13	(156,368,849)	(114,363,489)	(3,190,112)	-
Transfers In	-	8,240,480	(389,320)	-
Transfers Out	(17,454,166)	(23,979,479)	4,000	(2,811,500)
Estimated Ending Balance FY 13	$ 22,380,136	$ 93,697,861	$ 3,037,247	$ 1,570,884
Percent of Adjusted Appropriations	14%	97%	95%	56%

Historical Fund Balance

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

SUMMARY OF AUTHORIZED POSITIONS BY FUND

Function	Actual FY 2010-11 FT	Actual FY 2010-11 PT	Adopted FY 2011-12 FT	Adopted FY 2011-12 PT	Estimated FY 2011-12 FT	Estimated FY 2011-12 PT	Adopted FY 2012-13 FT	Adopted FY 2012-13 PT	Change FT	Change PT
General Fund										
Governance	49.0	8.0	50.0	8.0	50.0	8.0	50.0	8.0	-	-
Administrative and Support	124.0	2.0	125.0	3.0	126.0	3.0	127.0	2.0	2.0	(1.0)
Community Building	146.0	3.0	157.5	4.0	150.5	4.0	150.0	4.0	(7.5)	-
Public Safety	994.0	-	994.0	-	994.0	-	998.0	-	4.0	-
Public Services	443.0	83.0	434.5	83.0	433.9	83.0	418.7	83.0	(15.8)	-
Total General Fund	**1,756.0**	**96.0**	**1,761.0**	**98.0**	**1,754.4**	**98.0**	**1,743.7**	**97.0**	**(17.3)**	**(1.0)**
Enterprise Funds										
Water & Sewer Fund										
Finance	4.0	-	4.0	-	4.0	-	4.0	-	-	-
Water Management	316.5	7.0	328.5	7.0	328.5	7.0	328.5	7.0	-	-
Public Works	27.0	-	29.0	-	32.6	-	33.1	-	4.1	-
Subtotal Water & Sewer Fund	**347.5**	**7.0**	**361.5**	**7.0**	**365.1**	**7.0**	**365.6**	**7.0**	**4.1**	**-**
Solid Waste Disposal Fund										
Water Management	0.5	-	0.5	-	0.5	-	0.5	-	-	-
Solid Waste Management	115.0	-	115.0	-	114.0	-	114.0	-	(1.0)	-
Subtotal Solid Waste Fund	**115.5**	**-**	**115.5**	**-**	**114.5**	**-**	**114.5**	**-**	**(1.0)**	**-**
Stormwater Fund										
Public Works	93.0	1.0	94.0	1.0	92.0	1.0	93.7	1.0	(0.3)	-
Parking Facilities Fund										
Transportation	1.0	-	1.0	-	1.0	-	1.0	-	-	-
Ballpark Fund										
General Services	3.0	-	3.0	-	2.0	-	2.0	-	(1.0)	-
Total Enterprise Funds	**560.0**	**8.0**	**575.0**	**8.0**	**574.6**	**8.0**	**576.8**	**8.0**	**1.8**	**-**
Special Revenue, Grants and Internal Service Funds										
Economic and Workforce Development	10.0	-	6.5	1.0	6.5	1.0	7.0	1.0	0.5	-
Police	18.0	-	16.0	-	16.0	-	16.0	-	-	-
Transportation	13.3	2.0	11.5	2.0	11.5	2.0	11.5	2.0	-	-
Community Development	9.0	-	8.0	-	8.0	-	7.0	-	(1.0)	-
Neighborhood Improvement Services	8.0	-	4.0	-	4.0	-	4.0	-	-	-
Employee Insurance	-	-	1.0	-	1.0	-	1.0	-	-	-
Total Special Revenue, Grants and Internal Service Funds	**58.3**	**2.0**	**47.0**	**3.0**	**47.0**	**3.0**	**46.5**	**3.0**	**(0.5)**	**-**
Total All Funds	**2,374.3**	**106.0**	**2,383.0**	**109.0**	**2,376.0**	**109.0**	**2,367.0**	**108.0**	**(16.0)**	**(1.0)**

SUMMARY OF AUTHORIZED POSITIONS BY DEPARTMENT
(All Funds)

	Actual FY 2010-11		Adopted FY 2011-12		Estimated FY 2011-12		Adopted FY 2012-13		Change	
Department	**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	31	-	32	-	32	-	32	-	-	-
Subtotal Governance	**49**	**8**	**50**	**8**	**50**	**8**	**50**	**8**	**-**	**-**
Administrative and Support										
Audit Services	5	-	5	-	5	-	5	-	-	-
Budget & Management Services	10	-	10	1	11	1	12	-	2	(1)
Equal Opportunity and Equity Assurance	5	1	5	1	5	1	5	1	-	-
Finance	50	-	50	-	50	-	49	-	(1)	-
Human Resources	19	1	20	1	20	1	20	1	-	-
Technology Solutions	39	-	40	-	40	-	41	-	1	-
Subtotal Administrative and Support	**128**	**2**	**130**	**3**	**131**	**3**	**132**	**2**	**2**	**(1)**
Community Building										
City/County Inspections	46	3	46	3	46	3	46	3	-	-
City/County Planning	46	-	45	-	38	-	38	-	(7)	
Community Development	21	-	22	-	22	-	22	-	-	-
Economic Development	19	-	16	2	16	2	17	2	1	-
Neighborhood Improvement	41	-	47	-	47	-	45	-	(2)	-
Subtotal Community Building	**173**	**3**	**176**	**5**	**169**	**5**	**168**	**5**	**(8)**	**-**
Public Safety										
Communications	81	-	81	-	81	-	81	-	-	-
Fire	301	-	300	-	300	-	302	-	2	-
Police	630	-	629	-	629	-	631	-	2	-
Subtotal Public Safety	**1,012**	**-**	**1,010**	**-**	**1,010**	**-**	**1,014**	**-**	**4**	**-**
Public Services										
Fleet	53	-	53	-	53	-	53	-	-	-
General Services	126	-	128	-	128	-	122	-	(6)	-
Parks and Recreation	108	82	107	82	107	82	104	82	(3)	-
Public Works	232	1	226	1	226	1	221	1	(5)	-
Solid Waste Management	115	-	115	-	114	-	114	-	(1)	-
Transportation	61	3	59	3	59	3	60	3	1	-
Water Management	317	7	329	7	329	7	329	7	-	-
Subtotal Public Services	**1,012**	**93**	**1,017**	**93**	**1,016**	**93**	**1,003**	**93**	**(14)**	**-**
Total All Departments	**2,374.3**	**106.0**	**2,383.0**	**109.0**	**2,376.0**	**109.0**	**2,367.0**	**108.0**	**(16.0)**	**(1.0)**
									-	
Population Estimates		**228,314**		**231,703**		**231,703**		**233,769**		
Employees Per 1,000		**10.4**		**10.3**		**10.3**		**10.1**		

PUBLIC SAFETY
BUDGET SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Non-Grant					
Appropriations					
Emergency Communications	$ 5,882,519	$ 6,576,890	$ 6,569,822	$ 6,609,940	0.5%
Emergency Management	194,153	182,918	182,918	185,205	1.3%
Fire	22,390,647	22,830,507	22,876,138	23,133,479	1.3%
Police	48,537,295	49,282,952	50,645,396	51,509,978	4.5%
Contract Agencies	4,277	-	-	-	0.0%
Pay Adjustments/Other	-	14,277	10,000	637,815	4367.4%
Total Appropriations	**$ 77,008,891**	**$ 78,887,544**	**$ 80,284,274**	**$ 82,076,417**	**4.0%**
Full Time Equivalents	994	994	994	998	4
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 73,491,175	$74,835,455	$76,151,276	$77,990,143	4.2%
Program	1,979,823	$2,079,439	$2,165,860	$2,289,943	10.1%
General Fund Subtotal	**$ 75,470,998**	**$ 76,914,894**	**$ 78,317,136**	**$ 80,280,086**	**4.4%**
911 Wireline Surcharge Fund	1,537,892	1,972,650	1,967,138	1,796,331	-8.9%
Total Revenues	**$ 77,008,891**	**$ 78,887,544**	**$ 80,284,274**	**$ 82,076,417**	**4.0%**
Grants					
Public Safety	$ 2,800,306	$ 1,152,630	$ 2,289,583	$ 1,177,251	2.1%
Total Grants	**$ 2,800,306**	**$ 1,152,630**	**$ 2,289,583**	**$ 1,177,251**	**2.1%**
Full Time Equivalents	18	16	16	16	-
Part Time	-	-	-	-	-
Total Budget	**$ 79,809,197**	**$ 80,040,174**	**$ 82,573,857**	**$ 83,253,668**	**4.0%**

PUBLIC SAFETY

Emergency Communications

(81 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 **$6,609,940**
81 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 2010 - 11	Adopted FY 2011 - 12	Estimated FY 2011 - 12	Adopted FY 2012 - 13	Change
Appropriations					
Personal Services	$ 4,200,303	$ 4,490,493	$ 4,487,801	$ 4,517,339	0.6%
Operating	1,682,216	2,086,397	2,079,750	2,092,601	0.3%
Capital	-	-	2,271	-	0.0%
Total Appropriations	$ 5,882,519	$ 6,576,890	$ 6,569,822	$ 6,609,940	0.5%
Full Time Equivalents	81	81	81	81	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 3,404,755	$ 3,621,400	$ 3,619,844	$ 3,786,801	4.6%
Program	939,872	982,840	982,840	1,026,808	4.5%
General Fund Subtotal	$ 4,344,627	$ 4,604,240	$ 4,602,684	$ 4,813,609	4.5%
Emergency Telephone System Fund	1,537,892	1,972,650	1,967,138	1,796,331	-8.9%
Total Revenues	$ 5,882,519	$ 6,576,890	$ 6,569,822	$ 6,609,940	0.5%

Program: Emergency Response

General Fund: **$4,813,609**
FTEs: **80**
Emergency Telephone System Fund: **$1,796,331**
FTEs: **1**

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.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of 911 calls answered in 10 seconds or less	N/A	90%	98%	98%

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.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
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.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Operational Vacancy Rate	3%	5%	4%	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.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% 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.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Priority calls dispatched within 90 seconds or less	N/A	90%	80%	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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Questions on employee opinion survey regarding communication rating at or above 80%	95%	N/A	N/A	90%

BUDGET ISSUES FOR FY 2012-13

- Develop methods for implementing quality assurance protocols for Emergency Fire Dispatch and Emergency Police Dispatch Protocols.

COMPLETED INITIATIVES FOR FY 2011-12

- Implemented automated dispatching for Fire/EMS agencies.
- Completed the installation of a NG-911 network that allows for texting and other enhancements.
- Received re-accreditation for the third time in Emergency Medical Dispatch.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Implement Emergency Fire Dispatch (EFD) protocols.
- Implement Emergency Police Dispatch (EPD) protocols.
- Re-accreditation in Center for Accreditation of Law Enforcement Agencies (CALEA).
- Re-accreditation of training procedures and protocols by Association of Public safety Communication Organizations (APCO).

Durham County Emergency Management

(42 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 **$185,205**
0 FTEs

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 2010 - 11	Adopted FY 2011 - 12	Estimated FY 2011 - 12	Adopted FY 2012 - 13	Change
Appropriations					
Personal Services	$ -	$ -	$ -	$ -	0.0%
Operating	194,153	182,918	182,918	185,205	1.3%
Total Appropriations	$ 194,153	$ 182,918	$ 182,918	$ 185,205	1.3%
Revenues					
Discretionary	$ 194,153	$ 182,918	$ 182,918	$ 185,205	1.3%
Program	-	-	-	-	0.0%
Total Revenues	$ 194,153	$ 182,918	$ 182,918	$ 185,205	1.3%

COMPLETED INITIATIVES FOR FY 2011-12

- Responded to 75 incidents involving over 270 man hours.
- Completed 9 partial activations of the City/County Emergency Operations Center for weather related events, including Hurricane Irene. Hurricane Irene tested the state's evacuation plan. North Carolina Emergency Management placed Durham County on stand-by for this event. Partnered with the American Red Cross as part of this plan. Durham County was ready for several days to receive Coastal evacuees. Provided local equipment to the State for support of the Special Medical Needs Plan. Supported President's Obama's visit to Cree the summer of 2011.
- Updated the National Incident Management System Compliance Assistance Support Tool.
- Reviewed and updated the City/County Emergency Operations Plan.
- Completed the National Incident Management System (NIMS) training per federal mandate.
- Participated in the Homeland Security Exercise and Evaluation Program.
- Updated Statewide Mutual Aid agreements.
- Developed, conducted and/or participated in numerous multi-agencies exercises. These exercises include tabletop and full-scale. Some examples of the types of exercises are as follows: Active Shooter exercises on the NCCU campus, tabletop exercise for 68 Durham Emergency Communications Center employees, American Red Cross Hurricane preparedness exercise, 12 North Carolina Emergency Management WebEOC exercises, Active Shooter exercise at the Army Research Center involving the Durham Fire Department and Durham Police Department with an emphasis placed on our Haz-mat and Biological Chemical Emergency Response Teams; and participated in Incident Management exercises at the local, state and federal level.
- Conducted 121 site assessments for requesting agencies.

DEPARTMENT INITIATIVES FOR FY 2012-13

- 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.
- Durham County Hazard Mitigation Plan Update. The Federal Emergency Management Agency requires a 5-year review of Durham County's Hazard Mitigation Plan which is due to be adopted in Spring/Summer of 2012.
- Conduct at least one new Community Emergency Response Team class.

Fire Department

(302 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 **$23,133,479**
302 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 service contracts 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 2010 -11	Adopted FY 2011 -12	Estimated FY 2011 -12	Adopted FY 2012 -13	Change
Appropriations					
Personal Services	$ 20,911,574	$ 21,275,229	$ 21,178,214	$ 21,316,643	0.2%
Operating	1,479,073	1,498,158	1,697,924	1,816,836	21.3%
Capital	-	57,120	-	-	-100.0%
Total Appropriations	$ 22,390,647	$ 22,830,507	$ 22,876,138	$ 23,133,479	1.3%
Full Time Equivalents	301	300	300	302	2
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 21,465,626	$ 21,864,508	$ 21,807,247	$ 21,979,285	0.5%
Program	925,021	965,999	1,068,891	1,154,194	19.5%
Total Revenues	$ 22,390,647	$ 22,830,507	$ 22,876,138	$ 23,133,479	1.3%
Total Budget	$ 22,390,647	$ 22,830,507	$ 22,876,138	$ 23,133,479	1.3%

Program: Operations and Emergency Response **General Fund:** **$20,503,845**
FTEs: **272**

Goal: Safe and Secure Community
Objective: Meet response standards [i] 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Responses for EMS (turnout+travel time) ≤ 5 minutes, 30 seconds	62%	90%	66%	90%
% Responses for Structure Fires (1st due company) ≤ 5 minutes, 30 seconds	84%	90%	90%	90%
% Responses for 1st alarm assignment ≤ 11 minutes	73%	90%	79%	90%
# Days below Minimum effective staffing	158	0	143	0
% Vacancy rate for the Operations Division	N/A	≤3%	5%	≤3%

Program: Fire Prevention **General Fund:** **$1,020,349**
FTEs: **11**

Goal: Safe and Secure Community
Objective: Ensure all inspected businesses are in compliance with the International Fire Code.
Initiative: All inspectors obtain Level III certification [ii] (to facilitate efficient workload distribution). Maximize efficiency and accountability through the use of workflow technology (avoid missed inspections and fee collection).

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Fires occurring in buildings eligible for an inspection	N/A	N/A	N/A	2%
% of Businesses with code violations corrected within 20 days	N/A	88%	83%	88%

Program: Administration **General Fund:** **$1,032,417**
FTEs: **15**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Active Strategic Plan initiatives meeting target implementation timeline	N/A	N/A	N/A	85%
% of Active Strategic Plan measures showing improvement (upward trend)	N/A	N/A	N/A	85%
Annual approval of the ACR for CFAI [iii]	N/A	N/A	N/A	100%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Questions on employee opinion survey regarding communication rating at or above 70%	95%	N/A	N/A	90%
% of Questions on Resident Satisfaction Survey regarding communication rating at or above 70%	N/A	N/A	N/A	90%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Identified equipment within expected functional lifespan	N/A	N/A	N/A	100%
% of Vehicles serviced by fleet within the required timeframe	N/A	N/A	N/A	100%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Identified structures within expected functional lifespan	N/A	N/A	N/A	100%
% of Identified structures meeting acceptable standards [vii]	N/A	N/A	N/A	100%

Program: Safety and Training **General Fund:** **$576,868**
FTEs: **4**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Chief officers engaged in professional development programs (16 chief officers in department)	N/A	N/A	N/A	50%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Scores on PRE assessments (co. level scenario-based assessments of task performance, strategy, and tactics)	N/A	N/A	N/A	85%
% of Fire/EMS QCed [iv] reports without errors	N/A	N/A	N/A	75%

[i] 2011 Response time standards: Total response time for arrival of all units: 11 minutes in metroplitan 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 interchangably 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 2012-13

- The fire department maintains 19 buildings of which 18 have significant 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.

COMPLETED INITIATIVES FOR FY 2011-12

- Received accreditation through the Commission on Fire Accreditation International, Inc.
- Participated in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh, Cary and Chapel Hill Fire Departments.
- Qualified 22 personnel for certification at the Office of the State Fire Marshal (OSFM) Fire Officer I Level.
- Continued the design and development process for Fire Station No. 9. Architect has been selected and design is underway.
- Continued EMS continuing education classes with Davidson Community College.
- Conducted 85 courtesy home inspections at no cost to citizens.
- Distributed a combination of 95 (through January) smoke detectors and carbon monoxide detectors to City of Durham residents at no cost. Detectors were installed by fire department personnel when requested by the occupant.
- Reported 127 (through January) street light outages to the Transportation Division.
- Checked the operational readiness and appearance of all hydrants.
- The Hazardous Materials Team received new equipment through a grant coordinated by Durham County Emergency Management. The equipment consisted of portable monitoring devices and a search camera. The Hazmat truck was also replaced under the fleet replacement program.

- Completed phase II of III of the replacement of 36 mobile data computers.
- Switched to environmentally friendly cleaning products.
- Spent 71 hours (through January) on the Habitat for Humanity initiative.
- Pursued compliance with NFPA 1710 guidelines.
- Prepared for major catastrophic events through special operations training totaling 3020 hours (through January).
- Provided service through annexation-based fire service contracts.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Implementation of Firehouse software initiative automating the process of the Fire Prevention Division.
- Implementation of new fee structure for fire inspections.
- Meet established response standards in order to minimize the severity of damage caused by fire and medical emergencies.
- Increase the number of personnel with advanced certifications in special operations, emergency medical services, and leadership.
- Replacement of non-repairable communication headsets that provide positive communications and hearing protection to our firefighters in every fire apparatus.
- Fund the Strategic Initiatives Manager position responsible for: planning and managing all functional areas of the accreditation process, coordinating the risk assessment process, monitoring the department standards of response coverage, aiding in all areas of strategic planning, and serving as the principle records manager for the department.
- Replacement of Porta Count Respirator Fit Tester which is necessary to meet OSHA standard 1910.134A. .
- Continue advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Implementation of KRONOS timekeeping software in a joint effort between Fire and several other city departments to promote better customer service and more efficient and accountable departments.
- Obtain Level III certification for inspectors to ensure workload is evenly distributed, and all inspected buildings are in compliance with the International Fire Code.
- Ensure effective internal and external communication.
- Develop a standardized continuing education training program.
- Modify the performance management system such that it is comprehensive and promotes accountability.

Police Department

(631 FTEs)

POLICE DEPARTMENT

Purpose Statement:
To establish a total partnership with the citizens of Durham whereby the Police Department and all citizens are totally committed to work in harmony to preserve life, protect property, maintain human rights and equality, and promote individual responsibility and community commitment.

DEPARTMENT DESCRIPTION

Police Department **$52,687,229**
631 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), Crime Prevention, 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 and provide victim services.

Investigative Services Bureau

This program consists of the Special Operations Division (SOD) and the Criminal Investigations Division (CID). 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 S.T.A.R.S. Initiative. CID consists of the Fraud Unit, Homicide Unit, Special Victims Unit, Forensic Services Unit, Property/Evidence Control Unit, and a Domestic Violence Unit. 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, Fiscal Services, Planning, Special Projects, Accreditation, Inventory Control,

Emergency Information Services, Crime Analysis, Records Management, the Telephone Response Unit and Personnel Services.

The Training Unit provides in-service and 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 and oversight of the Accreditation and Inventory Control Units. 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 Unit analyzes and compiles reports of crime-related data to assist officers in 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.

RESOURCE ALLOCATION

Non-Grant	Actual FY 2010 - 11	Adopted FY 2011 - 12	Estimated FY 2011 - 12	Adopted FY 2012 - 13	Change
Appropriations					
Personal Services	$ 43,997,476	$ 44,191,992	$ 45,375,022	$ 45,523,106	3.0%
Operating	4,461,377	5,002,032	5,177,447	5,905,872	18.1%
Capital	-	-	7,999	-	0.0%
Transfers to Other Funds	28,442	38,928	28,928	31,000	-20.4%
Subtotal Appropriations	$ 48,487,295	$ 49,232,952	$ 50,589,396	$ 51,459,978	4.5%
Nondepartmental					
North East Central Durham	$ 50,000	$ 50,000	$ 50,000	$ 50,000	0.0%
Total Appropriations	$ 48,537,295	$ 49,282,952	$ 50,639,396	$ 51,509,978	4.5%
Full Time Equivalents	612	613	613	615	2
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 48,422,365	$ 49,162,352	$ 50,535,267	$ 51,401,037	4.6%
Program	114,930	120,600	104,129	108,941	-9.7%
Total Revenues	$ 48,537,295	$ 49,282,952	$ 50,639,396	$ 51,509,978	4.5%
Grants					
Appropriations					
Personal Services	$ 667,154	$ 309,631	$ 949,428	$ 239,036	-22.8%
Operating	2,133,152	842,999	1,340,155	938,215	11.3%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 2,800,306	$ 1,152,630	$ 2,289,583	$ 1,177,251	2.1%
Full Time Equivalents	18	16	16	16	-
Part Time	-	-	-	-	-
Revenues					
Grants	$ 2,800,306	$ 1,152,630	$ 2,289,583	$ 1,177,251	2.1%
Total Revenues	$ 2,800,306	$ 1,152,630	$ 2,289,583	$ 1,177,251	2.1%
Total Budget	$ 51,337,601	$ 50,435,582	$ 52,928,979	$ 52,687,229	4.5%

Program: Uniform Patrol Bureau

General Fund: **$28,227,274**
FTEs: **360**
Grant Funds: **$1,177,251**
FTEs: **16**

Program: Community Services Bureau

General Fund: **$2,734,404**
FTEs: **32**

Goal: Safe and Secure Community
Objective: To maintain the number of violent crimes at or below 700 per 100,000.
Initiative: Pursue proactive enforcement and community based initiatives.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Violent crimes per 100,000	719	800	700	700

Objective: To maintain the number of property crimes at or below 4,800 per 100,000.
Initiative: Pursue proactive enforcement and community based initiatives.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Property crimes per 100,000	4,878	5,200	4,800	4,800

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average response time to all Priority 1 calls (minutes)	5.9	6.0	5.8	5.8

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Priority 1 calls responded to in less than 5 minutes	55.3%	52.0%	57.0%	57.0%

Program: Investigative Services Bureau

General Fund: **$9,267,491**
FTEs: **112**

Goal: Safe and Secure Community
Objective: To maintain a minimum FY Violent Crime Clearance Rate of 50% or higher.
Initiative: Maintain well-trained investigators and monitor case clearance rate.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Violent crime FY clearance rate	48%	45%	50%	50%

Objective: To maintain a minimum FY Property Crime Clearance Rate of 23% or higher.
Initiative: Maintain well-trained officers and monitor case clearance rate.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Property crime FY clearance rate	22%	23%	21%	23%

Program: The Office of the Chief — **General Fund:** **$3,318,474** **FTEs:** **27**

Program: Administrative Services Bureau — **General Fund:** **$7,962,335** **FTEs:** **84**

Goal: Well Managed City
Objective: To achieve a real vacancy rate of 2% or less per month for authorized and funded sworn positions.
Initiative: Maintain aggressive recruiting efforts and utilize over-hires.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average sworn real vacancy rate	3.1%	2.0%	0.0%	2.0%

Objective: To achieve an operational vacancy rate of 10% or less per month for authorized and funded sworn positions.
Initiative: Maintain aggressive recruiting efforts and utilize over-hires.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average sworn operational vacancy rate	12.5%	N/A	10.6%	10%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Percentage of employees who feel trust in internal, external communications	N/A	N/A	N/A	70%

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 FY11**	Adopted FY12	Estimated FY12	Adopted FY13
% Residents that feel personally safe in Durham	48-86%	70%	70%	70%

** Information from 2011 City of Durham Resident Survey (7 scenarios)

BUDGET ISSUES FOR FY 2012-13

- The attrition rate through the first seven months of FY12 averaged 4 officers per month, which impacts the presence of law enforcement officers on the streets. Sixteen sworn positions are being partially funded by the COPS Grant and partially funded by the General Fund. Aggressive recruiting efforts will continue to hold the vacancy rate at no more than 2% of funded officers for FY12.

- Three leases for Police facilities (two spaces in Northgate Mall and one at BB&T) will expire in FY12 and have been extended while leases with new facilities are being negotiated. Increased leasing costs for replacement facilities and projected upfit and relocation costs are significant.
- Increases in operating expenses and expansion of police technology have historically been funded from forfeiture funds. The forfeiture funds have been decreasing over the past few years and are expected to continue decreasing.
- Another impound lot will be needed in the near future to provide secure parking for multiple specialty vehicles.
- Increasing fuel cost to cover the day-to-day operations of the vehicles.
- Purchase and upfit all Police vehicles were recommended for replacement in FY12-13.
- Staff allocation studies indicate the Department needs additional investigators, front line call takers and civilian administrative personnel.

COMPLETED INITIATIVES FOR FY 2011-12

- Reduced violent crimes. When comparing violent crimes committed per 100,000 in FY10 to violent crimes committed per 100,000 in FY11, there was an overall decrease committed of 0.8% (725 to 719).
- Reduced property crimes. When comparing property crimes committed per 100,000 in FY10 to FY11, there was an overall decrease of 8.3% (from 5,320 to 4,878).
- Hired 40 recruits for the August 2011 BLET academy, of which 33 have now graduated and are in field training. Hired 26 recruits for the February 2012 BLET academy.
- Met or exceeded the national average in crime clearance rates in all categories for cities with similar populations. In comparison to the previous calendar year, Part 1 Crimes per capita increased by 1.5%.
- Maintained an average response time to Priority 1 calls for service in the first half of FY12 of 5.8 minutes, compared to the projected time of 6.0 minutes.
- Recognized for efforts made to improve the department's image include the following:
    - DPD 2011 Annual Report received 2nd place honors in the 2011 Excellence in Communications Awards given by the NC Association of Government Information Officers.
    - DPD earned four National Night Out Distinctions in 2011.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue to focus on the reduction of violent crime and property crime.
- Continue to evaluate and strengthen recruiting efforts in order to hire and graduate BLET and ALET academies as needed.
- Maintain a sworn vacancy rate of 2% or less and sworn operational vacancy rate of 10% 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.
- Continue purchase and installation of a state of the art in-car camera system.
- Continue efforts to improve results of the next Employee Opinion Survey.

FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2012-13 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

- **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
  - Emergency Telephone System Surcharge Fund
  - Durham Performing Arts Center Fund
  - Durham Performing Arts Center Capital Reserve Fund
  - Watershed Protection 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

- **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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
General Property Taxes	$ 102,891,508	$ 107,997,056	$ 102,318,102	$ 99,217,048	-8.1%
Other Local Taxes	34,124,805	36,677,983	36,846,587	38,573,096	5.2%
State-Shared Revenues	20,572,713	19,806,250	19,307,730	20,488,846	3.4%
Licenses and Permits	7,121,466	6,426,066	6,624,999	6,285,053	-2.2%
Investment/Rental Income	784,760	549,412	349,290	317,529	-42.2%
Charges for Current Services	7,287,611	7,499,775	7,975,307	8,399,956	12.0%
Intragovernmental Services	2,749,998	2,390,773	2,246,705	2,363,391	-1.1%
Other Revenues	3,372,671	859,780	884,493	708,635	-17.6%
Transfer from Other Funds	2,956,672	244,581	690,828	-	-100.0%
Approp From Fund Balance	20,617,145	360,055	6,999,649	314,338	-12.7%
Total Revenues	**$ 202,479,349**	**$ 182,811,731**	**$ 184,243,690**	**$ 176,667,892**	**-3.4%**
Appropriations					
Personal Services	$ 119,937,940	$ 122,210,831	$ 122,946,748	$ 125,410,732	2.6%
Operating	33,426,742	36,159,301	35,776,690	30,775,166	-14.9%
Capital Outlay	278,358	326,039	404,580	182,951	-43.9%
Debt Service	19,856,472	410,000	100,000	100,000	-75.6%
Other	-	140,507	61,626	2,744,877	1853.6%
Transfers to Other Funds	28,979,837	23,565,053	24,954,046	17,454,166	-25.9%
Total Appropriations	**$ 202,479,349**	**$ 182,811,731**	**$ 184,243,690**	**$ 176,667,892**	**-3.4%**
Appropriations by Function					
Governance	$ 5,644,722	$ 6,006,749	$ 5,932,654	$ 5,756,268	-4.2%
Administrative and Support	14,799,113	15,659,074	16,451,034	15,920,503	1.7%
Community Building	13,871,960	14,669,095	15,937,667	17,694,475	20.6%
Public Safety	75,470,998	76,914,894	78,317,136	80,280,086	4.4%
Public Services	59,757,910	60,781,420	62,722,822	55,824,859	-8.2%
Non-assigned	32,934,646	8,780,499	4,882,377	1,191,701	-86.4%
Total Appropriations	**$ 202,479,349**	**$ 182,811,731**	**$ 184,243,690**	**$ 176,667,892**	**-3.4%**

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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
General Property Taxes					
Current Levy	$ 101,201,392	$ 106,074,007	$ 100,630,733	$ 97,432,048	-8.1%
Prior Years Levy	1,317,370	1,538,049	1,317,369	1,400,000	-9.0%
Interest & Penalties	372,746	385,000	370,000	385,000	0.0%
Subtotal	**$ 102,891,508**	**$ 107,997,056**	**$ 102,318,102**	**$ 99,217,048**	**-8.1%**
Other Local Taxes					
Local Option Sales Tax	$ 32,264,927	$ 34,820,268	$ 34,958,359	$ 36,663,381	5.3%
Heavy Equipment	68,151	85,000	64,201	85,000	0.0%
Rental Car Gross Receipts	227,651	222,715	214,460	222,715	0.0%
Hotel/Motel Occupancy Tax	1,564,076	1,550,000	1,609,567	1,602,000	3.4%
Subtotal	**$ 34,124,805**	**$ 36,677,983**	**$ 36,846,587**	**$ 38,573,096**	**5.2%**
Licenses					
Business & Professional Licenses	$ 3,190,901	$ 2,808,931	**$ 2,855,733**	$ 2,876,042	2.4%
Subtotal	**$ 3,190,901**	**$ 2,808,931**	**$ 2,855,733**	**$ 2,876,042**	**2.4%**
Intergovernmental Revenues					
Utility Franchise Tax	$ 13,174,412	$ 13,059,214	$ 12,474,475	$ 13,502,696	3.4%
Gasoline Tax (Powell Bill)	6,265,359	5,574,000	5,703,255	5,710,000	2.4%
Beer & Wine Tax	1,031,942	1,023,036	1,030,000	1,053,497	3.0%
Alcoholic Beverage Control	101,000	150,000	100,000	153,000	2.0%
Subtotal	**$ 20,572,713**	**$ 19,806,250**	**$ 19,307,730**	**$ 20,419,193**	**3.1%**
Investment					
Investment Income	$ 470,157	$ 274,912	$ 312,924	$ 210,000	-23.6%
Subtotal	**$ 470,157**	**$ 274,912**	**$ 312,924**	**$ 210,000**	**-23.6%**
Other Revenue					
False Alarm Charges	$ 203,696	$ 292,468	$ 290,386	$ 280,327	-4.2%
Sale Of Land	3,660	200,000	-	-	-100.0%
Sale Of Surplus Equipment	336,377	265,000	462,498	311,034	17.4%
Street Assessments	93,743	150,000	95,850	100,000	-33.3%
Subtotal	**$ 637,476**	**$ 907,468**	**$ 848,734**	**$ 691,361**	**-23.8%**
Appropriations From Fund Balance	**$ -**	**$ 360,055**	**$ 3,387,963**	**$ 314,338**	**-12.7%**
Total Revenues	**$ 161,887,560**	**$ 168,832,655**	**$ 165,877,773**	**$ 162,301,078**	**-3.9%**

General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES

The FY2012-13 budget adopted a tax rate of 56.75 cents per $100 of assessed valuation, compared to 55.75 cents per $100 of assessed valuation in FY2011-12, an increase of 1.0 cent per $100 of assessed valuation for dedicated funding for housing needs. 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, but has not been implemented to date. The sales tax rate of 7.00 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, or 2.75 cents in Durham's case. The sales tax is an important revenue source for the City, representing nearly 23% of General Fund discretionary revenues for FY 2012-13.

According to fiscal analysts at the General Assembly, sales tax revenues are projected to increase by 5%. 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 5.3% 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. Based on the most recent interlocal agreement with Durham County effective July 1, 2009, the distribution ratio changed to 42% for the City and 58% for the County. This current agreement will remain in effect for five years from FY 2008-09 through FY 2012-13.

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 2012-13 budget projects Occupancy tax to be 3.40% higher than the FY 2011-12 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 2012-13 budget projects a 2.4% increase compared to the FY 2011-12 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

- **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). Overall, the City is projecting a 3.4% increase in total Utility Franchise taxes for FY 2012-13 compared to FY 2011-12.
    - The **Electricity** franchise tax is based on actual receipts from electric service within the municipal boundary. For FY 2012-13 the revenue is expected to increase by 9.7% compared to FY2011-2012.
    - **Telecommunications** sales tax revenues are expected to decline by 4.6% in FY 2012-13. 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.
    - The **Piped Natural Gas** excise tax is expected to increase by 2.8% for FY 2012-13.
    - The **Local Government Video Programming** is a relatively new revenue source, so there is little history on which to base estimates. Revenues for FY 2012-13 are expected to decrease by 0.2% compared FY2011-12. The increase is attributed to changes the General Assembly made to video programming distributions on September 1, 2009.

- **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 2012-13, the City projects a 2.4% increase compared to FY 2011-12. 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 2012-13, the City projects a 3.0% increase compared to FY 2011-12.

- **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2012-13 budget projects this revenue will increase 2.0% as compared to FY 2011-12.

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 2012-13 there is no general fund transfer budgeted. The FY 2012-13 budget projects a 23.6% decrease in investment income.

OTHER REVENUE

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

False Alarm Charges – The City bills residents for false alarm charges. For FY 2012-13 the City projects a 4.2% decrease in false alarm charges.

Sale of Land - Periodically the City sells surplus land. For FY 2012-13 there are no land sales projected in the General Fund.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2012-13 budget projects a 17.4% increase in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2012-13 budget projects a 33.3% decrease in street assessment revenue.

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, 2012) 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 2011-12 financial audit. For FY 2012-13, there is a transfer from fund balance budgeted in the amount of $314,338 to fund one-time expenditures. If funds from FY 2011-12 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 12.5%

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 for taxicab 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 (such as 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.

Fire Inspections Fees - This revenue is a result of the State placing more restrictions on how inspections are done. Hazardous material inspection fees are included here.

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, 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 2012-13, the City and County are each funding 50% of the Planning budget with no positions solely funded by either entity.

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
Budget & Management Services:
An annexation petition fee pays for recordation of adopted annexation plats, legally required advertisements, copying costs and a small portion of staff time required to process the petition.

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.

TRANSFERS FROM OTHER FUNDS

Public Services

General Services:

Transfer From Perpetual Care Fund - Investment income from the Cemetery Perpetual Care Fund has been transferred in the past to help offset the costs of cemetery maintenance. A portion of this investment income is returned to the Perpetual Care Fund to assist with long term maintenance of the cemeteries.

General Fund – Non-Departmental Appropriations

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Personal Services					
Wellness Program	$ 6,061	$ 25,000	$ 15,000	$ -	-100.0%
Severance Payments	65,150	100,000	16,461	40,000	-60.0%
Health Insurance - Retirees	2,900,668	3,061,298	3,061,298	3,009,616	-1.7%
Subtotal	**$ 2,971,879**	**$ 3,186,298**	**$ 3,092,759**	**$ 3,049,616**	**-4.3%**
Operating					
Risk Management Charges	$ 3,303,779	$ 2,911,522	$ 2,841,522	$ 2,358,257	-19.0%
Downtown Revitalization	1,753,561	1,890,128	2,670,688	1,982,725	4.9%
Computers	-	-	308,000	-	0.0%
Donations	-	-	-	40,000	0.0%
Indirect Cost Reimbursements	(6,469,896)	(7,031,464)	(7,031,464)	(8,101,323)	15.2%
Subtotal	**$ (1,412,556)**	**$ (2,229,814)**	**$ (1,211,254)**	**$ (3,720,341)**	**66.8%**
Transfer to Other Funds					
Transfer to Capital Projects Fund	$ -	$ 150,000	$ 150,000	$ -	-100.0%
Transfer to Debt Service Fund	6,426,807	1,243,173	2,431,277	1,203,484	-3.2%
Transfer to Water and Sewer Fund	-	319,595	319,595	308,942	-3.3%
Transfer to DPAC Fund	-	100,000	-	-	-100.0%
Transfer to BID	-	-	-	250,000	100.0%
Transfer to Solid Waste	462,094	-	-	-	0.0%
Transfer to Fleet Fund	4,629,950	5,601,247	-	-	-100.0%
Subtotal	**$ 11,518,851**	**$ 7,414,015**	**$ 2,900,872**	**$ 1,762,426**	**-76.2%**
Debt Service					
Bonds	$ 1,193,539	$ 410,000	$ 100,000	$ 100,000	-75.6%
Certificates of Participation	18,662,933	-	-	-	0.0%
Subtotal	**$ 19,856,472**	**$ 410,000**	**$ 100,000**	**$ 100,000**	**-75.6%**
Total Nondepartmental	**$ 32,934,646**	**$ 8,780,499**	**$ 4,882,377**	**$ 1,191,701**	**-86.4%**

PERSONAL SERVICES

Wellness Program- Funding for a city-wide wellness program. As of FY 2012-13, this is funded from the Employee Insurance Fund.
Severance Payments - Covers severance payments to employees impacted by reduction in workforce.
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.
Computers - Held in reserve for purchase of Police computer replacements.
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.

TRANSFERS TO OTHER FUNDS

Transfer to Capital Projects Fund – Pay-as-Go funding for capital projects.
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 the DPAC Fund – Transfer to the Durham Performing Arts Center Fund for operations.
Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.

DEBT SERVICE

Debt Service – Debt service payments on mortgage obligations. Please refer to the Debt Management section of this document (Section XI) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
General Property Taxes	$ 24,009,968	$ 23,418,171	$ 29,019,418	$ 29,659,027	26.6%
Interest	-	37,500	17,817	30,097	-19.7%
Other Revenue	347,974	645,698	692,520	692,521	7.3%
Transfers from Other Funds	6,426,807	1,243,173	3,730,833	1,203,484	-3.2%
Appropriation from Fund Balance	-	3,685,907	3,685,907	1,939,938	-47.4%
Total Revenues	**$ 30,784,749**	**$ 29,030,449**	**$ 37,146,495**	**$ 33,525,067**	**15.5%**
Appropriations					
Debt Service Principal	$ 14,883,076	$ 17,698,413	$ 22,680,413	$ 22,343,723	26.2%
Debt Service Interest	9,840,702	11,332,036	11,132,730	11,181,344	-1.3%
Transfer to Fund Balance	6,060,971	-	3,333,352	-	0.0%
Total Appropriations	**$ 30,784,749**	**$ 29,030,449**	**$ 37,146,495**	**$ 33,525,067**	**15.5%**

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 12.49 cents for FY 2012-13

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.

EXPENDITURE DESCRIPTIONS

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

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

WATER AND SEWER FUND
WATER AND SEWER REVENUES

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Investment & Rental Income					
Interest: Investments and Assess.	$ 478,633	$ 258,469	$ 270,527	$ 225,000	-12.9%
Rental Income	355,186	315,600	315,600	315,600	0.0%
Total Investment & Rental Income	**$ 833,819**	**$ 574,069**	**$ 586,127**	**$ 540,600**	**-5.8%**
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	$ 75,294,976	$ 78,216,503	$ 77,440,859	$ 80,982,068	3.5%
Late Fees	297,455	325,000	271,791	325,000	0.0%
Industrial Monitoring	18,980	13,000	12,000	13,000	0.0%
Sewer Surcharge	158,854	160,000	136,151	160,000	0.0%
Suspended Solids	8,761	10,000	30,000	10,000	0.0%
Subtotal	**$ 75,779,026**	**$ 78,724,503**	**$ 77,890,801**	**$ 81,490,068**	**3.5%**
Other Operating Revenues					
Septic Tank Disposal	$ 120,600	$ 100,000	$ 112,240	$ 100,000	0.0%
Water Connection Fees	194,122	289,000	162,339	240,000	-17.0%
Sewer Connection Fees	89,180	22,000	90,522	65,000	195.5%
Engineering Inspection Fee	79,447	82,000	40,000	60,000	-26.8%
Backflow Certification	11,800	20,000	11,767	20,000	0.0%
Subtotal	**$ 495,149**	**$ 513,000**	**$ 416,868**	**$ 485,000**	**-5.5%**
Licenses and Permits					
Water Permits	$ 21,150	$ 19,000	$ 21,600	$ 20,000	5.3%
Sewer Permits	12,600	11,500	8,000	11,000	-4.3%
Cross Connection Control Permits	17,802	15,000	33,533	25,000	66.7%
Subtotal	**$ 51,552**	**$ 45,500**	**$ 63,133**	**$ 56,000**	**23.1%**
Total Operating	**$ 76,325,727**	**$ 79,283,003**	**$ 78,370,802**	**$ 82,031,068**	**3.5%**
Other Revenues					
Miscellaneous	$ 4,136,323	$ 66,028	$ 66,028	$ 66,028	0.0%
Water Frontage Fees/Assessments	140,457	129,000	228,000	120,000	-7.0%
Sewer Frontage Fees/Assessments	247,217	147,000	347,000	120,000	-18.4%
Total Other Revenues	**$ 4,523,997**	**$ 342,028**	**$ 641,028**	**$ 306,028**	**-10.5%**
Transfers from Other Funds					
Stormwater Management	$ 25,000	$ -	$ -	$ -	0.0%
Water and Sewer CIP	-	-	-	-	0.0%
General Fund	-	319,595	319,595	308,942	-3.3%
Total Transfers from Other Funds	**$ 25,000**	**$ 319,595**	**$ 319,595**	**$ 308,942**	**-3.3%**
Appropriation from Fund Balance	$ -	$ 1,426,968	$ 1,263,446	$ 6,714,865	370.6%
TOTAL W & S FUND REVENUES	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**	**9.7%**

WATER AND SEWER FUND
REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
REVENUES					
Investment and Rental Income	$ 833,819	$ 574,069	$ 586,127	$ 540,600	-5.8%
Water and Sewer Sales	75,779,026	78,724,503	77,890,801	81,490,068	3.5%
Other Operating Revenue	495,149	513,000	416,868	485,000	-5.5%
Licenses and Permits	51,552	45,500	63,133	56,000	23.1%
Frontage Fees/Assessments	387,674	276,000	575,000	240,000	-13.0%
Other	4,136,323	66,028	66,028	66,028	0.0%
Transfer from Other Funds	25,000	319,595	319,595	308,942	-3.3%
Appropriations from Fund Balance	-	1,426,968	1,263,446	6,714,865	370.6%
TOTAL REVENUES	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**	**9.7%**
APPROPRIATIONS					
Personal Services	$ 20,954,527	$ 23,224,407	$ 22,248,742	$ 23,139,908	-0.4%
Operating	26,181,741	28,795,697	29,396,486	27,203,562	-5.5%
Capital Outlay	114,630	154,000	212,502	10,000	-93.5%
Debt Service	19,236,176	19,914,003	19,006,212	18,891,051	-5.1%
Transfers to Other Funds	12,757,598	9,857,556	10,317,056	20,656,982	109.6%
Transfers to Fund Balance	2,463,871	-	-	-	0.0%
TOTAL APPROPRIATIONS	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**	**9.7%**
Department Appropriations					
Water Management	$ 36,004,588	$ 40,490,270	$ 41,245,064	$ 40,338,301	-0.4%
Public Works	2,379,426	2,658,752	2,722,890	2,787,036	4.8%
Finance	190,730	188,659	142,979	183,947	-2.5%
Nondepartmental Appropriations	43,133,798	38,607,982	37,070,065	46,592,219	20.7%
TOTAL APPROPRIATIONS	**$ 81,708,543**	**$ 81,945,663**	**$ 81,180,998**	**$ 89,901,503**	**9.7%**

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

Interest: Assessments - 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 2012-13, equating to roughly a 2.7% increase 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 the cost of the inspection 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

Stormwater Management - This transfer covered the costs incurred by Customer Billing and Services for stormwater billing expenditures and by Water Management for one-half of the Household Hazardous Waste Disposal program. This transfer is no longer being made as of FY 2011-12 as this amount is captured in indirect costs.

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 2012-13, additional fund balance is being appropriated to transfer a larger amount to capital projects.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Personal Services					
Merit/Market Salary Adjustment	$ -	$ 578,876	$ -	$ -	-100.0%
Subtotal	**$ -**	**$ 578,876**	**$ -**	**$ -**	**-100.0%**
Operating					
Contingency	$ -	$ 51,250	$ -	$ -	-100.0%
Hardship Funds	186,285	200,000	200,000	-	-100.0%
Fleet Acquistion	1,176,000	459,500	-	-	-100.0%
General Fund Services	5,563,081	5,797,679	5,797,679	5,797,679	0.0%
Insurance Risk /Post Employment	1,749,973	1,749,118	1,749,118	1,246,507	-28.7%
Miscellaneous	815	-	-	-	0.0%
Subtotal	**$ 8,676,154**	**$ 8,257,547**	**$ 7,746,797**	**$ 7,044,186**	**-14.7%**
Transfers					
Transfer to Storm Water Fund	$ 123,000	$ 123,000	$ 123,000	$ 123,000	0.0%
Transfer to the General Fund	234,598	-	-	-	0.0%
Transfer to Capital Fleet Program	-	-	459,500	533,982	100.0%
Transfer to Capital Improvements Program	12,400,000	9,734,556	9,734,556	20,000,000	105.5%
Transfer to Fund Balance	2,463,871	-	-	-	0.0%
Subtotal	**$ 15,221,469**	**$ 9,857,556**	**$ 10,317,056**	**$ 20,656,982**	**109.6%**
Debt Service					
Debt Service/Refunding	$ 18,713,739	$ 19,414,003	$ 18,506,212	$ 18,891,051	-2.7%
County Line Reimbursement	522,436	500,000	500,000	-	-100.0%
Subtotal	**$ 19,236,175**	**$ 19,914,003**	**$ 19,006,212**	**$ 18,891,051**	**-5.1%**
TOTAL NON-DEPARTMENTAL	**$ 43,133,798**	**$ 38,607,982**	**$ 37,070,065**	**$ 46,592,219**	**20.7%**

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. This is no longer the practice.

Operating

Contingency - These funds are expended upon City Council approval for various unanticipated costs that arise during the fiscal year which are unforeseen during the budget preparation process.

Hardship Funds - Funds are provided to pay water and sewer bills if a customer is found to be unable to pay under established Durham County Social Services guidelines.

Fleet Acquisition - Costs associated with the acquisition and replacement of the centralized fleet used by Water and Sewer Fund-related departments are recorded here. The method for budgeting this has changed and the Transfer to Capital Fleet Program below now captures these costs.

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.

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 the General Fund – This represented Call Center and Security costs that are now captured in General Fund Services (as shown above in Operating).

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 2012-13, $20 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 2013-2018 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. This is now netted against revenues.

CAPITAL FACILITIES FEES FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Operating Revenues	$ 2,533,892	$ 2,257,426	$ 3,292,280	$ 2,800,000	24.0%
Interest and Rental Income	26,383	20,489	28,896	11,500	-43.9%
Total Revenues	**$ 2,560,275**	**$ 2,277,915**	**$ 3,321,176**	**$ 2,811,500**	**23.4%**
Appropriations					
Transfers to Other Funds	$ 1,338,659	$ 2,277,915	$ 3,321,176	$ 2,811,500	23.4%
Transfer to Fund Balance	1,221,616	-	-	-	0.0%
Total Appropriations	**$ 2,560,275**	**$ 2,277,915**	**$ 3,321,176**	**$ 2,811,500**	**23.4%**

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. There is no increase for FY 2012-13.

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.

SOLID WASTE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Revenues					
Interest and Rental Income	$ 63,085	$ 29,597	$ 34,237	$ 26,000	-12.2%
Charges for Services	7,606,813	8,537,975	8,381,023	8,119,800	-4.9%
Debt Proceeds	440	725	725	725	0.0%
Landfill Gas	215,104	200,000	192,600	175,000	-12.5%
Transfer from Reserves	970,247	-	613,381	-	0.0%
Transfer from General Fund	12,950,905	12,506,477	12,506,477	13,706,256	9.6%
Total Revenues	**$ 21,806,594**	**$ 21,274,774**	**$ 21,728,443**	**$ 22,027,781**	3.5%
Appropriations					
Personal Services	$ 6,519,343	$ 6,402,549	$ 6,113,910	$ 6,347,414	-0.9%
Operating	12,657,163	12,250,858	12,993,166	12,664,862	3.4%
Debt Service	2,630,088	2,621,367	2,621,367	3,015,505	15.0%
Total Appropriations	**$ 21,806,594**	**$ 21,274,774**	**$ 21,728,443**	**$ 22,027,781**	3.5%
Department Appropriations					
Water Management	$ 196,346	$ 277,726	$ 295,935	$ 278,723	0.4%
Solid Waste Management	18,097,902	17,484,130	18,175,619	17,895,447	2.4%
Nondepartmental Appropriations	3,512,346	3,512,918	3,256,889	3,853,611	9.7%
Total Appropriations	**$ 21,806,594**	**$ 21,274,774**	**$ 21,728,443**	**$ 22,027,781**	3.5%

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. During FY 2010-11 solid waste costs previously budgeted in the General Fund were consolidated in the Solid Waste Disposal Fund resulting in a substantial increase in the fund's budget. Going forward, all costs associated with solid waste collection and disposal will be budgeted in the Solid Waste Disposal Fund.

REVENUE DESCRIPTIONS

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

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.

Recycling – The City receives revenue on a per tonnage basis for the recycling collected.

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

Transfer from General Fund – The General Fund subsidizes the Solid Waste Fund on an annual basis.

APPROPRIATION DESCRIPTIONS

Departmental Appropriations – Two departments conduct activities that are recorded in the Solid Waste Disposal Fund:

- Department of Water Management – Manages the post-closure monitoring of the closed landfill.
- Solid Waste Management – Manages collection and disposal of solid waste.

Nondepartmental Charges – Includes a payment to the General Fund for indirect costs, a payment to the Risk Reduction Fund for insurance and debt service.

STORMWATER MANAGEMENT FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Operating Revenues	$ 9,836,621	$ 10,836,166	$ 10,836,166	$ 11,985,688	10.6%
Interest and Rental Income	20,000	11,551	13,364	9,000	-22.1%
Miscellaneous Revenue	227,203	105,707	207,174	144,800	37.0%
Transfers from Other Funds	232,047	232,047	232,047	232,047	0.0%
Appropriation from Fund Balance	-	273,722	176,121	590,000	115.5%
Total Revenues	**$10,315,871**	**$ 11,459,193**	**$ 11,464,872**	**$ 12,961,535**	**13.1%**
Appropriations					
Personal Services	$ 5,489,408	$ 6,334,200	$ 5,883,580	$ 6,489,776	2.5%
Operating	2,264,336	3,084,881	3,026,515	2,689,274	-12.8%
Capital	-	134,112	63,531	42,800	-68.1%
Transfers to Other Funds	2,500,943	1,906,000	2,491,246	3,739,685	96.2%
Transfer to Fund Balance	61,184	-	-	-	0.0%
Total Appropriations	**$ 10,315,871**	**$ 11,459,193**	**$ 11,464,872**	**$ 12,961,535**	**13.1%**
Department Appropriations					
Public Works	$ 6,773,162	$ 7,521,844	$ 7,795,633	$ 7,733,240	2.8%
Solid Waste	232,129	240,000	200,000	200,000	-16.7%
Nondepartmental Appropriations	3,310,580	3,697,349	3,469,239	5,028,295	36.0%
Total Appropriations	**$ 10,315,871**	**$ 11,459,193**	**$ 11,464,872**	**$ 12,961,535**	**13.1%**

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 8.5% rate increase occurred for FY2013. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: $2.57 for less than 2,000 square feet, $5.34 for more than 2,000 and less than 4,000 square feet; $10.68 for more than 4,000 square feet. The monthly charge for each commercial ERU is $5.34. 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.

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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
General Property Taxes	$ -	$ -	$ -	$ 7,670,132	100.0%
Licenses and Permits	2,234,990	2,200,000	2,160,039	2,200,000	0.0%
Intergovernmental	2,641,599	2,389,165	2,171,278	2,548,772	6.7%
Charges for Current Services	2,919,304	3,280,717	3,413,911	3,677,038	12.1%
Other Revenue	382,984	90,575	107,471	107,433	18.6%
Transfers from Other Funds	7,748,926	7,505,016	7,709,905	-	-100.0%
Appropriation from Fund Balance	156,081	-	642,187	-	0.0%
Total Revenues	**$ 16,083,884**	**$ 15,465,473**	**$ 16,204,791**	**$ 16,203,375**	**4.8%**
Appropriations					
Operating	$ 14,792,381	$ 14,353,248	$ 14,670,684	$ 14,774,000	2.9%
Capital	-	-	-	-	0.0%
Debt Service	103,760	223,173	223,173	217,955	-2.3%
Transfers to Other Funds	1,187,743	889,052	1,310,934	1,211,420	36.3%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	**$ 16,083,884**	**$ 15,465,473**	**$ 16,204,791**	**$ 16,203,375**	**4.8%**
Departmental Appropriations					
Transportation Department	$ 16,083,884	$ 15,026,000	$ 15,765,318	$ 15,601,857	3.8%
Nondepartmental Appropriations	-	439,473	439,473	601,518	36.9%
Total Appropriations	**$ 16,083,884**	**$ 15,465,473**	**$ 16,204,791**	**$ 16,203,375**	**4.8%**

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 are provided by the General Fund at 3.23 cents of the tax rate in FY 2012-13.

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.

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

Transfers from Other Funds – The 3.23 cent subsidy from the General Fund. Prior to FY13 these revenues were shown as transfers as opposed to the actual tax rate subsidy displayed for FY 2012-13.

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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Interest and Rental Income	$ 3,504	$ 4,638	$ 1,746	$ 2,000	-56.9%
Charges for Current Services	1,871,559	2,170,981	2,156,560	2,090,341	-3.7%
Appropriation from Fund Balance	358,350	-	-	320,064	100.0%
Total Revenues	**$ 2,233,413**	**$ 2,175,619**	**$ 2,158,306**	**$ 2,412,405**	**10.9%**
Appropriations					
Personal Services	$ 63,295	$ 62,608	$ 69,314	$ 64,155	2.5%
Operating	1,172,618	1,497,866	1,572,464	1,984,516	32.5%
Capital	-	368,192	171,728	363,734	-1.2%
Debt Service	997,500	-	-	-	0.0%
Transfer to Fund Balance	-	246,953	344,800	-	-100.0%
Total Appropriations	**$ 2,233,413**	**$ 2,175,619**	**$ 2,158,306**	**$ 2,412,405**	**10.9%**
Departmental Appropriations					
Transportation Department	$ 1,219,164	$ 1,911,916	$ 1,796,756	$ 1,952,599	2.1%
Nondepartmental Appropriations	1,014,249	263,703	361,550	459,806	74.4%
Total Appropriations	**$ 2,233,413**	**$ 2,175,619**	**$ 2,158,306**	**$ 2,412,405**	**10.9%**

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.

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.

EXPENDITURE DESCRIPTIONS

Personal Services **–** The City's Transportation Department provides oversight of the parking contracts.

Operating **–** The operating budget represents contract payments to a private contractor.

Capital – Funds were budgeted in FY 2011-12 to purchase automation equipment for garages, but the contract will not be in place until FY 2012-13.

BALLPARK FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Interest and Rental Income	$ 587,869	$ 567,153	$ 599,252	$ 564,447	-0.5%
Charges for Services	121,030	125,000	99,977	125,000	0.0%
Debt Refunding	1,789,319	-	-	-	0.0%
Transfer from Fund Balance	-	-	112,105	-	0.0%
Transfers from Other Funds	1,646,053	1,391,020	1,391,020	1,594,931	14.7%
Total Revenues	**$ 4,144,271**	**$ 2,083,173**	**$ 2,202,354**	**$ 2,284,378**	**9.7%**
Appropriations					
Personal Services	$ 129,943	$ 111,363	$ 115,773	$ 114,135	2.5%
Operating	760,842	760,509	875,280	867,068	14.0%
Debt Service	2,819,504	902,443	902,443	978,378	8.4%
Transfer to Fund Balance	140,282	-	-	-	0.0%
Transfers to Other Funds	293,700	308,858	308,858	324,797	5.2%
Total Appropriations	**$ 4,144,271**	**$ 2,083,173**	**$ 2,202,354**	**$ 2,284,378**	**9.7%**
Departmental Appropriations					
General Services	$ 793,567	$ 774,654	$ 893,835	$ 849,220	9.6%
Nondepartmental Appropriations	3,350,704	1,308,519	1,308,519	1,435,158	9.7%
Total Appropriations	**$ 4,144,271**	**$ 2,083,173**	**$ 2,202,354**	**$ 2,284,378**	**9.7%**

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). 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 $25,000 per month during the baseball season.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 4% of the team's gross revenues exceeding $3,250,000 per year.

Skybox Rentals - The City receives 25% of skybox rental revenue from the 11 skyboxes at the DBAP.

Office and Parking Space Rentals – Rentals for office space are on the street level of the park. In addition, the fund collects rental income on the parking lots used by the Diamond View Office Complex.

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events.

Charges for Services

Ticket Surcharges - The City levies a $0.25 surcharge on each ticket sold for events at the DBAP.

Transfer from Other Funds

Transfer from General Fund - The General Fund subsidizes the Ballpark Fund on an annual basis.

EXPENDITURE DESCRIPTIONS

Personal Services **–** This represents the City's personnel assigned to provide facility maintenance at the DBAP.

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

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Charges for Service	$ 1,319,633	$ 1,299,676	$ 1,299,676	$ 1,383,281	6.4%
Investment Income	14,847	10,686	9,467	6,500	-39.2%
Appropriation From Fund Balance	21,286	6,739	22,169	-	-100.0%
Total Revenues	**$ 1,355,766**	**$ 1,317,101**	**$ 1,331,312**	**$ 1,389,781**	**5.5%**
Appropriations					
Personal Services	$ 1,354,666	$ 1,315,901	$ 1,330,112	$ 1,388,581	5.5%
Operating	1,100	1,200	1,200	1,200	0.0%
Total Appropriations	**$ 1,355,766**	**$ 1,317,101**	**$ 1,331,312**	**$ 1,389,781**	**5.5%**

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% 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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Interest and Rental Income	$ 16,804	$ 12,303	$ 11,102	$ 7,500	-39.0%
Appropriation from Fund Balance	22,391	232,278	233,479	92,500	-60.2%
Transfers from Other Funds	-	-	-	-	0.0%
Total Revenues	**$ 39,195**	**$ 244,581**	**$ 244,581**	**$ 100,000**	**-59.1%**
Appropriations					
Transfers to Other Funds	$ 39,195	$ 244,581	$ 244,581	$ 100,000	-59.1%
Total Appropriations	**$ 39,195**	**$ 244,581**	**$ 244,581**	**$ 100,000**	**-59.1%**

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. This fund holds contributions to the 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 the fund balance.

Transfers from Other Funds – A transfer from the General Fund had been made to the Cemetery Fund to allow the fund balance to build for future infrastructure needs.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – For Fiscal Year 2012-13 funds are being transferred to the Capital Improvement Program for the purpose of cemetery repairs.

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Charges for Services	$ 3,490,667	$ 3,996,566	$ 3,996,566	$ 3,802,617	-4.9%
Contributions	755,086	870,848	765,892	780,495	-10.4%
Transfers from Fund Balance	66,911	-	-	61,507	100.0%
Total Revenues	**$ 4,312,664**	**$ 4,867,414**	**$ 4,762,458**	**$ 4,644,619**	-4.6%
Appropriations					
Personal Services	$ 4,312,664	$ 4,852,414	$ 4,538,617	$ 4,627,869	-4.6%
Operating Expenses	-	15,000	12,000	16,750	11.7%
Transfer to Fund Balance	-	-	211,841	-	0.0%
Total Appropriations	**$ 4,312,664**	**$ 4,867,414**	**$ 4,762,458**	**$ 4,644,619**	-4.6%

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 employee and retiree contributions.

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 – This expenditure reflects any surplus after providing post employment benefits to eligible retirees. All excess appropriations are placed into a reserve to ensure adequate funding for future post employment benefits.

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
911 Surcharge Tax	$ 1,517,247	$ 1,796,331	$ 1,796,331	$ 1,413,750	-21.3%
Interest Income	9,126	5,008	6,189	4,000	-20.1%
Appropriation from Fund Balance	11,519	171,311	164,618	382,581	123.3%
Total Revenues	**$ 1,537,892**	**$ 1,972,650**	**$ 1,967,138**	**$ 1,800,331**	**-8.7%**
Appropriations					
Personal Services	$ 197,149	$ 223,491	$ 237,464	$ 186,488	-16.6%
Operating	1,340,743	1,749,159	1,729,674	1,609,843	-8.0%
Transfer to Fund Balance	-	-	-	4,000	100.0%
Total Appropriations	**$ 1,537,892**	**$ 1,972,650**	**$ 1,967,138**	**$ 1,800,331**	**-8.7%**

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.

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DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Other Local Taxes	$ 1,227,461	$ 1,250,000	$ 1,250,000	$ 1,300,000	4.0%
Other Revenues	711,950	922,122	835,087	861,000	-6.6%
Operating Revenues	1,080,791	700,000	900,000	918,000	31.1%
Transfer From Other Funds	206,000	100,000	100,000	-	-100.0%
Appropriation from Fund Balance	133,445	174,023	66,208	296,831	70.6%
Total Revenues	**$ 3,359,646**	**$ 3,146,145**	**$ 3,151,295**	**$ 3,375,831**	**7.3%**
Appropriations					
Operating	$ 247,099	$ 113,526	$ 118,676	$ 429,733	278.5%
Transfer to Other Funds	622,591	543,009	543,009	459,000	-15.5%
Debt Service	2,489,956	2,489,610	2,489,610	2,487,098	-0.1%
Total Appropriations	**$ 3,359,646**	**$ 3,146,145**	**$ 3,151,295**	**$ 3,375,831**	**7.3%**

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.

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.

Operating Revenues – Revenues received from the theater operator.

Transfer From Other Funds – A transfer from the Downtown Revitalization portion of the General Fund.

Appropriation from Fund Balance – Tax collections in support of the Center are held in reserve until needed.

EXPENDITURE DESCRIPTIONS

Operating - Commissions and fees to meet contractual obligations. In FY 2012-13 Indirect Costs associated with the General Fund were added to the fund.

Transfer to Other Funds – Allows for transfers to the DPAC Capital Reserve Fund.

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

DURHAM PERFORMING ARTS CENTER CAPITAL RESERVE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Distributed Interest	$ 1,404	$ 1,688	$ 6,331	$ 1,000	-40.8%
Transfer From Other Funds	616,566	543,009	543,009	459,000	-15.5%
Total Revenues	**$ 617,970**	**$ 544,697**	**$ 549,340**	**$ 460,000**	**-15.5%**
Appropriations					
Operating	$ 299,406	$ 350,000	$ 350,000	$ 197,249	-43.6%
Transfer to Fund Balance	318,564	194,697	199,340	262,751	35.0%
Total Appropriations	**$ 617,970**	**$ 544,697**	**$ 549,340**	**$ 460,000**	**-15.5%**

FUND DESCRIPTION

The Durham Performing Arts Center Capital Reserve Fund pays for repairs to the theater and collects excess revenues for periodic major upgrades.

REVENUE DESCRIPTIONS

Distributed Interest – The investment return on the fund balance.

Transfer From Other Funds – A transfer of the facility fee income from the DPAC fund. Beginning in FY 2012, the ticket surcharge is $1.50 per ticket.

APPROPRIATIONS DESCRIPTIONS

Operating - Repairs and upgrades to the theater.

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

IMPACT FEE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Operating Revenues	$ 2,407,861	$ 1,719,602	$ 1,742,137	$ 1,742,137	1.3%
Interest and Rental Income	251,703	175,047	184,654	113,000	-35.4%
Total Revenues	**$ 2,659,564**	**$ 1,894,649**	**$ 1,926,791**	**$ 1,855,137**	**-2.1%**
Appropriations					
Transfer to Fund Balance	$ 2,659,564	$ 1,894,649	$ 1,926,791	$ 1,855,137	-2.1%
Total Appropriations	**$ 2,659,564**	**$ 1,894,649**	**$ 1,926,791**	**$ 1,855,137**	**-2.1%**

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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
General Property Taxes	$ -	$ -	$ -	$ 401,333	100.0%
Transfers from Other Funds	-	-	-	250,000	100.0%
Total Revenues	**$ -**	**$ -**	**$ -**	**$ 651,333**	**100.0%**
Appropriations					
Operating	-	-	-	630,000	100.0%
Capital and Other	-	-	-	21,333	100.0%
Total Appropriations	**$ -**	**$ -**	**$ -**	**$ 651,333**	**100.0%**

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.

EXPENDITURE DESCRIPTIONS

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

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

RISK REDUCTION FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Interest Income	$ 102,580	$ 84,267	$ 58,738	$ 80,249	-4.8%
Charges for Current Services	4,742,720	4,781,100	4,781,100	3,712,485	-22.4%
Transfer from Other Funds	-	778,842	778,842	48,709	-93.7%
Appropriation from Fund Balance	-	270,776	-	1,965,000	625.7%
Total Revenues	**$ 4,845,300**	**$ 5,914,985**	**$ 5,618,680**	**$ 5,806,443**	**-1.8%**
Appropriations					
Operating	$ 3,630,571	$ 5,914,985	$ 5,102,414	$ 5,806,443	-1.8%
Transfer to Other Funds	778,842	-	185,464	-	0.0%
Transfer to Fund Balance	435,887	-	330,802	-	0.0%
Total Appropriations	**$ 4,845,300**	**$ 5,914,985**	**$ 5,618,680**	**$ 5,806,443**	**-1.8%**

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

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

Transfer to Fund Balance – This expenditure reflects all reserves over 8% are appropriated to other funds.

EMPLOYEE INSURANCE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Charges for Current Services	$ 23,009,473	$ 28,914,846	$ 27,751,020	$ 29,112,275	0.7%
Interest	18,090	18,750	30,165	12,500	-33.3%
Total Revenues	**$ 23,027,563**	**$ 28,933,596**	**$ 27,781,185**	**$ 29,124,775**	**0.7%**
Appropriations					
Personnel	$ -	$ 77,814	$ 52,850	$ 76,889	-1.2%
Operating	21,331,961	28,855,782	26,874,874	29,047,886	0.7%
Transfer to Fund Balance	1,695,602	-	853,461	-	0.0%
Total Appropriations	**$ 23,027,563**	**$ 28,933,596**	**$ 27,781,185**	**$ 29,124,775**	**0.7%**

FUND DESCRIPTION

The Employee Insurance Fund was established to allocate 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.

EXPENDITURE DESCRIPTIONS

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

Operating – This line includes payments for health insurance.

WATERSHED PROTECTION FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Revenues					
Charges for Services	$ -	$ -	$ -	$ 100,000	100.0%
Total Revenues	**$ -**	**$ -**	**$ -**	**$ 100,000**	**100.0%**
Appropriations					
Transfers to Other Funds	$ -	$ -	$ -	$ 100,000	100.0%
Total Appropriations	**$ -**	**$ -**	**$ -**	**$ 100,000**	**100.0%**

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2012-13 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.

GOVERNANCE
BUDGET SUMMARY

General Fund Appropriations	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2011-13	Change
City Council	$ 250,670	$ 634,998	$ 451,453	$ 300,199	-52.7%
RDU Airport Authority	12,500	12,500	12,500	12,500	0.0%
Mayor's Committee for Disabled	3,484	5,650	5,000	5,550	-1.8%
City Dues	188,667	190,375	190,375	190,375	0.0%
Contingency	-	25,000	25,000	25,000	0.0%
Sister Cities	2,890	3,000	1,650	3,100	3.3%
City Attorney	1,554,758	1,531,469	1,568,319	1,560,261	1.9%
City Clerk	578,496	604,737	605,739	616,320	1.9%
City Manager	3,010,713	2,924,020	2,977,618	2,973,435	1.7%
Legislative Program	102	25,000	25,000	-	-100.0%
Pay Adjustments/Others	42,442	50,000	70,000	69,528	39.1%
Total Appropriations	**$ 5,644,722**	**$ 6,006,749**	**$ 5,932,654**	**$ 5,756,268**	**-4.2%**
Full Time Equivalents	49	50	50	50	-
Part Time	8	8	8	8	-
Revenues					
General Fund					
Discretionary	$ 5,593,286	$ 5,898,749	$ 5,838,848	$ 5,653,468	-4.2%
Program	51,436	108,000	93,806	102,800	-4.8%
General Fund Subtotal	**$ 5,644,722**	**$ 6,006,749**	**5,932,654**	**5,756,268**	**-4.2%**

GOVERNANCE

City Council 3%
Pay Adjustments 1%
City Dues 3%
Contingency 0%
City Attorney 27%
City Manager 52%
City Clerk 11%

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 **$536,724**

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 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 192,032	$ 190,576	$ 202,524	$ 207,752	9.0%
Operating	58,638	444,422	248,929	92,447	-79.2%
Capital	-	-	-	-	0%
Subtotal Appropriations	$ 250,670	$ 634,998	$ 451,453	$ 300,199	-52.7%
RDU Airport Authority	$ 12,500	$ 12,500	$ 12,500	$ 12,500	0.0%
Mayor's Committee for	3,484	5,650	5,000	5,550	-1.8%
City Dues	188,667	190,375	190,375	190,375	0.0%
Sister Cities	2,890	3,000	1,650	3,100	3.3%
Contingency	-	25,000	25,000	25,000	0.0%
Subtotal Nondepartmen	$ 207,541	$ 236,525	$ 234,525	$ 236,525	0.0%
Total Appropriations	$ 458,211	$ 871,523	$ 685,978	$ 536,724	-38.4%
Full Time Equivalents	-	-	-	-	-
Part Time	7	7	7	7	-
Revenues					
Discretionary	$ 458,211	$ 871,523	$ 685,978	$ 536,724	-38.4%
Program	-	-	-	-	0%
Total Revenues	$ 458,211	$ 871,523	$ 685,978	$ 536,724	-38.4%

BUDGET ISSUES FOR FY 2012-13

- None

ACCOMPLISHMENTS FOR FY 2011-12

- Deliberated and adopted annual budget for City operations.
- Mayor presented State of the City Address.
- Provided update on plans to fight violent crimes.
- Held the Mayor’s Summer Youth Job Fair & Expo.

- Conducted a series of Coffee with Council to provide citizens an opportunity to express their concerns and comments on how the City should allocate funds for the upcoming fiscal year.
- Adopted Proactive Rental Inspection Program.
- Historic Parrish Street Forum opening.
- Strengthening partnership with Durham Housing Authority.
- Continued neighborhood revitalization efforts.
- Approved 2012 Legislative Program.

City Attorney
(11 FTEs)

CITY ATTORNEY

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

DEPARTMENT DESCRIPTION

City Attorney's Office **$1,560,261**
11 FTEs

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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 1,460,006	$ 1,451,963	$ 1,436,296	$ 1,443,146	-0.6%
Operating	94,751	79,506	132,023	117,115	47.3%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 1,554,757	$ 1,531,469	$ 1,568,319	$ 1,560,261	1.9%
Full Time Equivalents	11	11	11	11	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	$ 1,554,757	$ 1,531,469	$ 1,568,319	$ 1,560,261	1.9%
Program	-	-	-	-	0.0%
Total Revenues	$ 1,554,757	$ 1,531,469	$ 1,568,319	$ 1,560,261	1.9%

BUDGET ISSUES FOR FY 2012-13

- The office continues to handle a substantially increased workload resulting from: the City's growth, the large number of capital projects funded through multiple bond referenda, the highly visible and legally unique and complex lacrosse lawsuits, high profile housing redevelopment ventures and in particular, the Rolling Hills/Southside redevelopment, the substantial need for contracts and enforcement assistance in the City's Stormwater Program, questions generated by the Unified Development Ordinance (UDO), 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.

COMPLETED INITIATIVES FOR FY 2011-12

- Performed legal work on a variety of complex projects, including drafting of agreements for the Durham Convention Center, legal support for the proposed Business Improvement District, continuing DATA site environmental issues, Greenfire Downtown Development initiatives including the conversion of the Hill Building to the Sparq Hotel, and continuing Woolworth/Parrish Street project issues.
- Provided legal work and engaged counsel to defend the three lacrosse lawsuits, in which the City and 15 City employees were named as defendants. This initially involved doing legal research on the claims, investigating and selecting appropriate private law firms for defense of the case, coordinating with the City's insurance provider, and negotiating engagement terms and contracts with the five firms selected. The office continues to provide case coordination among private counsel, research into select areas of law, investigation of particular factual issues, assistance in public relations, oversight of billings, and management of the relationship between the City and the insurance carrier. This consumes at a minimum 1/3 of one attorney's time, and is expected to continue to consume that amount of time, at least through the coming year.
- 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.
- Provide legal support for the proposed Periodic Rental Inspection Program.
- Continued 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 over 30 filed legal actions or administrative proceedings, including tort/negligence claims, personnel issues, and regulatory matters; successfully obtaining dismissals in a number of cases.
- Reviewed contracts for numerous capital projects funded from the $130,000,000 in bonds approved in 2005, 2007 and 2009, plus 2/3 bonds, COPs, and water and sewer revenue bonds anticipated to be authorized in 2011 or 2012.
- Legal support for the Council's 2012 legislative agenda.
- Heritage Square and Golden Belt development incentives.
- Durham Athletic Park Development/Museum project.
- Redistricting of City ward boundaries as a result of the 2010 census results.
- Long term lease and management agreement for the North Parking Deck.
- Continued work on the 751 Assemblage.
- Developed an outdoor sidewalk dining ordinance.
- Provided legal support relating to the disposal of downtown City alleyways.
- Completed the acquisition of the Hillandale Gold Course.
- Provided legal support for the management of street issues related to failing and struggling neighborhood developments.

DEPARTMENT INITIATIVES FOR FY 2012-13

Many of the initiatives for the upcoming fiscal year are continuing projects from FY 2011-12.

These include legal work relating to:

- Rolling Hills/Southside redevelopment project.
- Coordination of lacrosse legal defense and related insurance issues.
- Greenfire Downtown Development incentives.
- 2012 and 2013 legislative programs.
- Durham Performing Arts Center naming agreements.
- Bond work and retention of bond counsel for 2/3 bonds, COPs, and Water/Sewer Revenue bonds anticipated to be issued in FY 2012.
- 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.

City Clerk
(7 FTEs)

CITY CLERK

Purpose Statement:
To serve as historians for the City of Durham by accurately documenting and maintaining its official records as well as making those records accessible for citizens.

DEPARTMENT DESCRIPTION

City Clerk's Office **$616,320**
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.

Public Notice

Publicize meetings in accordance with the NC Open Meetings Law.

Attestation of City Contracts

Attest and notarize City contracts and return to departments in a timely manner.

Records

Execute and provide Council documents to departments, prepare agenda items, prepare minutes for City Council meetings, archive permanent documents, process board applications, 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 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 538,198	$ 534,009	$ 551,596	$ 550,732	3.1%
Operating	40,298	70,728	54,143	65,588	-7.3%
Capital	-	-	-	-	0%
Total Appropriations	$ 578,496	$ 604,737	$ 605,739	$ 616,320	1.9%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 578,494	$ 604,737	$ 605,733	$ 616,320	1.9%
Program	2	-	6	-	0%
Total Revenues	$ 578,496	$ 604,737	$ 605,739	$ 616,320	1.9%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Public Notice **General Fund:** **$46,093**
FTEs: **0.5**

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 departments to ensure public notification of meetings.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Meetings proper notice provided at least 48 hours in advance	100%	99%	100%	100%
# of Meetings publicized	850	800	850	850

Program: Attestation of City Contracts **General Fund:** **$89,286**
FTEs: **1.5**

Goal: Well Managed City
Objective: To attest & return contracts to departments within a timely manner.
Initiative: City Clerk & staff member will manage & follow-up on process.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# of Contracts received	1,446	1,300	1,500	1,500
% of Contracts attested & returned to dept. within three days of receipt	99%	96%	99%	99%

Program: Records **General Fund:** **$305,264**
FTEs: **3**

Goal: Well Managed City
Objective: To execute and provide council adopted documents to departments.
Initiative: Staff member will monitor and provide update to City Clerk.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Resolutions / ordinances made available to departments within four days of council approval	98%	96%	96%	96%
# of Resolutions /ordinances adopted	167	250	180	180

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Reappointments made prior to term expiring	76%	85%	83%	85%
# of Applicants submitted for reappointment	25	35	46	35

Objective: To attend meetings and prepare minutes for City Council meetings.
Initiative: Monthly monitoring of process by City Clerk and Deputy City Clerk.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Minutes prepared within 14 days	86%	84%	86%	86%
# of Meetings held	111	92	114	114

Program: Administrative Support **General Fund:** **$175,677**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Proclamations, Resolutions and Letters prepared	889	600	850	850
% of Resident service requests referred to manager's office within 2 business days	N/A	N/A	98%	98%

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

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of questions on employee survey rating at 65 or above	90%	N/A	N/A	95%

BUDGET ISSUES FOR FY 2012-13

- None.

COMPLETED INITIATIVES FOR FY 2011-2012

- Prepared City Council minutes within 14 days of meeting.
- Provided proper notice of meetings in accordance with NC Opens Meetings Law.
- Submitted boards, committees & commissions appointments to NC Secretary of State by September 2011.
- Maintained official records and provided information to customers as requested.
- Provided administrative support to the Mayor and Members of the City Council.
- Published video/audio of City Council meetings to web within 24 hours of meeting.
- Participated in Durham Chamber of Commerce Leadership Session; Durham City College and PAC meetings to provide a general overview of the City Clerk's Office.
- Begun discussion on City Clerk's Strategic Plan.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Implementation of City Clerk's Strategic Plan.
- Continue to participate in Durham Chamber of Commerce Leadership Session; Durham City College and PAC meetings to provide a general overview of the City Clerk's Office.
- Continue to demonstrate a commitment to culture of service.
- Continue to prepare City Council minutes within 14 days of meeting.
- Continue to provide proper notice of meetings in accordance with NC Opens Meetings Law.
- Submit boards, committees & commissions appointments to NC Secretary of State by September 2012.
- 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 maintain official records and provide information to customers.

City Manager's Office

(32 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 **$2,973,435**
32 FTEs

Administration

The Administration provides executive management and oversight to all City departments. The City Manager is the City's chief administrative officer. The 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. The office administers the Mayor's Summer Youth Employment Program.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 2,703,286	$ 2,671,535	$ 2,693,856	$ 2,670,379	0.0%
Operating	307,427	252,485	277,762	303,056	20.0%
Capital	-	-	26,000	-	0%
Subtotal Appropriations	$ 3,010,713	$ 2,924,020	$ 2,997,618	$ 2,973,435	1.7%
Nondepartmental					
Legislative Program	102	25,000	5,000	-	-100%
Subtotal Nondepartmen	$ 102	$ 25,000	$ 5,000	$ -	-100%
Total Appropriations	$ 3,010,815	$ 2,949,020	$ 3,002,618	$ 2,973,435	0.8%
Full Time Equivalents	31	32	32	32	0
Part Time	1	-	-	-	-
Revenues					
Discretionary	$ 2,959,380	$ 2,841,020	$ 2,908,818	$ 2,870,635	1.0%
Program	51,435	108,000	93,800	102,800	-4.8%
Total Revenues	$ 3,010,815	$ 2,949,020	$ 3,002,618	$ 2,973,435	0.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Public Affairs

General Fund: **$564,025**
FTEs: **6**

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# E-newsletters distributed to readers	557	612	570	580
# City government produced programs on DTV	5	5	5	5
% of Citizens satisfied with availability of information about City programs or services	N/A*	65%	57%	N/A*
# of Press releases resulting in placement of stories	N/A	96	180	180
# Community events and presentations	31	15	20	20
# Contacts with departments for media support or communications needs	500	550	550	550

* Citizen Survey is completed every even fiscal year. Next results will be available in FY14.

Program: Administration **General Fund:** **$1,405,139**
FTEs: **11**

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.
Initiative: To provide professional financial oversight through an annual audit by issuing the quarterly financial reports and preparation of a comprehensive financial report.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Bond Rating	AAA	AAA	AAA	AAA
General Fund Balance	12.80%	12.00%	12.20%	12.00%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Positive responses in the employee opinion survey	72.60%	N/A**	N/A**	75.00%

** Employee Opinion Survey is completed every odd fiscal year.

Objective: To continuously improve the citizenship experience in the City of Durham.
Initiative: Work with the City Council, City staff and citizens to develop and implement effective City policies, improve interactions between citizens and City government, and allocate resources to identified priorities.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Citizens satisfied that Durham is moving in the right direction	N/A*	70%	71%	N/A*
% of Citizens satisfied with public involvement in local decisions	N/A*	50%	45%	N/A*
% of Citizens satisfied with customer service from City employees	N/A*	68%	64%	N/A*
% of Citizens satisfied with value received from City taxes and fees	N/A*	40%	40%	N/A*

* Citizen Survey is completed every even fiscal year. Next results will be available in FY14.

Program: Durham One Call **General Fund:** **$659,037**
FTEs: **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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Satisfaction with Durham One Call	68%	90%	70%	90%
Average Wait Time for Call to be Answered	89%	90%	90%	60%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Communication within next business day	NA	95%	95%	95%

Program: Office on Youth

General Fund: **$345,234**
FTEs: **3**

Goal: Strong and Diverse Economy - Maintain and grow a strong and diverse economy though 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Teen Center participation in programs	N/A	360	1,000	480
% of Satisfied Teen Center participants	N/A	95%	97%	95%

Initiative: Increase participation in the Mayor's Summer Youth Work Program (MSYWP) each year.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of MSYWP participants	283	293	296	305
% Increase in MSYWP participation	-16.0%	2.0%	4.5%	3.0%

Initiative: Increase participation in and effectiveness of job readiness workshops.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants in job readiness workshops	143	143	113	120

BUDGET ISSUES FOR FY 2012-13

- None.

COMPLETED INITIATIVES FOR FY 2011-12

- Prepare 2011-12 State and federal legislative agendas.
- Begin Phase I of Rolling Hills/Southside Redevelopment.
- Continue a citywide sustainability initiative to enhance energy and environmental efforts.
- Redesign City’s external website to promote appeal and increase interactivity.
- Complete re-design and implementation of public and employee websites.
- Develop and implement Bull City Connector Marketing Plan.
- Employee Opinion Survey follow-up.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Management Internship Program.
- Reconfiguration of Call Center.
- DTV8 Equipment Upgrade.

ADMINISTRATIVE AND SUPPORT
BUDGET SUMMARY

Non-Grant	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY2012-13	Change
Appropriations					
Audit Services	$ 581,166	$ 565,703	$ 573,718	$ 540,855	-4.4%
Budget and Management Services	1,031,032	1,145,424	1,184,811	1,209,935	5.6%
Equal Opportunity and Equity Assurance	533,795	544,068	550,783	655,948	20.6%
Finance	5,518,510	5,880,497	5,882,931	5,586,707	-5.0%
Human Resources	1,661,098	1,635,271	1,649,570	1,663,558	1.7%
Drug Testing	46,131	42,000	67,500	-	-100.0%
Hospital Reimbursement	45,208	150,000	149,980	150,000	0.0%
Unemployment Compensation	284,297	285,000	523,518	350,000	22.8%
Technology Solutions	5,141,046	5,500,770	5,970,449	5,947,447	8.1%
Pay Adjustments/Other	147,560	99,000	40,753	-	-100.0%
Total Appropriations	**$ 14,989,843**	**$ 15,847,733**	**$ 16,594,013**	**$ 16,104,450**	**1.6%**
Full Time Equivalents	128	130	131	132	2
Part Time	2	3	3	2	-1
Revenues					
General Fund					
Discretionary	$ 14,275,938	$ 15,147,961	$ 15,924,842	$ 15,425,399	1.8%
Program	523,175	511,113	526,192	495,104	-3.1%
General Fund Subtotal	$ 14,799,113	$ 15,659,074	$ 16,451,034	$ 15,920,503	1.7%
Water & Sewer Fund	190,730	188,659	142,979	183,947	-2.5%
Total Revenues	**$ 14,989,843**	**$ 15,847,733**	**$ 16,594,013**	**$ 16,104,450**	**1.6%**

ADMINISTRATIVE AND SUPPORT

Audit Services

(5 FTEs)

AUDIT SERVICES

Purpose Statement:
To provide independent and objective assurance and consulting services that facilitate decision-making and enhance the efficiency of government services.

DEPARTMENT DESCRIPTION

Audit Services **$540,855**
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 (ASOC), 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, 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

Administers the contract and the RFP process for the external auditor.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 464,811	$ 447,787	$ 455,711	$ 455,713	1.8%
Operating	116,355	117,916	118,007	83,992	-28.8%
Capital	-	-	-	1,150	100%
Total Appropriations	$ 581,166	$ 565,703	$ 573,718	$ 540,855	-4.4%
Full Time Equivalents	5	5	5	5	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 581,166	$ 565,703	$ 573,718	$ 540,855	-4.4%
Program	-	-	-	-	0%
Total Revenues	$ 581,166	$ 565,703	$ 573,718	$ 540,855	-4.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Audit Program **General Fund:** **$284,970**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Comprehensive audits completed	10	10	10	11
% Recommendations accepted by management	98%	98%	91%	98%
# Audits/Reports completed during the year per FTE	4	5	4	4
% Actual versus budgeted hours used per audit	117%	100%	110%	100%

Objective: Effectively communicate audit activities to assist the ASOC in fulfilling its oversight responsibilities.
Initiative: Present the Annual Audit Plan and monthly reports to the ASOC.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Audits approved on initial presentation	100%	100%	100%	100%

Program: Fraud, Waste and Abuse **General Fund:** **$59,652**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Fraud hotline tips investigated within 2 days	100%	100%	100%	100%
% of Fraud hotline tips substantiated	20%	50%	50%	20%
# of Fraud, waste and abuse allegations investigated	10	6	14	10

Program: Administration **General Fund:** **$119,303**
FTEs: **1.250**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of CPE hours completed by the staff	160	160	160	160
% of Audit staff achieving professional certification	100%	100%	75%	100%

Objective: Engage in continuous process improvement.
Initiative: Evaluate existing technologies. Implement technologies to streamline/ enhance departmental operations.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Active Strategic Plan initiatives meeting target implementation timeline	N/A	N/A	N/A	80%
% of Active Strategic Plan measures showing improvement (upward trend)	N/A	N/A	N/A	80%

Objective: Ensure effective communication.
Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 70%. Evaluate the level of effectiveness of various means of internal communication. Implement communication strategies identified as most effective.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Questions on employee opinion survey regarding communication rating at or above 70%	N/A	N/A	N/A	90%

Program: External Auditor **General Fund: $76,930**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Invoices approved prior to entering into MUNIS	100%	100%	100%	100%
% of Times audit report was completed by the designated 10/31 deadline each FY	N/A	N/A	N/A	100%

Objective: To present audit report to ASOC (independent audit committee) on a timely basis.
Initiative: Ensure presentation for financial audit review/approval with ASOC members.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Times annual financial audit is presented to ASOC members prior to being submitted to LGC	N/A	N/A	N/A	100%

BUDGET ISSUES FOR FY 2012-13

- The external audit contract fee decreased by 36% for FY 2013. The fee will increase by approximately 3% for FY 2014.

COMPLETED INITIATIVES FOR FY 2011-12

- Emphasized increased monitoring and internal control implementation through a combination of compliance and performance audits for activities such as the CDBG Grant Application Process, Meter Reading, Inventory, Fleet Utilization and Controls Over Recording and Reporting of Leave.
- Developed performance measures for new departmental Strategic Plan.
- Served as Citywide Strategic Plan Goal Champion for the Performance Monitoring Team.
- Completed the first Fraud Prevention Awareness Month Symposium with the State Auditor as the speaker. This activity was developed for the Senior Management Group to reinforce the behavioral paradigm shift resulting from communicated expectations in ethical behavior.
- 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 including 8 hours of ethics training for the professional staff.
- Completed ten activities towards improvement of the employee opinion survey rating.
- Participated in facilitating training for the revised Ethics Policy.
- Monitored the Fraud, Waste and Abuse hotline; investigated 13 allegations year-to-date.
- 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.
- Created one developmental opportunity to support the Culture of Service Service to Co-Workers initiative.
- Mentored to sister city citizen for six months to provide work experience towards a professional certification.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Focus on creative approaches to a risk based approach to auditing.
- Develop a departmental Strategic Plan with measureable performance metrics.
- Apply continuous monitoring for selected processes as a result of using the MUNIS integrated modules.
- Present a training module 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.
- Develop relationships guided by industry best practices to complement the risk-based audit work plan developmental process.
- Produce a semi-annual newsletter that will provide "best practices" of specific targeted control issues, and update the community on fraud and abuse issues.
- Work towards a 100% certified staff.
- 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 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 and enhance management and City Council decision making, ensuring the accountability of all City funds while evaluating and recommending the best use of public resources.

DEPARTMENT DESCRIPTION

Budget and Management Services **$1,209,935**
12 FTEs

The department is primarily responsible for developing and monitoring the City's annual budget and Capital Improvement Program (CIP). The department is also responsible for maintaining the City's five year multi-year financial plan and Strategic Plan. The department provides professional management that is accountable, efficient, and transparent which primarily supports two Strategic Plan goals; Well Managed City and Stewardship of the City's Physical Assets.

The department processes petition annexations, oversees the programming of Impact Fee Funds, provides training 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.

RESOURCE ALLOCATION

	Actual FY 2010 - 11	Adopted FY 2011 - 12	Estimated FY 2011 - 12	Adopted FY 2012 - 13	Change
Appropriations					
Personal Services	$ 961,055	$ 934,926	$ 992,044	$ 1,099,575	17.6%
Operating	69,977	210,498	192,767	100,227	-52.4%
Non - Cash Items	-	-	-	10,133	100.0%
Total Appropriations	$ 1,031,032	$ 1,145,424	$ 1,184,811	$ 1,209,935	5.6%
Full Time Equivalents	10	10	11	12	2
Part Time	-	1	1	0	-1
Revenues					
Discretionary	$ 1,029,698	$ 1,144,424	$ 1,183,561	$ 1,208,935	5.6%
Program	1,334	1,000	1,250	1,000	0.0%
Total Revenues	$ 1,031,032	$ 1,145,424	$ 1,184,811	$ 1,209,935	5.6%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Annual Budget Development, Monitoring and Reporting **General Fund: $543,829**
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: Issue a budget document that qualifies for GFOA Distinguished Budget Presentation Award.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Received GFOA distinguished budget award	Yes	Yes	Yes	Yes

Objective: To project General Fund discretionary revenues to within 1% of actual revenues received.
Initiative: Budget staff will work with others, such as the North Carolina League of Municipalities, other City departments, and the Durham County Tax Office to ensure that the information needed to make projections is available and updated on a routine basis.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Accuracy of discretionary General Fund revenue projection	+1.5%	±1.5%	-0.2%	±1.0%

Objective: To provide timely and accurate reports to the City Manager and City Council to disclose significant issues affecting the City's current and future financial position and to support decision making.
Initiative: Provide quarterly financial reports to the City Manager and City Council and post information on the internet.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% 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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Departments at or below net funding	N/A	100%	96%	100%

Program: Annual Capital Improvement Program Development, Monitoring and Reporting **General Fund: $59,779** **FTEs: 0.5**
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Requested General Fund CIP projects approved for funding	0%	38%	87%	80%
General Fund CIP investment per capita	$0	$34	$20	$34

Program: Annexations **General Fund: $46,013** **FTEs: 0.5**
Goal: Strong and Diverse Economy
Objective: To grow tax base, and promote and facilitate sustainable growth in the City to enhance livability and economic viability.
Initiative: Manage decision-making process and information that allows for sustained tax base growth.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Annexations completed	5	4	8	4
% of Annexation requests submitted to Council within 6 months of submittal	N/A	50%	25%	50%
% of Tax base growth	3%	3%	3%	3%

Program: Process Evaluation & Improvements/Special Projects **General Fund: $170,010**
FTEs: 1.0

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Process improvement initiatives completed	2	2	2	2
% of Approved process improvement recommendations implemented by original target date	100%	100%	74%	100%
% of No cost process improvement recommendations implemented within 6 months of final approval	N/A	100%	77%	100%
Staff hours/cost per process improvement	N/A	N/A	125/$4,200	125/$4,200

Program: Citywide Initiatives/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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Employees participating in Durham First initiatives	1,500	1,500	1,500	1,500
City College	30	30	39	40
Leadership Academy	14	14	15	16
Leadership Conference	300	300	239	240

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Administrative Professionals Conference	150	150	120	120
Average cost/employee Durham First initiatives	$3	$3	$3	$3
City College	$83	$83	$70	$70
Leadership Academy	$860	$860	$860	$860
Leadership Conference	$17	$17	$5	$17
Administrative Professionals Conference	$13	$13	$13	$13

Objective: Manage talent and ensure continuity of leadership.
Initiative: Increase employee engagement through organizational development initiatives.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Increase in employee engagement index	N/A	1%	N/A	1%
# of Existing employees promoted to management positions	58	N/A	56	45
# of Leadership program graduates promoted within 2 years	3	2	9	6

Program: Administration **General Fund:** **$196,964**
FTEs: **3.0**

Goal: Well Managed City
Objective: Engage in Continuous Process Improvements
Initiative: Ensure implementation of all strategic plan initiatives.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Active Strategic Plan initiatives meeting target implementation timeline.	N/A	N/A	N/A	85%
% of Active Strategic Plan measures showing improvement (upward trend)	N/A	N/A	N/A	85%

Objective: Ensure effective internal and external communication/satisfaction.
Initiative: Develop an 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. Implement communication strategies identified as most effective.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Questions on employee opinion survey regarding communication / satisfaction rating at or above 70%.	N/A	N/A	N/A	80%
% of Questions on annual survey to departments rating at satisfied or above.	N/A	N/A	N/A	80%

BUDGET ISSUES FOR FY 2012-13

- Implementation of the City strategic plan.
- Development and implementation of departmental strategic plans.
- Development of departmental performance measures.
- Implementation of performance based budgeting for all departments.

COMPLETED INITIATIVES FOR FY 2011-12

- Granted the Distinguished Budget Document award for the FY2010-11 budget from the Government Finance Officers Association. This is the 23rd consecutive year that the City has received this award.

- Staffed the Citizen's Capital Improvement Panel (CCIP) Advisory Committee for the 9th 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, a Neighborhood Engagement Workshop, 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 seven voluntary annexation petitions.
- Developed the City Manager recommended annual budget for FY2012-13 and the Capital Improvement Plan for FY2013-18 on May 16, 2011.
- Posted the FY2011-12 final budget document to the City web site on June 30, 2010, 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 the economic slowdown, particularly with respect to revenues and development activity, and proposed effective financial strategies to prevent overspending and ensure a balanced FY2011-12 budget.
- Provided ongoing education opportunities to the public on the budget process and development of the FY2012-13 budget.
- Led organization-wide Culture of Service initiatives.
- Coordinated implementation of the Resident Opinion Survey.
- Facilitated quarterly Executive Team retreat.
- Continued implementing recommendations from the Employee Opinion Survey.
- Conducted Leadership Academy, City College, the Fourth Annual Fall Leadership Conference and the Fourth Annual Administrative Professionals Conference.
- Created and maintained a strategic plan website for citizens and City staff to track progress on measures and initiatives and to obtain general information about the City's Strategic Plan.
- Managed the Risk Management and the Human Resources process improvement implementations.
- Continued coordination of the Departmental Strategic Planning process.
- Expanded use of SharePoint platform to provide better collaboration with departments on the Strategic Plan, annual budget and CIP development, and budget monitoring.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Develop and publish the FY2013-14 Budget and FY2014-19 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.
- Coordinate the Departmental strategic planning process.
- Coordinate the development and implementation of strategic departmental dashboards.
- Continue implementation of the Solid Waste, Risk Management and Human Resources process improvement recommendations.
- Identify and complete two process improvement initiatives.
- Provide quarterly financial updates to the City Manager and Council.
- Coordinate annual Coffees with Council and other budget outreach efforts.
- Coordinate the evaluation and updating of departmental performance measures.
- Process voluntary annexation petitions as received.
- Maintain the annexation and CIP websites.
- 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 biennial Employee Opinion Survey and support organizational and departmental response to results.
- Coordinate organizational Culture of Service initiative.
- Continue to refine departmental performance measures.

Equal Opportunity/ Equity Assurance

(5 FTEs)

EQUAL OPPORTUNITY AND EQUITY ASSURANCE

Purpose Statement:
To assist in creating a business environment where firms desiring to do business with the City can do so in an inclusive atmosphere, and services to our internal and external customers are accessible and delivered in an equitable manner.

DEPARTMENT DESCRIPTION

Equal Opportunity and Equity Assurance **$655,948**
5 FTEs

The Department of Equal Opportunity/Equity Assurance is responsible for the implementation of the City's Equal Business Opportunity Program (EBOP). Responsibilities include:

- Recruitment of small disadvantaged business enterprises (SDBEs) eligible to participate in the EBOP.
- Certification of businesses to service City contracts in the areas of construction, professional services, supplier/vendor and non-professional services.
- Maintenance of the SDBE database of all currently certified businesses.
- Business development through the provision of technical assistance and support.
- Administration and implementation of the Mentor-Protégé Program.
- 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 compliance determination.
- Monitoring of SDBE participation in City contracting activity.
- Reporting of SDBE 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 business plan development.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 474,006	$ 469,904	$ 478,046	$ 483,275	2.8%
Operating	59,789	74,164	72,737	172,673	132.8%
Total Appropriations	$ 533,795	$ 544,068	$ 550,783	$ 655,948	20.6%
Full Time Equivalents	5	5	5	5	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	$ 533,795	$ 544,068	$ 550,783	$ 655,948	20.6%
Program	-	-	-	-	0.0%
Total Revenues	$ 533,795	$ 544,068	$ 550,783	$ 655,948	20.6%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Business Services

General Fund: **$267,849**

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: Seek and make available economic and business development opportunities for SDBE firms and monitor participation.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% Dollars spent with minority-owned SDBEs in professional services	8%	10%	10%	10%
% Dollars spent with minority-owned SDBEs in construction	7%	15%	10%	15%
% Dollars spent with women-owned SDBEs in professional services	5%	5%	5%	5%
% Dollars spent with women-owned SDBEs in construction	5%	5%	5%	5%

Objective: To make economic and business development opportunities of $500,000 or less available to Small Business Enterprises (SBEs) in the Durham Metropolitan Statistical Area (MSA).

Initiative: Implement Durham Small Business Enterprise Program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Professional services dollars spent with SBEs from contracts $500,000 or less	N/A	N/A	N/A	100%
% Construction dollars spent with SBEs from contracts $500,000 or less	N/A	N/A	N/A	100%

Program: Administrative Services

General Fund: **$359,130**
FTEs: **1.50**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Contracts found in compliance with ordinance	N/A	100%	93%	100%
# Audits conducted	N/A	1	2	2

Objective: To assess the City's Equal Business Opportunity Program in providing equitable distribution of contracts to minority and women businesses.

Initiative: Conduct a Disparity Study.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Disparity Studies conducted	N/A	N/A	N/A	1

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Questions on the Employee Opinion Survey rated at 80% or above	100%	100%	80%	80%

Program: Technical Assistance Program

General Fund: **$28,969**
FTEs: **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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of programs held	N/A	6	6	6
# of small business participants per session	N/A	10	18	18
Average cost per session	N/A	$504	$280	$280

BUDGET ISSUES FOR FY 2012-13

- Maintain current departmental service levels to fulfill the responsibilities of the Equal Business Opportunity Program and implement Small Business Enterprise Program.

COMPLETED INITIATIVES FOR FY 2011-12

- Actively sought business opportunities for certified SDBEs in all City contracting, as well as Durham County Government, Durham Public Schools projects and private sector projects.
- Conducted successful Minority Enterprise Development Week activities that included: a kick-off luncheon attended by approximately 75 persons and was highlighted by honoring three small businesses, two educational programs with approximately 60 attendees, a Business After Hours event attended by approximately 100 participants, a Business Trade Fair with approximately 200 attendees, a Meet the Purchaser networking event attended by approximately 100 participants and a Golf With A Minority Business Day with approximately 30 participants.
- Conducted six technical assistance seminars on various business development topics with an average of eighteen persons in attendance.
- Published monthly “SDBE Spotlights” to acquaint internal and external customers with the services of our certified firms.
- Sent bid news brief to SDBEs every two weeks to advise of business and educational opportunities and other information of interest to business owners.
- Worked for the successful passage of legislation granting the City the authority to implement a Small Business Enterprise Program.
- Sponsored two minority business networking events in coordination with the N.C. Institute of Minority Economic Development and the Greater Durham Black Chamber of Commerce with approximately 50-75 attendees at each event.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue Technical Assistance Services component to include educational programs designed to support small business development.
- Continue efforts to increase the numbers of SDBEs.
- Actively seek specific business opportunities for SDBEs on all City projects.
- Implement Small Business Enterprise Program.
- Conduct a Disparity Study in conjunction with Durham County Government.
- Maintain high level of departmental employee satisfaction.

Finance
(49 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 **$5,586,707**
49 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 to Duke Occupational and Environmental Medicine (OEM) associated with the provision of employee health services; 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 50,000 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 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 3,363,798	$ 3,424,123	$ 3,474,667	$ 3,504,320	2.3%
Operating	2,154,712	2,456,374	2,408,264	2,082,387	-15.2%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 5,518,510	$ 5,880,497	$ 5,882,931	$ 5,586,707	-5.0%
Full Time Equivalents	50	50	50	49	-1
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 5,258,426	$ 5,635,338	$ 5,669,623	$ 5,321,416	-5.6%
Program	69,354	56,500	70,329	81,344	44.0%
General Fund	$ 5,327,780	$ 5,691,838	$ 5,739,952	$ 5,402,760	-5.1%
Water & Sewer Fund	190,730	188,659	142,979	183,947	-2.5%
Total Revenues	$ 5,518,510	$ 5,880,497	$ 5,882,931	$ 5,586,707	-5.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Office of the Director

General Fund: $516,171
FTEs: 4

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
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%.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Questions on employee opinion survey regarding communication rating at or above 65%	N/A	N/A	N/A	95%

Program: Payroll

General Fund: $262,697

FTEs: 3.5

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Payroll checks issued	2,451	3,800	2,975	3,375
# Direct deposits	64,412	72,000	68,250	68,800
% Payroll processed on time	100%	100%	100%	100%
# Checks/advices issued with errors	N/A	12	12	12
% Checks/advices issued without error	N/A	99.98%	99.98%	99.98%

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# GL accounts reconciled	N/A	N/A	1,860	1,930
% GL accounts reconciled (corrected if necessary) each month	N/A	100%	100%	100%

Program: Accounts Payable

General Fund: $412,811

FTEs: 5.5

Goal: Well Managed City

Objective: To pay 95% of all invoices within 30 days of invoice date.

Initiative: To utilize best practices and continuously improve quality.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Invoices	50,594	41,000	50,000	50,000
% Invoices paid within 30 days	84.3%	95%	88.5%	95%

Program: Financial Reporting **General Fund: $672,143**
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
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	1	0	0	0

Program: Purchasing **General Fund: $478,892**
FTEs: 6

Goal: Well Managed City

Objective: To complete the purchasing cycle (requisition to PO) for purchases of commodities within an average of 2 days.

Initiative: To utilize best practices and continuously improve quality.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Purchase orders (PO)	23,700	24,250	22,900	23,000
Average cycle time for POs (days)	2	2	2	2

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Contracts	1,138	1,100	705	800
% Contracts certified within 3 days	N/A	95%	95%	95%

Program: Treasury Management **General Fund: $501,701**
FTEs: 2

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Actual investment % yield vs. average daily 2 year treasury yield for same period	N/A	N/A	+0.38%	+0.10%
Actual investment $ yield vs. average daily 2 year treasury yield for same period	N/A	N/A	600,000	125,000

Program: Interlocal Tax Contract

General Fund: $1,312,788

FTEs: 0

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Collection rate	98.75%	98.5%	98.5%	98.5%

Program: Billing and Collections

General Fund: $456,903

FTEs: 7

Water & Sewer Fund: $183,947

FTEs: 4

Goal: Well Managed City

Objective: To ensure that only those citizens deserving of bills for false alarms responses are billed.

Initiative: To utilize best practices and continuously improve quality and investigate the possibility of implementing an automated solution.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
$ Value of false alarm bills issued	239,950	300,000	196,500	209,000
% False alarm bills issued correctly	N/A	99%	98.75%	99%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Business licenses issued	12,206	11,550	11,000	12,000
# New licenses issued resulting from discovery efforts	N/A	N/A	23	25
% Change in business licenses resulting from discovery efforts	N/A	N/A	N/A	9%

Objective: To ensure that all payments received are posted within 24 hours of the City receiving them.

Initiative: To utilize best practices and continuously improve quality.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Payments posted within 24 hours of receipt	695	1,100	800	750
% Payments posted within 24 hours of receipt	98%	100%	100%	100%

Objective: To reduce number of delinquent accounts within Utility Billing (UB) by 7.5% and within General Billing (GB) by 10%.

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Delinquent accounts UB	23,480	25,000	20,328	18,800
# Delinquent accounts GB	3,972	5,475	4,510	4,059
% Reduction in delinquent accounts UB	N/A	7.5%	13.4%	7.5%
% Reduction in delinquent accounts GB	N/A	10.0%	-13.5%	10.0%

Program: Risk Management and Safety

General Fund: $574,196

FTEs: 4

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Inspections	9	10	13	16
% Change in number of inspections	12.5%	25%	62.5%	23%
# Deficiencies noted	N/A	N/A	45	20
% Deficiencies corrected within 90 days	N/A	N/A	N/A	100%

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Worker's compensation claims	251	300	300	295
% Reduction in annual average loss workdays per claim	N/A	5%	20%	5%

Objective: To reduce at fault automobile accidents by 5%.

Initiative: To maintain continuous process improvement in the City's risk management and safety process.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Auto accidents	50	74	195	180
% Reduction in number of at fault automobile accidents	N/A	5%	-10%	5%

Objective: To ensure timely reporting of results of medical evaluations by ensuring that all results are communicated back to departments within 5 days of original request.

Initiative: To maintain continuous process improvement in the City's risk management and safety process.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Medical evaluations	717	350	800	1,000
% Cases where results are communicated within 5 days	N/A	100%	100%	100%

Program: Print Shop

General Fund: $214,458

FTEs: 4

Goal: Well Managed City

Objective: To ensure that 98% of all jobs are completed within timeline established by service level commitments.

Initiative: To utilize best practices and continuously improve quality.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Print jobs	1,001	1,000	990	1,100
% Print jobs completed on time	N/A	95%	98%	98%

Objective: To ensure that 99% of all jobs accepted as "rush" are delivered as agreed with customer.

Initiative: To maintain continuous process improvement in the City's print shop.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Rush jobs	N/A	12	147	150
% Rush jobs completed as agreed	N/A	95%	99%	99%

BUDGET ISSUES FOR FY 2012-13

- 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.
- During the spring of 2012, the City will be renegotiating the inter-local property tax contract with the County, with a goal of paying for property tax collection services on the most equitable basis.

COMPLETED INITIATIVES FOR FY 2011-12

- Developed and implemented an enhanced safety program in connection with the operating departments.
- Engaged new third party administrator for compensation claims administration.
- Contributed to the Culture of Service to Co-workers initiative by hosting a Risk Summit and a Safety Fair.
- Retained collection agency to increase percentage of fees collected for Utility Billing non-active accounts and all General Billing segments.
- Increased usage of procurement cards by City departments, provided training for end-users, and increased rebate amount from the Bank of America.
- Streamlined the travel expense reimbursement process.
- Better linked the debt model to the financial model (joint project with BMS Department).
- Initiated electronic distribution of W-2 forms to employees.
- Received a “clean,” unqualified audit opinion, with no issues to report in the Management Letter, on the FY 2010-11 financial statements along with a single audit report that identified no new findings related to the City’s expenditure of Federal Funds.
- Maintained credit ratings that make the city one of the highest rated public entities in the country, and Moody’s upgraded to Aa1 the credit rating for Water and Sewer Utility System Revenue Bonds.
- Entered into an Installment Purchase Contract for $3 million to fund acquisition of new fleet vehicles for a five year term at a True Interest Cost (TIC) of 1.78 percent.
- Facilitated approval of HUD Section 108 loan; $8.8 million for Rolling Hills/Southside redevelopment.
- Updated all Finance Department policies.
- Updated indirect cost allocation plan.
- Dissolved Durham Risk Management Corporation (RMC); this was an entity formed to facilitate debt issuance for the Risk Fund, which is a functionality no longer needed.
- Upgraded duplicating and printing capabilities in the print shop.
- Transitioned printing of water bills from Technology Solutions to the print shop.
- Provided quarterly financial updates to the City Manager and Council (joint project with BMS Department).
- Received 26th consecutive Certificate of Achievement for Excellence in Financial Reporting for the comprehensive annual financial report (CAFR).
- Received seventh consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting.
- Received ninth consecutive Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Identify opportunities to enhance relationships with financial institutions and drive down banking costs.
- Focus on staff development by allocating more resources towards training opportunities.

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 **$1,663,558**
20 FTEs

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: assistance with 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 organizational 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 develop and strategic planning activities. The Human Resources Department administers the City's pay and classification system, benefits program, the Human Resources Information System (HRIS) and employee relations activities.

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 and the budget. The unit also provides oversight for the various pay plans that the City maintains.

Planning and Systems

The Planning and Systems team is responsible for the central management of employee benefit programs, substance abuse policy administration, the employee assistance program, MUNIS Employee Self Service administration, the Medicare Supplement program, Paid Temporary Disability coordination; coordination of the retiree benefits program and retiree planning; COBRA administration; preparation of salary and benefit survey responses, new employee and city-wide training, and regulation compliance for the department. This includes the preparation of any benefits request for proposals and temporary staffing. The team is responsible for ensuring that the service teams have updated and appropriate information for regulated programs. The team also provides a part of the MUNIS module management for HR.

Operations Team

The Operations Team provides complete HR services to operational departments. This includes: screening applications, ensuring that jobs are appropriately advertised, assisting with interview panels and assessment processes in customer departments, personnel action processing, and providing information and assistance to employees in assigned departments in the areas of benefits, employee relations, training, performance management, and compensation and classification (including client department incentives and support Parks and Recreation part-time pay plan). The team also provides a part of the MUNIS module management for HR.

Public Safety Team

The Public Safety Team provides complete HR services to Police, Fire and Emergency Communications. This includes screening applications, ensuring that jobs are appropriately advertised, developing interview questions, assisting with interview panels and assessment processes, personnel actions processing and leave adjustments and providing information and assistance to assigned departments in benefits, employee relations, training, performance management, compensation and classification. Administer and proctor Police and Fire testing of all processes. Conducts various trainings in the NET and coordinates the Re-entry program. Employee Relations

coordination, facilitation and monitoring of ESC hearings, assigned investigations, grievances, mediations and responses to all ESC information requests are a part of this team's functions.

Administrative Team

The Administrative Team provides complete HR services to assigned administrative departments. This includes: screening applications, ensuring that jobs are appropriately advertised, developing interview questions and assisting with interview panels and other assessment processes, personnel action processing and providing basic information to assigned departments in the areas of benefits, employee relations, training, performance management, and compensation and classification. This team also provides coordination of two community services programs, Durham Neighborhood College and Junior Leadership Durham.

Support Services Team

This team provides technical and clerical support to the Human Resources Department including office reception, office management, personnel record maintenance, storage and disclosure, advertisement of positions, providing database reports, and provision of appropriate forms and procedural information to employees who contact the Human Resources Department. Personnel action entry and approval, and benefits information may also be provided by this team.

Training Pool

This is the fund from which organization-wide training is paid. This includes trainers, consultants, facilitators, training resources, and tuition reimbursement for all City employees.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 1,533,751	$ 1,525,209	$ 1,524,570	$ 1,566,609	2.7%
Operating	127,347	110,062	125,000	96,949	-11.9%
Capital	-	-	-	-	0.0%
Subtotal Appropriations	$ 1,661,098	$ 1,635,271	$ 1,649,570	$ 1,663,558	1.7%
Drug Testing	$ 46,131	$ 42,000	$ 67,500	$ -	-100.0%
Hospital Reimbursement	45,208	150,000	149,980	150,000	0.0%
Unemployment Compensation	284,297	285,000	523,518	350,000	22.8%
Subtotal Nondepartmental	$ 375,636	$ 477,000	$ 740,998	$ 500,000	4.8%
Total Appropriations	$ 2,036,734	$ 2,112,271	$ 2,390,568	$ 2,163,558	2.4%
Full Time Equivalents	19	20	20	20	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	$ 2,036,659	$ 2,112,271	$ 2,390,568	$ 2,163,558	2.4%
Program	75	-	-	-	0.0%
Total Revenues	$ 2,036,734	$ 2,112,271	$ 2,390,568	$ 2,163,558	2.4%

Program: General Administration

General Fund: **$583,033**
FTEs: **6**

Goal: Well Managed City
Objective: To maintain customer satisfaction with HR services.
Initiative: Survey organization at least once annually.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Surveys Distributed	N/A*	1,000	2,241	1,500
% Employees completing Survey	N/A*	80%	25%	25%
# Employees rating HR services satisfactory or better	N/A*	85%	61%	85%

*No Survey in 2011

Program: General Administration

General Fund: **Part of Gen. Admin.**

Goal: Well Managed City
Objective: To recruit and retain applicants for City employment.
Initiative: Reduce recruitment/selection time from posting to hire.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Days from posting to hire	51	N/A	45	50

Program: Planning and Systems Team

General Fund: **$298,116**
FTEs: **5**

Goal: Well Managed City
Objective: To have a healthy workforce.
Initiative: To provide wellness activities and information to employees.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Wellness activities or programs provided	N/A	30	45	50
# Health risk assessment surveys or studies conducted	N/A	800	800	900
# Members who participate in at least one wellness activity or program (2,600 total members)	N/A	900	1,700	1,800
% Members who submit information for health risk assessments (2,600 total members)	N/A	65%	40%	65%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Members who attend educational events (2,600 total members)	N/A	45%	50%	50%
% Difference in medical trend compared to national average ((national PEPY - COD PEPY) /national PEPY)	N/A	3%	-34%	-20%
Average claim amount	N/A	$145	$150	$145
% Increase in health assessment participants	N/A	10%	10%	10%
# Primary care provider annual wellness visits during the benefit year	N/A	1,200	1,350	1,400

Program: Operations Team **General Fund:** **$269,423**

FTEs: **3**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Reclassification studies (occupied positions) completed during annual process	11	15	55	43
% Appeals that are upheld	96%	95%	96%	95%
% City employees ranking the compensation and classification systems as satisfactory or better	N/A	75%	46%	75%

Program: Public Safety Team **General Fund:** **$231,730**

FTEs: **3**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Pay system adjustments needed	25	25	33	25
% Pay system adjustments implemented	97%	85%	100%	85%
% Studied classifications whose midpoint is within 90% of market *Study has not been completed	97%	95%	86%	95%

Program: Administrative Team **General Fund:** **$255,056**

FTEs: **3**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Workshops and training events held	68	40	86	60
% Registered employees who attend workshops or training	N/A	90%	90%	90%
% Employees rating meetings, workshops, trainings as effective	N/A	85%	96%	85%

Program: Support Services Team **General Fund:** **Part of Gen.**

FTEs: **Admin.**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Requests for records	N/A	100	52	60
% Response to request (defining scope of data needed with customer within 48 hours)	N/A	90%	94%	90%

Program: Training Pool **General Fund:** **$26,200**

FTEs: **0**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Training participants	1,166	500	2,150	2,200
% Rating training classes as satisfactory or above	94%	94%	94%	90%
% Stating training was beneficial to career enhancement and/or job performance	N/A	88%	90%	90%

Goal: Well Managed City

Objective: Ensure effective internal and external communication/satisfaction.

Initiative: Develop an 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. Implement communication strategies identified as most effective.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Questions on employee opinion survey regarding communication/satisfaction rating at or above 70%.	N/A	N/A	N/A	65%
% Questions on annual survey to departments rating at satisfied or above	N/A	N/A	N/A	70%
% Questions on the Employee Opinion Survey rated at 65% or above	N/A	N/A	N/A	65%

BUDGET ISSUES FOR FY 2012-13

- Maintain key programs at an effective level of service while providing required support of the MUNIS system.
- Train Human Resources staff while maintaining adequate service levels.
- Continued development of targeted and active recruitment strategies.
- Negotiate with vendors to manage insurance costs, review and modify employee health benefits, continue developing a wellness program, and reviewing case management with insurance providers.
- Maintenance and management of personnel files in order to comply with amended personnel privacy law.

COMPLETED INITIATIVES FOR FY 2011-12

- Continued targeted recruitment and outreach programs (staff participated in job fairs, re-entry hiring, direct contact with schools).
- Continued Human Resources policy updates.
- Began implementation of PayDesigner system.
- Developed updated job descriptions for most positions and maintained compensation system.
- The Neighborhood College and Junior Leadership Day were completed.
- Continued participation in the ERP project.
- Continued citywide wellness program activities.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Contain healthcare costs through usage analysis and providing member education.
- Continue Human Resources policy updates.
- Continue participation in strategic planning process.
- Continue updates as needed to maintain current and accurate job descriptions.
- Maintain compensation systems (Executive, Exempt, Non-Exempt, General, Police, Fire, Part-time) and begin to use the PayDesigner system.
- Continue the Neighborhood College and Junior Leadership Day.
- Continue work on Applicant Tracking System.
- Continue City wide wellness program activities.

Technology Solutions

(41 FTEs)

TECHNOLOGY SOLUTIONS

Purpose Statement:
To provide a quality service that improves our customers' productivity and decision-making process through the use of technology, efficient system configuration, network and database management, and customized and acquired applications and training. To work diligently toward continuously evaluating the information technology strategies and infrastructure to assure this objective. To ensure the City's investment in information technology adds value to the City's business and its citizens.

DEPARTMENT DESCRIPTION

Technology Solutions Department **$5,947,447**
41 FTEs

The core business of the Technology Solutions Department (TS) is to align the City's crucial information technology infrastructure, systems and human capital to the business needs of the City's departments. Within the TS department's administrative program, there are three additional business programs: Project Management Office, IT Governance, and Customer Service Management.

Administration

This program provides for strategic planning and executive management of the Technology Solutions Department. The program contains three additional business programs: Project Management Office, IT Governance, and Customer Service Management.

Technical Support Services

Technical Support Services Program within TS Department 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 computer-wide area 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.

Innovation & Solutions

The Innovations and Solutions Program provides business analysis, web applications development, database development and administration, and MUNIS ERP system support.

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.

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.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 3,348,685	$ 3,461,618	$ 3,403,133	$ 3,684,629	6.4%
Operating	1,792,361	1,971,652	2,420,544	2,250,602	14.1%
Capital	-	67,500	146,772	12,216	-81.9%
Total Appropriations	$ 5,141,046	$ 5,500,770	$ 5,970,449	$ 5,947,447	8.1%
Full Time Equivalents	39	40	40	41	1
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 4,722,900	$ 5,057,157	$ 5,525,836	$ 5,534,687	9.4%
Program	418,146	443,613	444,613	412,760	-7.0%
Total Revenues	$ 5,141,046	$ 5,500,770	$ 5,970,449	$ 5,947,447	8.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **General Fund:** **$948,016**

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% City budget < 5%	N/A	1.53%	1.53%	1.53%
# Meetings with customers to facilitate technical solutions	N/A	N/A	981	981
% IT overall satisfaction (Bi-annual)	N/A	90%	87%	90%
% IT overall Satisfaction (Help Desk)	N/A	90%	98%	98%

Program: Technical Support Services **General Fund:** **$2,267,012**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Customer rating satisfaction (Bi-annual)	N/A	90%	93%	93%
% IT overall Satisfaction (Help Desk)	N/A	N/A	97%	97%
# Tickets closed per technician	472/1	500/1	508/1	550/1
% Requests completed within 24 hours or by customer approved due date	N/A	90%	75%	80%

Program: Innovation & Solutions **General Fund:** **$1,726,329**

FTEs: **14**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Customer rating satisfaction (Bi-annual)	N/A	N/A	90%	90%
% IT overall Satisfaction (Help Desk)	N/A	N/A	98%	95%
Applications and services to staff ratio	625/14	625/14	920/13	920/13
# Tickets closed per technician	249/1	260/1	297/1	297/1
% Requests completed within 24 hours or by customer approved due date	N/A	90%	86%	88%

Program: Geographic Information Systems **General Fund:** **$801,304**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Customer rating satisfaction (Bi-annual)	N/A	90%	92%	92%
% IT overall Satisfaction (Help Desk)	N/A	N/A	98%	98%
# Tickets closed per technician	77/1	77/1	224/1	224/1
% Requests completed within 24 hours or by customer approved due date	N/A	90%	97%	97%

Program: Technology Surcharge / Land Development Office (LDO) **General Fund: $204,786**

BUDGET ISSUES FOR FY 2012-13

- Hiring staff with the appropriate skill sets to support the City's network and SharePoint platform.
- Additional Automation Requirements (i.e. Timekeeping, Digital Imaging, etc) needed by departments that will impact TS resources (Datacenter/Network Infrastructure, Help Desk Support, Business Analysis Support).

COMPLETED INITIATIVES FOR FY 2011-12

- Completed IT Infrastructure Improvement Project to implement critical IT infrastructure, and security improvements and upgrades.
- Continued implementation of the SharePoint Internet/Intranet project.
- Upgraded MUNIS ERP to Version 8.3.
- Updated the current elevation and terrain surface data with the Topographic Data Acquisition for Durham County project.
- Implemented a Project Management Office to manage, govern, and align all technology projects to business needs.
- Evaluated advanced mobile computing programs for public safety, field services and other City programs.
- Analyzed the value to the City of using cloud computing by piloting Microsoft's hosted service of Microsoft Office 365.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Establish Internal TS support for CityWorks.
- Continue SharePoint Implementation.

COMMUNITY BUILDING
BUDGET SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Non-Grant					
Appropriations					
City/County Inspections	$ 3,057,802	$ 3,129,638	$ 3,200,678	$ 3,306,948	5.7%
City/County Planning	2,966,868	2,930,711	2,948,774	2,985,985	1.9%
Community Development	1,389,428	1,607,997	1,788,594	4,171,722	159.4%
Economic Development	1,599,539	1,689,822	2,423,911	1,659,372	-1.8%
Neighborhood Improvement	3,138,924	3,322,565	3,422,173	3,409,813	2.6%
Contract Agencies					
Arts and Culture	1,674,247	1,691,476	1,691,476	1,724,011	1.9%
Community Services	45,152	20,000	30,032	30,000	50.0%
Pay Adjustments/Others	-	276,886	432,029	406,624	46.9%
Transfers to Other Funds	-	-	-	-	0.0%
Total Appropriations	**$ 13,871,960**	**$ 14,669,095**	**$ 15,937,667**	**$ 17,694,475**	**20.6%**
Full Time Equivalents	146	157.5	150.5	150.0	-7.5
Part Time	3	4	4	4	-
Revenues					
General Fund					
Discretionary	$ 8,824,704	$ 9,528,601	$ 10,582,223	$ 12,220,101	28.2%
Program	5,047,256	5,140,494	5,355,444	5,474,374	6.5%
Total Revenues	**$ 13,871,960**	**$ 14,669,095**	**$ 15,937,667**	**$ 17,694,475**	**20.6%**
Grants					
Community Development Grants	$ 6,593,156	$ 4,458,054	$ 4,343,532	$ 3,226,498	-27.6%
OEWD Grants	2,605,121	1,689,843	2,500,192	2,336,402	38.3%
Total Grants	**$ 9,198,277**	**$ 6,147,897**	**$ 6,843,724**	**$ 5,562,900**	**-9.5%**
Full Time Equivalents	27	18.5	18.5	18.0	-0.5
Part Time	-	1	1	1	-
Total Budget	**$ 23,070,237**	**$ 20,816,992**	**$ 22,781,391**	**$ 23,257,375**	**11.7%**

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 **$3,306,948**
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, Development Review Board 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 and efficient 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.

To assist the Department of Neighborhood Improvement Services in their efforts to eliminate substandard housing (leading to safe and secure communities), the Inspections Department provides electrical, plumbing, and mechanical inspections for their projects. In addition, the electrical inspectors have been assisting with the "Neighborhood Sweeps" program (Code Enforcement Nuisance Abatement Team) through the Neighborhood Improvement Services Department.

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 recently completed another update class with the Police Department on "Eyes and Ears," 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 FY13.

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 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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 2,889,889	$ 2,878,112	$ 2,927,306	$ 3,046,162	5.8%
Operating	160,106	251,526	273,372	260,786	3.7%
Capital	7,807	-	-	-	0.0%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	$ 3,057,802	$ 3,129,638	$ 3,200,678	$ 3,306,948	5.7%
Full Time Equivalents	46	46	46	46	-
Part Time	3	3	3	3	-
Revenues					
Discretionary	$ -	$ -	$ -	$ -	0.0%
Program	3,057,802	3,129,638	3,200,678	3,306,948	5.7%
Total Revenues	$ 3,057,802	$ 3,129,638	$ 3,200,678	$ 3,306,948	5.7%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

	General Fund:	**$3,306,948**
	FTEs:	**46**
Building Trade	**$1,498,629**	**19.9 FTEs**
Electrical Trade	**$918,559**	**13.5 FTEs**
Plumbing Trade	**$395,228**	**6.8 FTEs**
Mechanical Trade	**$494,532**	**5.8 FTEs**

Program: Inspection Services

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# Quality control inspections per inspector per month	2.7	2.0	2.0	2.0
% Inspections found to be accurate	99%	98%	98%	98%
# Quality control checks	643	480	523	480

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Residential plans reviewed in 5 days	99%	90%	95%	90%
% Plan errors found in field	0.34%	1%	1%	1%
# of plans reviewed	2,625	2,169	2,324	2,324

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Inspections performed within 24 hours	98.2%	90%	90%	90%
# Inspections per inspector per day	17.3	15.0	17.3	16.0
# of Inspections performed	71,103	67,051	73,736	73,736

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Employee Opinion Survey Departmental rating regarding "Removal of barriers that prevent people from doing their jobs"	NA	NA	NA	70%

BUDGET ISSUES FOR FY 2012-13

- Implementation of requirements in the new NC Energy Code.
- Implementation of new Handicap Code requirements (new ANSI Handicap Code).
- Implementation of new requirement for fire sprinkler installations in new residential construction.
- Enhancements to the Land Development Office (LDO) software.
- Training for newly adopted Codes.
- Providing on-going assistance with the City-County Sustainability Office's "Home Energy Efficiency Upgrade" program, by assisting with field inspections to address quality control.
- Providing cross-training for Building and Fire certification in Plans Review, and for Plumbing and Mechanical certification in the Plumbing and Mechanical Divisions.
- Implementation of electrical vehicle charging station requirements.

COMPLETED INITIATIVES FOR FY 2011-12

- Inspected all public schools and new daycare facilities.
- Conducted requested inspections within 24 hours 90% of the time.
- Reviewed 90% of all residential plans within 5 working days.

- 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 Merck Pharmaceutical, Durham Public Schools renovations/additions and new construction, the American Tobacco Campus, Best Western Hotel, Durham County Human Services building, Durham County Judicial Building, Koehane IV Dormitory at Duke, Implus addition, EMC renovation, Duke Medical Pavilion, Duke Cancer Center, Ronald McDonald House, United Therapeutics project, Super Wal-Mart project on Martin Luther King Jr. Parkway, multiple new apartment complexes, the Medicago project, the Washington Duke Inn renovations, the Montessori School projects, the Measurement, Inc. project, and the Syngenta Biotechnology projects.
- Collected Technology Surcharge to cover expenses for the LDO software.
- Actively participated in the Neighborhood Improvement Services' Code Enforcement Nuisance Abatement Team initiative.
- Cross-trained Plans Review Examiners between Fire Prevention and Building Inspections certification.
- Completed numerous software enhancements for the LDO system.
- Participated in successful 911 and Police Department "Eyes and Ears" program that sends text message notification to field inspectors about break-ins, robberies, etc.
- Met state-required continuing education requirements for inspectors.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Assist in the reduction of the incidence of crime through participation in the 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.
- Provide extensive training for new code changes.
- 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.
- Implement request by Home Builders Association for quick turn-around for small projects (e.g. simple interior upfits, decks, sunrooms, etc.).

City-County Planning
(38 FTEs)

DURHAM CITY - COUNTY PLANNING

Purpose Statement:
The Durham City-County Planning Department develops, implements and enforces land use regulations and policies, that are adopted by the Durham City Council and Board of County Commissioners, to guide the orderly growth and enhancement of the Durham Community while preserving its cultural heritage and natural resources.

DEPARTMENT DESCRIPTION

Planning **$2,985,985**
38 FTEs

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 Development Review Board, Design District Review Team, Historic Preservation Commission, Board of Adjustment, Planning Commission, and 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.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 2,797,402	$ 2,684,172	$ 2,729,459	$ 2,723,025	1.4%
Operating	169,466	246,539	218,491	255,460	3.6%
Capital	-	-	824	7,500	100.0%
Total Appropriations	$ 2,966,868	$ 2,930,711	$ 2,948,774	$ 2,985,985	1.9%
Full Time Equivalents	46	45	38	38	-7
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 1,043,875	$ 1,097,855	$ 992,008	$ 1,041,559	-5.1%
Program	1,922,994	1,832,856	1,956,766	1,944,426	6.1%
Total Revenues	$ 2,966,868	$ 2,930,711	$ 2,948,774	$ 2,985,985	1.9%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: **Development Review** **General Fund:** **$1,239,147**
FTEs: **17**

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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Reviews of public and private land development proposals completed within established deadlines	95%	96%	95%	95%

Objective: Review public and private land development proposals in a high quality manner.
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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Reviews of public and private land development proposals evaluated by the appropriate Work Group Supervisor as high quality	N/A	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 Strategic Planning which includes a summary of survey results and identification of areas that need improvement. New Initiative - Implement closed captioning for the Planning Commission (to ensure deaf and hard-of-hearing citizens can follow proceedings).

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Surveyed customers evaluating the review of public and private land development proposals as "good" or better on customer satisfaction surveys	N/A	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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Zoning map changes	25	N/A	30	32
# of Cases heard by the Board of Adjustment	20	N/A	20	25
# of Subdivision cases	204	N/A	210	220
# of Site plans	265	N/A	270	285
# of Comprehensive plan amendments	9	N/A	15	12
# of COA cases processed	97	N/A	101	112

Program: **Zoning Administration** **General Fund:** **$468,049**
FTEs: **6**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Case files, including LDO data, containing required materials and accurate information	95%	90%	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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Zoning enforcement and site compliance files that are complete and accurate at time of close-out	95%	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 Strategic Planning which includes a summary of survey results and identification of areas that need improvement.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Surveyed customers evaluating the zoning enforcement or site compliance activity they experienced as "good" or better on customer satisfaction surveys	N/A	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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Zoning enforcement cases initiated	1,001	N/A	1,400	1,400

Program: **Comprehensive Planning** **General Fund:** **$793,744**
FTEs: **9**

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 monthly comprehensive planning report to assess on time compliance with adopted standard and issue abatement approaches.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Work products completed or milestones reached within established deadlines	N/A	95%	90%	95%
# of Annual work program projects initiated	N/A	27	27	29

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 defines quality compliance within adopted standard and issue abatement approaches.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Work program projects evaluated by the Supervisor as high quality	95%	96%	95%	95%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Surveyed stakeholders evaluating the preparation of plan and policies as "Good" or better on customer satisfaction surveys	N/A	90%	90%	90%

Program: **Public Information** **General Fund:** **$485,045**
FTEs: **6**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Public information inquiries responded to within departmentally established deadlines	96%	96%	96%	95%

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Customers assisted by Customer Service Center	8,800	8,300	8,000	8,000
% of Responses to public inquiries evaluated by the Supervisor as high quality	96%	96%	96%	95%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Surveyed customers evaluating information about property, development and regulations as "good" or better in customer satisfaction surveys	N/A	90%	90%	90%

Program: **Department Management**
Goal: Well Managed City
Objective: Overall compliance with and completion of adopted annual departmental work program.
Initiative: Monthly report provided to Planning Director by Assistant Directors which includes a summary of work program tasks status.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Work program tasks meeting approved target timeline	N/A	95%	93%	90%

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 65%.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Overall questions on employee survey that are rated at or above 66% satisfaction rating	N/A	N/A	N/A	80%
% of Questions on employee survey that are related to internal communications rated at or above 66% satisfaction rating	N/A	N/A	N/A	80%
# of Customers assisted by Customer Service Center	8,800	8,300	8,000	8,000
% of Responses to public inquiries evaluated by the Supervisor as high quality	96%	96%	96%	95%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Surveyed customers evaluating information about property, development and regulations as "good" or better in customer satisfaction surveys	N/A	90%	90%	90%

Program: **Department Management**
Goal: Well Managed City
Objective: Overall compliance with and completion of adopted annual departmental work program
Initiative: Monthly report provided to Planning Director by Assistant Directors which includes a summary of work program tasks status.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Work program tasks meeting approved target timeline	N/A	95%	93%	90%

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 65%.

Measure:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Overall questions on employee survey that are rated at or above 66% satisfaction rating	N/A	N/A	N/A	80%
% of Questions on employee survey that are related to internal communications rated at or above 66% satisfaction rating	N/A	N/A	N/A	80%

BUDGET ISSUES FOR FY 2012-13

- Reductions in staffing level over the past several budget years will continue to create challenges within the department as work load and demands for services are increasing.
- Implementation of new legislation related to discretionary decisions.
- Operational costs are driven by legal requirements.
- Work Plan 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.
- A significant proportion of the 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.
- Continuing enhancements to the Land Development Office (LDO) software.
- Upgrade of field personnel communication and data equipment.
- Support for advisory board and commission budget requests.

COMPLETED INITIATIVES FOR FY 2011-12

- Provided timely review and processing of development applications.
- Provided timely enforcement of the UDO.
- Provided timely review and processing of historic preservation applications.
- Provided timely review and processing of amendments to the Comprehensive Plan (20 total cases) and continued implementation of the Comprehensive Plan.
- Provided timely review and processing of general permits:

Home Occupation Permits	680
Business/DMV/Zoning Verification	725
Air Quality Permits	8
Limited Agriculture Permits	14

- Provided timely response to all general public inquiries at the Customer Service Center (8424 total contacts).
- Completed the adoption process for the Durham Trails and Greenway Master Plan update.
- Completed modifications to the Historic Landmark Designation process.
- Administered the Historic Preservation Fund Grant for Downtown National Register Historic District Update.
- Development and adoption of NC 54/I-40 Corridor Plan.
- Implemented enhancements to the development review processes to enhance efficiency and timeliness.
- Expanded citizen engagement efforts including speaking to professional, civic and academic organizations (NCAPA, ULI, UNC-CH, NCSU, Duke, Civitans, Ruritans).
- Established a "Development Roundtable" committee where representatives from the development community meet monthly with the directors from Planning, Public Works and Inspections on issues or concerns.
- Implemented phase one for digital submittal and reviews of development applications.
- Completed the Comprehensive Plan Update (five year cycle).
- Created new pages on the Department's web site to enhance public information.
- Assisted in the development and presentation of the legislative agenda.
- Adoption of the Fayetteville-University Land Use Plan.
- Completed scenario modeling analysis for the 2040 Long Range Transportation Plan.
- Upgraded computers for better design analysis capability.
- Completed significant revisions to the UDO:
  - Ninth Street Compact Design District
  - Commercial Infill District (West Chapel Hill Street)
  - Science Research Park Utilities
  - Broadcast Towers
  - Riparian Buffers
  - Tree Protection
  - Technical Changes VI
  - Fences – Electric and Height
  - Signage – Directional and Project Identification
- Implemented design review component to building permit process focused on sites with Certificates of Appropriateness or those located within Design Districts.
- Enhancements to the Land Development Office (LDO) digital software.
- Implemented a Zoning Enforcement Night and Weekend program.
- Participated in Landlord Training Initiative.
- Participated in the Code Enforcement Nuisance Abatement Team (CENAT) initiative.
- Participated in a multi-departmental effort to work with the Triangle Transit Authority to develop a regional Transit Plan.
- Developed, implemented and enforced new mobile vendor standards.
- Participated in the development of revised Council Ward boundaries.
- Completed recertification of Durham County's participation in the National Flood Insurance Program (NFIP) Community Rating System (CRS).
- Completed processing and adoption of one local historic landmark designation.
- Completed the annual Evaluation and Assessment Report of the Durham Comprehensive Plan.
- Maintained Certified Local Government Status for historic preservation.
- Implemented a digital time tracking system for staff.
- Staffed nine appointed boards and commissions, as well as participated in numerous regional committees.
- Participated in Culture of Service initiatives.
- Established departmental Culture of Service Committees.
- Developed and implemented a "Development Tracking Mapping" feature on the department's web site.
- Facilitated eight expedited priority site plan submittals including: Medicago, United Therapeutics, Southside East, Syngenta, Durham Parks and Recreation Operations Facility and DBAP Signage.
- Implementation of the City Strategic Plan, Goals 1, 3 and 5.
- Assisted in the evaluation of annexations requests.
- Completed department web site migration.
- Development and adoption of the County Strategic Plan.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue on-going statutory responsibilities as defined in the annual work program.
- Implement outdoor dining permitting and enforcement program.
- Initiate organizational changes to maintain productivity in response to changes in the economic climate.
- Develop changes to regulations for mixed use development.
- Continue to make significant improvements to the UDO.
- Continue development of environmental standard enhancements to the UDO.
- Continue preparations for and implementation of digital file conversion.
- Seek additional efficiency improvements to development review processes.
- Develop the Research Triangle Park North Compact Design District.
- Continue development of Station Area Infrastructure Planning standards.
- Begin the development of the Rougemont Rural Village Plan.
- Create Golden Belt Local Historic District.
- Create Cleveland-Holloway Local Historic District.
- Initiate an Industrial Lands Study.
- Complete the implementation of the University College - 2 zoning district.
- Complete the de-discretionizing of the UDO standards.
- Complete the Urban Open Space Plan.
- Maintain Certified Local Government status.
- Maintain the NFIP Community Rating System certification for Durham County.
- Process the joint Durham – Orange County Eno Economic Development District Plan Amendments.
- Implementation of Community Design Studios.

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: $4,171,722**
15 FTEs
Grant Funds: $3,096,498
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; fiscal, financial and program management; department personnel; customer service and facility management; strategic planning for departmental improvements; the Housing Loan Portfolio; grant budgeting and financial management; the departmental budget; special fiscal projects; compliance and financial monitoring; the Federal Integrated Disbursement and Information System (IDIS) on entitlements, oversight of project performance data, recovery grants financial reporting, and other grants administration as assigned. 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 DCD programs to ensure fiscal responsibility through internal controls, 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, will work 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 will focus on assisting low income households in building financial wealth, asset and homeownership retention. Second mortgage loans, individual savings plans, housing repair and the abatement of lead-based paint hazards support these program objectives.

Homeless 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).

RESOURCE ALLOCATION

Non-Grant	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 969,889	$ 1,120,247	$ 1,083,023	$ 1,306,790	16.7%
Operating	419,539	487,750	705,571	490,278	0.5%
Capital	-	-	-	-	0%
Dedicated Housing Fund	-	-	-	2,374,654	100%
Total Appropriations	$ 1,389,428	$ 1,607,997	$ 1,788,594	$ 4,171,722	159.4%
Full Time Equivalents	12	14	14	15	1
Part Time	-	-	-	-	0
Revenues					
Discretionary	$ 1,389,428	$ 1,539,997	$ 1,720,594	$ 4,098,722	166.2%
Program	-	68,000	68,000	73,000	7.4%
Total Revenues	$ 1,389,428	$ 1,607,997	$ 1,788,594	$ 4,171,722	159.4%
Grant					
Personal Services	$ 658,610	$ 618,058	$ 618,058	$ 513,404	-16.9%
Operating	5,853,978	3,713,916	3,483,834	2,583,094	-30.4%
Capital	-	-	-	-	0%
Total Appropriations	$ 6,512,588	$ 4,331,974	$ 4,101,892	$ 3,096,498	-28.5%
Full Time Equivalents	9	8	8	7	-1
Part Time	-	-	-	-	0
Revenues					
CDGB	$ 2,157,460	$ 1,888,987	$ 1,408,341	$ 1,738,531	-8.0%
HOME	1,529,109	1,374,500	TBD	1,205,207	-12.3%
FY07 Lead Based Paint	71,813	-	-	-	0%
FY12 Lead Grant	-	-	30,000	-	0%
Weed and Seed	-	-	-	-	0%
Emergency Shelter	95,795	118,487	TBD	152,760	28.9%
CDBG Recovery	190,842	-	56,546	-	0%
Homelessness Prevention	406,876	-	278,944	-	0%
NSP 1	1,183,771	-	789,835	-	0%
NSP 3	-	950,000	-	-	-100%
Dept. of Energy	815,592	-	379,550	-	0%
EPA	61,330	-	1,158,676	-	0%
Total Revenues	$ 6,512,588	$ 4,331,974	$ 4,101,892	$ 3,096,498	-28.5%
Total Budget	$ 7,902,016	$ 5,939,971	$ 5,890,486	$ 7,268,220	22.4%

Program: Neighborhood Revitalization Program (Southside)

General Fund: **$1,450,365**
FTEs: **3**
Grant Funds: **$1,788,951**
FTEs: **2**

Goal: Thriving Livable Neighborhoods - To create thriving and sustainable mixed-use and mixed-income neighborhoods offering rental and single-family opportunities that will invite private investment and higher density development while preserving the existing housing stock and ensuring housing options.

Objective: To increase the rate of homeownership in the Southside neighborhood through the construction and marketing of high quality homes for mixed-income buyers.

Objective: To reduce the number of vacant and dilapidated properties through acquisition and redevelopment.

Objective: To create high quality rental housing serving a broad range of incomes.

Objective: To assist existing homeowners with housing repair and rehabilitation needs.

Objective: To design and complete infrastructure and gateway improvements to support new residential development.

Objective: To provide residents with services and programs that will enhance household self-sufficiency and development.

Initiative: To partner with proven development professionals having established track records of success in neighborhood revitalization.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# of Persons who improved their self-sufficiency through programs and services	N/A	N/A	N/A	25
# of vacant lots in Southside redeveloped	N/A	N/A	N/A	20
# of Southside homeownership homes rehabilitated	N/A	N/A	N/A	4
Homeownership units created	N/A	N/A	N/A	20
Affordable rental units created/rehabilitated	N/A	N/A	N/A	0 (Note 1)
Public/Private Leverage Ratio	N/A	N/A	N/A	1:1.35
% Increase in Southside homeownership	N/A	N/A	N/A	83%

Note 1: 119 rental units (80 of which are affordable) plus 13 live work units will be under construction but not completed.

Program: Financial Empowerment and Home Retention Program

General Fund: **$368,523**
FTEs: **2**
Grant Funds: **$376,574**
FTEs: **1**

Goal: Strong and Diverse Economy - To implement greater asset and wealth building strategies to stabilize neighborhoods citywide, strengthen household financial security, and to improve the housing stock by ensuring safe, decent, and energy efficient housing through the urgent / emergency and energy repair / retrofit programs.

Objective: To address the asset poor, below poverty level, and low-to-moderate households by creating savings plans through the individual development accounts (IDA) program for homeownership and educational opportunities, free volunteer income tax assistance sites (VITA) so that eligible households can claim their earned income tax credits (EITC), and to continue to provide homebuyer incentives and resources for homeownership opportunities.

Objective: To provide education on home energy efficiency measures to reduce utility costs and water consumption.

Objective: To provide comprehensive housing and financial counseling services in the areas of pre-purchase, financial literacy, default and delinquency and foreclosure prevention and work out plans.

Objective: To provide urgent repairs, housing rehab, energy retrofits and lead abatement to maintain Durham's housing stock.

Initiative: DCD staff to strengthen marketing brochures and campaigns for the citywide IDA program and will present monthly to city employees and city groups, pre-purchase, financial literacy and default delinquency counseling to provide home retention and household budgeting skills, energy management guidance to reduce costs, saving plan options, and provide housing rehabilitation through varying program types to assist lower income citizens in maintaining housing wealth in our neighborhoods.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# of FTHB during the FY	29	30	24	20
# of urgent repairs	47	30	39	27
# of Lead abatements	63	10	13	10
# of IDS's established	0	0	0	10
% change in delinquency rate relating to the City's loan portfolio	-6.20%	-5.00%	0.00%	-10.00%
% reduction in the # of foreclosures	N/A	N/A	N/A	10.00%

Program: Affordable Housing Program

General Fund: **$994,977**
FTEs: **1**
Grant Funds: **$435,364**
FTEs: **1**

Goal: Thriving Livable Neighborhoods - To increase the homeownership rate in targeted neighborhoods and increase the supply of affordable rental dwelling units through the redevelopment of vacant and blighted properties.

Objective: To strategically 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: Effectively partner with non-profit and for-profit affordable housing development entities by providing federal funds, other funding sources and project management oversight.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Homeownership units created	26	26	28	14
# of Affordable rental units created	10	10	58	14 (Note 1)
Public/Private Leverage Ratio	N/A	1:1.8	1:1.6	1:2.0

Note 1: Figure includes 8 units in Goley Point for which a construction schedule has not been set.

Program: Administration

General Fund: **$982,518**
FTEs: **8**
Grant Funds: **$162,460**
FTEs: **2**

Goal: Well Managed City - To effectively manage grant and general funds, along with DCD programs, to ensure fiscal responsibility through internal controls, compliance monitoring, and continuing to realign our services to better meet the needs of citizens, non-profits, for-profits, and the community.

Objective: To improve the employee satisfaction rating within the department.

Objective: To provide ethical fiscal oversight with all DCD funds and activities.

Objective: To be compliant with the timeliness of HUD requirements.

Initiative: Revise and implement new policies and procedures on internal controls for IDIS, compliance monitoring of activities and programs, and implement an action plan to address any departmental concerns on the employee opinion survey.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of HUD activities monitored by Fiscal for compliance	15	26	26	26
% of Departmental questions on the employee survey rating at or above 65%	N/A	N/A	21%	65%
% of HOME funds meeting two year commitment requirement	100%	100%	100%	100%
% Meeting CDBG timeliness	100%	100%	100%	100%
HOME State Ranking	11/19	11/19	10/19	10/19

Program: Homelessness Services Program

General Fund: **$375,339**
FTEs: **1**
Grant Funds: **$333,149**
FTEs: **1**

Goal: Thriving Livable Neighborhoods - To reduce the number of families and individuals who experience homelessness in Durham.

Objective: To increase the number of permanent housing units and supportive services for formerly homeless persons with special needs.

Initiative: To provide funding for the development of additional permanent housing units and to ensure that services are coordinated and delivered in a way that emphasizes prevention.

Initiative: To effectively administer the Continuum of Care through a cooperation agreement with Durham County.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# of Homeless housing units created/rehabilitated	17 (Note 3)	10	0	22 (Note 1)
# of Permanent supportive housing units available through rental assistance	N/A	12	12	12
# of Homeless people counted at annual point-in-time count	652	625	698	675
# of Households assisted with homeless prevention funds/rapid rehousing (GF, HPRP, other)	N/A	20	51	(Note 2)

Note 1: FY12 includes 10 units on Guess Road under construction but not complete. FY13 figure includes 12 units in Goley Point for which construction schedule has not been finalized.

Note 2: One time only supplemental ESG funds have been awarded but no rules have been issued. Preliminary information is that the funds will focus on prevention.

Note 3: Special needs TROSA project.

BUDGET ISSUES FOR FY 2012-13

- Consideration of dedicated funding source for affordable housing and neighborhood revitalization to supplement federal entitlement funds.
- Completion and close out of Neighborhood Stabilization Program.
- Reducing inventory of properties held by non-profits for development to meet HOME and CDBG beneficiary requirement deadlines.

COMPLETED DEPARTMENT INITIATIVES FOR FY 2011-12

- Completed the acquisition of privately-owned properties on the former Rolling Hills site, was awarded NSP3 funds and LIHTC for the first phase of mixed-income rental, prepared and issued bid documents for site preparation and infrastructure improvements on the site and began the design of the residential buildings within the first phase.
- Prepared and submitted a successful application for a Neighborhood Revitalization Strategy Area designation for the Southside area.
- Prepared and submitted a successful application for an $8.8 million CDBG Section 108 loan guarantee.
- Prepared a development plan consisting of site preparation and infrastructure and gateway improvements for the initial homeownership construction in Southside.
- Assumed administrative responsibilities for the Continuum of Care (CoC) program.
- Successfully administered the energy retrofit program.
- Met the commitments, performance reporting, and expenditure deadlines required for the NSP, HPRP, CDBG-R, EPA, and the DOE grants.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Complete construction of phase one infrastructure improvements on the former Rolling Hills site and begin construction of the rental units.
- Complete site development and infrastructure improvements necessary to begin homeownership construction in Southside.
- Identify and promote opportunities for Section 3 employment opportunities.
- Provide enhanced outreach and support to the Southside neighborhood through the Community Outreach Coordinator.
- Expand individual savings plans.
- Refine and expand the Comprehensive Housing Strategy working in partnership with the Durham Housing Authority and others.
- Refine the Long-Term Plan to End Homelessness to reflect priorities of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.

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

General Fund: $1,659,372
10 FTEs
Grant Funds: $2,336,402
7 FTEs

The Office of Economic and Workforce Development (OEWD) blends efforts to strengthen and expand the economic foundation of Durham while addressing the employment needs of Durham residents and businesses. The revised Economic Development Policy adopted by the Durham City Council April 2011, as well as the Downtown Master Plan, City Center Market Retail Analysis, Neighborhood Assessment Plan, Durham Cultural Master Plan, Durham Workforce Development Board Strategic Plan and the Durham Comprehensive Plan all serve to guide current and future economic growth through public private partnerships, talent development, placement and retention. OEWD leverages Durham's considerable assets, including a diverse mix if industries, well-supported cultural arts institutions and a well educated workforce to spur economic growth, while addressing the needs of small and disadvantaged business enterprises (SDBEs) and special workforce populations such as the homeless, ex-offenders and low income youth.

The OEWD staff works with various committees including the Durham Cultural Advisory Board, the 10 Year Plan to End Homelessness, the Durham Workforce Development Board, the Small Business Advisory Committee, Parrish Street Advocacy Group, and many ad-hoc review committees to institute its many initiatives with the input of community groups and subject matter experts. OEWD partners with many community agencies such as the Durham Chamber of Commerce, Durham Technical Community College, Duke University and Health System, Downtown Durham, Inc., Durham Housing Authority, Durham Public Schools, Connected by 25, Bull City Forward, North Carolina Central University and others, to ensure that our initiatives have community wide impact and as much buy-in as possible.

Economic Development Division

Development and Redevelopment through Public-Private Partnerships involves collaboration with economic development partners on transformative projects in urban areas (downtown and the adjoining neighborhoods) and in suburban areas (Urban Growth Area). This is accomplished through the investment of financial and technical assistance resources in projects that grow the tax base, create jobs and maximize private sector investment. These projects contribute to a strong and diverse economy - Goal One of the City Strategic Plan. Durham has benefited from several successful public-private ventures, including the redevelopment of the American Tobacco campus and the transformation of 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, provides venues for public events, and offers an attractive urban residential option for citizens. Major property incentive deals, as well as Building Improvement Grants (BIGs), Merchandise-Based Retail Incentives, Sign Grants and Professional Services Grants are tools geared toward strengthening the stability of businesses, growing the tax base and creating job opportunities for Durham residents.

Effective Business Retention and Expansion Services focus on the provision of technical assistance to help business start, grow and be recruited. Partnerships in this regard 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 that they are relevant to meeting business needs. Also, the planned implementation of "Durham-Based Business Plans" is designed to build capacity in Durham small businesses to help them compete for contracting opportunities created by private sector growth in Durham, as well as public sector infrastructure projects.

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 JobLink Career Center system to connect Durham businesses with local talent. A second permanent JobLink opened in April FY11, offering expanded support to greater numbers of businesses and job seekers, especially those affected by the economic impacts of the past two years. Through the JobLink network of providers and partners, 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 ex-offenders. Outside of programs that are funded by city and ongoing Workforce Investment Act funding, other special initiatives include the US EPA Brownfields grant for job training and placement and the US Conference of Mayors' grant for Green Jobs Construction. Opportunities like these are facilitated through aggressive resource development that enables OEWD to augment ongoing programs and serve additional residents and businesses.

Provide High Quality Services to Businesses - Partnerships with the Greater Durham Chamber of Commerce, Durham Technical Community College, North Carolina Central University, Duke University, Downtown Durham, Inc., 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 startups of businesses. Financial assistance to businesses for talent development and connections of businesses to job seekers through the JobLink Career Center System both focus upon the preparation, training, placement and retention of Durham residents for career opportunities, especially those in high growth industries. Also, the implementation of workforce development plans with businesses that received incentives from the city and county, as well as public sector departments that undertake infrastructure projects, are key strategies designed to make the JobLink Career Center System easier for businesses to use and to facilitate job placement and retention for Durham residents.

RESOURCE ALLOCATION

Non-Grant	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 843,512	$ 893,679	$ 824,780	$ 971,724	8.7%
Operating	756,027	796,143	1,599,131	687,648	-13.6%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 1,599,539	$ 1,689,822	$ 2,423,911	$ 1,659,372	-1.8%
Full Time Equivalents	9	9.5	9.5	10.0	0.5
Part Time	0	1	1	1	0
Revenues					
Discretionary	$ 1,567,703	$ 1,689,822	$ 2,423,911	$ 1,659,372	-1.8%
Program	31,836	-	-	-	0.0%
Total Revenues	$ 1,599,539	$ 1,689,822	$ 2,423,911	$ 1,659,372	-1.8%
Grant					
Personal Services	$ 761,962	$ 470,049	$ 942,794	$ 767,000	63.2%
Operating	1,843,159	1,219,794	1,557,398	1,569,402	28.7%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 2,605,121	$ 1,689,843	$ 2,500,192	$ 2,336,402	38.3%
Full Time Equivalents	10	6.5	6.5	7.0	0.5
Part Time	0	1	1	1	0
Revenues					
EPA Brownfields	$ 247,439	$ -	$ 293,062	$ 200,000	100.0%
ARRA EPA Brownfields	-	-	-	-	0.0%
Employment Training	2,251,637	1,689,843	2,014,000	2,076,402	22.9%
ARRA Employment & Training	-	-	-	-	0.0%
Parrish Street Project	-	-	-	-	0.0%
Cultural Master Plan	12,175	-	-	-	0.0%
Green Jobs Construction	93,870	-	133,130	-	0.0%
SAMHSA	-	-	60,000	60,000	100.0%
Total Revenues	$ 2,605,121	$ 1,689,843	$ 2,500,192	$ 2,336,402	38.3%
Total Budget	$ 4,204,660	$ 3,379,665	$ 4,924,103	$ 3,995,774	18.2%

ECONOMIC DEVELOPMENT DIVISION

Program: Downtown Development and Redevelopment **General Fund:** **$957,129**
FTEs: **4**

Goal: Strong & Diverse Economy-Downtown Development and Redevelopment
Objective: To drive commercial activity, job creation and decrease vacancies.
Initiative: Major property invest/mid-sized/ small; development/small development project fund.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Deals evaluated	1	5	6	5
Ratio of public $ to private $	1:13	1:5	1:6	1:5
% Tax value growth	N/A	20%	20%	20%
Job creation over a 2 year period	125	25	125	75

Initiative: Implement building improvement and retail professional services grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	29	25	11	20
Ratio of public $ to private $	1:5.3	1:5	1:5	1:5
# Spaces made rentable	10	13	4	10
% Tax value growth BIG projects only	N/A	20%	20%	20%

Objective: To improve pedestrian environment and experience.
Initiative: Implement signage grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	22	10	8	10
Ratio of public $ to private $	1:1.7	1:1	1:3	1:1
# of Businesses with vertical signage	21	10	5	10

Objective: Improve foot traffic and visitors to downtown.
Initiative: Continued implementation and collaboration on event programming.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Meetings and events at downtown venues	N/A	15	560	560
Ratio of public $ to private $	N/A	1:2	1:2	1:02
% Increase in downtown visitors	N/A	10%	10%	10%

Goal: Strong & Diverse Economy-Neighborhood Development and Redevelopment
Objective: To drive commercial activity, job creation and decrease vacancies in targeted neighborhoods and targeted urban growth areas.
Initiative: Implement neighborhood revitalization grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Deals evaluated	3	5	4	5
Ratio of public $ to private $	1:04	1:1	1:4	1:1
% Tax value growth	N/A	10%	10%	10%
Job creation over a 2 year period	15	15	15	15

Initiative: Implement building improvement and retail and professional services grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	4	14	11	14
Ratio of public $ to private $	1:1.5	1:2.5	1:2.6	1:2.5
# Spaces made rentable	5	10	9	8

Objective: To improve pedestrian environment and experience.
Initiative: Implement signage grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	6	10	15	15
Ratio of public $ to private $	1:1	1:1	1:01	2:24
# of Businesses with vertical signage	3	10	8	10

Initiative: Implement Public Infrastructure Streetscape and Civic Projects in Targeted Commercial Corridors.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Projects implemented	1	2	0	2
Linear feet of sidewalks/ streetscapes constructed	1500	2215	0	2250
% of Residents satisfied with walkability of area	N/A	75%	75%	75%

Goal: Strong & Diverse Economy- Suburban Area Development and Redevelopment
Objective: To drive commercial activity, job creation and decrease vacancies .
Initiative: Implement major property investment.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Deals evaluated	N/A	2	4	2
Ratio of public $ to private $	N/A	1:6	1:50	1:20
% Tax value growth	N/A	20%	20%	20%
Job creation over a 2 year period	N/A	100	320	100

Goal: Strong & Diverse Economy-Neighborhood Development and Redevelopment
Objective: To drive commercial activity, job creation and decrease vacancies in targeted neighborhoods and targeted urban growth areas.
Initiative: Implement neighborhood revitalization grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Deals evaluated	3	5	4	5
Ratio of public $ to private $	1:04	1:1	1:4	1:1
% Tax value growth	N/A	10%	10%	10%
Job creation over a 2 year period	15	15	15	15

Initiative: Implement building improvement and retail and professional services grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	4	14	11	14
Ratio of public $ to private $	1:1.5	1:2.5	1:2.6	1:2.5
# Spaces made rentable	5	10	9	8

Objective: To improve pedestrian environment and experience.
Initiative: Implement signage grant program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Applications evaluated	6	10	15	15
Ratio of public $ to private $	1:1	1:1	1:01	2:24
# of Businesses with vertical signage	3	10	8	10

Initiative: Implement Public Infrastructure Streetscape and Civic Projects in Targeted Commercial Corridors.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Projects implemented	1	2	0	2
Linear feet of sidewalks/streetscapes constructed	1500	2215	0	2250
% of Residents satisfied with walkability of area	N/A	75%	75%	75%

Goal: Strong & Diverse Economy - Suburban Area Development and Redevelopment
Objective: To drive commercial activity, job creation and decrease vacancies.
Initiative: Implement major property investment.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Deals evaluated	N/A	2	4	2
Ratio of public $ to private $	N/A	1:6	1:50	1:20
% Tax value growth	N/A	20%	20%	20%
Job creation over a 2 year period	N/A	100	320	100

Program: Effective Business Retention and Expansion Services **General Fund: $151,238**
FTEs: 2 FTEs

Goal: Strong & Diverse Economy - Grow sales tax base by improving sales of and purchases by local businesses
Objective: Improve business prospects for small businesses (especially professional services firms and contractors).
Initiative: Implement Durham-Based Business Plan.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Capacity building workshops	N/A	8	8	8
% of Bidding Firms that meet requirements	N/A	20%	20%	20%
% of Bidding Firms that bid and get awarded contracts	N/A	10%	10%	10%

Initiative: Assess quality of services to businesses focus groups and survey results.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Surveys administered	N/A	100	125	100
# of Surveys collected	N/A	80	100	25
% of Surveys rated as good or better	N/A	80%	100%	80%

WORKFORCE DEVELOPMENT DIVISION

Program: Job Preparation and Placement

General Fund: **$336,671**
FTEs: **1**
Grant Funds: **$2,258,736**
FTEs: **6**

Goal: Strong and Diverse Economy - Build capacity of Durham residents to gain employment
Objective: Job creation and placement of Durham residents aged 24 and older.
Initiative: Implement workforce development plans on economic development incentive projects.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Workforce plans implemented	3	12	3	5
% of Hires through JobLink	24%	25%	20%	25%
% of JobLink referrals who receive interviews	18%	50%	18%	20%

Initiative: Implement WIA-Funded programs for eligible adults & laid off workers.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of WIA participants	476	460	460	460
Cost per participant	$1,733	$1,800	$1,800	$1,800
% of WIA eligible unemployed and underemployed adults leaving program with employment	63%	65%	65%	70%

Initiative: Implement other special grant programs for placement of individuals in high growth industries.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants	44	60	66	60
Cost per participant	$2,167	<$2,000	$1,900	<$2,000
% Completing Program	86%	80%	82%	80%
% Placed in Employment	42%	65%	65%	65%

Initiative: Implement Ex-Offender placement and training program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants	155	150	150	150
Cost per participant	$916	<$1,000	$1,000	<$1,000
% Placed in employment or training	70%	55%	55%	55%
% All placed individuals remaining on the job at least 6 months	50%	50%	50%	50%

Objective: Help youth achieve educational and employment success.
Initiative: Implement subsidized employment programs (Year round Work Experience, WHOA, and Summer Programs).

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants in subsidized employment	97	135	97	100
Cost per participant	$1,370	<$3,300	$1,370	<$2,000
% Completing paid work experience assignment	93%	80%	90%	90%

Initiative: Implement WIA-Funded programs for low income youth.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants in subsidized employment	131	150	150	150
Cost per participant	$2,290	<$2,500	<$2,500	<$2,500
% Entering employmentor post-secondary education	65%	63%	75%	63%

Initiative: Implement special grant programs for youth.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Participants	54	85	85	60
Cost per participant	$5,481	<$4,800	$4,203	<$5,500
% Completing program	79.60%	80%	80%	80%

ADMINISTRATION

Program: Administration

General Fund: **$214,334**
FTEs: **3**
Grant Funds: **$77,666**
FTEs: **1**

Goal: Well-Managed City
Objective: Establish a sound fiscal administrative reporting structure to efficiently manage funds.
Initiative: Establish a routing, review and approval workflow to track financial transactions.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Financial and administrative requests submitted timely, without error and in accordance with city policy and OEWD standard operating procedure	N/A	N/A	N/A	85%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Grant findings (federal, state, Internal City Audit)	N/A	N/A	N/A	85%

Goal: Well-Managed City
Objective: Ensure Professional Workplace Culture.
Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 65%. Ensure implementation of all strategic and specific recommendations provided by the departmental members as part of the Professional Workplace Culture objective.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Questions on employee opinion survey regarding communication rating at or above 70%	N/A	N/A	N/A	75%
% of Staff peer reviews that help employees achieve a "Meet" behavior expectations	N/A	N/A	N/A	85%

BUDGET ISSUES FOR FY 2012-13

- Resource development needed to maintain service levels without program or staff cuts.
- Current special grants (Brownfields Job Training, Green Jobs Construction Training) will expire by the end of FY12 or beginning of FY13.
- DWDB Strategic Plan for 2012-2014 will place a heavy emphasis on promoting and branding the JobLink system to impact increase in overall job postings.
- State integrated JobLink technology system “Job Connector” unable to provide accurate and timely information and key data on registered applicants and job postings.
- Upgrading technology for staff members.
- Challenge of implementation for certain economic development programs in the neighborhoods outside downtown.

COMPLETED INITIATIVES FOR FY 2011-12

- WIA performance earned Durham $50,000 in performance incentives for adults and disadvantaged youth.
- Implemented a second EPA Brownfields Job Training grant for $200,000 that provided environmental technology training for 66 individuals in Durham and supports (ongoing) placement outcomes for graduates of the program to gain employment in Environmental Technology jobs.
- Implemented a $400,000 WalMart Foundation/U.S. Conference of Mayors’ Green Jobs Training grant jointly with Builders of Hope, Inc. to train 50 young parents. Youth participants received key soft-skills training, leadership development, and worksite mentoring combined with on-the-job green construction/occupational skills training.
- Received an additional $24,409 in discretionary funds (2010) from the State of North Carolina Department of Commerce to implement (in 2011) additional paid work experience opportunities for eight youth to receive on-the-job training in high growth jobs.
- Provided WIA program services to under/unemployed adults and laid-off workers resulting in a combined 69% job placement and 83% retention rate (6 months after being placed in employment) of adult and laid-off workers, with combined earnings that exceeded state goals by 13%.
- Provided intensive services to 150 youth participants 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.
- Placed 52 youth in summer employment positions through the Mayor’s Summer Youth program and 23 youth in the year-round Youth Paid Work Experience program.
- Led 22 students in the Working Hard on Achieving (WHOA) program to gain professional development opportunities and acquire workplace skills through paid work experience.
- Completed a pilot program that provided training and employment support for 35 young parents to participate in various “green jobs” training programs, including a “Greener Tomorrow Culinary Arts” job training program

through North Carolina Central University and a green landscaping/construction program. All participants were placed in paid internships at a local business as part of the program. Program exceeded state (funding agency) goals and received an additional $24,000 in 2011 for high performance.

- Provided Rapid Response services to two businesses affected by layoffs in 2011. Approximately 117 employees either attended presentations highlighting re-employment and re-training, career counseling in applying for unemployment insurance, and social and community benefits or received packets containing related information.
- Awarded $44,261 in Incumbent Worker grants for two local businesses. These grants funded training for 30 existing employees to participate in various technology, project management, energy efficiency and continuous improvement trainings.
- Offered comprehensive employment case management and counseling to 103 ex-offenders through the Durham JobLink Ex-Offender Program between July 1, 2011 and March 31, 2012.
- Placed 56 ex-offenders in employment and/or training between July 1, 2011 and March 31, 2012 with 61% of participants retaining employment six months after placement.
- Building Improvement Grants awarded to four applicants, totaling $277,000, including one in the Parrish Street Project Area and three others elsewhere in Downtown. The grants leveraged $1,728,734 in private funds.
- Merchandise-Based Retail Incentive Grants awarded to four applicants, totaling $ 60,000, including one in the Parrish Street Project Area, two others elsewhere in Downtown, and three in the Northeast Central Durham area. The grants leveraged $222,000 in private funds.
- Sign/Facade Grants awarded to two applicants for Neighborhood Sign Grants, totaling $4,890. The grants have leveraged $10,120 in private funds. Under the administration and with the support of OEWD, Downtown Durham Incorporated has approved five Sign Grants, totaling $7,354 and leveraging $23,799 private funds. Five Facade Grants were awarded, totaling $14,813 and leveraging $107,034 in private funds, supporting the goals of improving the pedestrian environment and providing businesses resources to succeed in downtown.
- Cultural Master Plan Implementation: AN RFP was issued on February 13, 2012, for a Public Art implementation grant project. Funding of $25,000 is available from Durham County through the Cultural Master Plan.
- The American Dance Festival organized 35 creative movement workshops for Durham youth between July 1 and December 31, and formed partnerships with the Durham Youth Employed and Succeeding (YES) program.
- The Center for Documentary Studies provided a series of free film screenings for the public, including the November 3, 2011 youth program screening which drew 650 students.
- Provided a grant of $10,000 for the Triangle Regional Film Commission, for its first year of operation in FY 2012. To date, the Commission has added 737 locations listings to its location database, established a new Board, created production information packages for 17 studios and production companies, and has assisted 12 production projects in the 13 county region, including the filming for the feature film “Arthur Newman, Golf Pro” in Durham.
- Engaged Downtown Durham, Inc. to provide services to 41 business clients, promoted 435 downtown events, and maintained a positive absorption of 86,000+ square feet of commercial office space.
- Brokered and provided assistance for five property sales and the relocation of 20 new businesses to downtown. Downtown now has over 539 businesses and had a net gain of 31 employees in the 2nd quarter.
- OEWD provided assistance to the Cultural Advisory Board in sponsoring a Cultural Forum at the Nasher Museum of Art on November 7, 2011.
- OEWD provided assistance to the Cultural Advisory Board with its work agenda in cooperating with the Durham Arts Council and other agencies on an update of the Creative Vitality Index, to be published in 2012.
- OEWD completed renovation of the Historic Parrish Street Forum space, which provides a venue that has 3,000+ sqare feet of rentable ground floor space for cultural events, lectures, meeting slace for community organizations, etc. and serves as a catalyst to create more walking traffic along Parrish Street and in Downtown Durham.
- OEWD submitted a grant application in November 2011 for additional EPA Brownfield Assessment Grant funding to assess the environmental conditions of contaminated properties located primarily along the Pettigrew Street Corridor in NECD.
- City Council approved a Neighborhood Revitalization Grant Incentive for Save-A-Lot to renovate the 812 Liberty Street for use as a retail grocery store comprising approximately 12,202 square feet of retail space. The project expects to create 13 new jobs by the end of 2012. The total development cost of the project is estimated to be $2,106,660 and capital investment expenditures portion of the project is $1,584,010.
- OEWD applied for and was approved for three NC Department of Commerce Urban Progress Zone incentive designations.

- The Small Business Advisory Committee collaborated with NCDOT for the 2011 Transportation Conference-Beyond the Limits: Small Business in a New Era of Transportation.
- The Small Business Advisory Committee hosted a networking event: CONNEXT (Capital-Opportunities-Networking) in conjunction with its partners Good Work, and Bull City Forward.
- The Small Business Advisory Committee collaborated with CREE to host the Small Business Supplier Fair.
- OEWD hosted the 2011 Economic Development Resource Forum.
- OEWD and the Department of Public Works staff are in the process of finalizing the Angier /Driver intersection streetscape project scope of work and budget. The goal is to begin construction late summer of 2012 with an estimated completion during the fall of 2013.
- A Neighborhood Revitalization Grant Incentive was awarded to Reinvestment Partners small development projects at the corners of Roxboro and Geer Streets and Magnum and Geer Streets to make properties more attractive, safer and profitable with relatively small levels of public and private investment relative to the potential impact of the improvements. This is a creative way to promote community collaboration for organizations that want to do worthwhile projects but have limited capacity. The total development cost of the project is estimated to be $96,754.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Successfully connect Durham job seekers and Durham businesses to opportunities created by economic development deals and public infrastructure projects, and solidify a “talent” pipeline in conjunction with JobLink and economic development partners.
- Successfully implement the Durham Workforce Development Board 2012-2014 Strategic Plan approved January 16, 2012 to 1) Plan and implement workforce development initiatives that support a strong, diverse, and balanced economy in Durham, 2) Create and implement effective, replicable, and cost-efficient program models that serve low income disconnected youth in Durham, and 3) Brand and strengthen service delivery to the universal population of businesses and jobseekers.
- Work with the Durham Chamber of Commerce and training institutions to establish more “Straight-line Initiatives” and/or Apprenticeships within high growth companies.
- Begin development processes on three to six currently vacant and underutilized properties in neighborhoods, downtown and in the urban growth area.
- Expand Neighborhood Revitalization efforts in targeted corridors.
- Execute a contract to enter into an agreement for operation of the Durham Athletic Park.
- Expand services to the Targeted Urban Growth Area as opportunities allow.
- Continue Adult and Dislocated Worker Work Experience Program.
- Enhance WHOA summer program through partnerships with Durham Public Schools and area organizations.
- Expand the Youth Employment and Training paid work experience initiatives to more high growth businesses and industries, including the implementation of a communitywide Apprenticeship program that brings together training partners (e.g. Durham Public Schools, Durham Tech) with businesses looking to support apprentices.
- Build upon website and social media to promote financial tools with economic development partners.
- Continue to implement new business development tools for Downtown, neighborhood and urban growth area businesses through Building Improvement Grants, Small Development Project funding, Merchandise-Based Retail Improvements and Sign Grants.
- Market the Historic Parrish Street Forum and implement two of the established components of the Parrish Street Heritage Development Plan.
- Continue to actively seek new grants to supplement City funding and form partnerships to collaboratively pursue grants and other financial resources.
- Continue plan development and construction of neighborhood streetscapes and civic projects.
- Develop new projects based on the RKG Neighborhood Assessment Plan.
- Increase promotion of OEWD services through an enhanced website.
- Execute contracts for development projects using neighborhood commercial revitalization funding as viable opportunities evolve.
- Continue to implement the Small Business Comprehensive Plan.
- Link City incentive contacts to Workforce Development plans.
- Continue implementation of the Cultural Master Plan.

models that serve low income disconnected youth in Durham, and 3) Brand and strengthen service delivery to the universal population of businesses and jobseekers.

- Work with the Durham Chamber of Commerce and training institutions to establish more “Straight-line Initiatives” and/or Apprenticeships within high growth companies.
- Begin development processes on three to six currently vacant and underutilized properties in neighborhoods, downtown and in the urban growth area.
- Expand Neighborhood Revitalization efforts in targeted corridors.
- Execute a contract to enter into an agreement for operation of the Durham Athletic Park.
- Expand services to the Targeted Urban Growth Area as opportunities allow.
- Continue Adult and Dislocated Worker Work Experience Program.
- Enhance WHOA summer program through partnerships with Durham Public Schools and area organizations.
- Expand the Youth Employment and Training paid work experience initiatives to more high growth businesses and industries, including the implementation of a communitywide Apprenticeship program that brings together training partners (e.g. Durham Public Schools, Durham Tech) with businesses looking to support apprentices.
- Build upon website and social media to promote financial tools with economic development partners.
- Continue to implement new business development tools for Downtown, neighborhood and urban growth area businesses through Building Improvement Grants, Small Development Project funding, Merchandise-Based Retail Improvements and Sign Grants.
- Market the Historic Parrish Street Forum and implement two of the established components of the Parrish Street Heritage Development Plan.
- Continue to actively seek new grants to supplement City funding and form partnerships to collaboratively pursue grants and other financial resources.
- Continue plan development and construction of neighborhood streetscapes and civic projects.
- Develop new projects based on the RKG Neighborhood Assessment Plan.
- Increase promotion of OEWD services through an enhanced website.
- Execute contracts for development projects using neighborhood commercial revitalization funding as viable opportunities evolve.
- Continue to implement the Small Business Comprehensive Plan.
- Link City incentive contacts to Workforce Development plans.
- Continue implementation of the Cultural Master Plan.

Neighborhood Improvement Services
(45 FTEs)

NEIGHBORHOOD IMPROVEMENT SERVICES

Purpose Statement:
The Department of Neighborhood Improvement Services (NIS) commits to provide the highest quality services to engage and educate the community; eradicate blight; ensure safer neighborhoods, fair housing, and equal opportunity; and enhance neighborhood revitalization.

DEPARTMENT DESCRIPTION

Neighborhood Improvement Services

General Fund: $3,409,813
41 FTEs
Grant Funds: $330,000*
4 FTEs

The Department is primarily 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 citizens and community organizations. The Department's Human Relations division seeks to improve race and human relations in the City of Durham by working to eliminate discrimination in the areas of employment, housing and public accommodations and to prioritize community outreach and educational activities to meet the needs of Durham residents. The Department's staff members are responsible for evaluating departmental 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 citizens 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 program includes 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. This group assists with neighborhood organizing, community education, and assisting District PACs in community service efforts.

Human Relations

This division is primarily responsible for enforcing the City of Durham's Fair Housing Ordinance, processing alleged cases of housing discrimination and conducting education and training on fair housing issues. These services, as well as education and outreach activities, are provided in collaboration and conjunction with the US Department of Housing and Urban Development (HUD) Fair Housing Assistance Program (FHAP). The division also is responsible for developing programs aimed at addressing and improving human relations in Durham.

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 all Neighborhood Improvement Services pages includes CDBG funding that is received by Community Development and passed through to NIS. This $200,000 is included in the total CDBG amount shown on Community Development's budget pages.*

RESOURCE ALLOCATION

General Fund	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 2,468,319	$ 2,664,647	$ 2,622,562	$ 2,725,956	2.3%
Operating	631,809	657,918	794,311	683,857	3.9%
Capital	38,797	-	5,300	-	0%
Appropriations	$ 3,138,924	$ 3,322,565	$ 3,422,173	$ 3,409,813	2.6%
Full Time Equivalents	33	43	43	41	(2)
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 3,104,299	$ 3,222,565	$ 3,302,173	$ 3,269,813	1.5%
Program	34,625	100,000	120,000	140,000	40.0%
Total Revenues	$ 3,138,924	$ 3,322,565	$ 3,422,173	$ 3,409,813	2.6%
Grant					
Personal Services	$ 501,178	$ 259,299	$ 256,575	$ 256,575	-1.1%
Operating	30,560	67,951	185,065	73,425	8.1%
Capital	-	-	-	-	0%
Total Appropriations	$ 531,738	$ 327,250	$ 441,640	$ 330,000	0.8%
Full Time Equivalents	8	4	4	4	0
Part Time	-	-	-	-	-
Revenues					
CDGB	$ 451,170	$ 201,170	$ 200,000	$ 200,000	-0.6%
HUD	$ 80,568	$ 86,080	$ 203,640	$ 130,000	51.0%
NC DENR	-	40,000	38,000	-	-100%
Total Revenues	$ 531,738	$ 327,250	$ 441,640	$ 330,000	0.8%
Total Budget	$ 3,670,662	$ 3,649,815	$ 3,863,813	$ 3,739,813	2.5%

**Grant funding on all Neighborhood Improvement Services pages includes CDBG funding that is received by Community Development and passed through to NIS. This $200,000 is included in the total CDBG amount shown on Community Development's budget pages.*

Program: Code Enforcement Team

General Fund: **$999,903**
FTEs: **14**
Grant Funds: **$200,000**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Housing Code voluntary compliance	N/A	70%	65%	65%
Avg # days for repair-only case resolution	77	N/A	50	50
Avg # days for repair-demolition case resolution	187	N/A	120	120
# Unsafe (worst condition) vacant houses	51	25	75	100
# Residential Structures initial inspections City-wide	1,645	1,700	2,000	5,700
# Residential Substandard Structures inspected City-wide	1,395	1,441	1,950	3,745
% Substandard structures brought into compliance City-wide	70%	70%	70%	70%
# Boarded houses identified in low-mod areas	502	370	390	312
% Boarded houses inspected in low-mod areas	36%	63%	99%	99%
% Boarded substandard houses in low-mod areas brought into compliance	N/A	20%	30%	30%
# Vacant / boarded houses in Southside Area	N/A	N/A	74	74
# Residential inspections in Southside Area	N/A	N/A	25	50
% Residential inspections in Southside Area with violations	N/A	N/A	100%	100%
# Durham One Call **housing** complaints City-wide	N/A	N/A	780	390
% reduction in Durham One Call **housing** complaints City-wide	N/A	N/A	N/A	50%
# Designated Area Inspections	N/A	N/A	N/A	5,000
% Properties with violations	N/A	N/A	N/A	75%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Properties with 3 or more violations in Designated Area	N/A	N/A	N/A	60%
% voluntary compliance in designated Area	N/A	N/A	N/A	50%
# Self-Certificates issued for properties in Designated Area	N/A	N/A	N/A	250
# Reasonable Cause Inspections	N/A	N/A	N/A	700
% Property owners with violations required to register City-wide	N/A	N/A	N/A	10%
# Self-Certificates issued City-wide	N/A	N/A	N/A	750
# Attendees at Landlord Training workshops	N/A	N/A	N/A	900
% Attendees with properties in Designated Areas	N/A	N/A	N/A	90%
% attendees with no housing code violations within 1 year of training	N/A	N/A	N/A	90%
# Non-Residential Structures identified	68	55	65	75
# Non-Residential Structures inspected	68	55	65	75
# Non-Residential Structures with violations	68	50	60	70
% Non-Residential Structures with violations brought into compliance	88%	55%	90%	90%
# Vehicles inspected	1,093	1,000	1,100	1,100
% Vehicles voluntary compliance	N/A	70%	95%	95%
# Weedy lot inspections	2,572	2,250	2,700	2,700
% Weedy lot voluntary compliance	N/A	60%	85%	85%
% Weedy lot cases with close-out letters	N/A	N/A	100%	100%
Value of renovation/rehab driven by housing code permits	$431,000	$431,000	$300,000	$300,000
Value of new construction driven by code enforcement	$147,000	$147,000	$150,000	$150,000

Program: Contract Services for the remediation of unsafe structures **General Fund: $132,126**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Unsafe structures voluntary compliance by owner	70%	66%	68%	75%
# Demolished by Owner	9	16	25	25
# Rehabilitated by Owner	28	25	30	30
% Unsafe structures brought into compliance by City	30%	34%	32%	25%
# Demolished by City	15	15	20	15
# Stabilized by City	1	6	6	6
# Unsafe structures brought into compliance	53	62	81	76

Program: Community Improvement Services: Impact Team **General Fund:** **$548,626**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Illegal dumps removed	610	500	1,000	800
% Illegal dumps removed within 24 hours of notification	95%	95%	95%	95%
# Tons of junk/debris removed	750	850	850	850
# Graffiti sites removed	600	560	500	500
% Graffiti removed within 24 hours of notification	95%	95%	95%	95%
# Grocery carts returned to owner	350	250	175	175
% Grocery carts returned within 24 hours of notification	95%	95%	95%	95%
# of Properties brought into compliance through site remediation	400	350	450	400

Program: Community Engagement Services **General Fund:** **$727,252**

FTEs: **9**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Citizens attending PAC meetings	3,000	3,300	2,000	2,200
% Increase Citizen participation in PAC meetings	N/A	10%	-39%	10%
# NECD citizens attending PAC meetings	N/A	271	300	315
# Community activities in NECD	N/A	12	20	20
Participants in NECD community activities	N/A	75	1,200	1,200
# NECD Livability Initiative planning meetings	N/A	28	23	28
# NECD Attendees at Livability Initiative meetings	N/A	76	200	200
# Total participants at Livability Initiative meetings	N/A	N/A	175	200
Value of resource development	$40,000	$20,000	$25,000	$30,000
# Southside residents attending PAC 4 meetings	N/A	N/A	10	20
# Community activities in Southside	N/A	N/A	3	5
# Southside residents participating in community events	N/A	N/A	20	20
# Neighborhood Associations	81	85	81	83
ComNET surveys conducted	21	23	18	12
# Citizens participating in ComNETS	42	46	22	30
# Residents involved in the outreach activities City-wide	N/A	N/A	2,000	2,500
# Underrepresented persons impacted due to outreach	N/A	N/A	200	300
# Grant applications completed by CED staff	N/A	N/A	4	10
# Partnerships established for neighborhood revitalization	N/A	N/A	73	75

Program: Human Relations

General Fund: **$160,818**
FTEs: **2**
Grant Funds: **$130,000**
FTEs **1**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average days to complete investigation	50	45	40	40
% Complaints processed within 100 days	99%	99%	100%	100%
# HUD cases processed	40	50	50	50
# Fair Housing presentations	40	50	55	55
# Attendees for all events	1,500	1,875	4,000	4,000
# Human Relations Partnerships	20	25	30	30
# Hispanic-Latino Partnerships	10	10	10	12
# Dispute settlement presentations	20	25	35	35

Program: Administration **General Fund:** **$841,088**

FTEs: **8**

Goal: Well Managed City

Objective: To maximize the effectiveness and efficiency of the Department's employees.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Staff participating in culture of service projects	43	30	45	45
% Staff participating in culture of service projects	95%	N/A	100%	100%
% of Durham resident survey respondents satisfied or very satisfied with appearance of houses in their neighborhood	74%	N/A	75%	75%
% of Durham resident survey respondents rating NIS as somewhat or very much responsive to code enforcement requests for service / complaints	88%	N/A	90%	90%
% NIS employee opinion survey respondents believe the Department maintains open communication as a core value	58%	N/A	65%	70%

BUDGET ISSUES FOR FY 2012-13

- None.

COMPLETED DEPARTMENT INITIATIVES FOR FY 2011-12

- Remediated 103 unsafe structures; investigated 2,454 weedy lots; investigated 835 junk and abandoned vehicle reports; inspected 1,733 residential and 55 non-residential buildings.
- 5,165 new code enforcement cases investigated.
- Employed 22 youth and 4 supervisors for 8 weeks in the Mayor’s Summer Youth program; Youth removed over 770 bags of litter, totaling approximately 9 tons.

- Impact Team: removed 1,106 illegal dumpsites; mowed and/or cleaned 587 lots; cleaned 442 graffiti sites with over 8,400 words or symbols; returned 324 grocery carts to owners; and removed 746 tons of junk and debris.
- Responded to 1,665 citizen concerns documented through Durham One Call within 24 to 48 hours.
- Presented 57 housing code violation cases to Community Life Court (76 defendants).
- Presented 31 cases to the Housing Appeals Board
- Employed 22 youth and 4 supervisors for 8 weeks in the Mayor's Summer Youth program; the team removed over 750 bags of litter, totaling more than 10 tons.
- Completed 22 ComNET surveys with citizens to identify and address code violations in their neighborhoods.
- Provided PAC support to all five districts by creating monthly newsletters; coordinating monthly events and activities with community organizations; responding to community concerns; and staffing PAC meetings and organizational activities.
- Conducted Landlord Training Workshops in partnership with several other departments, providing training to landlords and property managers.
- Initiated the pilot of the safety dimension of the Neighborhood Vitality Index.
- Collaborated with UNC-CH School of Journalism in its production of the "NECD Voice."
- Partnered with the Police and Solid Waste Departments to conduct a community cleanup in Southside.
- Conducted GIS training class for students at Holt Elementary School.

Northeast Central Durham (NECD)

- Provided significant support for Nutcracker: The Musical, which was held at the Holton Career and Resource Center
- Continued development of the NECD Livability Initiative through the following projects:
    - Eastway Elementary Summer Camp
    - Inter-faith Food Shuttle
    - Eastway Elementary Urban Garden
    - Voice Recorders Tour
    - Urban Market
    - Bike Day
    - International Energy Efficiency Tour
    - Basic Energy Education Workshop
    - Humphrey Street Beautification Project
    - Eastway Elementary Science Day

Human Relations

- Administered the Fair Housing Assistance Program – investigation and outreach activities.
    - Investigated more than 50 formal complaints of housing discrimination
    - Conciliated 98% of the housing complaints
    - Conducted fair housing outreach on-site at the following locations on a weekly basis:
        - El Centro
        - Lincoln Community Health Center
        - Department of Social Services
        - Durham Health Department
        - Durham County Library
- Conducted Human Relations Month programs and activities
    - Conducted Human Relations Awards Ceremony
    - Proclamation for Human Relations Month
- Conducted Women's Forum during Women's History Month
- Assisted landlords/tenants in resolving conflicts through the Dispute Settlement Program
- Coordinated the City Employee Diversity Council
- Coordinated the City Employee People Inclusion in Employment (P.I.E.) Diversity Training Program.
    - Presented monthly Diversity Trainings at the New Employee Training (NET) Program
- Coordinated the Mayor's Hispanic-Latino Inclusion Initiative

DEPARTMENT INITIATIVES FOR FY 2012-13

- Enforce the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Respond to citizen concerns received through Durham One Call in 24 to 48 hours.
- Remove junk and debris and remediate housing code violations through the Impact Team.
- Partner in the Mayor's Summer Youth program to employ Durham youth in litter removal and other services.
- Increase number of CENAT surveys and neighborhood surveys with citizens to identify and address street-level concerns in their neighborhoods.
- Partner with the Community Development Department to provide enforcement support for the Southside Development Project.
- Implement the Proactive Rental Inspection Program (PRIP).
- Stabilize 3 substandard properties.
- Reduce number of boarded houses by 50%.
- Present 75 cases to the Housing Appeals Board.
- Promote and support PAC districts and community education by publishing and distributing monthly newsletters through PAC meetings, list-servs, the City website, and mailings.
- Conduct 10 landlord training workshops in conjunction with PRIP.
- Conduct 2 tenant training workshops.
- Continue development of NECD projects in coordination with the NECD Livability Initiative and the NECD Leadership Council.
- Partner with Community Development to provide citizen engagement support for the Southside neighborhood.
- Develop the Neighborhood Vitality Index, incorporating data for all seven dimensions.
- Conduct the Fair Housing Assistance Program – Investigation and Outreach Activities.
- Develop a revised City-wide Diversity Training Program.
- Coordinate the City Employee Diversity Council.
- Coordinate Mayor's Hispanic-Latino Inclusion Program.
- Conduct Human Relations Month Program Activities.
- Conduct Fair Housing Month Programs and Activities.
- Conduct the Women's Forum during Women's History Month.
- Institute the Fair Housing Testing Program.
- Expand fair housing outreach sites throughout the City.
- Partner with Clean Energy Durham for education and outreach programs.
- Expand activities with existing community and organizational partners.
- Provide fair housing education and outreach in the Southside neighborhood.

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 **$1,724,011**

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 2010 -11	Adopted FY 2011 -12	Estimated FY 2011 -12	Adopted FY 2012 -13	Change
Appropriations					
Operating	$ 1,674,247	$ 1,691,476	$ 1,691,476	$ 1,724,011	1.9%
Total Appropriations	$ 1,674,247	$ 1,691,476	$ 1,691,476	$ 1,724,011	1.9%
Revenues					
Discretionary	$ 1,674,247	$ 1,691,476	$ 1,691,476	$ 1,724,011	1.9%
Program	-	-	-	-	0.0%
Total Revenues	$ 1,674,247	$ 1,691,476	$ 1,691,476	$ 1,724,011	1.9%

Arts & Culture Facilities	Service Provided	Award
Carolina Theatre	Manages the Carolina Theatre. It is governed by a management agreement with the City.	$614,520
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.	$636,491
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.	$181,000
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		**$1,724,011**

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 2010 -11	Adopted FY 2011 -12	Estimated FY 2011 -12	Adopted FY 2012 -13	Change
Appropriations					
Operating	$ 45,152	$ 20,000	$ 30,032	$ 30,000	50.0%
Total Appropriations	$ 45,152	$ 20,000	$ 30,032	$ 30,000	50.0%
Revenues					
Discretionary	$ 45,152	$ 20,000	$ 30,032	$ 30,000	50.0%
Program	-	-	-	-	0.0%
Total Revenues	$ 45,152	$ 20,000	$ 30,032	$ 30,000	50.0%

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 SERVICES
BUDGET SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Non-Grant					
Appropriations					
Fleet Management	$ 3,880,704	$ 3,978,135	$ 3,938,298	$ 4,044,862	1.7%
General Services	11,597,250	11,710,756	12,981,873	11,797,003	0.7%
Parks and Recreation	9,850,278	10,614,020	10,812,810	10,547,768	-0.6%
Public Works	16,031,323	17,073,481	17,702,833	18,221,604	6.7%
Solid Waste Management	18,329,597	17,724,130	18,375,619	18,095,447	2.1%
Transportation	24,062,908	23,895,681	24,654,038	24,937,387	4.4%
Water Management	36,200,934	40,767,996	41,540,999	40,617,024	-0.4%
Transfers to Other Funds	21,584,650	21,402,513	21,607,402	15,200,187	-29.0%
Total Appropriations	**$ 141,537,645**	**$ 147,166,712**	**$ 151,613,872**	**$ 143,461,282**	**-2.5%**
Full Time Equivalents	992.0	1,001.5	1,000.5	987.5	-14
Part Time	91	91	91	91	-
Revenues					
General Fund					
Discretionary	$ 54,320,748	$ 56,371,518	$ 58,366,197	$ 51,566,135	-8.5%
Program	5,437,162	4,409,902	4,356,625	4,258,724	-3.4%
General Fund Subtotal	$ 59,757,910	$ 60,781,420	$ 62,722,822	$ 55,824,859	-8.2%
Ballpark Fund	793,567	774,654	893,835	849,220	9.6%
Parking Fund	1,219,164	1,911,916	1,796,756	1,952,599	2.1%
Solid Waste Disposal Fund	18,293,814	17,761,856	18,471,554	18,174,170	2.3%
Storm Water Fund	7,005,291	7,761,844	7,995,633	7,933,240	2.2%
Transit Fund	16,083,884	15,026,000	15,765,318	15,601,857	3.8%
Water and Sewer Fund	38,384,015	43,149,022	43,967,954	43,125,337	-0.1%
Total Revenues	**$ 141,537,645**	**$ 147,166,712**	**$ 151,613,872**	**$ 143,461,282**	**-2.5%**
Grants					
Transit Grant	$ 4,270,358	$ 3,677,560	$ 4,634,359	$ 4,643,512	26.3%
Transportation Planning	1,928,218	1,692,785	1,649,729	1,692,785	0.0%
Capital Improvement Program	154,686	1,067,156	1,067,156	1,342,923	25.8%
Total Grants	**$ 6,353,262**	**$ 6,437,501**	**$ 7,351,244**	**$ 7,679,220**	**19.3%**
Full Time Equivalents	20.3	15.5	15.5	15.5	-
Part Time	2	2	2	2	-
Total Budget	**$ 147,890,907**	**$ 153,604,213**	**$ 158,965,116**	**$ 151,140,502**	**-1.6%**

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 **$4,044,862**
53 FTEs

Fleet 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 1924 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 impacts 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 if 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 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 3,094,097	$ 3,168,589	$ 3,107,431	$ 3,212,007	1.4%
Operating	786,607	809,546	823,332	832,855	2.9%
Capital	-	-	7,535	-	0.0%
Total Appropriations	$ 3,880,704	$ 3,978,135	$ 3,938,298	$ 4,044,862	1.7%
Full Time Equivalents	53	53	53	53	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 2,760,611	$ 3,706,635	$ 3,642,700	$ 3,743,862	1.0%
Program	1,120,093	271,500	295,598	301,000	10.9%
Total Revenues	$ 3,880,704	$ 3,978,135	$ 3,938,298	$ 4,044,862	1.7%

Program: Fleet Maintenance **General Fund:** **$2,919,561**
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 with timelier services, contributing to a well-managed City.
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% work orders scheduled maintenance vs. unscheduled	45%	50%	43%	44%
% repairs from PM service	25%	25%	28%	28%

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 vehicles available 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Vehicles/Equipment Supported (Includes small equipment in fleet)	N/A	1578	1595	1601
% Fleet availability (Light)	94%	N/A	94%	94%
% Fleet availability (Heavy)	84%	N/A	89%	90%
% Comebacks per total work orders	<2%	<2%	<1%	<1%
% Work orders completed within 24 hours	N/A	78%	79%	79%
# Vehicles in service per technician	N/A	65	72	72

Program: Communications Maintenance **General Fund:** **$1,125,301**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Radios supported (Note: there are approx. 1,500 more radios with indirect support)	3,000	3,000	3,000	3,000
# Tower sites and 911 Centers	8	8	8	8

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Radio technician response time within 1 hour of notification	N/A	97%	100%	100%

Program: Fleet Management

Goal: Well Managed City

Objective: Ensure effective communications and teamwork 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of responses on the employee opinion survey regarding "When there are Problems in my work unit, they are discussed without blaming others."	N/A	N/A	N/A	65%
% of responses on the employee opinion survey regarding "I receive the resources I need to do my job well."	N/A	N/A	N/A	65%

BUDGET ISSUES FOR FY 2012-13

- Fleet staffing levels.
- Retention of experienced Master Mechanics and difficult recruitment of Heavy Master Mechanics.
- Increase in electronic installation needs and system expansion.

COMPLETED INITIATIVES FOR FY 2011-12

- Completed sixth year of consolidated vehicle replacement plan.
- Completed the fourth phase of Nextel re-banding project for public safety emergency response vehicles.
- Completed vehicle retrofit grant to upgrade 16 older heavy trucks/equipment to meet 2010 emissions standards.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue best business practices for citywide vehicle utilization program.
- Sustain consolidated vehicle replacement plan.
- Complete the Nextel re-banding project for public safety emergency response vehicles.
- Continue construction of new radio building at Camden tower site.

General Services

(122 FTEs)

GENERAL SERVICES

Purpose Statement:
To provide high quality property and facilities management. The Department of General Services consists of eight principal core business functions: Administration/Business Services, Facility Operations, Landscape Services, Urban Forestry, Cemetery Operations , Project Management, Real Estate and Keep Durham Beautiful.

DEPARTMENT DESCRIPTION

General Services

General Fund: $10,947,783
120 FTEs
Ballpark Fund: $849,220
2 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 citywide compliance with the Americans with Disabilities Act (ADA), coordination of Energy Management, Asset/Space Management and administration of the City's Deferred Maintenance Program and other Special Projects.

Facility Operations

The Facility Operations division is responsible for the maintenance of 1.6 million square feet of City buildings, including 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, electrical, plumbing, carpentry, painting and project management for City facilities, area parks and recreation centers. Housekeeping for City facilities and the small neighborhood recreation centers is 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, parks, greenways, trails and rights-of-way using current horticultural practices to implement grounds maintenance, landscape installation and turf management. This division 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 supervises 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 and transactions through real estate sales, development, acquisition and property management. Services include conducting real estate sales for all City departments, preparing feasibility studies and comparative market analyses, and managing the City Tract database.

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 environment. KDB increases beautification, and encourages litter reduction and recycling by fostering community awareness and citizen involvement through educational and programmatic activities. A local affiliate of the national organization, Keep America Beautiful, Inc., KDB has many initiatives including the annual Litter Index (a visual assessment of litter on City streets), organized litter cleanups, education and other beautification activities.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 7,442,574	$ 7,563,104	$ 7,307,839	$ 7,611,065	0.6%
Operating	4,133,500	4,140,252	5,657,276	4,176,622	0.9%
Capital	21,176	7,400	16,758	9,316	25.9%
Total Appropriations	$ 11,597,250	$ 11,710,756	$ 12,981,873	$ 11,797,003	0.7%
Full Time Equivalents	126	128	128	122	-6
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 10,284,464	$ 10,150,741	$ 11,302,677	$ 10,401,177	2.5%
Program	519,220	785,361	785,361	546,606	-30.4%
Subtotal General Fund	$ 10,803,683	$ 10,936,102	$ 12,088,038	$ 10,947,783	0.1%
Ballpark Fund	793,567	774,654	893,835	849,220	9.6%
Total Revenue	$ 11,597,250	$ 11,710,756	$ 12,981,873	$ 11,797,003	0.7%

Program: Administration

General Fund: **$1,529,716**
FTEs: **14**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Procurement documents processed within 3 business days	85%	90%	93%	93%
Total # of requisitions processed	N/A	3000	2900	2800
% of Labor hours to total payments processed	N/A	60%	45%	45%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# ADA requests for assistance	N/A	36	75	75
% New employees receiving ADA Training	N/A	90%	100%	100%
# ADA reviews completed on projects	N/A	12	12	12

Objective: Asset Management/Space Management - To provide the City of Durham with asset/space management services, including inventory, planning and management of current and future space for City Operational functions and asset management support.

Initiative: Managing and planning facilities and space for the City's needs through the development of an installation/facilities/building database to assist with short, medium and long term planning.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Department space allocation inventories completed	N/A	6	7	7
# Existing buildings inventoried for asset/space management database	N/A	6	0	6
# As-built construction documents compiled	N/A	12	8	10

Goal: Well Managed City

Objective: To improve areas in the Department that were identified as low scoring in the 2010 Employee Opinion Survey (EOS).

Initiative: Utilize our Senior Management to develop and execute an action plan that emphasizes improving communications and sponsors activities to build trust and respect in the Department.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Min % score of 11 most deficient survey items from 2010 to 2012	N/A	N/A	N/A	65%

Program: Facility Management

General Fund: **$3,696,223**
FTEs: **25**
Ballpark Fund: **$849,220**
FTEs: **2**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Work orders completed per month	N/A	300	175	175
% Reactive work orders	N/A	30%	45%	45%
Average # Days to Complete Work orders	N/A	N/A	N/A	7

Program: Custodial Services

General Fund: **$696,918**
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Non-routine work requests completed	N/A	90%	90%	90%
% PM work orders completed on schedule	N/A	90%	95%	95%
% of Customer/citizen complaints addressed (monthly)	N/A	95%	95%	95%

Program: Landscape Services

General Fund: **$1,949,709**
FTEs: **29**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Requests received	N/A	750	200	120
Average # days to complete service requests	N/A	5	8	6
% of Self-performed mowing cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	N/A	N/A	N/A	85%

Program: Urban Forestry **General Fund: $634,712**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Service requests received	N/A	750	750	600
Average # of labor hours per service request	N/A	16	16	16
Average # days to complete service requests	N/A	120	8	8

Program: Cemetery Operations **General Fund: $825,394**
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Burial services provided	N/A	337	337	340
% Mowing Cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	N/A	N/A	N/A	90%
Revenue % of total expenses	N/A	54%	55%	60%

Program: Project Management **General Fund: $1,066,964**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Project scopes maintained	N/A	85%	95%	95%
% Project schedules maintained on time	N/A	90%	95%	95%
% Project budgets maintained	N/A	95%	95%	95%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Employees completing NCSU Energy Management Certification Training Program	N/A	N/A	N/A	1
% Complete developing & updating a centralized database, to track overall energy usage by City Buildings	N/A	N/A	N/A	30%
# Technical reviews on Construction plans for new facilities and renovations for energy efficiency	N/A	N/A	N/A	4
# Facility Assessments needed to improve utility/energy usage	N/A	N/A	N/A	12

Program: Keep Durham Beautiful

General Fund: **$90,586**
FTEs: **1**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Community events	85	95	95	95
# Partnerships formed/created	17	15	20	20
Cost/benefit return ratio	1:4.50	1:4.50	1:5.00	1:4.50

Program: Real Estate

General Fund: **$457,561**
FTEs: **6**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Real estate project milestones achieved by service request due date	80%	75%	75%	75%

Objective: To complete the sale of surplus properties and incorporate 150 new properties into the City Tract Database.

Initiative: Utilize the Triangle MLS, City website, and on-site property advertisements for property sales and continue incorporating 2 to 3 properties into the database per month.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of New properties incorporated into City Tract Database	N/A	150	30	30

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average # of real estate matters per Real Estate Officer	N/A	13	30	30

BUDGET ISSUES FOR FY 2012-13

- Continued Capital Projects Implementation.
- Continued Implementation of Capital Projects Delivery Enterprise Platform (Primavera).
- Continued Facility Deferred Maintenance Performance.
- Americans with Disabilities Act (ADA) Settlement Agreement Implementation.
- Establish Energy Management Program.
- Community Appearance (Landscape Services and Keep Durham Beautiful).
- Integrate robust Space Planning and Asset Management programs into the Department.

COMPLETED INITIATIVES FOR FY 2011-12

- Lowered ceilings in Police Department Headquarters in Records and Recruiting to help regulate temperatures and lower energy costs.
- Completed construction phase of exterior work at 400 Cleveland Street.
- Re-advertised custodial cleaning contracts for the Durham Bulls Athletic Park, Durham Transportation Station and two custodial cleaning contracts.
- Installed Energy Automation Panels for HVAC equipment in City Hall.
- Implemented new custodial cleaning schedule.
- Implemented CPTED (Crime Prevention through Environmental Design) in collaboration with DPR at the top ten crime sites in City parks. Sherwood, Twin Lakes, Longmeadow, East End, Lyon, Lakeview, Unity Village, C.R. Wood, Whippoorwill and Red Maple. Have begun implementing the principles of CPTED at all of the Park properties, Recreation Centers and City Facilities as SOP.
- Completed the sales of 6 Aspen Court, 11 Aspen Court, 102 Morris Street and 612 North Mangum Street.

- Incorporated 85 new properties into the City Tract Database.
- Negotiated leases as requested by internal customers.
- Completed Energy and Telecommunications portions of the Utility Auditing Program.
- Administered new management contract for Durham Convention Center.
- Completed design of DPR Operations Facility at former Friendly Rest Home location.
- Initiated Camden Corridor Master Plan.
- Completed Facilities Study and Action Plan for Durham Police Facilities.
- Completed approved annual deferred maintenance portfolio.
- Integrated Goal 5 Strategic Plan into department's Asset/Space Management Initiative.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue to Implement CPTED (Crime Prevention through Environmental Design) in collaboration with DPR at the top ten crime sites in City parks.
- Implement new work order system for the Facilities Custodial Services and Building Maintenance Operations Division.
- Re-roof gazebo in Trinity Park.
- Construction for center stairwell to include paint, re-floor and re-tread stairs and replace lighting at City Hall.
- Asphalt gravel driveway at Long Meadow Pool.
- Install new automation control panel for General Services.
- Install 2 new HVAC units for Eno Facility.
- New automation controls for the Durham Bulls Athletic Park.
- Repair and re-seal employee parking lot at General Services.
- Market Surplus City-Owned Property as it becomes available for sale.
- Negotiate and complete a lease transaction for the proposed Police District Four Substation
- Negotiate and complete a lease transaction for proposed storage of Police Property and Evidence materials.
- Arrange for and execute contracts for demolition of City-Owned properties per request of Water Management Department.
- Utilize people with disabilities to test the City's new website for accessibility.
- Create a Citywide Strategic Plan for implementing identified Americans with Disabilities Act (ADA) post Settlement Agreement using the ADA Executive Team, ADA Advisory Group and the ADA Technology Group as resources.
- Develop an action plan for the ET&D (400 Cleveland Street) building to have an accessible building entrance.
- Complete space management inventory of Fleet and PWOC.
- Implement Space Planning/Management.
- Implement Energy Management Program.
- Complete Primavera Implementation and convert all projects to new system.
- Implement Primavera reporting for Department and City Management.
- Develop AutoCAD capabilities to support Space Planning.
- Implement the second phase of Building Envelope/Roof Assessments.

Parks and Recreation

(104 FTEs)

PARKS AND RECREATION

Purpose Statement:
Durham Parks and Recreation provides opportunities for our community to Play More!

DEPARTMENT DESCRIPTION

Parks and Recreation **$10,547,768**
104 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 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 their programs. It provides oversight and coordination of departmental clerical staff, personnel matters and fiscal matters including the writing and administration of grants.

Budget, Finance & Marketing

This unit develops, coordinates, and provides oversight to the departmental budget. Staff manages accounts payables, receivables, purchasing functions, and management of discount/waiver programs (Sliding Fee Scale, Facility Fee Waivers) of the department. This unit also provides marketing and public relations support to the department through development and implementation of the department's "*Play More" p*rogram guide, public service announcements, social media, flyers, brochures, website content, advertisements; and marketing campaigns for special programs and events.

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 CLASS software. The unit serves as liaison to the Technology Solutions department and provides support for the department on software training and technology inventory management and support, as well as providing networking, hardware and software management of the computer labs within the recreation centers.

Operations and Facility Reservations

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. Staff assists with the implementation and management of the recreation software project. This unit provides reception and is responsible for reservations and facility management of community rental facilities including the historic Armory in downtown Durham, Spruce Pine Lodge at Lake Michie, Forest Hills Recreation Center, McCown-Mangum House at West Point on the Eno, and picnic shelters, allowing for a variety of community events.

Events and Outreach

The unit provides a variety of special events for our community including the Senior Games, Senior Holiday Party, City Fall Festival events, City Egg Hunts and the July 4th Celebration. In addition, this unit is responsible for planning and executing large community events including Festival Latino, Bimbé, Earth Day, Holiday Fun Fest, Warehouse Blues, "Woofstock", and the "Rock the Park" series, providing movies and concerts within City parks. Outreach programs offer structured opportunities and classes at central locations to citizens 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.

Parks, Athletics, and Education Division

The Parks Division is responsible for the planning and management of the department's outdoor physical facilities: 68 parks (almost 3,000 acres) and the surrounding park area for 13 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. Twenty-two miles of greenway trails also exist as part of the parks system. The division also includes Adventure Programming, Environmental Education, Athletics, Heritage Parks, and Park Maintenance.

Park Planning

Park planning includes a wide range of planning management for existing facilities, including 68 parks and 22 miles of greenways. Staff in this unit also direct the department's land acquisition, public meetings, development review, and liaison with General Services Department Project Management. This unit is also responsible for ongoing park planning, including master planning and cultural/historical and natural resource planning.

Heritage Parks and City Lakes

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 is set to re-open in January 2013 and has a historic nineteenth century farmhouse and outbuildings and extensive natural areas. Lake Michie and Little River Lake offer outdoor activities such as boating, fishing, hiking, camping and picnicking.

Adventure Programs and Environmental Education

This unit conducts outdoor adventure events, weekend and summer programming, soccer, environmental education programming and interacts with other community agencies to develop a wide array of outdoor activities for youth and teens throughout the community. Experiential learning opportunities are offered through the Low Ropes Course at Spruce Pine Lodge and the High Ropes Discovery Course. 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.

Athletics

Athletic activities are offered for participants from the very young to adults. Program offerings include basketball, softball, tennis, flag football, ultimate Frisbee, soccer and volleyball. Athletic associations and leagues work cooperatively with Parks and Recreation staff to offer a wide range of active sports. Tournaments for various sports are facilitated by staff as well. This unit manages athletic fields (baseball, softball, soccer) and tennis courts for the department.

Maintenance

The Maintenance Unit is responsible for mowing and maintaining athletic fields, mowing parks, park and trail cleanup, and event set-up, dismantle, and support.

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 ten recreation centers. The division also includes the programming for Special Programs, Mature Adults and Aquatics.

Recreation Centers

This unit operates Edison Johnson, Walltown Park, W. D. Hill, Weaver Street and the Irwin R. Holmes, Sr. Recreation Centers. It also includes the operation of department offerings at the Lyon Park Community Family Life Center 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 celebration. These centers also offer a wide variety of additional enrichment opportunities through fitness, performing arts, technology, martial arts, and care programs such as summer camp and after school programs. Partnership programs, providing safe, structured recreational and educational activities are offered at the East Durham, T.A. Grady, and the W. I. Patterson Centers.

Custodial Services – Recreation Centers

This unit provides janitorial services, including staffing and supplies, for the larger recreation centers including 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.

Summer Camp and Intersession Programs

Summer camps are provided for nine weeks during the “out of school” time for youth and teens. 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.

Aquatics Programs

Both structured and unstructured aquatic activities such as instructional, safety, exercise, competitive programs and self-directed activities are provided at five city pool facilities (two indoor and three outdoor/seasonal). The goal is to provide aquatic programs in sufficient quality and diversity that appeal to all of Durham’s residents.

Special Populations and Mature Adults Programs

This unit provides programs to adults and children with developmental and physical disabilities. Programs include instructional, leisure, athletic and recreational activities. After school programs for school-aged children, Special Olympics training, visually impaired programs, camps, and outings are also offered. This unit facilitates oversight of inclusion in all recreation programs and coordinates programming for Mature Adults such as the Mature Adult Social programs, trips and the annual Durham Senior Games events.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 7,425,771	$ 8,244,853	$ 8,075,595	$ 8,110,362	-1.6%
Operating	2,198,930	2,335,667	2,704,094	2,368,810	1.4%
Capital	225,577	-	33,121	15,138	100%
Other	-	33,500	-	53,458	59.6%
Total Appropriations	$ 9,850,278	$ 10,614,020	$ 10,812,810	$ 10,547,768	-0.6%
Full Time Equivalents	108	107	107	104	-3
Part Time	82	82	82	82	-
Revenues					
Discretionary	$ 8,724,090	$ 9,413,520	$ 9,650,643	$ 9,309,147	-1.1%
Program	1,126,189	1,200,500	1,162,167	1,238,621	3.2%
Total Revenues	$ 9,850,278	$ 10,614,020	$ 10,812,810	$ 10,547,768	-0.6%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration

General Fund: **$1,921,727**
FTEs: **16**

Administration	$1,069,165, 6 FTEs
Budget, Finance, & Marketing	$425,259, 6 FTEs
Technology and Data Management	$197,916, 2 FTEs
Park Planning	$229,387, 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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% of Identified Strategic Plan initiatives meeting target implementation timeline	N/A	N/A	N/A	100%
% of Strategic Plan measures rating at or above target	N/A	N/A	N/A	100%
% of Questions on employee opinion survey rating at or above 65%	83%	N/A	N/A	90%
# of Play More cards sold (# of individuals participating in program)	2,616	N/A	2,625	2,750

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of DPR participants (responding to evaluation surveys) that report DPR programs and/or services "met" or "exceeded" expectations (combo all services/programs)	N/A	75%	88%	90%
% Compliant with CAPRA standards	86%	100%	92%	100%
# of Participants receiving a discounted fee (through Program Fee Waiver or Sliding Fee Scale Program)	916	1,020	1,450	1,450
Value of program fee waivers and Sliding Fee Scale discounts provided	$568,382	$638,600	$681,310	$685,000
# of Rentals (Organizations events, programs, meetings) receiving a discounted rental fee (through DPR's Facility and Field Fee Waiver Program)	105	N/A	110	110
Value of discounts provided to Organizations through DPR's Facility and Field Fee Waiver Program	$112,045	N/A	$115,000	$115,000

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 # 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 is available to participants if they are unable to pay. Verification is obtained through the Department of Social Services.

Program: Operations & Facility Reservations **General Fund: $492,054**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Picnic shelter rentals	485	525	481	500
# of Rentals at rental facilities	180	215	185	215
% of Refunds issued (of total rental facility revenues) due to complaint (facility not cleaned, rental start time delayed, etc.)	0.55%	N/A	0.65%	0.60%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Participants (responding to evaluation surveys) rating overall rental experience as having "met" or "exceeded expectations"	N/A	75%	85%	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 satisfaction 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Inspections of playgrounds per year (57 playgrounds @ 3 times each)	171	171	171	171
% of Playgrounds in compliance with minimum safety surfacing requirements	44% (25/57)	82% (47/57)	85% (49/57)	91% (52/57)
% of Citizens (responding to evaluation surveys) rating their playground experience as having "met" or "exceeded" expectations	75%	75%	85%	90%

Program: Recreation Programs and Events

General Fund: **$6,520,663**
FTEs: **59**

Adventure Programs and Environmental Education	$355,498, 4 FTEs
Aquatics	$877,949, 8 FTEs
Athletics	$664,172, 6 FTEs
Events and Outreach	$460,781, 3 FTEs
Heritage Parks and City Lakes	$196,746, 2 FTEs
Recreation Centers	$2,749,348, 29 FTEs
Special Programs	$566,587, 6 FTEs
Summer Camps and Intersession	$649,582, 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Recreational opportunities offered	2,120	2,120	1,941	2,000
# of Individual participants served (registered programs and leagues)	21,000	22,050	20,866	22,000
# of Special events offered	33	35	41	41
% of Registered Course opportunities offered that met minimum registration requirements	92%	95%	82%	90%
% of Activities/courses exceeding maximum # of registrations allowed (participants waitlisted)	2.9%	3.1%	6.5%	6.0%
% of Participants (responding to evaluation surveys) rating programs attended as having "met" or "exceeded expectations"	N/A	75%	85%	85%
% of Participants (responding to evaluation surveys) rating events attended as having "met" or "exceeded expectations"	N/A	75%	85%	85%

Program: Park Maintenance

General Fund: **$1,125,000**
FTEs: **15**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Complaints received regarding condition of grass in parks and/or athletic fields or cleanliness of parks and/or reservable spaces (i.e. courts, fields, shelters, etc.)	N/A	40	38	35
% of Parks that are maintained (mowed, cleaned) in adherence with adopted standards as part of the DPR Operations and Management Plan.	N/A	90%	95%	95%
% 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)	N/A	75%	89%	90%

Program: Custodial Services - Recreation Centers

General Fund: **$488,324**
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: Develop and implement 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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Complaints received regarding cleanliness of center	N/A	20	5	5
% of Participants (responding to evaluation surveys) rating cleanliness of facility as having "met" or "exceeded" expectations	N/A	75%	96%	95%

BUDGET ISSUES FOR FY 2012-13

- Achieving desired maintenance standards for athletic fields, park cleanup, and custodial services in recreation centers to address citizen priorities identified in the citizen survey within existing resources.
- Developing 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.

COMPLETED INITIATIVES FY 2011-12

- City of Durham (DPR)/Durham Public Schools (DPS) Joint Use Agreement adopted by elected officials.
- Durham Parks and Recreation hosted 1,400 athletes for the USTA North Carolina Mixed Doubles Championship Tournament held in September 2011.
- Increased the number of park playgrounds maintained at minimum recommended surface levels per Playground Safety Certified Inspector guidelines. Implemented a maintenance schedule to maintain acceptable levels once the surface is repaired to acceptable standard.
- Successfully implemented programming at the new High Ropes Discovery Course at Bethesda Park.
- Maintained the departmental communications and marketing plan, safety and health plan, recreation programming plan, and maintenance plan in accordance with national accreditation standards.
- Recreation software fully operational; launched online registration for most programs in FY12.
- Increased program offerings and participation levels of wellness and fitness programs. Implemented marketing effort to educate public about DPR's wellness and fitness programs.
- Third Fork Creek Trail (3.2 miles between Southern Boundaries Park and Garrett Road Park) was completed this year with a combination of bond funds and ARRA stimulus funding, providing a major connecting link in the trails system. The trail is the longest section of the North/South Greenway, the City's main greenway trail.
- DPR opened the Downtown Durham Dog Park in conjunction with the Cleveland Holloway Neighborhood Group. A cooperative agreement between the City and this organization was implemented.
- City's first futsal courts opened in Sherwood Park.
- Lighted outdoor basketball courts opened in Southern Boundaries Park and Sherwood Park.

- The Bimbé Cultural Arts Festival was selected by the National Recreation and Park Association to receive the 2011 Dorothy Mullen Arts and Humanities, Class II Award.
- Bethesda Park was selected by the National Recreation and Park Association to receive the 2011 Park or Facility Design Award, Class II.
- DPR received over $72,000 in grant awards in FY12 in support of community gardening, tennis programs and facilities, Challenger Flag Football, and events.

DEPARTMENT INITIATIVES FOR FY 2012-13

- 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.
- Complete Community Needs Index Survey to inform Master Plan and Recreation Program Plan development and updates.
- Increase collection and use of data and best practices to increase operational excellence.
- Implement a simplified fee structure to insure consistency in the application of program and rental fees.
- Update and support marketing and communication plan to reach a range of audiences.
- Re-open the Leigh Farm Park, located at 370 Leigh Farm Rd., and continue to promote education and conservation through both the unique partnerships already established and new cultural history programming developed by department staff.
- Increase the number of park playgrounds maintained at minimum recommended surface levels per Certified Playground Safety Inspection guidelines.
- Transition Park Maintenance operations from the Duke Park Maintenance shops to the new Park Maintenance Operations Center, currently under construction.
- Successfully increase programming at the new High Ropes Discovery Course at Bethesda Park.
- Maintain the department's national accreditation status by adhering to CAPRA (Commission for Accreditation of Parks and Recreation Agencies) standards.
- Pilot vandalism reduction program, including improved lighting, cameras, signage, and targeted security patrols.
- Increase program offerings and participation levels of wellness and fitness programs.
- Implement marketing strategies to increase public awareness of DPR programs and services through enhanced electronic, visual media, and printed marketing efforts.

Public Works

(221 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: $7,701,328
Water and Sewer Fund: $2,787,036
Stormwater Fund: $7,733,240
221 FTEs

Engineering Survey, Design and Contracting

This program includes field surveys, engineering design, and bidding of work to contractors. The Survey Group collects data to assist with engineering projects and the platting of properties, delineation of easements and public rights-of-way, and property and boundary research and surveys. The Design Group assists with street design, water/sewer extensions, new sidewalk and curb ramp construction and repair, and provides advice on street and trail repaving, emergency utility repairs and construction projects. The Contracting Group provides contract and project management services for infrastructure designed by the Design Group, City repaving contracts, consultant and construction projects for Economic Development, and streetscape design and construction. These services include payments, management, public meetings, agenda item preparation, and bidding and contracting.

Paved, Dirt Street and Sidewalk Maintenance

This program has responsibility for public roadway maintenance, street repaving, and alley and sidewalk maintenance in the City. Street Maintenance also plans and executes the City's winter weather plan and assists other departments in debris removal from natural disasters. Other special projects include utility cut repairs for street cuts made by the City Water Management Department.

Stormwater Quality

The Stormwater Quality Program provides services related to the management and improvement of 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 atmospheric monitoring; operation of a state certified benthic laboratory; public education and participation; and detection, investigation and elimination of unauthorized connections and illegal discharges, including enforcement. The program includes review of proposed water quality legislation, review and comment on federal/state rule development and development of ordinances and implementation plans for federal and state rules, development of watershed plans and implementation of those plans. This program also coordinates stream restoration activities and implements water quality projects through grants.

Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning

The program provides for maintenance of the stormwater drainage system within the City's right-of-way. Other services include cleaning debris off catch basin tops, sweeping street curbs and gutters, dead animal removal from streets and vet hospitals, and litter removal from ditches, sidewalks, downtown areas and other public street rights-of-way. Street Cleaning also provides staff support during severe winter weather situations assisting with snow removal and salt dispersal. Bus Stop Cleaning provides general cleaning services, mowing and trash collection for all city bus shelters.

Engineering Inspections

This program provides inspections services for the street, water, sewer and stormwater infrastructure that is built by the development community, through City Contracts, or by NCDOT where City utilities are involved. The scope of these services includes clearing, grading, sub-grade preparation, trenching, pipe laying, concrete work, stone installation, road bed approval, and paving. The inspectors provide the front-line assurance that the

installation is in accordance with the City's and all other applicable standards. The Inspections group provides services for locating the City underground water, sewer and stormwater infrastructure as part of the state-wide One-Call network, permitting and inspecting the installation of electric, telephone, cable TV, gas and other incidental utilities in the public right-of-way, approving as-built infrastructure drawings and digital submittals for construction projects, and filing and tracking surety bonds and other financial instruments posted by the development community in conjunction with obtaining plat approval for their projects.

Stormwater Infrastructure

This program 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 rights-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.

GIS & Billing

The GIS & Stormwater Billing program maintains GIS mapping data including street centerlines, city sidewalks, stormwater system, and the water and sewer collection and distribution system. This data provides information to departments throughout the city and county and the general public with street names and addressing information. For example, this data is utilized by the 911 emergency dispatch system, 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, customer service inquiries, bill verification and adjustment, new fee implementation, mapping of stormwater impervious areas within the City limits (which is used to calculate the stormwater bill) and acquisition of satellite imagery and impervious area extraction (which is used for quality control purposes). The program supports and maintains the Azteca Cityworks software which is utilized city-wide to track incoming service requests and labor, equipment, and material associated with work done by various city departments and the Durham One Call center.

Development Review Customer Service

Development Review Customer Service provides a centralized location for the most common public works customer needs as well as in depth engineering review of development plans. This program provides a location for the receipt, logging, tracking, distribution, and pickup of Public Works permits and inspections, as well as payment of all Public Works fees and construction securities; conducts engineer, developer and owner education through seminars and workshops for all types of public works infrastructure (water, sewer, streets, stormwater conveyance systems, and stormwater facilities; provides for the review of annual stormwater facility certifications; and provides information and counseling to customers about water and sewer service. This program provides for water, sewer and street petitions; ordering of improvements as well as assessments; time payments for approved petitions; information to customers about pending assessments; and customer information and presentations on ordered improvements. The program also provides for water, sewer, storm and street authorizations to construct and permits for public and private projects.

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 the Annual Work Plan for the department. This office also provides safety and training programs through operations management at the Public Works Operation Center.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 12,868,464	$ 13,733,656	$ 13,767,899	$ 14,170,846	3.2%
Operating	3,103,922	3,175,694	3,799,735	3,975,304	25.2%
Capital	-	164,131	85,199	75,454	-54.0%
Transfers to Other Funds	58,938	-	50,000	-	0.0%
Total Appropriations	$ 16,031,323	$ 17,073,481	$ 17,702,833	$ 18,221,604	6.7%
Full Time Equivalents	225	222	222	217	-5
Part Time	1	1	1	1	-
Revenues					
Discretionary	$ 5,460,677	$ 5,630,885	$ 6,031,352	$ 6,542,643	16.2%
Program	1,418,057	1,262,000	1,152,958	1,158,685	-8.2%
General Fund Subtotal	$ 6,878,734	$ 6,892,885	$ 7,184,310	$ 7,701,328	11.7%
Water & Sewer Fund	2,379,426	2,658,752	$ 2,722,890	$ 2,787,036	4.8%
Storm Water Fund	6,773,162	7,521,844	$ 7,795,633	$ 7,733,240	2.8%
Total Revenues	$ 16,031,323	$ 17,073,481	$ 17,702,833	$ 18,221,604	6.7%
Capital Improvement Program					
Personal Services	$ 154,686	$ 1,067,156	$ 1,067,156	$ 1,342,923	25.8%
Total Appropriations	$ 154,686	$ 1,067,156	$ 1,067,156	$ 1,342,923	25.8%
Full Time Equivalents	7	4	4	4	-
Capital Improvement Revenues	$ 154,686	$ 1,067,156	$ 1,067,156	$ 1,342,923	25.8%

Program: Engineering Survey, Design and Contracting

General Fund: **$540,919**
Water & Sewer Fund: **$1,258,617**
FTEs: **19**

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: To track repaving miles and costs, provide fire flow tests and collect level points in support of capital projects.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Lane miles of contracted street repaving	187	150	191	93
Street repaving lane mile contracted cost	$51,220	$55,000	$70.000	$73,526
Linear feet of new sidewalk constructed	N/A	N/A	10,182	16,000
New sidewalk construction cost per linear foot	N/A	N/A	$46	$75
# Fire Flow Tests	52	70	52	70

Program: Paved, Dirt Street and Sidewalk Maintenance

General Fund: **$5,890,980**
FTEs: **69**

Goal: Stewardship of the City's Physical Assets
Objective: To ensure streets are safe for travel and well maintained.
Initiative: Provide timely repair of potholes.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Potholes repaired	2,206	1,600	1,800	1,600
Average days to repair potholes	8	5	5	5
Average cost per pothole	$82	$85	$100	$107
Linear feet of sidewalk repaired	3,932	3,000	2,500	2,500
Average cost per linear foot for sidewalk repaired	$50	$60	$65	$65
Linear feet of curb and gutter repaired	1,004	1,000	2,500	1,200
Average cost per linear foot for curb and gutter repair	$69	$70	$69	$69
Linear feet of dirt street graded and/or rocked	223,817	180,000	175,000	150,000

Program: Stormwater Infrastructure

Stormwater Fund: **$803,926**
FTEs: **7**

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: To provide timely technical assistance to stormwater infrastructure customers and complete stormwater infrastructure projects.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Stormwater Infrastructure Project Hours	2,189	2,250	3,500	3,500
Completed Stormwater Infrastructure Projects	87	80	80	80

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Drainage/flooding response hours	2,127	1,900	1,800	1,900
% Drainage SRs closed within quarter	98%	95%	80%	95%
% Floodplain info/reviews completed in 2 days	100%	95%	98%	95%

Program: Stormwater Quality **Stormwater Fund: $1,822,926**
FTEs: 16

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# New water quality investigations	195	200	210	200
# Investigation follow-ups	89	90	210	108
Rolling Water Quality Index	80	77	77	77
# Pollution sources controlled	152	115	200	125
% Water quality violation letters issued within 5 days	96%	90%	90%	90%
Average # business days from call to investigation	0.31	1	0.6	1
# Business days needed to issue violation letter/referral	2.3	5	3.3	4.3

Program: Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning **Stormwater Fund: $3,443,540**
FTEs: 50

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Linear feet of storm drain videoed (10% required per NPDES permit)	68,724	57,150	90,000	57,150
Expenditures on storm drain video	$55,597	$75,000	$75,000	$75,000
Linear feet of ditching excavated	99,122	100,000	100,000	100,000
Linear feet of storm water pipe flushed	26,204	19,521	26,500	25,000
Linear feet of stream debris removed or surveyed	17,380	15,000	40,000	18,000
# of Bus stops cleanings	18,990	16,460	20,000	17,000
Curb miles cleaned/swept	15,397	12,000	15,000	15,000
Tons of hand litter collected by street cleaning crews	345.86	n/a	600.00	600.00

Program: Engineering Inspections **General Fund: $556,237**
Water & Sewer Fund: $585,224
Stormwater Fund: $130,099
FTEs: 24

Goal: Strong and Diverse Economy
Objective: To ensure that inspections are provided in an accurate and timely manner.

Initiative: To complete, track and report financial and work plan indicators/initiatives in a timely manner.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Inspection requests completed within 2 business days	100%	100%	100%	100%
Linear feet of public infrastructure inspected and accepted	N/A	N/A	138,315	126,430
# of Final Inspections performed	N/A	N/A	400	360
# of Driveways inspected	N/A	N/A	750	805
Average # of driveways locations per inspector	N/A	N/A	75	81
Average linear feet of sidewalk locations per inspector	N/A	N/A	5,379	3,823
Average linear feet of water/sewer locations per inspector	N/A	N/A	4,678	4,098
Average # of engineering site finals per inspector	N/A	N/A	42	36
# Private utility permits issued	732	650	650	650

Program: GIS & Stormwater Billing

General Fund: **$181,174**
Water & Sewer Fund: **$191,179**
Stormwater Fund: **$665,119**
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, keep GIS layers up to date and report monthly progress to department director.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Stormwater Billing				
Square feet of impervious area managed	484,179,278	N/A	493,263,574	503,740,121
% of Stormwater parcels identified for new billing from satellite extraction within one year	89%	100%	100%	100%
% Collection of stormwater customer revenue	96%	N/A	97%	98%
% of Stormwater adopted target revenue billed	100.28%	100.00%	100.20%	100.40%
# of Billing customer contacts for account adjustments	8,538	N/A	13,000	13,000
# of Customer inquiries resulting in revenue account adjustments	N/A	N/A	2,000	6,000
% of Stormwater customer inquiries resolved within 3 business days	N/A	N/A	N/A	90%
Revenue received from return mail of stormwater customers	N/A	N/A	$60,000	$150,000

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Utility Mapping				
# of Digital submittals received for input into GIS	79	97	97	90
% of Digital submittals input within 20 business days of approval	N/A	N/A	N/A	100%
# of As-Built pending and approved backlog sheets	348	448	450	450
% of As-Built sheets input into GIS within 90 days of approval	N/A	N/A	N/A	95%

Program: Development Review & Customer Service

General Fund: **$225,029**
Water/Sewer Fund: **$704,848**
Stormwater Fund: **$671,601**
FTEs: **19**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
Engineering Development Review				
# of Plans/items reviewed	1,642	1,643	1,801	1,763
% of Plans/items reviewed on time	96%	88%	75%	80%
Stormwater Services Development Review				
# of Plans/items processed	915	935	1,129	1,007
% of Plans/items reviewed on time	88%	91%	88%	90%
Stormwater Services Inspections				
# of Inspections	N/A	1,024	1,345	1,280
# of Inspections per day per Inspector	N/A	2	3	2.5
Engineering Services				
# of Items processed	N/A	7,480	9,155	8,008
% of Plans/items processed on time	N/A	N/A	N/A	90.0%
Engineering Customer Services: Total number of Customers	13,940	14,000	16,345	15,000

Objective: To further safety and general welfare and convenience of the citizens of Durham through assessing, managing, and completing all infrastructure for the struggling and failed developments in the City of Durham.

Initiative: To monitor and track failed developments; and to work toward completion of all infrastructure within a failed or struggling development.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Failed Developments; Categories 1-3	56	N/A	152	155
# of Failed Developments; Category 4	8	N/A	22	27
# of New Failed Developments (Categories 1-4; added to category list)	64	N/A	110	38
# of Completed projects	0	N/A	30	20
Work Hours Spent Categories 1-3	N/A	N/A	627	627
Work Hours Spent Category 4	N/A	N/A	1,882	1,882
# of Construction Securities Evaluated	N/A	N/A	174	182
% of Construction Securities Evaluated within 5 business days	N/A	N/A	N/A	75%
Work Hours Spent on construction securities	N/A	N/A	1,254	1,254

Note: Categories 1-3: Struggling Developments
Note: Category 4: Confirmed Failed Development

Program: Office of the Director

General Fund:	**$306,989**
Water & Sewer Fund	**$47,168**
Stormwater Fund	**$196,029**
FTEs:	**4**

Goal: Well Managed City
Objective: To set and manage operational initiatives and indicators.
Initiative: To monitor and report on budgets and the Annual Work Plan.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Monthly budget reconciliation completed within 5 days	100%	100%	50%	100%
% Work plans substantially completed by the end of following month	95%	100%	50%	100%
# Quarterly work plan analyses	4	4	4	4
% of Questions on Employee Opinion Survey regarding communication from department management rating at 65% or higher	33%	N/A	N/A	70%
% of Citizens rating the condition of streets in their neighborhood as good or very good	N/A	N/A	55%	N/A

Note: Employee Opinion Survey conducted in odd fiscal years, Citizen's survey conducted every even fiscal year.

BUDGET ISSUES FOR FY 2012-13

- Implement stormwater rate increase in support of CIP projects and stormwater fleet replacement.
- Increased costs for fuel and petroleum based products (asphalt).

COMPLETED INITIATIVES FOR FY 2011-12

- Prepared and repaved approximately 80 centerline miles of City streets by contract; an additional 70 centerline miles are projected to be paved in FY 12-13.
- Completed design and construction of WS-83 Water and Sewer contract.
- Completed design and started construction on SW 26 for sidewalk construction.
- Coordinated design with the City Department of Transportation and started construction of various traffic calming devices and pedestrian improvements.
- Began monitoring and tracking progress of various NCDOT construction projects, such as the Alston Avenue/Lawson Street improvements.
- Completed design of SW-27, a Safe Routes to School sidewalk project along Fayetteville Road and construction will begin in FY13 at an estimated cost $2 million.
- Provided annual maintenance on 23 miles of dirt streets.
- Provided 17,000+ bus stop cleanings.
- Cleaned/swept 15,000 miles of streets.
- Updated Annual Work Plan quarterly.
- Completed 100,000 linear feet of street ditch maintenance.
- Designed ~10,000 linear feet of water lines, ~6,000 linear feet of sewer lines, ~4,000 linear feet of streets, and ~8,000 linear feet of sidewalks.
- Completed the reconstruction of Revere Road; approximately $500,000 completed in FY11 and $900,000 completed in FY12.
- Repaired or replaced ~2,000 linear feet of concrete sidewalk.
- Completed Emergency Action Plan.
- Discovered and controlled over 100 pollution sources.
- Completed ~80 stormwater infrastructure projects citywide.
- Conducted ~200 new water quality investigations citywide.
- Billed 100% of projected stormwater revenue accounts.
- Completed the preliminary boundary survey and mapping of the Hillandale Golf Course.
- Completed transition of fire hydrant tagging from the Fire Department to Public Works GIS workgroup.
- Initiated efforts to identify and address failed developments.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Implement the Pedestrian Rights-of-Way Guidelines (PROWAG) citywide to comply with a Department of Justice 2012 national directive.
- Begin design of WS-84 Water and Sewer contract at an estimated cost of $1.8 million.
- Coordinate with the City Department of Transportation and start construction of additional traffic calming devices and pedestrian improvements.
- Construct Phase E of the American Tobacco Trail (ATT) from NC 54 to the Chatham County line.
- Initiate and complete consulting contract for water and sewer specifications at an estimated cost of $438,000.
- Complete design and construction of the Angier/Driver streetscape in conjunction with the Office of Economic and Workforce Development.
- Complete design and construction of the Little Five Points streetscape in conjunction with the Office of Economic and Workforce Development.
- Complete annual maintenance on 20+ miles of dirt streets and alleys.
- Provide 17,000+ bus stop cleanings.
- Update the Annual Work Plan quarterly.
- Continue Stream Monitoring and Assessment Program for the current stormwater NPDES permit.
- Complete approximately 20 drainage repair projects on private property or within the City rights-of-way.
- Complete 100,000+ linear feet of street ditch maintenance.
- Complete all revisions to the Reference Guide for Development and publish new standards.

- Continue to coordinate, monitor and resolve issues associated with failed and struggling developments within the City.
- Complete four quarterly seminars for the development community on changes to design, construction and as-built characteristics of development within the City.
- Communicate and implement new Stormwater Rule Changes that will be adopted within the City by the end of 2012.
- Continue the integration of City Works and MUNIS for use in the setting of utility meters for development.
- Monitor and track progress of NCDOT construction projects, such as the Main Street Bridge replacement and various road widening projects.
- Complete 180,000 linear feet of street ditching.
- Complete flushing or vactoring of 440 storm drains or 19,521 linear feet.
- Continue implementation of Water Quality Recovery Programs for current stormwater NPDES permit.

Solid Waste Management
(114 FTEs)

SOLID WASTE MANAGEMENT

Purpose Statement:

To partner with the community in providing our citizens exceptional customer service and outstanding waste collection, recycling and disposal services.

DEPARTMENT DESCRIPTION

Solid Waste Management

Solid Waste Fund: $17,895,447
Stormwater Fund: $200,000
114 FTEs

The Department is primarily responsible for the collections and disposal of residential municipal solid waste, curbside recycling, bulk items/brush and subscriber-based yard waste services. Staff leads administrative and operational functions to ensure that all collections and disposal are done in accordance with state regulatory mandates, City Manager directives and within City Council goals.

The Department is committed to its vision of accomplishing its 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 include 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 placed at the curbside from residences and some small businesses on a weekly basis. Fully automated and semi-automated vehicles are used to collect these rollout carts. One cart is provided to customers at no cost. Residents who are physically unable to move a rollout cart to the curb may have their refuse collected from a designated area as an exempt customer.

Yard Waste Collection

The Yard Waste Collection division collects yard waste at curbside on a weekly basis. Residents who desire yard waste service must request a rollout cart from the City. This division also provides Christmas tree collection to all households within the City of Durham. This program is designed to divert debris from the waste stream by recycling it into a reusable earth product.

Curbside Recycling

The Curbside Recycling division provides single stream collections to residents on a bi-weekly schedule. Durham households have been provided a 96 gallon cart for curbiside recyclables collection. Implementation of single stream recycling helps supports City Council's goals and the Department's mission of environmentally safe collection and disposal.

City Facilities and Downtown Collections

This contractual service is provided by a private hauler to collect solid waste from all City-owned facilities, downtown and residential areas that require stationary container/dumpster 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 too large to be collected by the rollout cart crews, 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 and technical assistance services. 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 City.

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 collects 12 to 20 thousand tons of yard waste materials from City and County residences and businesses each year. Waste is brought to the facility and is 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 a well managed City**.**

Scrap Tire Disposal

The Scrap Tire Disposal program provides for collection and proper disposal of tires at the convenience center. This program enables diversion of tires from the waste stream and promotes environmentally safe disposal of 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 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 6,462,525	$ 6,332,295	$ 6,293,744	$ 6,274,533	-0.9%
Operating	11,867,072	11,391,835	12,081,875	11,820,914	3.8%
Capital	-	-		-	0.0%
Total Appropriations	$ 18,329,597	$ 17,724,130	$ 18,375,619	$ 18,095,447	2.1%
Full Time Equivalents	115	115	114	114	-1
Part Time	-	-	-	-	-
Revenues					
Discretionary	$ 10,385,512	$ 8,946,155	$ 9,788,602	$ 9,775,647	9.3%
Program	7,711,956	8,537,975	8,387,017	8,119,800	-4.9%
Solid Waste Fund	18,097,468	17,484,130	18,175,619	17,895,447	2.4%
Stormwater Fund	232,129	240,000	200,000	200,000	-16.7%
Total Revenues	$ 18,329,597	$ 17,724,130	$ 18,375,619	$ 18,095,447	2.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **Solid Waste Fund: $1,152,644**
FTEs: 13

Goal: Well Managed City
Objective: Provide citizens and City departments with accurate information regarding departmental services.
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 FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
# Durham One Call calls related to SWM	N/A	800	22,980	22,000
# Visitors to the SWM website page	101,862	20,000	140,000	140,000
% Collection complaints resolved within 48 hours	N/A	99%	100%	99%
% Residents rating trash collection services as satisfactory or better on the resident survey	N/A	90%	86%	N/A

Program: Residential Collection **Solid Waste Fund: $5,722,947**
FTEs: 49

Goal: Thriving Livable Neighborhoods
Objective: Maintain or reduce the collection costs through efficient management of resources.
Initiative: Increase the use of technology, best practices and training for field staff and managers.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Collection Points	67,500	68,900	69,300	69,900
Tons collected (Curbside)	44,949	45,000	44,500	44,000
Collection and disposal costs per collection point	N/A	$1.62	$1.94	$1.59

Program: Yard Waste Collection **Solid Waste Fund: $1,261,250**

FTEs: 15

Goal: Thriving Livable Neighborhoods

Objective: Divert reusable earth products from the waste stream, thereby reducing the City's disposal cost.

Initiative: Provide Durham residents with an efficient program to dispose of earth products.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Yard Waste Subscribers	17,745	19,000	20,252	20,550
Tonnage collected	N/A	11,100	11,700	12,000
% Waste stream diverted through yard waste collection	N/A	8.5%	7.0%	7.5%

Program: Curbside Recycling **Solid Waste Fund: $1,603,360**

FTEs: 15.8

Goal: Thriving Livable Neighborhoods

Objective: Divert recyclable materials from the waste stream, thereby reducing the City's disposal cost.

Initiative: Provide Durham residents with an effective and efficient program to dispose of recyclable materials.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Collection Points Waste Subscribers	67,500	68,900	69,300	69,900
Tonnage collected	13,618	14,500	14,300	14,500
% Waste stream diverted through recycling	23%	26%	25%	26%

Program: City Facilities and Downtown Collections **Solid Waste Fund: $67,000**

FTEs: 0

Goal: Thriving Livable Neighborhoods

Objective: Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

Initiative: Contract for collection services in downtown area and City-owned facilities.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Collection points	31	31	31	31
Annual contract cost	$47,541	$55,500	$65,000	$67,500

Program: Bulky Item Collection **Solid Waste Fund:** **$618,267**

FTEs: **6.4**

Goal: Thriving Livable Neighborhoods

Objective: To provide bulk collection services to all customers seeking services within 72 hours of notification.

Initiative: Use of GPS technology to effectively manage timely collections, resources and personnel.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Bulky item/brush collections	N/A	36,000	24,000	26,000
% Bulky collection complaints resolved within 48 hours	N/A	95%	95%	100%
Bulky Tonnage Removed	1,700	N/A	1,300	2,100

Program: Code Enforcement **Solid Waste Fund:** **$205,771**

FTEs: **3**

Goal: Thriving Livable Neighborhoods

Objective: To reduce violations in neighborhoods by enforcing the City's Solid Waste Ordinances.

Initiative: Increased code enforcement officer's presence within the City.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Monthly Code enforcement investigations completed per officer each month	N/A	260	240	260
% Violations corrected by citizen within 30 days of notification	N/A	92%	93%	95%
Fines Levied	N/A	1	2	1

Program: Waste Reduction **Solid Waste Fund:** **$105,912**

FTEs: **1**

Goal: Thriving Livable Neighborhoods

Objective: Increase the City's recycling participation rate to 90%.

Initiative: Educate all citizens through educational forums, media outlets and planned events.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Educational events	28	20	35	35
# Educational event participants	2,030	6,500	3,500	7,500
# Media/advertising outlets	36	N/A	16	18
# Residents reached through media/advertising outlets	N/A	N/A	277,000	300,000

Program: Transfer Station **Solid Waste Fund:** **$6,380,836**

FTEs: **5**

Goal: Well Managed City

Objective: Reduction to City's disposal costs through efficient management of resources.

Initiative: Educate the public on recyclable materials and train staff on waste stream diversion.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# DENR violations	0	0	0	0
# Small users (cars/small trucks)	12,549	4,600	16,000	18,000
# Large users (hydraulic dump trucks	41,823	58,800	44,000	50,000
Disposal costs per ton	N/A	$38.17	$43.00	$45.00

Program: Convenience Center **Solid Waste Fund:** **$191,792**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Customer Education Contacts	N/A	N/A	580	1,392
% Waste stream diverted from landfill due to convenience center	N/A	1.5%	1%	1.5%
Tonnage of appliance/scrap metal	N/A	50	480	550
White goods revenue	N/A	$40,000	$100,000	$140,000

Program: Yard Waste Composting Facility **Solid Waste Fund:** **$316,910**

FTEs: **1**

Goal: Thriving Livable Neighborhoods

Objective: Safe operation of a full-service yard waste disposal site.

Initiative: Train staff through a DENR-approved composting operations and maintenance certification program.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Tonnage of yard waste collected	N/A	18,364	14,000	14,000
Yard waste tipping fee revenue	N/A	$441,000	$371,000	$371,000
Decrease in the number of pounds of non-yard waste material entering the facility	100	50	9,500	8,000

Program: Household Hazardous Waste **Storm Water Fund:** **$200,000**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Pounds of HHW collected	254,511	445,000	240,000	248,000
# Pounds of E-Waste collected	168,191	N/A	490,000	500,000

Program: Scrap Tire Disposal **Solid Waste Fund:** **$268,758**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Tons of tires collected	3,167	3,250	3,700	3,250
Tire disposal revenue (citizens)	N/A	N/A	$5,500	$3,000

BUDGET ISSUES FOR FY 2012-13

- Fuel costs.
- Shortage of automated trucks.
- Spare vehicle inventory, specifically, truck fleet availability.
- Transfer Station feasibility, improvements and private-public partnership considerations.
- Continued compliance with regulatory disposal issues related to an aging transfer station.
- Otto cart management contract budget.

COMPLETED INITIATIVES FOR FY 2011-12

- Held three city-wide E-waste and shredding events and expanded recycling education to increase participation and reduce disposal cost.
- Implemented SharePoint software technology to improve communication with Durham One Call.
- Integrated scale house Waste Works software with MUNIS to improve monthly tipping fee billings; streamlining invoices for transfer station customers.
- Developed and implemented an enhanced safety awareness training program for staff to reduce the amount of risk claims.
- Participated in the roll out of the city-wide strategic plan efforts with a focus on performance, service delivery and program efficiencies.
- Improved city-wide code enforcement efforts by realigning existing staff duties.
- Convened a Communications Team to identify and address the root causes of the department’s low scores on the Employee Opinion Survey.
- Increased employee participation in the budget process through Budget Retreat.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Implement real time GIS web based technology to improve customer service response time.
- Explore ways to increase revenues through the recycling stream.

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: $7,382,931
47.5 FTEs
Transit Fund: $15,601,857
Parking Fund: $1,952,599
1 FTE
Grant Funds: $6,336,297
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. The department provides leadership, strategic planning, program oversight and administrative support for programs involving Transportation Planning. 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, 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.

Parking

Parking Administration provides management oversight for the City's privatized off-street and on-street parking system.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 2,983,743	$ 3,050,753	$ 3,057,055	$ 3,155,669	3.4%
Operating	19,515,817	19,112,840	19,639,477	19,793,720	3.6%
Capital	103,761	532,192	335,728	465,734	-12.5%
Transfers	1,459,587	1,199,896	1,621,778	1,522,264	26.9%
Total Appropriations	$ 24,062,908	$ 23,895,681	$ 24,654,038	$ 24,937,387	4.4%
Full Time Equivalents	48	47.5	47.5	48.5	1.0
Part Time	1	1	1	1	-
Revenues					
Discretionary	$ 5,506,256	$ 6,067,224	$ 6,131,423	$ 6,369,119	5.0%
Program	1,253,604	890,541	960,541	1,013,812	13.8%
General Fund Subtotal	$ 6,759,860	$ 6,957,765	$ 7,091,964	$ 7,382,931	6.1%
Transit Fund	16,083,884	15,026,000	15,765,318	15,601,857	3.8%
Parking Fund	1,219,164	1,911,916	1,796,756	1,952,599	2.1%
Total Revenues	$ 24,062,908	$ 23,895,681	$ 24,654,038	$ 24,937,387	4.4%
Grants					
Transportation Planning Grant					
Personal Services	$ 841,728	$ 841,728	$ 841,728	$ 841,728	0.0%
Operating	1,086,490	851,057	808,001	851,057	0.0%
Capital	-	-	-	-	0.0%
Total Appropriations	$ 1,928,218	$ 1,692,785	$ 1,649,729	$ 1,692,785	0.0%
Full Time Equivalents	9.5	9.5	9.5	9.5	-
PartTime	2	2	2	2	-
Transportation Planning Grant Revenues	$ 1,928,218	$ 1,692,785	$ 1,649,729	$ 1,692,785	0.0%
Transit Grant					
Personal Services	$ 247,751	$ 161,269	$ 161,269	$ 78,956	-51.0%
Operating	3,979,903	3,360,481	4,317,280	4,518,121	34.4%
Capital	42,704	155,810	155,810	46,435	-70.2%
Total Appropriations	$ 4,270,358	$ 3,677,560	$ 4,634,359	$ 4,643,512	26.3%
Full Time Equivalents	3.75	2	2	2	-
PartTime	-	-	-	-	-
Transit Grant Revenues	$ 4,270,358	$ 3,677,560	$ 4,634,359	$ 4,643,512	26.3%

Program: Transportation Services

General Fund: **$1,459,291**
FTEs: **13.5**
Grants: **$1,692,785**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# TIAs reviewed	10	12	14	14
% of TIAs reviewed within 60 days	100%	95%	100%	100%
% of Site plans reviewed in 10-15 days	100%	95%	100%	100%

Goal: Thriving and Livable Neighborhoods

Objective: To ensure safe, reliable and customer-friendly taxicab service effectively and efficiently enforcing the Passenger Vehicle for Hire Ordinance and regulations by inspecting 100% of all cabs semi-annually and reviewing 100% of all drivers' eligibility requirements annually.

Initiative: Inspect all taxicabs twice annually for compliance with established vehicle insurance, equipment, condition, appearance, and safety standards, annually review all driver permit applications and renewals to ensure driver standards compliance.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Taxicabs inspected biannually	127	120	128	139
# of Drivers permitted	146	150	150	160
% of Taxicabs inspected biannually	100%	100%	100%	100%
% of Taxicab drivers' records inspected annually	100%	100%	100%	100%

Goal: Thriving and Livable Neighborhoods

Objective: To administer an effective, efficient, and responsive lead planning agency for the Metropolitan Planning Organization by ensuring 95% of the MPO's annual federal appropriations are programmed for and ready to be obligated; respond to 95% of member organizations' requests within one monthly meeting cycle; and identify and recommend strategies which mitigate congestion, improve safety and mobility and meet federal air quality standards.

Initiative: Create and maintain a database for tracking federal funding and provide quarterly reporting; create and maintain a tracking system of member organizations' requests; and monitor and report transportation system performance by collecting traffic counts, pedestrian and bicycle counts, and accident rates.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Appropriations programmed	90%	95%	98%	95%

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Programmed projects obligated	82%	95%	98%	95%
% of Organization responses within one meeting cycle	90%	95%	99%	95%
# of Multimodal data collection points	900	900	900	900
% of Major facilities monitored for congestion	90%	90%	95%	90%
% of MPO City matching funds	14.5%	14.1%	12.7%	12.7%

Goal: Well Managed City

Objective: Ensure effective internal communication

Initiative: Develop an action plan to address employee opinion survey responses scoring below 70%. Evaluate and monitor the effectiveness of internal communication methods through employee feedback. Implement communication methods that are most effective and efficient.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of questions on employee opinion survey regarding communication rating at or above 70%	60%	N/A	N/A	70%

Program: Traffic Operations

General Fund: **$2,839,981**

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Signals maintained	395	395	398	403
# Intersection traffic counts	117	100	180	190
# Signals analyzed	118	190	190	190
# Signals maintained per FTE	43.9	43.9	44.2	44.8
% Signals operating > LOS D	N/A	90%	95%	95%

Goal: Stewardship of City's Physical Assets

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Miles of lane markings striped	106	90	90	90
% of target lane marking striped	N/A	100%	100%	100%
# Feet of markings striped per labor hour	440	500	360	360
# Feet of crosswalks & stop bars striped	27,433	20,000	22,000	22,000
% of Target crosswalks and stop bars striped	N/A	100%	110%	100%
# Feet of crosswalks & stop bars striped per labor hour	39.8	20.0	30.0	30.0
# Traffic pavement symbols marked	628	600	800	600
% of Target pavement symbols marked	N/A	100%	133%	100%
# of Pavement symbols marked per labor hour	0.73	0.75	0.80	0.80

Goal: Stewardship of City's Physical Assets

Objective: To install and maintain traffic control signs and street markers for efficient traffic operations and public safety, by installing or replacing 3,700 traffic signs and street markers annually for conformance with the MUTCD.

Initiative: To maintain an inventory of all traffic signs and street markers, monitor established life cycles for various sign types and conduct routine inspections which ensure sign replacements in conformance with MUTCD schedules.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Signs installed/replaced	4,084	3,700	3,500	3,700
# Signs installed/replaced labor hour	2.29	3.70	2.80	2.80
% of Target sign installations / replacements	N/A	95%	95%	100%

Program: Street Lighting

General Fund: **$3,083,659**
FTEs: **1.0**

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# New street lights installed	228	706	706	400
# Street lights per 1,000 capita	87	86	86	86
% of Street light petitions prepared and issued within 2 weeks of request	N/A	95%	100%	95%

Program: Transit

Transit Fund: **$15,601,857**
Grants: **$4,643,512**
FTEs: **2.0**

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 5% from 18,936 boardings to 19,888 daily boardings, and to improve on-time performance by 32 percentage points from 68% 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.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
Average daily boards	17,375	17,500	18,936	19,888
Cost per revenue hour	$86.22	$88.99	$90.99	$103.95
Passenger boardings per revenue hour	30.89	30.61	33.23	34.89
Preventable accidents/100,000 miles	0.9	0.0	0.8	0.0
On-time Performance	59.8%	85.0%	68.0%	90.0%

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 94%.

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.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% Operate paratransit service within 15 minutes of scheduled time	N/A	94.0%	92.7%	94.0%
# Passengers per hour	N/A	2.115	2.020	2.115

Program: Parking

Parking Fund: **$1,952,599**
FTEs: **1.0**

Goal: Well Managed City and Thriving Livable Neighborhoods

Objective: To increase overall performance with parking operations by collecting 71% of all citations.

Initiative: To reduce the balance of outstanding and uncollectable citations.

Measures:	**Actual FY11**	**Adopted FY12**	**Estimated FY12**	**Adopted FY13**
% Collection of citations issued	69.30%	70.00%	70.50%	71.00%
% Increase in parking citations issued	N/A	0.00%	-12.00%	0.00%
% of Citations appealed vs. issued	7.00%	6.00%	5.50%	4.75%
# Enforcement employees per 1,000 spaces	N/A	2.1	2.1	2.1

Goal: Well Managed City and Thriving Livable Neighborhoods

Objective: To increase the utilization of the City's off-street parking facilities.

Initiative: Implement strategies to increase occupancy of parking facilities.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Parking spaces utilized at peak	N/A	64.5%	62.4%	64.0%
Average occupancy in parking garages	64.2%	64.5%	62.4%	64.0%
Average occupancy off-street parking lots	N/A	65.0%	67.5%	65.0%
Average revenue per space for garages and off-street lots	$45.21	$55.00	$53.87	$54.93
% of Parking space oversell	35%	36%	50%	40%

BUDGET ISSUES FOR FY 2012-13

- Develop a multi-year budget for the transit system.
- Manage revenue implications created by parking garage construction activity and new Durham County Courthouse.
- Manage limited resources without service impacts.

COMPLETED INITIATIVES FOR FY 2011-12

- Coordinated with NCDOT, TTA and Norfolk & Southern in the development of a comprehensive Traffic Separation Study of at-grade railroad crossings along the NCRR to identify safety and mobility improvements.
- Completed the NC54/I-40 Corridor Study.
- Continued development of the 2040 Long Range Transportation Plan.
- Successfully oversaw application process resulting in the City of Durham being awarded the Silver level designation as a Bicycle Friendly Business by the League of American Bicyclists.
- Coordinated the addition of over 4 miles of new bicycle lanes on Durham roadways.
- Updated the sidewalks priority list in the DurhamWalks! Pedestrian Plan.
- Optimized traffic signal timing at 190 intersections.
- Completed 90 miles of pavement marking.
- Restriped pavement markings on all streets resurfaced as part of the 2010 Bond Initiative.
- Installed 706 additional street lights.
- Reinstated the City’s Speed Hump Program.
- Improved collection of off-street parking citations.
- Selected company to install new parking garage control equipment in the Chapel Hill, Corcoran, Church Street garages and three surface lots.
- Selected firm to conduct downtown parking study.
- Reduced discrepancy between tickets issued and collected at City parking garages.
- Transported in excess of 18,000 fixed route passengers per day.
- Transported in excess of 800 paratransit passenger per day.
- Installed MDC/AVL technology system to improve productivity and efficiency for ACCESS program.
- Placed 10 hybrid light transit vehicles in service for ACCESS program.
- Completed re-powering 12 2003 model year buses.
- Implemented fixed route transit service changes to improve on-time performance.
- Completed the Designing Better Bus Service analysis, community outreach and plan development.
- Installed bus-tracking technology and launched (Go Live) real-time passenger information system with other transit agencies in region.
- Implemented Go Pass Program for City employees.
- Placed 5 new Bull City Connector (BCC) buses in service.
- Implemented Transit Signal Priority system for BCC.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Complete the Traffic Separation Study of the NC Railroad Corridor.
- Continue development of the 2040 Long Range Transportation Plan.
- Optimize traffic signal timing at 190 intersections.
- Complete 90 miles of pavement marking.
- Restripe pavement markings on all streets resurfaced as part of the 2010 Bond Initiative.
- Continue to enhance bicycle and pedestrian amenities.
- Install 400 additional street lights.
- Continue the City's Speed Hump Program with traffic studies, petitions, and installations.
- Improve collection of off-street parking citations.
- Complete installation of new parking garage control equipment in the Chapel Hill, Corcoran, Church Street garages and three surface lots.
- Complete downtown parking study.
- Reduce discrepancy between tickets issued and collected at City parking garages.
- Transport 18,900 daily fixed route passengers.
- Transport 98,000+ annual paratransit passengers.
- Follow up on Triennial Review recommendations and Financial Management Oversight recommendations.
- Implement two phases of the Designing Better Bus Service plan recommendations, first in October 2012, then in January 2013.
- Implement real time schedule information (Go Live).
- Improve accessibility and amenities at 15 bus stops.

Water Management
(329 FTEs)

WATER MANAGEMENT

Purpose Statement:
To deliver cost effective water and sewer services in full compliance with all legal and regulatory requirements while meeting the community's expectations for level of service and fiscal accountability. The department supports Goal 5 of the City's strategic plan by focusing on Stewardship of the City's Physical Assets to provide services which are critical to the community's viability. This is accomplished through protection of the public health and safety, effective resource management, infrastructure maintenance, adequate fire flows, environmental protection and natural resource management.

DEPARTMENT DESCRIPTION

Water Management **Water and Sewer Fund: $40,338,301**
328.5 FTEs

Solid Waste Fund: $278,723
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. Efforts to develop new sources of revenue include initiatives such as landfill gas development and use, as well as contract and reclaimed water sales. The department is committed to ensuring that Durham citizens live and work in a well-managed City with an efficient and accountable city government. Implementation of the 2005 Bond package 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.

Administrative

Administration

Administration is tasked with the management, oversight and planning processes necessary for providing 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 prosperous 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 provide billing services for the utility, respond to customer inquiries, establish new accounts and authorize water and sewer connections and disconnections. Employees in the field services unit provide connection and disconnection services. With the on-going implementation of Automated Meter Reading staff will transition to providing monthly billing for all customers.

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 Conservation Program's efforts support water supply management strategies and continue to have increased visibility with the implementation of the year-round water irrigation measures, expansion of the water efficiency rebate program and on-going advertising/marketing of water efficiency programs and practices.

Operations

Water Supply and Treatment

This service area is responsible for providing 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 28.9 MGD. Certified staff operates equipment and adjust 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.

Wastewater Treatment and Laboratory

This service area provides the citizens of Durham with cost effective wastewater treatment and residuals management. This service is accomplished by efforts of certified staff to 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. Numerous facility upgrades are either under way or planned to meet stringent water quality or biosolids disposal regulations.

The Laboratory Services Section of the department, located at the South Durham Facility, provides lab analysis 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 which protect downstream users.

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 repairing 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 division 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 now a revenue stream associated with this function.

RESOURCE ALLOCATION

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Adopted FY 2012-13	Change
Appropriations					
Personal Services	$ 18,616,433	$ 20,047,443	$ 19,633,803	$ 20,429,447	1.9%
Operating	17,469,871	20,566,553	21,696,362	20,177,577	-1.9%
Capital	114,630	154,000	210,834	10,000	-93.5%
Total Appropriations	$ 36,200,934	$ 40,767,996	$ 41,540,999	$ 40,617,024	-0.4%
Full Time Equivalents	317	329	329	329	-
Part Time	7	7	7	7	-
Revenues					
Water & Sewer Fund	$ 36,004,588	$ 40,490,270	$ 41,245,064	$ 40,338,301	-0.4%
Solid Waste Disposal Fund	196,346	277,726	295,935	278,723	0.4%
Total Revenues	$ 36,200,934	$ 40,767,996	$ 41,540,999	$ 40,617,024	-0.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **Water & Sewer Fund: $1,647,420**
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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average annual flow as a percentage of rated capacity	68.32%	<80%	70%	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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Average annual flow as a percentage of rated capacity	45.19%	<80%	<50%	<55%

Goal: Well Managed City

Objective: To improve employee satisfaction with communications and performance measurement within the department as reflected by increased percentages of positive responses on relevant questions in the biennial Employee Opinion Survey (EOS).

Initiative: To implement effective leadership training programs/opportunities and develop new and expand existing internal communications.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
EOS: Combined responses related to performance management equal 65% or better.	N/A	N/A	N/A	65%
EOS: Combined responses related to communication equal 65% or better.	N/A	N/A	N/A	65%

Program: Customer Billing Services **Water & Sewer Fund: $2,409,059**
FTEs: 26

Goal: Well Managed City

Objective: To provide accurate and timely billing for water and sewer services of the utility by maintaining billing accuracy of 99% or greater.

Initiative: Institute reports, develop and/or conduct reviews and monitoring of processes to evaluate bills prior to billing customers.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Billing accuracy rate	99.80%	99.80%	99.85%	99.90%

Objective: To enhance and increase customer responsiveness by resolving issues upon first contact with the office and reduce the percent of accounts/customers whose issues are not resolved with the first contact with the office and are escalated to a supervisor level or above.

Initiative: Provide additional training and individual follow-up with each issue that is not resolved on first contact.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Customers contacting office more than once concerning same issue	N/A	<2%	0.5%	<1%

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Active Accounts delinquent more than 60 days	N/A	<10%	15%	<12%

Program: Plant Maintenance **Water & Sewer Fund: $4,402,347**
FTEs: 51

Goal: Stewardship of the City's Physical Assets

Objective: To provide both maintenance and minor construction support of water and water reclamation facilities, pump stations and other Department facilities and structures by developing and creating an asset management system and culture that increases the availability of the facilities to efficiently and effectively produce safe, high quality drinking water and return reclaimed water back to the environment.

Initiative: Manage the spare parts inventory and backlog of work at the facilities to increase availability of the equipment.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Inventory accuracy (random sampling test)	N/A	95%	96%	98%
Ratio of the total # of work orders completed in a month to the total # of work orders generated per month	N/A	0.5	0.9	1.0

Program: Regulatory Compliance **Water & Sewer Fund: $1,282,431**
FTEs: 12

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

Objective: To protect the City's sanitary sewer collection system and water reclamation facilities through proper implementation of the Pretreatment Program and Sewer Use Ordinance by managing users of the Sanitary Sewer system so that their discharges do not adversely impact the sewer system or the receiving wastewater treatment facilities.

Initiative: Conduct inspections and review analytical results of monitoring conducted by the City and Industrial Users for compliance with permits and the City's Sewer Use Ordinance (SUO), conduct follow-up and enforcement activities as necessary.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Users in compliance with permit limits and/or SUO (target ≥ 95%)	95%	95%	100%	98%

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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of BFP owners conducting & submitting reports as required	85%	85%	95%	95%

Objective: To promote water efficient behaviors and practices among all customers to reduce demands (or reduce increases in demands) on the City's water supplies and treatment facilities, achieving customer compliance with City's year round irrigation schedule.

Initiative: Educate customers regarding all aspects of the Water Efficiency Ordinance, manage and implement the Alternate Day Irrigation Schedule during normal weather conditions by deploying Conservation Field Assistant daily.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
Customer compliance rate with irrigation schedule	95%	98%	95%	98%

Program: Water Supply and Treatment **Water & Sewer Fund: $7,860,562**
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 FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Compliance with Federal and State drinking water quality standards	100%	100%	100%	100%
Treatment cost per million gallons of treated water	$858.52	$867.57	$840.00	$875.00

Objective: To provide water that is free from taste and odors and is aesthetically pleasing.

Initiative: Monitor the distribution system and respond to customer complaints and concerns regarding water quality, evaluate results and make adjustments as appropriate.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# Technical water quality complaints per month based on review of investigation / evaluation	4.33	5	5	5

Program: Wastewater Treatment **Water & Sewer Fund: $8,392,657**
FTEs: 29

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 applicable state, federal and local regulatory requirements and minimizing discharges of organic wastes & ammonia nitrogen to the receiving streams.

Initiative: Optimize processes to discharge a higher quality of water than required by permits.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Measured discharges below permit limits for North Durham Facility	87%	85%	99%	85%
% Measured discharges below permit limits for South Durham Facility	93%	85%	100%	85%

Program: Laboratory Services **Water & Sewer Fund: $891,569**
FTEs: 9

Goal: Well Managed City & Stewardship of City's Physical Assets

Objective: To provide high quality laboratory analysis for water, wastewater, industrial waste and stormwater program, providing results in timely manner, and to complete laboratory analyses in the City's certified lab to meet deadlines specified by its customers.

Initiative: To support the various operations branches of the department and City by providing appropriate/requested turn-around-time of analytical results to Laboratory Services' customers.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Laboratory results reported to customers on or before due date	98%	99%	100%	100%

Program: WSM/Systems Maintenance & Construction **Water & Sewer Fund: $9,594,780**
FTEs: 108

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
# of Repeat SSOs	N/A	3	1	1
% of Total sewer system cleaned per year to meet regulatory requirement	15%	10%	12%	12%

Objective: To ensure the delivery of safe drinking water via the water distribution system to customers by providing timely and efficient routine maintenance and reducing instances requiring emergency maintenance.

Initiative: To maintain/sustain the reliability and viability of the water distribution system.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Hydrants needing repair found during the hydrant preventive maintenance program	10%	6%	3%	2%
% of Valves needing repair found during the valve exercising preventive maintenance program	5%	3%	2%	1%

Objective: To provide excellent customer service for the installation of new water and wastewater service lines within a defined time period.

Initiative: To support the various operations branches of the department and City by providing appropriate/requested turn-around-time of analytical results to Laboratory Services' customers.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of New sewer service installations completed in 30 days	95%	98%	100%	100%
% of New water service installations completed in 30 days	95%	98%	100%	100%

Program: WSM/Meter Maintenance **Water & Sewer Fund: $2,418,241**
FTEs: 30

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.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of AMR meters that are transmitting readings successfully per month.	N/A	N/A	N/A	97%
% of 3” and larger meters tested per month within AWWA recommendations for accuracy	N/A	N/A	N/A	98%

Program: Utility Engineering **Water & Sewer Fund: $1,439,235**
FTEs: 12.5

Goal: Stewardship of the City's Physical Assets

Objective: To improve the integrity of the City’s sanitary sewer collection system so that SSOs are eliminated and sewage is efficiently conveyed to the WRFs.

Initiative: Manage and administer rehabilitation and repair contracts so that at least 85% of identified repairs are given to active contractors within 180 days of analysis when using traditional methods (TRAM) and within 120 days when using trenchless methods (TREM).

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% of Repairs by TRAM completed within 180 days following analysis	80%	85%	85%	85%

Program: Utility Engineering **Solid Waste Fund: $278,723**
FTEs: 0.5

Goal: Stewardship of the City's Physical Assets

Objective: To comply with all Solid Waste and Air permits by providing effective oversight of all operating and maintenance activities at the landfill (complete closure by 2029).

Initiative: Review monthly landfill gas well operations reports, quarterly methane migration monitoring reports and semiannual groundwater monitoring reports and respond to identified emergent issues within 30 days.

Measures:	Actual FY11	Adopted FY12	Estimated FY12	Adopted FY13
% Identified issues addressed within 30 days	N/A	100%	100%	100%

BUDGET ISSUES FOR FY 2012-13

- 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 effluents. 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 expanded delinquent account collection practices.
- Continue efforts to enhance long range plans for system reliability and water supply, both raw and treated water, 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.
- Preserve public awareness through education and outreach programs for water conservation/efficiency and the Fats, Oils and Grease efforts; maintain and expand water efficiency incentive programs.
- Continue to fund new operational improvements to meet new regulatory requirements.
- Continue to build the foundational Plant Maintenance programs into an asset management system which include a computerized maintenance management system (CMMS) implementation and enhancing the preventive maintenance (PM) system through the organizational changes in the divisions and department.
- Continue to integrate Water and Sewer Maintenance systems into an asset management system through better use of CityWorks.
- Continue to develop an organization that can be more responsive to the needs of the utility, the City and its residents.

COMPLETED INITIATIVES FOR FY 2011-12

- Expanded program for Automated Meter Reading (AMR) by completing Phase II of the Residential Meter Replacement Project and starting Phase III.
- Began utilizing AMR and staffing initiatives to move toward monthly billing of water and sewer customers.
- In collaboration with Finance Department, selected collection agency and began referrals of delinquent water and sewer customers to agency.
- Developed and implemented delinquent sewer-only disconnection policy; program implementation included installing valves in customers' sewer lines for ease of enforcement of policy.
- Implemented pilot monthly billing program in one district.
- Implemented pilot program of E-billing with City employees.
- Completed initial drive to improve concerns discovered in the Employee Opinion Survey.
- In collaboration with Jordan Lake Partners, completed Volume I – Regional Needs Assessment of the Triangle Regional Water Supply Plan and the Jordan Lake Potable Water Interconnection Study. These efforts support seeking additional allocation of the Jordan Lake water supply/storage pool and developing direct access to Jordan Lake.
- Started permitting and started design of Teer Quarry water supply storage reservoir project (emergency supply during water shortage).

- Completed design phase and begin the permitting phase of the Water Treatment Regulatory Compliance Project.
- Completed several sewer replacement and rehabilitation projects at numerous sites.
- Began construction of the new Angier elevated storage tank.
- Completed construction on the new North Durham WRF sludge pad cover project.
- Finalized updates of emergency action plans for both dams and held tabletop exercise with key stakeholders.
- Completed construction of Hillandale Dual Water Lines Replacement project – Phase I.
- Completed rehabilitation of filters at Brown Water Treatment Plant.
- Completed construction of North Durham Aeration Basin and UV facilities.
- Completed design of numerous rehabilitation projects at North and South Durham WRFs.
- Completed construction of Water Plant Improvements Project.
- Completed design of Phase II of the Southern Reinforcing Main Project.
- Completed master planning and energy audits of water reclamation facilities.
- Completed CCTV inspection and point repairs in advance of all Street Bond Paving projects.
- Interconnections with several neighboring water providers strengthened.
- Merged the Supervisory Control and Data Acquisition (SCADA) workgroup into the Plant Engineering and Maintenance Division.
- Completed Water and Sewer Maintenance Division Reorganization.
- Continued the rehabilitation of sewer lines with the addition of an expanded outfall mowing program, internal patch crew and sewer closed circuit television (CCTV) crew.

DEPARTMENT INITIATIVES FOR FY 2012-13

- Continue expansion of Automated Meter Reading (AMR) program by completing Phase III of the Residential Meter Replacement Project and starting Phase IV.
- Continue utilizing AMR and staffing initiatives to move toward monthly billing of water and sewer customers.
- Complete Volume II – Regional Water Supply Options of the Triangle Regional Water Supply Plan with Jordan Lake Partners to support request for additional allocation of the Jordan Lake water supply/storage pool and develop direct access to Jordan Lake.
- Continue to explore, expand and implement billing initiatives such as E-billing, group billing and budget billing within capabilities of current version of Munis.
- Evaluate opportunities for enhanced customer responsiveness through new/expanded technologies for payment options.
- Continue to develop 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 Phase II of the Southern Reinforcing Main Project.
- Complete the permitting phase and begin the construction of the Water Treatment Regulatory Compliance Project.
- Complete construction of Hillandale Dual Water Lines Replacement project – Phase II.
- Continue to participate in the City's strategic plan implementation; update departmental strategic plan.
- Initiate succession planning effort for department, focusing on key/critical positions as a part of employee development and leadership development within the department.
- Implement departmental and divisional actions plans to address concerns revealed in the Employee Opinion Survey, with department focus on communication and performance management.
- 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 when applicable.
- Maintain emphasis on working safe, enhancing safety training to ensure worker safety while protecting the City's/department's investment in equipment/vehicles.
- Explore joining the North Carolina Department of Labor SHARP Program or STAR Program to continue to drive a safer culture within the Department.

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 statues.

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 2012-13 Obligations			Future Obligations		
	Principal	**Interest**	**Total**	**Principal**	**Interest**	**Total**
General Obligation Bonds	$22,330,000	$9,084,518	$31,414,518	$187,420,000	$53,678,187	$241,098,187
Installment Sales	6,496,000	3,083,059	9,579,059	52,664,000	27,542,478	82,206,478
Revenue Bonds	4,135,000	3,650,738	7,785,738	72,420,000	48,389,450	120,809,450
Limited Obligation Bonds	5,870,000	2,128,934	7,998,934	45,720,000	14,815,612	60,535,612
Other Obligations	885,000	94,245	979,245	1,965,000	202,103	2,167,103
Total Debt Service:	**$38,716,000**	**$18,041,494**	**$57,757,494**	**$360,189,000**	**$144,627,830**	**$504,816,830**

Outstanding Debt by Type of Issue
FY2012-13

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, 2012 the statutory limit for General Obligation debt for the City was $1,843,180,557 providing a debt margin of approximately $1,493,248,216.

Outstanding General Obligation Debt

General Obligations

General Government	*$159,161,553*
Water & Sewer	*33,837,659*
Solid Waste	*16,750,788*
Total	**$209,750,000**

Outstanding General Obligation Debt
FY 2012-13

General Government

Arts/Cultural Resources	$4,809,820
Public Building /Housing	19,198,570
Community Development	14,580,630
Parks and Recreation	35,488,146
Parking	6,010,384
Public Safety	4,746,257
Civic Center	4,737,397
Streets	68,121,863
Public Improvements	1,361,227
Technology	107,259
Total	**$159,161,553**

Outstanding General Government G.O. Debt
FY 2012-13

Outstanding General Government General Obligation Debt

Authorized and unissued General Obligation Bonds 2005, 2010 and 2012 2/3rd Bond authority

Cultural Facilities	$1,575.000
Neighborhood Improvements	1,260,000
Parks and Recreation	15,363,000
Streets and Sidewalk	25,924,000
Water and Sewer	7,580,000
Fleet	3,100,000
Public Improvement Bonds	9,645,000
Total	**$64,447,000**

General Obligation Bonds Authorized and Unissued
FY 2012-13

Outstanding Debt

Fixed Rate Debt	$385,165,000
Variable Rate Debt	$13,740,000
Total	$399,905,000

Outstanding Fixed and Variable Rate Debt FY2012-13

Annual Principal and Interest Requirements FY 2012-13

Issue	Debt Purpose	Principal	Interest	Future Principal Obligations
DURHAM-1993-C	Variable Public Improvement Bonds	$3,375,000	$197,080	$415,000
DURHAM-1994-B	Variable W&S Revenue Bonds	1,100,000	249,000	3,600,000
DURHAM-1994-C	State Loan / Sewer Revolving	750,000	55,500	750,000
DURHAM-2000-C	Variable Housing Bonds	250,000	393,750	5,000,000
DURHAM-2001-B	State Loan / Clean Water Revolving	135,000	38,745	1,215,000
DURHAM-2003-CPA	American Tobacco	710,000	493,484	7,085,000
DURHAM-2003-D	Refunding Series 2003 - 1995 Bonds	2,150,000	212,500	2,100,000
DURHAM-2004-A	G.O. Refunding Bonds	2,885,000	156,544	1,135,000
DURHAM-2004-B	2/3 Bonds	500,000	40,625	500,000
DURHAM-2005-A	COP Series 2005	2,530,000	733,600	13,120,000
DURHAM-2005-AA	GO Series 2005A	500,000	327,500	7,500,000
DURHAM-2005-BB	GO Series 2005B (Taxable)	550,000	109,250	2,300,000
DURHAM-2005-C	GO Refunding (96, 97, 00A partial)	2,725,000	595,050	9,815,000
DURHAM-2005-CC	GO Series 2005C	550,000	307,875	7,050,000
DURHAM-2005-D	Revenue Bonds 2005 (Ref)	990,000	831,713	15,405,000
DURHAM-2006-A	2006B GOs	500,000	594,825	13,990,000
DURHAM-2006-C	2006A GOs (Taxable Housing)	475,000	115,143	1,935,000
DURHAM-2007-A	Refund (98 99 00B 02 04)	1,070,000	1,716,169	33,400,000
DURHAM-2007-CPA	Durham Performing Arts Center	755,000	1,732,098	29,980,000
DURHAM-2007-CPD	Fire equip	1,965,000	79,650	N/A
DURHAM-2008-A	23 G.O. Bonds	375,000	459,563	10,850,000
DURHAM-2008-B	05 & 07 authority ($8 million Streets)	1,425,000	1,713,925	40,870,000
DURHAM-2009-A	REFUNDING 98, 99, 00B, 02, 04	2,805,000	474,050	11,675,000
DURHAM-2010 GO	GO Series 2010 A&B	2,195,000	1,670,671	39,435,000
DURHAM-2010 LOBS	LOBS Series 2010 A&B	5,870,000	2,128,934	45,720,000
DURHAM-2011-R	Revenue Bond Series 2011	2,045,000	2,570,025	53,415,000
LEASE-2011-A	Private Placement	536,000	44,227	2,479,000
	Total	**$39,716,000**	**$18,041,493**	**$360,189,000**

Debt Management Policy

Purpose
To establish a policy for the issuance of debt and financing instruments for the City.

Policy
The attached document, Debt Management Guidelines, establishes the scope and purpose for the issuance of debt instruments consistent with the limitations of the North Carolina Local Government Bond Act. The 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.

Policy Review
The Department of Finance and Budget and Management Services Department are responsible for revision and changes to the policy as needed.

1. Purpose:

The purpose of the City of Durham, North Carolina (City) debt management policy is to provide guidance for the issuance of City debt obligations 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.

2. Scope:

These debt guidelines apply to all debt issued by the City in the various funds; noting that there are specific requirements imposed by the type of debt issue which may be inconsistent with or not applicable to, some portion of these guidelines. Among these limitations are Council and/or voter approval, length of time to issue debt for approved uses and capital requirements such as length of asset lives and dollar value of assets financed. Further restrictions are related to the nature of the debt and whether it is general obligation debt (backed by the taxing authority of the City) or debt backed by specified pledged revenue and/or collateral.

3. Definitions:

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

b. 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.

c. 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 currently enjoys a general obligation AAA/Aaa rating which indicates the City is viewed as having an extremely strong ability to repay debt obligations.

d. General Obligation Bonds: The City may borrow money from lenders, pledging the full faith and credit of the City to pay the loan through tax revenue. The method requires both the approval of voters through the referendum process and the approval of the Local Government Commission. The City sells 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. Bond sales are held as needed based on the cash flow needs of the projects being

financed. The City manages its G.O. bond cash-flow either through the use of bond anticipation notes or by self-funding through the City's pooled cash. The City may also issue general obligation debt under the 2/3 rule, wherein the City may issue up to 2/3 the value of general obligation debt retired in the prior year so long as no new general obligation debt was issued in the same year.

e. Certificates of Participation (COPs): Alternative financing method requiring no voter approval. The City may enter into Certificates of Participation (Installment Sales) contracts for buildings or equipment using the building or equipment to secure the financing. COPs 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 will be made in accordance with the provisions of N.C.G.S. 159-153 and with the approval of the Local Government Commission.

f. Capital Projects: Generally, major City projects with a cost of at least $100,000 and a useful life of at least 10 years. Capital projects can include the cost of land acquisition, construction, renovation and/or the acquisition of major equipment.

g. 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. The City can sell revenue bonds once a year to pay for expenses associated with capital projects. 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.

h. 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.

i. Advance Refunding: In general, advance refundings of outstanding bonds for economic savings will be undertaken when a net present value savings of at least five percent (5%) of the refunded debt can be achieved. Recommendations of refundings, which produce a net present value savings of less than five percent, will be considered on a case-by-case basis. A refunding with negative savings will not be considered unless it fulfills a compelling public policy objective. LGC guidelines suggest that generally refundings contemplate a net present value savings exceeding three percent (3%) and that the term of the original debt not be extended when bonds are refunded.

j. 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. 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.

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

l. 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.

m. Swaption: An option granting its owner the right but not the obligation to enter into an underlying swap. While options can be traded on a variety of swaps, the term swaption typically refers to interest rate swaps. An interest rate swaps is a written contract entered into in connection with the issuance of debt obligations for the City or in connection with City debt already outstanding with a counterparty to provide for an exchange of payments based upon fixed and/or variable interest rates.

n. Counterparty: Literally, a party to a contract. The City and the City's counterparty to a financial contract each share risk in the performance of the contract by the other.

o. Collateralize: To pledge security (marketable securities, real property, etc.) which unconditionally guarantees payment on financial contractual obligations.

p. Lease/Purchase Agreements: Lease/purchase financings may be undertaken when the project or equipment will contribute to the efficient operation of the City or to the efficient provision of an existing service. Lease/Purchase agreements will be made in accordance with the provisions of G.S. 159-153 and with the approval of the Local Government Commission.

q. Private Placements: Debt may be privately placed with a lending institution when private placement will enhance the attractiveness of the offering consistent with the receipt of the lowest true interest cost possible. The Local Government Commission must approve the use of all private placements, in accordance with NC Statute 159-153.

r. Defease: 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.

s. Arbitrage: With respect to the issuance of municipal securities, arbitrage refers to the difference between the interest paid on tax-exempt bonds 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 tax-exempt bonds. An arbitrage rebate payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. 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.

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

u. 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. Municipalities establish enterprise funds for many fee for services activities that mirror business-like enterprises.

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

w. 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.

x. Backloading: The practice of scheduled debt repayment that delays principal and/or interest costs toward the end of the life of the obligation rather than making payments that are substantially equal annually over the life of the debt. Similarly, frontloading is a debt repayment schedule where annual costs are large in the first years and reduce during the life of the obligation.

y. 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.

z. Underwriter: 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.

aa. True Interest Cost (TIC) and Net Interest Cost (NIC): Methods used to select the lowest effective interest cost bid in competitive bid sales. 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. 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. 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.

bb. 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.

cc. Government Finance Officers Association (GFOA): The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership. The GFOA produces *Governmental Accounting, Auditing, and Financial Reporting* or GAAFR which serves as the definitive source of practical guidance on all aspects of accounting, auditing, and financial reporting for state and local governments.

dd. Notional Amount: In the context of an interest rate swap, the notional principal amount is the specified amount on which the exchanged interest payments are based. Each period's rates are multiplied by the notional principal amount to determine the value of each counter-party's payment.

4. Debt Issuance:

a. Debt Instruments: Consistent with the limitations of the Local Government Bond Act the City provides for long term financing needs through the use of, but not limited to, general obligation bonds, certificates of participation, revenue bonds, installment sales/lease obligations and private placements. Debt obligations are generally approved locally and by the Local Government Commission as required by state statute. Referenda, notices and public hearings, again as required by state statues, are conducted prior to final debt approval and issuance.

b. Competitive Sale: With the exception of GO bond sales that are conducted by the LGC, 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.

c. Negotiated Sale: When determined to be appropriate by the Director of Finance, the City may elect to sell its debt obligations through a negotiated sale. 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. Selection of the underwriter or underwriting syndicate shall be made pursuant to selection procedures set forth in these debt guidelines.

d. Voter Authorization: The City will seek voter authorization to issue general obligation 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.

e. Debt Limits: The City will not issue general obligation bonds if such issuance would cause the City to default on or breach the covenants of any prior bonds. In addition, the aggregate limit should be the lower of the limit set forth in NC Statute 159-55 (eight percent (8%) of the total assessed value of all real and personal property revenues within the City's limits) or a set target debt limit or ratios established by the City Council. Currently, the statutory limitation imposed by North Carolina is not a meaningful limitation to the City's ability to add debt. The City Council has not established a finite target ratio limit but is advised by the Director of Finance that a flexible budgetary tool would suggest comparing current and planned debt to a twelve percent (12%) of total revenues test. While the City Council is not held to this debt capacity standard, the Council is advised that exceeding such a budget target would likely require limitations on the short-term growth of debt service, or, alternatively, an

increase in revenues. The LGC guidelines declare a heavy debt burden may be evidenced by a debt service to total expenditures ratio exceeding fifteen percent (15%), or per capita and/or debt to appraised property value ratios exceeding those of similar municipalities. Maintenance of the City's general obligation AAA and Aaa (triple A) credit ratings is an overriding standard guiding debt management. Recommendation of any debt actions that would knowingly unfavorably impact the triple A credit ratings of the City will not be made without the express request of the City Council. Any debt action recommendation that would have a negative impact on the maintenance of a minimum unrestricted fund balance of the general fund of twelve percent (12%) of adjusted appropriations will not be made without the express request of the City Council.

f. Length of Debt: Debt will be structured for the shortest period consistent with a fair allocation of costs to the useful life of the asset. Debt issues that include multiple projects with different useful lives can be split into segments with different term lengths. Alternatively, a blended useful life for the projects to be financed can be used to determine the term of the debt.

g. Cost and Fees: Where practical, all costs and fees related to issuance of bonds will be paid out of the proceeds of the bond issue.

h. Variable-Rate Securities: 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 general obligation bonds in variable rate form.

i. Backloading Repayment Costs: The City will seek to structure debt with level principal and interest costs over the life of the debt. Backloading of costs will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive, when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

5. Use of Debt Financing:

Subject to the purposes for bond issue noted in N.C.G.S. 159-48, the City generally issues bond financing for the acquisition of, or construction of, major capital projects. Other debt financing, such as COPs, are generally used to provide for significant fleet and mechanical equipment but are also available for use on other capital projects as deemed in the best interest of the City. Similarly, revenue bonds may be utilized for enterprise fund debt financing such as major capital projects for the Water and Sewer Fund. Debt service is generally budgeted annually and adopted by City Council. Debt service will not be recommended for operational expenses without the express request of the City Council.

6. 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.

7. Service Providers and Oversight:

a. Bond Counsel: The City will retain external bond counsel (who must be an attorney) 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. Bond counsel will be selected through a competitive process administered jointly by the City's Department of Finance and the City Attorney's Office.

b. Underwriters: The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City shall attempt to award the bonds based on a true interest cost (TIC)

basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

c. Financial Advisor: The City will retain an external financial advisor, to be selected for through a competitive process administered by the City's Department of Finance. 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. For each City bond sale the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.

d. Other Services: The Director of Finance shall periodically solicit, on a competitive basis, other service providers (escrow agents, verification agents, trustees, 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 competitive selection process on behalf of the City as provided for in the City Financial Advisory Agreement.

e. Local Government Commission: 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. Such criteria require resolution of issues such as low tax collection rate (below ninety percent (90%)), receipt of a qualified audit opinion, or violations of the Local Government Budget and Fiscal Control Act.

8. Debt Refunding:

a. 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. The Director of Finance shall be responsible for developing procedures for executing open market purchases and the savings objectives to be achieved by undertaking such action.

b. Repayment: Debt will be structured to achieve the lowest possible net cost to the City given market conditions. Moreover, to the extent possible, the City will design the repayment of its overall debt so as to recapture rapidly its credit capacity for future use. Also, with respect to annual debt service paid by the General Fund (GF), a target ceiling of the percentage of GF revenues budgeted per year that are budgeted to pay interest and principal payments will be established on an annual basis.

9. Arbitrage Compliance:

Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities. Federal law requires that investment earnings in excess of the bond yield (arbitrage earnings) must be rebated to the Federal Government. However if a jurisdiction meets certain IRS spend-down exceptions for bond proceeds, it is allowed to keep any positive arbitrage interest earnings. Arbitrage regulations apply to all of the City's tax-exempt financings. The Department of Finance will invest bond proceeds at the highest yield possible, consistent with the City's investment guidelines 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 on an annual basis. The Department of Finance will pay arbitrage rebates due and report rebate payments to City Council in the Quarterly Financial Report.

10. Credit Ratings:

a. 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. The ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. Ratings are generally determined by the following four factors:

1. Fiscal factors: Financial results have the most significant impact on the rating process. This review involves an examination of results of operations, including a review of the actual fiscal performance versus planned budget performance, with deviations from the plan to be explained. The general fund financial statement is examined with emphasis on current financial position and fund balances, as well as three to five year trends in planning and budgeting procedures. Pension liabilities are also important in the analysis process. The early production of the City's CAFR is a positive step in providing meaningful, valuable and timely information to the rating agencies.

2. Economic factors: The overall economic strength of the City is heavily weighted in the evaluation of the City's creditworthiness by diversity of both the economic base and tax base. The diversity of the City's industries reflects its abilities to weather industry-specific downturns as well as general economic recession. In either scenario, stronger surviving industries carry the ailing industries through the period of downturn. In a truly diverse economy, it is rare that all industries will deteriorate to the same level at the same time. The strength of the City's tax base is equally crucial. The City relies on taxes on its residents and businesses for the majority of its revenues. The ability of the City to continue to receive those revenues is directly related to the ability of its taxpayers to pay their taxes. Property values, employment, unemployment, income levels, costs of living, and other factors impacting the wealth of the taxpayers provide an indication of the strength of the City's tax base.

3. Debt Factors: The City's overall debt burden is considered in the credit analysis process. In addition to government regulated debt ceilings, the City's ability to maintain manageable debt levels and debt service coverage is evaluated. Positive indicators are proper management of existing debt, proactive efforts in identifying and executing financially prudent refunding opportunities, and closely matching capital financing structures to the funding needs of the project.

4. Administrative/Management factors: These factors include the examination of the form of government and assessment of the City's ability to implement plans as well as to fulfill legal requirements. The focus is on the capabilities of the management staff within the City, which is seen as a vital ingredient in assessing its credit quality. Managerial and legislative willingness to make difficult decisions, development of financial policies, and the reliability and continuity of regularly-updated accounting financial information are key. Management that keeps in regular contact with the rating agencies is well-regarded. Continual monitoring of factors impacting credit ratings is provided by the Director of Finance. These factors include the avoidance of operating deficits and the maintenance of high collection rates for all revenues.

b. 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.

c. 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. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost effective if, in the opinion of the Director of Finance, the use of such credit enhancement meets the City's debt financing goals and objectives.

d. Minimum Long-Term Rating Requirements: The City's minimum rating requirement for its direct, long-term, debt obligations is a rating of "A" or higher. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Director of Finance to be uneconomic, then the obligations may be issued without a rating.

e. Debt Coverage: In order to enhance future credit ratings, (and thereby reduce insurance and/or interest costs) the City will maintain a minimum of one hundred-five percent (105%) operating coverage. Coverage ratios for revenue bonds will be maintained at the levels required in the respective debt covenants. Coverage ratios will be monitored and reported as part of the City's annual debt affordability analysis. The City's water and sewer utility system revenue bonds generally contain rate covenants that require the annual current operating receipts exclusive of transfers (i.e. rate and fee charges for services – not fund balance transfers), and net of annual current expenses, be sufficient to pay for the annual current water and sewer debt service. This amount generally is required to be not less than one hundred-twenty percent (120%) of the parity debt service and one hundred

percent (100%) of all debt service in the fund. The City is generally obligated to adjust rates and fees to sufficiently provide for the maintenance of debt coverage ratios.

11. Reporting and Disclosure:

a. Reporting: 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*. These publications are also available on the City's web site. Quarterly financial reports to the City Council produced by Budget and Management Services and the Department of Finance detail currently planned debt issues. The reports are also available on the City's web site. Additionally, the City Council holds annual budget and fiscal retreats where the Director of Finance presents the City's annual debt affordability analysis. The City's current and future debt positions, debt capacity, and debt planning are outlined and ratios and trends are discussed.

b. Debt Benchmarking: The Director of Finance at least annually presents debt benchmarking data to the City Council which includes but is not limited to per capita debt, debt to assessed valuation, and outstanding and authorized G.O. debt. Benchmarking will also include historical and comparative data for selected North Carolina municipalities.

c. Disclosure: The City will provide full, accurate disclosure of all material information to investors, lenders, lessors and other financing participants necessary for such parties to make an informed judgment about the City's debt and financial condition. At a minimum, this information shall be provided to such parties from issuance of the debt to its retirement. The City will follow established market practices and contract for necessary services to provide such disclosure. To fulfill the need for both initial (at the time of issuance) and continuing disclosure, the City will follow the guidance of the Government Finance Officers Association (GFOA), including its Disclosure Guidelines publication. The City will also disclose all bond sales, annually file certain financial information and operating data related to the bonds with the national and state repositories, and prepare announcements of significant events to meet the Securities and Exchange Commission to meet their requirements of Rule 15c-12.

12. Capital Acquisition:

a. Overview: The *Capital Improvement Program* (CIP) is a statement of the City of Durham's policy regarding long-range physical development of public assets and infrastructure. The CIP is developed for a period of not less than six years and is updated and revised annually. To be included in the CIP, a project requires a total expenditure of at least $100,000 and a useful life of at least 10 years. The CIP provides a schedule of project execution, cost estimates (including associated operating costs), and the location of the improvements.

b. Council Authorization: No City debt issued for the purpose of funding capital projects shall be authorized by the City Council unless it has been included in the approved Capital Improvement Plan or until the Council has modified the Plan to include the project(s) to be funded by debt. Such modification shall occur only after the Council has received a report of the impact of the contemplated borrowing on the existing capital improvement plan and recommendations as to the financing from the Department of Finance.

c. Debt Impacts of Capital Acquisition: The Director of Finance, during the annual capital acquisition process, will prepare and present an analysis of all existing and proposed debt for capital improvement projects and the impact of that debt on the debt ratios, debt limits, and credit ratings of the City. This analysis can be presented in conjunction with the overall City debt position review or as supplemental materials.

d. Funding Process: Funding of capital projects is based on the *Capital Improvement Program* budget which is adopted annually by City Council. Procedures for recommending project development, prioritization and funding are authorized by City Council and the City Manager. The use of formal advisory, scoring, and citizen panels, aids the City the evaluation of requests from City Council, City departments and citizen interest groups. Overriding criteria include financial, effectiveness, equity, and timing factors. Those process steps are developed and maintained as part of the annual CIP process. Those procedures dealing with developing funding recommendations are outside the scope of this debt policy.

13. Guideline Exceptions:

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

14. Interest Rate Exchange Agreements:
See Attachment I

Attachment I
Interest Rate Exchange Agreements

Introduction
The City of Durham, North Carolina ("City") has determined to compile in a single written instrument the policies and practices to be used in connection with the City procurement of and entering into interest rate swap agreements (also known as interest rate exchange agreements) and related transactions. For such purpose, the City staff has reviewed the relevant policy adopted for the State of North Carolina and has consulted the Local Government Commission and the City's financial advisor and bond counsel. Specific legislative authorization for these agreements and transactions exists in G.S. Chapter 159, Article 13, §§ 159-193 to 200, inclusive, as enacted by Chapter 388, Session Laws of 2003 ("State Statute").

This policy will govern the use by the City of interest rate exchange agreements. An "Interest Rate Swap Agreement" or "Interest Rate Exchange Agreement" is a written contract entered into in connection with the issuance of debt obligations for the City or in connection with City debt already outstanding with a counterparty to provide for an exchange of payments based upon fixed and/or variable interest rates. The failure by the City to comply with any provision or condition of this policy will not invalidate or impair any Interest Rate Exchange Agreement. Prior to entering into any interest rate swap agreement, the City council will pass a resolution authorizing the same.

The City maintains the right to modify this policy and make exceptions to certain guidelines at any time to the extent that the execution of an Interest Rate Swap Agreement achieves one or many of the goals outlined below.

I. Conditions Under Which Interest Rate Swap Agreements May Be Entered Into

A. Purposes

Interest Rate Swap Agreements may be used for the following purposes:

1. To achieve significant savings as compared to a product available in the bond market. Savings gained by executing an interest rate swap agreement shall be calculated after adjusting for a) applicable fees, including takedown, remarketing fees and credit enhancement fees and b) call options that may be available on the bonds. Examples may include synthetic fixed rate debt and synthetic variable rate debt. Alternatively, significant savings are deemed to occur if the use of derivatives helps to achieve fixed or variable rate diversification of a particular bond offering.
2. To enhance investment returns within prudent risk guidelines.
3. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the City. Examples may include buying interest rate caps and entering into delayed start swaps.
4. To incur variable rate exposure within prudent guidelines.
5. To achieve enhanced flexibility in meeting overall financial objectives than available in conventional markets. An example may include the sale to a counterparty of an option to require the City to issue or incur particular obligations to retire other obligations (swaption) with an upfront payment to the City.
6. To optimize capital structure, including schedule of debt service payments and/or fixed vs. variable rate allocations.

B. Permitted Instruments

The City may expressly utilize the following financial products on a current or forward basis, after identifying the objective(s) to be realized and assessing the attendant risks:

1. Interest rate swaps, including fixed, floating and/or basis swaps.
2. Interest rate caps/floors/collars.
3. Options, including swaptions, caps, floors, collars and/or cancellation or index based features.

The permitted instruments outlined above are not intended to relate to various interest rate hedging products. They are not intended to encompass other derivative products that the City may consider.

C. Legality

The City will abide in all respects with the provisions of G.S. Chapter 159, Article 13 as may be amended from time to time. In addition, the City must receive an opinion acceptable to the market from a nationally recognized bond counsel law firm that the interest rate swap agreement is a legal, valid and binding obligation of the City and entering into the transaction complies with applicable law.

D. Speculation

Interest rate swap agreements will not be used for speculative purposes. Associated risks will be prudent risks that are appropriate for the City to take.

E. Independent Financial Advisor

The City will retain an experienced, independent financial advisor prior to entering into an Interest Rate Swap Agreement. Duties of the financial advisor will include advice with respect to the structure, terms and provisions of any proposed interest rate exchange transaction and provision of an opinion to the City that any interest rate swap agreement approved by the City provides fair market value to the City as of the date of its execution. In appropriate circumstances, the Local Government Commission may serve as financial advisor for these purposes.

II. Contract Solicitation and Procurement Methods

The City will procure interest rate swap agreements by either competitive bidding or through negotiations with one or more counterparties. The City, with the advice of the Local Government Commission if necessary, will determine which parties are qualified and may participate in a competitive or negotiated transaction. When the City wishes to achieve diversification of counterparty exposure in a competitively bid transaction, the City may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to a specified percentage of the notional amount of the interest rate swap agreement. In addition, to encourage competition, the City may allow bidders to match the winning bid up to a specified amount of the notional amount as long as their bid is no greater than a specified spread from the winning bidder. The parameters for the bid will be disclosed in writing to all potential bidders.

Notwithstanding the competitive parameters outlined above, the City may procure interest rate swap agreements by negotiated methods in the following situations:

1. The City makes a determination that, due to the size or complexity of a particular swap, a negotiated transaction would result in the most favorable pricing and terms. The City will use an independent financial advisory firm and/or the Local Government Commission to assist in the price negotiations in the development of terms and in risk assessment.
2. The City makes a determination, in light of the facts and circumstances, that doing so will promote its interests by encouraging and rewarding innovation.
3. If procured through negotiation, the City shall obtain an independent opinion from its financial advisor that the terms and conditions of the interest rate swap agreement reflect a fair market value of such agreement as of the date of its execution.

III. Counterparty Selection Criteria

The City will structure swap agreements to protect itself from credit deterioration, including the use of a credit support annex or other forms of credit enhancement to secure counterparty performance. Such protection shall include any terms and conditions which at the City's sole discretion are necessary or in the City's best interest.

The City shall attempt to do business with highly rated counterparties (or an entity which unconditionally guarantees the payment obligations of a counterparty) in which the long-term ratings at the date of execution are at least "Aa3" or "AA-" by one or more Nationally Recognized Statistical Ratings Organizations ("NRSRO") and no less than "A2" or "A" by one or more NRSRO. For counterparties that do not meet this minimum ratings threshold, the Agency should seek credit enhancement in the form of:

1. Credit guarantee through insurance or contingent swap counterparty providing support;
2. Collateral; and
3. Ratings downgrade triggers.

In addition, the counterparty must have minimum capitalization of at least the initial notional amount of the swap and must have a demonstrated record of successfully executing swap transactions as well as creating and implementing innovative ideas in the swap market. The City shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties.
If after entering into an agreement the ratings of the counterparty are downgraded by any one of the rating agencies below the ratings required by this policy, then the agreement shall be subject to termination unless a) the counterparty provides either a substitute guarantor or assigns the agreement, in either case, to a party that is acceptable to the City that meets the rating criteria or b) the counterparty (or guarantor) collateralizes the interest rate swap agreement in accordance with the criteria set forth in this policy and the interest rate swap agreement.

IV. Form and Content of Interest Rate Swap Agreements

To the extent possible, the interest rate swap agreements entered into by the City will contain the terms and conditions set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement, including any schedules and confirmation. The schedule will be modified to reflect specific legal requirements and business terms desired by the City.

A. Terms and Notional Amount of Swap Agreement

The City shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. In connection with the issuance or carrying of bonds, the term of the swap agreement between the City and a qualified swap provider shall not extend beyond the final maturity date of existing debt of the City of a specific project, or in the case of a refunding transaction, beyond the final maturity of the refunding bonds. At no time shall the total net notional amount of all swaps exceed the total amount of the outstanding bonds. For purposes of calculating net exposure, credit shall be given to any fixed versus variable rate swaps that offset for a specific project or bond transaction. For variable rate transactions, credit may also be given for any assets that are used to hedge a transaction as long as in the City's judgment such assets are reasonably expected to remain in place on a conterminous basis with the swap.

Terms and conditions of any swap shall be negotiated by the City in the best interests of the City subject to the provisions of the State Statute and the guidelines set forth. The swaps between the City and each counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the City, in consultation with its legal counsel and financial advisor deems necessary or desirable.

Subject to the provisions contained herein, the City's swap documentation and terms should include the following:

1. Downgrade provisions triggering termination shall in no event be worse that those affecting the counterparty.
2. Governing law for swaps will be New York, but should reflect North Carolina authorization provisions.
3. Collateral thresholds should be set on a sliding scale reflective of credit ratings (See *Provisions for Collateralization*).
4. Eligible thresholds should be limited to Treasuries, Federal Agencies and any other securities which in the City's sole discretion shall be deemed reasonable and creditworthy.
5. Termination value should be set by "market quotation" methodology, when the City deems appropriate.
6. The City shall only agree to an Additional Termination Event for the City to the extent that the City's underlying ratings falls below "Baa", "BBB" and "BBB" from Moody's, Standard & Poor's and Fitch, respectively and no form of credit support rating of "A3" from Moody's or "A-" from Standard & Poor's and Fitch or greater is in place.

B. Termination Provisions

All swap transaction shall contain provisions granting the City the right to optionally terminate the agreement at its market value at any time. The City will also consider embedding optionality including provisions that permit the City to assign its rights and obligations under the interest rate swap agreement. In general, except in the event of the counterparty's ratings being downgraded below the ratings required

by this policy (*See Counterparty Selection Criteria*) the counterparty will not have the right to assign or optionally terminate an agreement.

C. Events of Default

Events of default of a counterparty will include the following:

1. Failure to make payments when due,
2. Material breach of representations and warranties,
3. Illegality,
4. Failure to comply with downgrade provisions, and
5. Failure to comply with any other provisions of the agreement after a specified notice period.

The City will incorporate into any swap contract the right to terminate the agreement upon an event of default by the counterparty. Such right may be conditioned on the consent of a third party such as the Local Government Commission and any person providing credit enhancement or liquidity in any related transaction. Upon such termination, the counterparty will be the "defaulting party" for purposes of calculating the termination payment owed.

V. Swap Analysis and Risk Exposure Associated with Interest Rate Swap Agreements

A. Evaluation of Interest Rate Swap Agreements

Before entering into an interest rate swap agreement, the City will evaluate all the benefits and risks inherent in the transaction. Such an evaluation will include the following:

1. The identification of the proposed benefit and potential risks, which shall include, but not necessarily limited to, those risks outlined herein.
2. Independent analysis of potential savings from proposed transaction.
3. Fixed versus variable rate and swap exposure on a project and per counterparty basis before and after the proposed transaction.

In addition, in evaluating a particular transaction involving the use of interest rate swap agreements, the City will review and discuss with the Local Government Commission the long-term implications associated with entering into interest rate swap agreements, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.

B. Evaluation of Swap Risks

Risks to be evaluated would include:

1. Counterparty Risk – The risk of a payment default on a swap by an issuer's counterparty.
2. Termination Risk – The risk that a swap has a negative value and the issuer owes a "breakage" fee if the contract has to be liquidated.
3. Rollover Risk – The risk that an issuer cannot secure a cost-effective renewal of a letter or line of credit or; the risk of a failed remarketing or auction with respect to any variable rate bonds associated with a swap.
4. Basis Risk – A mismatch between the rate on an issuer's underlying bonds and the swap (e.g., a tax-exempt VRDO issue which trades at 70% of LBOR while the issuer only receives 67% of LIBOR under the swap).
5. Tax Event Risk – The risk that the spread between taxable and tax-exempt rates will change as a result of changes in income tax laws or other conditions.
6. Amortization Risk – The risk that the amortization with the swap will not be fully integrated with the amortization of the underlying bonds.

C. Provisions for Collateralization

The City will endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, the City will determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure.

Should the rating of the counterparty, or if secured, the entity unconditionally guaranteeing its payment obligations not satisfy the requirements of the *Counterparty Selection Criteria*, then the obligations of the counterparty will be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America and such collateral will be deposited with the City or an agent thereof. In the case of an interest rate swap agreement, such collateral posted by the counterparty will have a net market value of at least 102% of the net market value of the agreement to the City. Other provisions are as follows:

1. Threshold amounts for collateralization shall be determined by the City on a case-by-case basis. The City will determine the reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.
2. Collateral shall be deposited with a third party trustee, or counterparty (in a segregated account), mutually agreed upon between the City and the counterparty.
3. A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of swap agreement with each swap counterparty.
4. The market value of the collateral shall be determined on at least a monthly basis, or more frequently if the City determines it is in the City's best interest given the specific collateral security.
5. The City shall determine on a case-by-case basis whether other forms of credit enhancement are more beneficial to the City.

VI. Limitations on Termination Exposure

In order to diversify the City's counterparty risk, and to limit the City's credit exposure to one counterparty, limits will be established for each counterparty based upon both credit rating of the counterparty as well as the relative level of risk associated with each existing and projected swap transaction. The following guidelines provide general termination exposure guidelines with respect to whether the City should enter into an additional transaction with an existing counterparty. The City may make exceptions to these guidelines at any time to the extent that the execution of a swap achieves one or many of the financial goals of the City.

Such guidelines set forth will also not mandate or otherwise force automatic termination by the City or the counterparty. Such provisions will only act as guidelines in making a determination as to whether or not a transaction should be executed given certain levels of existing and projected net termination exposure to a specific counterparty. The calculation of net termination exposure per counterparty will take into consideration multiple transactions, some of which may offset the overall exposure to the City.

Under this approach, the City will set limits on individual counterparty exposure based on existing as well as new or proposed transactions. The sum of the **current market value** and the **projected exposure** shall constitute the maximum net termination exposure. For outstanding transactions, current exposure will be based on the market value as of a recently completed swap valuation report provided by the City's swap advisor. Projected exposure shall be calculated based on the swap's potential termination value taking into account possible adverse changes in interest rates as implied by historical or projected measures of potential rate changes applied over the remaining term of the swap. For purposes of this calculation, the City shall include all existing and projected transactions of an individual counterparty and all transactions will be analyzed in aggregate such that the maximum exposure will be additive.

The exposure thresholds, which will be reviewed periodically to ensure that they remain appropriate, will also be tied to credit ratings of the counterparties and whether or not collateral has been posted. If a counterparty has more than one rating, the lowest rating will govern for purposes of calculating the level of exposure. If contingent swap counterparty or swap insurance is used to provide financial support for the primary counterparty, the rating of the support entity shall be used. A summary table is provided below:

Credit Ratings	Maximum Collateralized Exposure	Maximum Uncollateralized Exposure	Maximum Total Termination Exposure
AAA	Not applicable	[$150 million]	[$150 million]
AA Category	[$75 million]	[$75 million]	[$150 million]
Below AA	[$75 million]	–	[$75 million]

If the exposure limit is exceeded by a counterparty, the City shall conduct a review of the exposure limit per counterparty. The City, in consultation with its Financial Advisor, shall evaluate appropriate strategies to mitigate this exposure.

VII. Standards for Procurement of Credit Facilities

The selection of the provider of the credit enhancement or liquidity facility in connection with an Interest Rate Swap Agreement will be based on the following criteria:

1. Credit rating
2. Capacity of the provider
3. Ability of provider to make required payments
4. Duration of the agreement relative to the duration of the Interest Rate Swap Agreement
5. Terms of the agreement, including termination events
6. Trading value of the provider's facility
7. Prior experience with provider
8. Cost, relative to other proposals and potential savings versus unenhanced obligations
9. Overall exposure of the City to the provider
10. Overall exposure of market to provider
11. Ability to accept terms and condition proposed

The procurement of any liquidity and credit enhancement facilities will be in compliance with applicable State law.

VIII. Ongoing Management

The City will seek to maximize the benefits and minimize the risks it carries by actively managing its swap program. This will entail continuous monitoring of market conditions, in conjunction with the swap counterparty, for emergent opportunities and risks. Active management may require modifications of existing positions including:

1. Early termination
2. Shortening or lengthening the term
3. Sale or purchase of options
4. Application of basis swaps

Proposed modifications must be consistent with the policies outlined herein, as well as further the goals of the swap program.

IX. Monitoring

The City will monitor its use of interest rate swap agreements as follows:

5. 1. After each interest rate swap agreement has been completed, staff will prepare a description of the contract, including a summary of its terms and conditions, the notional amount, rates, maturity and other provisions thereof.
6. 2. On each payment date, staff will determine any amounts which were required to be paid and received, and that the amounts were paid and received.
7. Staff will annually determine that each counterparty is in compliance with its rating requirements, or more frequently when information is available that could negatively affect the counterparty's ratings.

8. If a counterparty is no longer in compliance with its rating requirements, staff will determine that it is in compliance with the downgrade provisions (See Counterparty Selection Criteria).
9. Staff will annually determine all material changes in connection with existing swap agreements or new swap agreements entered into by the City since the last annual examination.
10. Staff will track, at least annually, the market value of each of the City's interest rate swap agreements.
11. For swap transactions entered into to generate debt service savings, the City will calculate on an annual basis the actual debt service requirements versus the projected debt service on the swap transaction at the original time of execution. Such a calculation shall include the determination of the cumulative actual savings versus the projected savings at the time a swap is executed.
12. Staff will determine, at least semiannually, that all posted collateral, if required, has a net market value of at least 102% of the net market value of the agreement to the City (See Provisions for Collateralization).
13. During the first half of the term of the Interest Rate Swap Agreement, 50% of any realized cash flow savings generated from the transaction will be placed in a reserve account to be used to off-set any potential cash flow losses over the life of the transaction. During the second half of the term of the swap agreement, the appropriate level of the reserve will be determined on an annual basis.

X. Reporting

The City will reflect the use of interest rate swap agreements on its financial statements in accordance with generally accepted accounting principles.

City of Durham, North Carolina

Section XII
Capital Improvement Plan
FY 2013 – 2018

Note for FY2013 – 2018 Budget
Please refer to the companion Capital Improvement Project for detailed information on the adopted CIP.

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 2013 CIP Process

For the preparation of the 2013-18 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. Focusing on the strategic capital needs of the City, the CIP has been reduced by eliminating projects that were no longer considered the highest priority for the City, and removing items that - though important - cannot be considered in the current capital plan. These last *"requested but unfunded"* items are now catalogued in section XI of the CIP book. Though not a current priority, these projects could form the basis for future bond referenda for the City. 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 2013-2018. 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 2013-18 CIP process included the participation of a CIP Advisory Committee, a Scoring Team, and a Citizen Capital Improvement Panel (CCIP).

The CIP Advisory Committee consists of representatives from across the organization and 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 2013-18 CIP includes approximately $63.9 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 18, 2012.

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 plan or policies – is consistent with the City's existing long range 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, and the correction of deferred maintenance conditions at major arts and cultural facilities. This year's CIP included funding for Leigh Farm Park, Sports Facilities Lighting, and seed money for the initiation of a cultural art fund.

II. Downtown Development. Projects in this category provide for the revitalization and enhancement of downtown Durham.

III. General Services. Projects in this category are related to city buildings and facilities. This year's CIP includes funding for ADA Compliance upgrades, for 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 911 radio infrastructure replacement project, for the purchase of a live fire training simulator; and for a digital file management system.

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.

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 Road widening project; and for street and sidewalk construction and repairs.

VIII. Water. Projects in this category are related to expansions such as Teer Quarry and the Jordan Lake Water Treatment Plant, maintenance such as Water Distribution System Rehabilitation, or improvement of the City's water treatment and distribution system such as Water Extensions and Improvements. Funding for projects this fiscal year will come from the Capital Facilities Fee Fund, Water and Sewer Fund operating revenues and revenue bonds.

IX. Wastewater. Projects in this category are related to expansions such as the Water Management Facility Expansion, 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 several wastewater infrastructure projects and 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. Some projects include Drainage Repair of City Properties, Floodplain Mitigation, and Stream Gauging Stations. This year's CIP includes funding for future watershed planning and design, and for major stormwater infrastructure improvements, and funding for Stormwater fleet replacement vehicles.

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 2013-2018 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 2012:

Public Protection
- Fire Administration Building upgrade
- Fire Maintenance Building upgrade
- Fire Station 2 Bell Tower replacement
- Fire Station 12

Culture and Recreation
- Event Equipment Replacement
- Lake Michie Upgrades
- Sherman Park Upgrades
- Southern Boundaries Park Upgrades

Downtown Revitalization
- Carolina Theater Phase II Renovations
- Durham Arts Council Upgrade
- Durham Convention Center Upgrade
- Liggett Streetscape Improvements

General Services
- DATA Operations Facility

Wastewater
- ND & SD WRF Automation Systems Upgrade

CITY OF DURHAM
CAPITAL IMPROVEMENT PROGRAM

FY 2013 - 2018 CAPITAL IMPROVEMENT PROGRAM SUMMARY

SUMMARY BY PROJECT CATEGORY

Category	Prior Year	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Future Years	Total Request
Water	200,337,690	10,145,682	16,800,000	49,650,000	40,560,000	17,460,000	61,050,000	41,550,000	437,553,372
Wastewater	104,460,454	21,800,000	57,404,000	46,288,000	43,936,000	24,774,000	22,889,000	32,820,000	354,371,454
Transportation	47,649,603	7,104,185	3,867,000	8,354,480	2,750,000	5,750,000	400,000	800,000	76,675,268
Technology	7,390,000	0	0	0	0	0	0	0	7,390,000
Stormwater	13,874,836	3,739,682	6,100,000	5,900,000	5,350,000	5,650,000	4,800,000	10,050,000	55,464,518
Solid Waste	2,025,701	1,143,324	0	0	0	0	0	0	3,169,025
Public Protection	14,590,678	14,040,740	4,650,000	1,000,000	4,520,807	35,752,111	0	0	74,554,336
General Services	12,209,282	5,484,174	2,975,000	1,220,000	0	0	0	0	21,888,456
Downtown Revitalization	1,258,000	0	0	0	0	0	0	0	1,258,000
Culture & Recreation	29,000,171	512,094	156,123	386,825	1,095,178	0	0	0	31,150,391
	$432,796,415	**$63,969,881**	**$91,952,123**	**$112,799,305**	**$98,211,985**	**$89,386,111**	**$89,139,000**	**$85,220,000**	**$1,063,474,820**

SUMMARY BY REVENUE SOURCE

Source	Prior Year	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Future Years	Total Funds
GOB Authorized	82,367,757	0	0	0	0	0	0	0	82,367,757
GOB Unauthorized	0	0	0	0	0	0	0	0	0
Impact Fees	17,124,250	6,300,000	2,000,000	7,559,180	2,100,000	5,050,000	0	0	40,133,430
Installment Sales	18,353,614	5,318,519	0	0	0	0	0	0	23,672,133
Intergovernmental	21,349,492	6,705,000	0	0	0	0	0	0	28,054,492
Other	20,654,227	9,955,998	0	0	0	0	0	0	30,610,225
Pay-As-You-Go	82,357,598	16,247,364	12,700,000	13,300,000	9,860,000	11,560,000	9,300,000	17,300,000	172,624,962
Rev Authorized	7,099,501	0	0	0	0	0	0	0	7,099,501
Rev Unauthorized	183,489,976	19,443,000	65,604,000	86,538,000	77,986,000	34,324,000	77,439,000	65,120,000	609,943,976
Unidentified	0	0	11,648,123	5,402,125	8,265,985	38,452,111	2,400,000	2,800,000	68,968,344
	$432,796,415	**$63,969,881**	**$91,952,123**	**$112,799,305**	**$98,211,985**	**$89,386,111**	**$89,139,000**	**$85,220,000**	**$1,063,474,820**

Operating Costs from Associated Capital Expenditures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Future Years	Total
Culture & recreation								
Capital Outlay	$ 200,000	$ 175,000	$ -	$ -	$ -	$ 110,000	$ -	$ 485,000
Maint/Operations	15,500	39,000	1,500	11,500	17,500	38,000	-	123,000
Personnel	-	-	35,000	35,000	30,000	55,000	-	155,000
Total	$ 215,500	$ 214,000	$ 36,500	$ 46,500	$ 47,500	$ 203,000	$ -	$ 763,000
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:	**$ 215,500**	**$ 214,000**	**$ 39,500**	**$ 49,500**	**$ 51,000**	**$ 212,000**	**$ 15,000**	**$ 796,500**
Water								
Maint/Operations	$ -	$ 46,000	$ -	$ -	$ -	$ -	$ -	$ 46,000
Total	$ -	$ 46,000	$ -	$ -	$ -	$ -	$ -	$ 46,000
All Capital Improvements								
Operating Costs Total:	**$ 215,500**	**$ 260,000**	**$ 39,500**	**$ 49,500**	**$ 51,000**	**$ 212,000**	**$ 15,000**	**$ 842,500**

ORDINANCE #14286

CITY OF DURHAM
GENERAL CAPITAL IMPROVEMENTS PROJECT ORDINANCE

FISCAL YEAR 2012-13

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY	
Culture and Recreation	$ 67,988,472
Downtown Revitalization	116,415,696
General Services	32,858,594
Housing	35,171,565
Public Protection	48,157,807
Technology	7,501,556
Transportation	117,011,586
TOTAL	**$ 425,105,276**

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

B. Ann Gray

Section 1. Description of Projects
(a) Culture and Recreation

Number	Project Title	Revenue Source	Appropriation	Revenue
1	ADA Compliance-Parks and Rec		1,823,000	
		Installment Sales		1,370,437
		General Obligation Bonds (2005)		452,563
2	ADA Compliance-Cultural Facilities		761,000	
		2/3 Bond - Series 2008		100,000
		General Obligation Bonds (2005)		661,000
3	American Tobacco Trail Phase E		11,621,838	
		Open Space Impact Fees (Zone 1)		273,956
		Private Grant		150,000
		Miscellaneous Revenue		38,375
		Payment in Lieu Zone 1B Third Fork		73,150
		Payment in Lieu Zone 1-C Northeast Creek		73,150
		General Obligation Bonds (2007)		967,320
		2/3 Bond - Series 2008		1,500,000
		Parks and Recreation Bonds (1996)		350,986
		Federal Match/ Grants		7,497,057
		Distributed Interest		197,844
		Transfer from General Fund		500,000
4	American Tobacco Trail Resurfacing		283,680	
		American Recovery And Reinvestment Act of 2009 (ARRA)		283,680
5	Athletic Courts Improvements		1,114,806	
		Installment Sales		297,496
		General Obligation Bonds (2005)		817,310
6	Bethesda Park		4,382,880	
		Payment in Lieu Lick Creek 2-B		29,170
		Parks and Recreation Impact Fees (Zone 2)		961,336
		General Obligation Bonds (2005)		3,392,374
7	Burton Park / T A Grady Recreation Center Upgrade		267,243	
		General Obligation Bonds (2005)		267,243

8	Campus Hills Park / I. R. Holmes Center Upgrade		646,608	
		Distributed Interest		127,900
		Transfer from Parks & Rec 1C-N		48,195
		Transfer from General Fund		2,500
		General Obligation Bonds (2005)		468,013
9	Campus Hills Park Renovation and Weightroom		1,797,438	
		Transfer from General Fund		127,872
		General Obligation Bonds (2005)		1,669,566
10	CR Woods Park Upgrade		183,787	
		General Obligation Bonds (2005)		183,787
11	Crest Street upgrade		264,111	
		General Obligation Bonds (2005)		264,111
12	Durham Skateboard Park		485,000	
		General Obligation Bonds (2005)		180,000
		Open Space Impact Fees (Zone 3)		110,000
		Payment In Lieu Zone 3B		65,000
		Parks and Rec Impact Fees (Zone 3)		130,000
13	East End Park / ED Mickle Recreation Center Upgrade		150,439	
		General Obligation Bonds (2005)		150,439
14	Eno River Greenway		1,579,493	
		Federal Enhancement Funds		865,799
		NC Parks and Recreation Grant		31,920
		Payment in Lieu Zone 3-B Eno North		31,514
		Payment in Lieu Zone 3-A Eno South		12,500
		Parks and Recreation Impact Fees (Zone 3)		637,760
15	Event Equipment Replacement		112,500	
		General Fund FY09		112,500
16	Forest Hills Park Upgrade		662,886	
		Installment Sales		464,430
		General Obligation Bonds (2005)		198,456
17	Future Parkland Acquisition		98,609	
		General Obligation Bonds (2005)		98,609
18	Garrett Road Park Upgrade		425,622	
		General Obligation Bonds (2005)		425,622
19	Grant Park Upgrade		31,058	
		General Obligation Bonds (2005)		31,058
20	Hillside Park / WD Hill Center		802,421	
		General Obligation Bonds (2005)		802,421
21	Lake Michie Upgrade		868,710	
		General Obligation Bonds (2005)		868,710
22	Leigh Farm Park Phase I & II		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
23	Lyon Park Upgrade		550,494	
		Installment Sales		386,495
		General Obligation Bonds (2005)		163,999
24	Long Meadow Park Renovation		490,653	
		Miscellaneous Revenue		14,371
		General Fund FY09		156,123
		General Obligation Bonds (2005)		320,159

25	Morreene Road Park Renovation		523,070	
		General Obligation Bonds (2005)		523,070
26	Northgate Park Renovation		312,839	
		General Obligation Bonds (2005)		312,839
27	NECD Recreation Center		8,900,188	
		Payment in Lieu Little Lick Creek 2-A		126,188
		Parks and Recreation Impact Fees (Zone 2)		100,000
		General Obligation Bonds (2005)		7,963,338
		Installment Sales		460,662
		Miscellaneous Revenue		250,000
28	North/South Greenway Upgrade		24,609	
		General Obligation Bonds (2005)		24,609
29	Old Chapel Hill Road Park		4,082,650	
		Parks and Recreation Bonds (1996)		74,473
		Payment in Lieu Zone 1-A New Hope		78,482
		2/3 Bond - Series 2005		2,600,000
		Parks and Recreation Impact Fees (Zone 1)		1,271,994
		General Obligation Bonds (2005)		57,701
30	Old Lyon Park Center Renovation		715,000	
		2/3 Bond - Series 2008		215,000
		Installment Sales		315,372
		General Obligation Bonds (2005)		184,628
31	Oval Drive Park Renovation		520,000	
		Impact Fees (Zone 3)		180,000
		General Obligation Bonds (2005)		340,000
32	Old Farm Park Upgrade		30,743	
		General Obligation Bonds (2005)		30,743
33	Park Renovations		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
34	Pearsontown Trail Phase 2		138,451	
		Payment in Lieu District 1-C Northeast		138,451
35	Piney Woods Upgrade		215,211	
		Installment Sales		33,824
		General Obligation Bonds (2005)		181,387
36	Playground Renovations		767,546	
		Capital Projects Fund		88,326
		Installment Sales		679,220
37	Public Art Funding		10,000	
		Pay As You Go		5,000
		Other		5,000
38	Rock Quarry Park / Edison Johnson Recreation Center Upgrade		725,644	
		Grant		45,000
		General Obligation Bonds (2005)		539,961
		General Fund FY10		140,683
39	Shady Oaks Upgrade		12,068	
		General Obligation Bonds (2005)		12,068
40	Sherwood Park Upgrade		265,623	
		General Obligation Bonds (2005)		265,623
41	Southern Boundaries Park Upgrade		204,827	
		Installment Sales		169,182
		General Obligation Bonds (2005)		35,645
42	Sports Facilities Lighting Package		600,000	
		Impact Fees		300,000
		Installment Sales		300,000

43	System-wide Park Security		533,493	
		General Obligation Bonds (2005)		533,493
44	System-wide Park Signage		527,590	
		General Obligation Bonds (2005)		527,590
45	Third Fork Creek Trail		6,258,798	
		American Recovery And Reinvestment Act of 2009 (ARRA)		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
46	Twin Lakes Park Upgrade		625,000	
		Impact Fees (Zone 2)		385,000
		General Obligation Bonds (2005)		240,000
47	Walltown Recreation Center and Pool		8,716,183	
		Payment in Lieu Zone 3-A South Eno Watershed		273,646
		Parks and Recreation Impact Fees (Zone 3)		93,746
		Capital Projects Fund		80,000
		Parks and Recreation Bonds (1996)		325,000
		General Obligation Bonds (2005)		7,943,791
48	Weaver Street Center and Park Upgrade		561,850	
	(formerly Renovation of Weaver Street Center and Park)	Payment in Lieu District 1-B Third Fork		158,843
		General Obligation Bonds (2005)		403,007
49	West Ellerbee Creek Trail Phase 2		285,000	
		Payment in Lieu Zone 3-A South Eno Watershed		89,522
		Parks and Recreation Impact Fees (Zone 3)		103,327
		Open Space Impact Fees (Zone 3)		92,151
50	West Point on the Eno Upgrade		270,776	
		Parks and Recreation Impact Fees (Zone 3)		17,019
		NC Parks and Recreation Grant		18,080
		General Obligation Bonds (2005)		235,677
51	White Oak Park upgrde		12,794	
		General Obligation Bonds (2005)		12,794
	TOTAL		**$ 67,988,472**	**$ 67,988,472**

(b) Downtown Revitalization

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Armory Upgrade		2,271,144	
		2/3 Bond - Series 2008		2,102,000
		General Obligation Bonds (2005)		169,144
2	Carolina Theatre		7,246,714	
		Installment Sales		5,102,714
		General Obligation Bonds (2005)		2,144,000
3	Centre Deck Repair		8,387,719	
		Installment Sales		3,353,124
		General Obligation Bonds (2005)		5,034,595
4	Chapel Hill Street Parking Deck Retrofit		1,974,039	
		Installment Sales		975,634
		General Obligation Bonds (2005)		998,405
5	Church Street Parking Deck Upgrade		1,074,233	
		Installment Sales		1,074,233
6	Convention Center		10,760,145	
		Durham County		4,514,872
		Installment Sales		1,563,634
		Transfer from Civic Center Fund		2,677,500
		General Obligation Bonds (2005)		2,004,139
7	Corcoran Street Parking Deck upgrade		2,969,963	
		General Obligation Bonds (2005)		1,309,000
		Installment Sales		1,660,963
8	DBAP upgrade		5,105,631	
		General Obligation Bonds (2005)		4,838,742
		General Fund FY10		70,361
		Refunding Revenue		196,528
		Installment Sales		-
9	Downtown Street Improvements Phase I & II		13,229,509	
		Investment Income		100,000
		Land Sales		75,000
		Capital Projects Fund		4,004
		Private Grant		400,000
		General Obligation Bonds (1996)		4,145,996
		2/3 Bond - Series 2004		6,297,514
		Street Impact Fees (Zone 3)		1,008,995
		Stormwater Fund Balance		1,198,000
10	Downtown Street Improvements Phase III		100,000	
		General Fund FY09		100,000
11	Durham Arts Council Renovations		5,994,460	
		General Fund		410,058
		Capital Projects Fund		93,857
		Installment Sales		4,022,298
		General Obligation Bonds (2005)		1,468,247

12	Durham Athletic Park Renovation		6,156,861	
		Installment Sales		1,134,023
		Miscellaneous Revenue		28,000
		General Fund (2008)		1,000,000
		Miscellaneous Revenue		883
		General Obligation Bonds (2005)		3,993,955
13	Durham Centre Plaza		37,500	
		Capital Projects Fund		37,500
14	Durham Performing Arts Center		47,067,449	
		Interest Income		1,595,000
		COPS		34,105,000
		Intergovernmental		3,000,000
		Private Grants		7,500,000
		Land Sales-2006		570,000
		Operating Revenue		100,000
		Other Revenue		197,449
15	Hayti Heritage Center Upgrade		612,000	
		General Obligation Bonds (2005)		612,000
16	Liggett Streetscape		3,428,329	
		Intergovernmental		899,999
		2/3 Bond - Series 2005		2,528,330
	TOTAL		**$ 116,415,696**	**$ 116,415,696**

(c) General Services

Number	Project Title	Revenue Source	Appropriation	Revenue
1	400 Cleveland Street Exterior Renovation		600,000	
		Installment Sales		600,000
2	ADA Compliance		2,386,363	
		General Fund FY08		510,000
		2008 Installment Sales		32,416
		General Fund FY10		138,956
		Capital Projects Fund		63,170
		Land Sales		145,400
		Installment Sales		1,496,421
3	ADA Compliance-Public Improvement		861,000	
		2/3 Bond - Series 2008		200,000
		General Obligation Bonds (2005)		661,000
4	Annex Plaza Waterproofing Renovation		580,000	
		Installment Sales		580,000
5	Cemeteries upgrade		290,000	
		Transfer from Cemetery Fund		100,000
		General Obligation Bonds (2005)		190,000
6	City Hall Annex and Building Envelope		3,582,876	
		Installment Sales		3,582,876
7	City Hall Office Upgrade/Space Expansion		13,624,128	
		Water and Sewer Fund		705,739
		Investment Income		503,932
		Installment Sales		1,451,000
		2/3 Bond - Series 2005		1,000,000
		2/3 Bond - Series 2008		3,562,000
		General Fund		809,000
		General Obligation Bonds (2005)		4,582,000
		Water and Sewer Construction Fund		1,010,457
8	City Hall Chillers Replacement		950,000	
		Installment Sales		950,000
9	DPR Operations Facility		2,186,545	
		Parks and Recreation Impact Fees (Zone1)		442,575
		Parks and Recreation Impact Fees (Zone2)		442,576
		Parks and Recreation Impact Fees (Zone3)		442,575
		2005 GO Bonds		822,639
		Installment Sales		36,180
10	Fleet Maintenance Re-roofing		600,000	
		Installment Sales		600,000
11	Friendly Rest Home		679,570	
		Installment Sales		679,570
12	General Fund Fleet Vehicles		4,788,112	
		Fleet 2013		1,854,174
		Transfer from Fleet		940,562
		Private Bank Loan		1,993,376
13	Landfill Road Relocation		400,000	
		Interest Income		400,000
14	New Sign & Signal Shop		1,130,000	
		General Obligation Bonds (2005)		1,130,000
15	Project Mgmt. Software Acquisition/Integration		200,000	
		Water and Sewer Operating Fund		200,000
	TOTAL		**$ 32,858,594**	**$ 32,858,594**

(d) Housing and Neighborhood Revitalization

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Eastway Ave (Barnes Ave)		10,161,810	
	Redevelopment	Loan Repayments		6,838,366
		Investment Income		1,029,877
		Land Sales		2,256,221
		Rental Income		37,346
2	Elderly/Disabled Min Housing Rehab		268,802	
	Assistance Program	Loan Repayments		268,802
3	Homelessness Implementation Plan		86,440	
		Loan Repayments		86,440
4	Loan Servicing/Administration		655,084	
		Loan Repayments		655,084
5	Neighborhood Streetscape		3,721,670	
		General Fund		250,000
		General Fund FY09		500,000
		2/3 bonds - Series 2005		1,471,670
		General Obligation Bonds (2005)		1,500,000
6	Reserve for Pending Projects		832,431	
		Loan Repayments		666,672
		General Fund FY08		154,500
		Land Sales		11,259
7	Southside East (formerly Rolling Hills)		15,007,008	
		Land Sales		2,743,579
		Section 108 Loan		5,735,977
		Fannie Mae Grant		1,521,709
		Loan Repayments		3,329,743
		Investment Income		1,676,000
8	Single Family Emergency Repairs		67,551	
		Loan Repayments		67,551
9	Single Family Lead Abatement Match		242,744	
		Loan Repayments		242,744
10	Southside West		3,503,423	
		Section 108 Loan		3,064,023
		Loan Repayments		439,400
11	Home Paybacks to HUD		614,602	
		Loan Repayments		614,602
12	Economic Development Consulting		10,000	
		Loan Repayments		10,000
	TOTAL		**$ 35,171,565**	**$ 35,171,565**

(e) Public Protection

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Broadway Renovation		4,680,276	
		Installment Sales		2,407,276
		General Obligation Bonds (2005)		2,273,000
2	Communications Radio Building		850,000	
		Installment Sales		850,000
3	Digital File Management System		258,500	
		Other Income		258,500
4	Fire Administration Building Upgrade		650,340	
		Installment Sales		188,340
		General Obligation Bonds (2005)		462,000
5	Fire Maintenance Building upgrade		360,809	
		Installment Sales		122,809
		General Obligation Bonds (2005)		238,000
6	Fire Station #1 Upgrade		53,523	
		Installment Sales		53,523
7	Fire Station #2 Bell Tower Replacement		150,000	
		General Fund FY09		150,000
8	Fire Station #12 upgrade		545,930	
		Installment Sales		373,930
		General Obligation Bonds (2005)		172,000
9	Fire Station #15		3,776,071	
		Installment Sales		3,691,071
		Capital Projects Fund		85,000
10	Fire Station # 9		4,321,600	
		Installment Sales		4,321,600
11	Live Fire Training Simulator		482,240	
		Installment Sales		482,240
12	Microwave Radio Network Upgrade		700,000	
		Installment Sales		700,000
13	PD Headquarter Replacement (Phase 1 Study)		150,000	
		General Fund FY10		150,000
14	Police Headquarters Repair		4,721,018	
		Installment Sales		3,246,018
		General Obligation Bonds (2005)		1,475,000
15	Radio Infrastructure Upgrade		7,920,000	
		Installment Sales		7,920,000
16	Radio Replacement		5,187,500	
		2/3 Bond - Series 2004		500,000
		Pay-As-You-Go		100,000
		Installment Sales		3,012,500
		General Obligation Bonds (2005)		1,575,000
17	Radio Infrastructure Replacement		13,350,000	
		Intergovernmental		6,650,000
		Installment Sales		6,650,000
		Pay-As-You-Go		50,000
	TOTAL		**$ 48,157,807**	**$ 48,157,807**

(f) Technology

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Enterprise Resource Planning System		5,790,000	
		Capital Projects Fund		260,000
		Installment Sales		5,530,000
2	IT Infrastructure Improvements		1,711,556	
		Water and Sewer Construction Fund		47,000
		Transfer from Water & Sewer Fund		1,664,556
	TOTAL		**$ 7,501,556**	**$ 7,501,556**

(g) Transportation

Number	Project Title	Revenue Source	Appropriation	Revenue
1	2010 Street Repaving Project		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	Apex Street Bridge		400,000	
		Open Space Impact Fees (Zone 1)		200,000
		General Fund 2005		100,000
		General Fund FY08		100,000
3	Carver Street Extension		12,185,000	
		Street Impact Fees (Zone 5)		12,185,000
4	DATA Operations Facility		1,075,976	
		Installment Sales		1,075,976
5	Dirt Non-Petition Street Paving		100,000	
		General Fund FY09		100,000
6	Dirt Petition Street		6,054,752	
		Investment Income		10,448
		General Obligation Bonds (2005)		4,242,000
		General Obligation Bonds (2007)		1,802,304
7	Durham Station		18,785,732	
		Land Sales / Long term lease		1,200,000
		General Obligation Bonds - Transportation (1996)		5,165,000
		Federal Match/Grants		7,961,200
		NC DOT Federal Match		955,150
		NC Department of Transportation		3,504,382
8	Failed Development Infrastructure		200,000	
		Installment Sales		200,000
9	Fayetteville Road Widening		3,820,038	
	Phase II	Street Impact Fees (Zone 1)		1,400,000
		Street Impact Fees (Zone 4)		2,420,038
10	Federal and State Match Projects		6,684,604	
		Grants		290,920
		Capital Projects Fund		322,156
		General Obligation Bonds (1996)		9,573
		General Fund FY09		-
		Installment Sales		784,185
		Street Impact Fees (Zone 3)		120,000
		Street Impact Fees (Zone 4)		800,000
		Street Impact Fees (Zone 1)		2,033,130
		2/3 Bond - Series 2008		455,000
		Department of Transportation		569,640
		General Obligation Bonds (2005)		1,300,000

11	Garrett Road Extension		1,970,000	
		Street Impact Fees (Zone 4)		1,670,000
		General Obligation Bonds (1996)		300,000
12	Miscellaneous Thoroughfares		2,627,354	
	and Street Improvements	American Recovery And Reinvestment Act of 2009 (ARRA)		959,918
		General Fund FY09		270,767
		2/3 Bond - Series 2008		498,277
		General Obligation Bonds (2005)		898,392
13	NC 147 Bicycle Pedestrian Bridge		3,250,000	
		General Fund FY09		200,000
		Installment Sales		250,000
		NC Department of Transportation		2,800,000
14	NC 751 Widening Phase 1		1,880,000	
		Street Impact Fees (Zone 4)		1,880,000
15	New Sidewalk Construction		5,929,013	
		American Recovery And Reinvestment Act of 2009 (ARRA)		2,699,697
		Installment Sales		250,000
		Capital Projects Fund		303,662
		General Obligation Bonds (2005)		1,857,974
		General Obligation Bonds (2007)		817,680
16	Revere Road		1,172,000	
		General Obligation Bonds (2005)		700,000
		2/3 Bond - Series 2008		472,000
17	Road Resurfacing		18,844,208	
		General Fund (2005)		39,363
		General Obligation Bonds (2005)		4,470,000
		General Obligation Bonds (2007)		14,334,845
18	Salt Dome		170,000	
		General Obligation Bonds (2005)		170,000
19	Sidewalk Petition Construction		424,119	
		Installment Sales		200,000
		Other Revenue		124,119
		General Fund FY09		100,000
20	Sidewalk Replace & ADA Compliance		4,865,000	
		Capital Projects Fund		100,000
		2/3 Bond - Series 2008		350,000
		General Fund FY09		200,000
		General Obligation Bonds (2005)		3,000,000
		General Obligation Bonds (2007)		1,215,000
21	Sidewalk Repair, ADA and Gaps		100,000	
		Other Revenue		100,000
22	South Roxboro Street Extension		1,500,000	
		Street Impact Fees (Zone 4)		1,500,000
23	Street Maintenance		29,306	
		Interest Income		29,306
24	Traffic Calming		1,082,939	
		General Obligation Bonds (2005)		1,082,939
	TOTAL		**$ 117,011,586**	**$ 117,011,586**

Section 2. Each project authorized by this ordinance is for the period of July 1, 2012 through June 30, 2013.

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.

ORDINANCE #14287

CITY OF DURHAM
WATER AND WASTEWATER CAPITAL IMPROVEMENTS PROJECT ORDINANCE
FISCAL YEAR 2012-13

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Water	$	209,297,354
Wastewater		129,200,802
TOTAL	**$**	**338,498,156**

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

Section 1. Description of Projects

(a) Water

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Asbestos Cement Line Replacement		750,000	
		Water and Sewer Construction Fund		250,000
		Revenue Bonds		500,000
2	Automated Meter Replacement		20,600,000	
		Pay-As-You-Go		257,000
		Future Revenue Bonds		14,943,000
		Water and Sewer Operating Fund		5,400,000
3	Brown Water Treatment Plant Expansion and Rehabilitation		13,577,957	
		Water and Sewer Operating Fund		1,520,957
		Water and Sewer Construction Fund		5,570,000
		Revenue Bonds		3,457,920
		Capital Facilities Fee Fund		2,029,080
		General Obligation Bonds (2005)		1,000,000
4	Cary Water System Interconnection		3,000,000	
		Water and Sewer Construction Fund		3,000,000
5	Downtown East-West Reinforcing Main		250,000	
		Pay-As-You-Go		250,000
6	Finished Water Storage and Pressurization		7,334,713	
		Future Revenue Bonds		6,100,000
		Water and Sewer Operating Fund		34,713
		Water and Sewer Construction Fund		1,200,000
7	Jordan Lake Water Treatment Plant		1,500,000	
		Future Revenue Bonds		1,000,000
		Water and Sewer Construction Fund		500,000
8	Lake Michie and Little River Rehabilitation		2,443,361	
		Water and Sewer Operating Fund		743,361
		Future Revenue Bonds		1,700,000
9	Raleigh Water Interconnection		5,925,000	
		Future Revenue Bonds		5,175,000
		Revenue Bonds		750,000
10	Southeast Distribution System Expansion		7,162,000	
		Future Revenue Bonds		7,162,000
11	Southern Reinforcing Main Phase I		6,600,000	
		Water and Sewer Operating Fund		500,000
		Pay-As-You-Go		1,100,000
		Future Revenue Bonds		400,000
		General Obligation Bonds (2005)		4,600,000
12	Southern Reinforcing Main Phase 2		9,150,000	
		Future Revenue Bonds		9,150,000
13	Teer Quarry Water Supply Phase II		15,516,950	
		Future Revenue Bonds		9,963,450
		Water and Sewer Operating Fund		3,180,000
		Capital Facilities Fee Fund		2,173,500
		Revenue Bonds		200,000

14	Two-Inch Water Main Replacement		2,088,000	
		Water and Sewer Operating Fund		558,000
		Water and Sewer Construction Fund		300,000
		Revenue Bonds		1,230,000
15	Water Distribution System Rehabilitation		26,800,000	
		Water and Sewer Operating Fund		11,278,341
		Future Revenue Bonds		13,821,659
		General Obligation Bonds (2005)		1,700,000
16	Water Facilities Rehabilitation		25,794,000	
		Future Revenue Bonds		24,283,223
		Water and Sewer Operating Fund		1,510,777
17	Water - Future Supply/Source Protection		3,624,921	
		Future Revenue Bonds		1,700,000
		Water and Sewer Construction Fund		924,921
		Revenue Bonds		1,000,000
18	Water Lines Extensions and Improvements		10,226,005	
		Future Revenue Bonds		2,000,000
		Pay-As-You-Go		3,250,000
		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
19	Water Regulatory Improvements		33,768,000	
		Future Revenue Bonds		31,508,000
		Water and Sewer Construction Fund		2,260,000
20	Water Residuals Handling		6,550,000	
		Pay-As-You-Go		1,300,000
		Future Revenue Bonds		5,250,000
21	Water Supply Facilties Security Improvements		2,258,400	
		Water and Sewer Operating Fund		800,000
		Water and Sewer Construction Fund		450,000
		Federal EPA Grant		1,008,400
22	Williams Water Treatment Plant Rehabilitation Phases 5 & 6		3,055,271	
		Water and Sewer Operating Fund		3,055,271
23	Water & Sewer Fleet Vehicles		1,322,776	
		Transfer from Fleet		567,594
		Fleet 2013		295,682
		Transfer from Water & Sewer		459,500
	TOTAL		**$ 209,297,354**	**$ 209,297,354**

(b) Wastewater

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Enhanced Nitrogen Removal		14,596,000	
		Future Revenue Bonds		14,596,000
2	Facility Paving		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	ND/ SD WRF Automation Systems Upgrade		1,525,000	
		Water and Sewer Operating Fund		1,525,000
4	North Durham Water Reclamation Facility - Improvements & LFG		9,827,973	
		Water and Sewer Construction Fund		1,627,973
		Interest Earnings		635,070
		Sewer Bonds (1990)		864,930
		General Obligation Bonds (2005)		6,700,000
5	NDWRF Sludge Pad Cover		1,967,000	
		Future Revenue Bonds		802,625
		Capital Facilities Fee Fund		1,164,375
6	Orange Co. Economic Development Zone Improvements		700,000	
		Pay-As-You-Go		700,000
7	Reclaimed Water Systems Phase 1 & 2		1,631,000	
		Future Revenue Bonds		1,631,000
8	SDWRF Sludge Pad Expansion		3,588,000	
		Future Revenue Bonds		3,588,000
9	Sewer Collection System Rehabilitation		45,843,749	
		Water and Sewer Operating Fund		13,810,019
		Pay-As-You-Go		2,500,000
		Water and Sewer Construction Fund		8,706,843
		Revenue Bonds		2,187,769
		Future Revenue Bonds		13,289,118
		2/3 Bond - Series 2004		500,000
		General Obligation Bonds (2005)		4,850,000
10	Sewer Lines Extensions and Improvements		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
11	Wastewater Process Rehabilitation		28,535,000	
		Future Revenue Bonds		21,594,606
		Pay-As-You-Go		2,000,000
		Capital Facilities Fee Fund		1,055,394
		Water and Sewer Construction Fund		3,885,000
12	Water Mgmt Facility Expansion		7,800,000	
		Pay-As-You-Go		2,000,000
		Future Revenue Bonds		5,000,000
		Water and Sewer Construction Fund		500,000
		Water and Sewer Operating Fund		300,000
	TOTAL		**$ 129,200,802**	**$ 129,200,802**

Section 2. Each project authorized by this ordinance is for the period of July 1, 2012 through June 30, 2013.

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.

ORDINANCE #14288

CITY OF DURHAM
STORMWATER CAPITAL IMPROVEMENTS PROJECT ORDINANCE

FISCAL YEAR 2012-13

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

SUMMARY		
Stormwater	$	18,128,941
TOTAL	**$**	**18,128,941**

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

D. Ann Gray

Section 1. Description of Projects
(a) Stormwater

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Drainage Repair of City Owned		768,417	
	Properties	Stormwater Fund		768,417
2	Floodplain Mitigation		225,000	
		Stormwater Fund		225,000
3	Hock Plaza Public System		968,612	
	Improvements	Stormwater Fund		968,612
4	Major Stormwater		3,529,000	
	Infrastructure & BMP Improve	Stormwater Fund		3,529,000
5	Private Property Drainage		4,711,370	
	Projects	Stormwater Fund		4,711,370
6	Stormwater Fleet Vehicles		2,024,225	
		Transfer from Storm Water		467,746
		Fleet 2013		1,533,682
		Transfer from Fleet		22,797
7	Stormwater Retrofitting		1,107,000	
		Stormwater Fund		1,107,000
8	Stream Gauging Stations		297,000	
		Stormwater Fund		297,000
9	Watershed Planning & Design		4,498,317	
		Grants		242,811
		Stormwater Fund		4,255,506
	TOTAL		**$ 18,128,941**	**$ 18,128,941**

Section 2. Each project authorized by this ordinance is for the period of July 1, 2012 through June 30, 2013.

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.

ORDINANCE #14289

CITY OF DURHAM
SOLID WASTE CAPITAL IMPROVEMENTS PROJECT ORDINANCE

FISCAL YEAR 2012-13

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM, that the following capital projects are authorized:

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

SUMMARY		
Solid Waste	$	5,357,073
TOTAL	$	5,357,073

Section 1. Description of Projects
(a) Solid Waste

Number	Project Title	Revenue Source	Appropriation	Revenue
1	Land Clearing & Inert Debris Closure		214,052	
		General Fund FY08		214,052
2	Solid Waste Fleet Vehicles		2,322,835	
		Grant funds		82,048
		Transfer from Fleet		90,839
		Fleet 2013		1,143,324
		Private Bank Loan		1,006,624
3	Solid Waste Garage Renovations		98,163	
		Installment Sales		98,163
4	Solid Waste Operations Facility		590,000	
		2/3 Bond - Series 2008		500,000
		General Fund FY08		90,000
5	Solid Waste Transfer Station		1,612,475	
		General Fund		185,948
		2/3 Bond - Series 2008		746,452
		General Obligation Bonds (2005)		680,075
6	Yard Waste Facility		519,548	
		2/3 Bond - Series 2008		519,548
	TOTAL		$ 5,357,073	$ 5,357,073

Section 2. Each project authorized by this ordinance is for the period of July 1, 2012 through June 30, 2013.

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.

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 2010-12 Grants:

FY 2010-12 WIA Administrative	
Amount of Grant	$173,269
Expenditures:	173,269
BALANCE:	$0

FY 2010-12 WIA Adult	
Amount of Grant	$385,337
Expenditures:	385,337
BALANCE:	$0

FY 2010-12 WIA Dislocated Worker	
Amount of Grant	$923,864
Expenditures:	919,350
BALANCE:	$4,514

FY 2010-12 WIA Youth	
Amount of Grant	$473,369
Expenditures:	473,369
BALANCE:	$0

FY 2010-12 WIA T/A, Incentive, Enhancement	
Amount of Grant	$311,912
Expenditures:	278,801
BALANCE:	$33,111

FY 2011-13 Grants:

FY 2011-13 WIA Administrative	
Amount of Grant	$181,087
Expenditures:	180,203
BALANCE:	$884

FY 2011-13 WIA Adult	
Amount of Grant	$434,537
Expenditures:	380,473
BALANCE:	$54,064

FY 2011-13 WIA Dislocated Workers	
Amount of Grant	$664,995
Expenditures:	650,752
BALANCE:	$14,243

FY 2011-13 WIA Youth	
Amount of Grant	$532,771
Expenditures:	442,902
BALANCE:	$89,869

FY 2011-13 WIA T/A, Incentive, Enhancement	
Amount of Grant	$0
Expenditures:	0
BALANCE:	$0

Anticipated FY 2012-14 Grants:

WIA Administrative	$187,640
WIA Adult	$448,066
WIA Dislocated Workers	$704,597
WIA Youth	$536,099
WIA T/A, Incentive, Enhancement	
Total	$1,876,402

CITY OF DURHAM EMPLOYMENT AND TRAINING 2012-2014 GRANT PROJECT ORDINANCE FOR FEDERAL GRANT
July 1, 2012– June 30, 2014

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 Statues 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, 2012 to June 30, 2014.

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	$1,876,402

Section 4. The following amount is appropriated for the project:

WIA-Administrative	$187,640
WIA-Adult	$448,066
WIA-Dislocated Worker	$704,597
WIA-Youth	$536,099
Total	**$1,876,402**

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 18 2012

CITY CLERK

ORDINANCE #14292

CITY OF DURHAM EMPLOYMENT AND TRAINING 2012-2014 GRANT PROJECT ORDINANCE FOR SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA) GRANT
July 1, 2012– June 30, 2014

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 Statues of North Carolina, the following grant project ordinance is hereby adopted.

Section 1. The project authorized is the implementation of Substance Abuse and Mental Health Services Administration (SAMHSA) grant funds as a sub-recipient through the Durham Center, as 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, 2012 to June 30, 2014.

Section 2. The City Manager is hereby directed to proceed with the implementation of the project within the terms of the grant agreement.

Section 3. The following revenues are anticipated to be available to the City of Durham, North Carolina to complete the project:

SAMHSA	$60,000

Section 4. The following amount is appropriated for the project:

Personnel and Program Outreach	$52,920
Office Supplies	$ 1,080
Administration	$ 6,000
Total	**$60,000**

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 18 2012

CITY CLERK
D. Ann Gray

Since 1993, HUD has been providing the City of Durham with Community Development Block Grant (CDBG) funds for the purpose of revitalizing low and moderate-income neighborhoods in Durham. This has been accomplished through a concentrated approach that addresses neighborhood housing, public facilities, economic development, and land use needs. City staff oversees a wide variety of projects such as the installation of infrastructure improvements to support affordable housing development; acquisition and demolition of substandard properties to support infill; affordable housing development; first time homebuyer program, owner-occupied housing rehabilitation; economic development activities, including commercial developments and facade improvements; housing code enforcement; homelessness prevention activities; and gang intervention and mitigation services.

Prior Year Grants

FY 2000-2001 CDBG		FY 2007-2008 CDBG	
Amount of Grant in GL:	$2,016,893	Amount of Grant:	$2,487,272
Expenditures:	$2,033,053	Expenditures:	$2,459,301
BALANCE:	-$16,160	BALANCE:	$27,971
FY 2001-2002 CDBG		FY 2008-2009 CDBG	
Amount of Grant:	$2,126,432	Amount of Grant:	$2,085,474
Expenditures:	$2,126,432	Expenditures:	$1,830,001
BALANCE:	$0	BALANCE:	$255,473
FY 2002-2003 CDBG		FY 2009-2010 CDBG	
Amount of Grant:	$2,076,803	Amount of Grant:	$2,246,947
Expenditures:	$2,091,177	Expenditures:	$2,083,892
BALANCE:	-$14,373	BALANCE:	$163,055
FY 2003-2004 CDBG		FY 2010-2011 CDBG	
Amount of Grant:	$2,517,869	Amount of Grant:	$2,225,707
Expenditures:	$2,525,583	Expenditures:	$1,762,520
BALANCE:	-$7,714	BALANCE:	$463,187
FY 2004-2005 CDBG		FY 2011-2012 CDBG	
Amount of Grant:	$2,477,248	Amount of Grant:	$1,889,038
Expenditures:	$2,347,630	Expenditures:	$1,049,587
BALANCE:	$129,618	BALANCE:	$839,451
FY 2005-2006 CDBG		FY 2012-2013 CDBG	
Amount of Grant:	$2,423,002	Amount of Grant:	$1,738,531
Expenditures:	$2,407,210	Expenditures:	$0
BALANCE:	$15,792	BALANCE:	$1,738,531
FY 2006-2007 CDBG			
Amount of Grant:	$2,121,201		
Expenditures:	$2,121,201		
BALANCE:	$0		

U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) FY 2012-2013 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, 2012, the City of Durham anticipates an appropriation from HUD in the amount of $1,638,531 and estimates $100,000 in Program Income for a total of $1,738,531 for FY 2012-2013; and

WHEREAS, $1,390,825 will be allocated for public services, homeownership, property rehabilitation, site preparation, infrastructure and code enforcement; and

WHEREAS, $347,706 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 2012-2013 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 10 2012
CITY CLERK

Section 3. The following revenue is anticipated to be available to the City of Durham to complete the projects:

Federal Community Development Block Grant	$1,638,531
Estimated Program Income	100,000
Total	$1,738,531

Section 4. The following amount is appropriated:

2012-2013 CDBG	$1,738,531

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.

The HOME Program was introduced in 1992 by HUD as the federal government's newest affordable housing program. The program's main objective is to expand the supply of decent and affordable housing for low and very low income Americans. The major differences between the HOME Program and the CDBG Program are that HOME funds can only be used for housing activities; HOME funds require a 25% matching contribution from the participating jurisdiction; and 15% of the annual HOME grant must be reserved for use by a Community Development Housing Organization (CHDO). HOME funds, in the first years of the program, were used for new construction of rental and home ownership housing. Now, HOME funds are being used to support the City-Wide Housing Rehabilitation Program, the First-Time Homeownership Program, and the financing and support for multi-family developments and single-family new construction to increase the supply of affordable, safe and decent housing in the city.

Prior Year Grants

FY 1994-95 HOME Grant	
Amount of Grant in GL:	$971,213
Expenditures:	-$1,001,415
BALANCE:	-$30,202
FY 1995-96 HOME Grant	
Amount of Grant in GL:	$1,048,813
Expenditures:	$1,049,307
BALANCE:	-$494
FY 1996-97 HOME Grant - closed	
Amount of Grant in GL:	$1,027,025
Expenditures:	$1,027,025
BALANCE:	$0
FY 1997-98 HOME Grant	
Amount of Grant in GL:	$1,053,298
Expenditures:	$1,053,298
BALANCE:	$0
FY 1998-99 HOME Grant	
Amount of Grant in GL:	$938,031
Expenditures:	$903,785
BALANCE:	$34,246
FY 1999-2000 HOME Grant	
Amount of Grant in GL:	$1,607,560
Expenditures:	-$1,712,329
BALANCE:	-$104,769

FY 2003-2004 HOME Grant - closed	
Amount of Grant in GL:	$1,708,931
Expenditures:	$1,708,931
BALANCE:	$0
FY 2004-2005 HOME Grant	
Amount of Grant in GL:	$2,016,098
Expenditures:	$2,016,098
BALANCE:	$0
FY 2005-2006 HOME Grant	
Amount of Grant:	$1,792,659
Expenditures:	$1,750,960
BALANCE:	$41,699
FY 2006-2007 HOME Grant	
Amount of Grant:	$1,627,770
Expenditures:	$1,627,770
BALANCE:	$0
FY 2007-2008 HOME Grant	
Amount of Grant:	$1,538,326
Expenditures:	$1,538,326
BALANCE:	$0
FY 2008-2009 HOME Grant	
Amount of Grant:	$1,478,936
Expenditures:	$1,591,926
BALANCE:	-$112,990

FY 2000-2001 HOME Grant - closed	
Amount of Grant in GL:	$1,279,762
Expenditures:	$1,279,762
BALANCE:	$0

FY 2001-2002 HOME Grant	
Amount of Grant in GL:	$1,577,975
Expenditures:	$1,577,975
BALANCE:	$0

FY 2002-2003 HOME Grant - closed	
Amount of Grant in GL:	$1,599,614
Expenditures:	$1,599,614
BALANCE:	$0

FY 2009-2010 HOME Grant	
Amount of Grant:	$1,865,860
Expenditures:	$1,478,349
BALANCE:	$387,511

FY 2010-2011 HOME Grant	
Amount of Grant:	$1,995,728
Expenditures:	$1,100,261
BALANCE:	$895,467

FY 2011-2012 HOME Grant	
Amount of Grant:	$1,446,850
Expenditures:	$343,431
BALANCE:	$1,103,419

U.S. Department of Housing and Urban Development HOME Consortium Program FY 2012-2013 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, 2012, the City of Durham anticipates an appropriation from HUD in amount of $767,896 in HOME grant funds and estimates $437,311 in Program Income for a total of $1,205,207 for FY 2012-2013; and

WHEREAS, $1,084,686 will be allocated towards HOME program activities and $120,521 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 2012-2013 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:

Federal HOME Funds	$767,896
Program Income	437,311
Total	$1,205,207

APPROVED BY CITY COUNCIL

MAY 10 2012

CITY CLERK

The estimated required match of $172,776.60 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:

2012-2013 HOME Program	$1,205,207

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.

ORDINANCE #14262

U.S. Department of Housing and Urban Development Emergency Solutions Grant (ESG) FY 2012-2013 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, 2012, the City of Durham anticipates an appropriation from HUD in the amount of $152,760; and

WHEREAS, a total of $148,560 will be used for operations, essential services, homelessness prevention and rapid re-housing; and

WHEREAS, $4,200 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 2012-2013 ESG: $152,760

APPROVED BY CITY COUNCIL
MAY 10 2012
CITY CLERK

The non-federal funding source for the match requirement of $152,760 will be provided by the ESG subrecipients for $148,560 and $4,200 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 2012-2013 ESG: $152,760

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.

ORDINANCE #14247

GRANT PROJECT ORDINANCE

GRANT PROJECT ORDINANCE AMENDING ORDINANCE NO. 14190 BETWEEN THE U.S. DEPARTMENT OF HUD AND THE NEIGHBORHOOD IMPROVEMENT SERVICES DEPARTMENT

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 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 October 1, 2011 and terminating on September 30, 2017.

Section 1. The project authorized is to fund fair housing training, education, case processing and additional funding has been awarded for Hispanic/Latino partnership activities and housing policy research.

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)	**$ 153,640**
U.S. HUD FHAP Partnership Grant	**$ 50,000**

Section 4. **The total amount appropriated for this project is: $ 203,640**

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

APR 16 2012

CITY CLERK

ORDINANCE #14293

CITY OF DURHAM AND NORTH CAROLINA DEPARTMENT OF TRANSPORTATION SECTION 104(f) AND SECTION 133(b)(3)(7) TRANSPORTATION PLANNING GRANT PROJECT ORDINANCE – FY 2012-2013 (FY 2013) 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, 2012 through June 30, 2013 as described in the Unified Planning Work Program for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, fiscal year 2012-2013, as amended. Funds are for FY 2012-13 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)	$1,658,874
City of Durham Matching Grant	352,733
Town of Carrboro Matching Grant	6,635
Town of Chapel Hill Matching Grant	42,351
Orange County Matching Grant	0
Triangle-J COG	13,000
TTA	0
TOTAL	$2,073,593

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

Section 4. The following amount is appropriated for the project:

City of Durham NCDOT Planning Grant Project	$1,763,665
Pass Through Grants (upon appropriate invoice):	
Carrboro	33,173
Chapel Hill	211,755
Orange County	0
Triangle-J COG	65,000
TTA	0
TOTAL	$2,073,593

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.

ORDINANCE #14294

FY 2012-13 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, 2012 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.

APPROVED BY CITY COUNCIL JUN 18 2012 CITY CLERK

Section 3. The following revenues are anticipated to be available to the City to complete the project:

FTA Section 9 Planning Grant	$ 514,966
NCDOT Section 9 Planning Grant	$ 64,371
FTA Section 9 Capital Grant	$ 3,199,844
TOTAL	$ 3,779,181

Section 4. The following amount is available to provide the City match for these grants:

Transit Fund- Section 9 Planning	$ 64,371
Transit Fund- Section 9 Capital	$ 799,961
TOTAL	$ 864,332

Section 5. The following amount is appropriated:

FY2012-13 Transit Planning Grant Project Ordinance	$ 643,708
FY2012-13 Transit Capital Grant Project Ordinance	$ 3,999,805
TOTAL	$ 4,643,513

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.

DURHAM POLICE DEPARTMENT
NEW ORDINANCES FOR FY 2012/2013:

The U.S. Department of Justice, FY 2012/2013 Federal Asset Forfeiture Grant Funds - $365,000

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 2012/2013 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, 2012 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, 2012 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, 2013 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 2012 Justice Assistance Grant - $79,522

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.

DURHAM POLICE DEPARTMENT ORDINANCE AMENDMENTS:

Supersedes Grant Project Ordinance #14148, Concerning the City of Durham and The U.S. Department of Justice, U.S. Marshall's Office "FY2011/2012 Federal Asset Forfeiture Funds" Grant Project Ordinance - $565,000

This ordinance is being revised to reflect a larger amount received than originally estimated. Every year, the Police Department equitably shares in cash received from Federal Asset Forfeitures. If funds received exceed the executed project ordinance, the ordinance must be amended to reflect the actual funds received to allow for the expenditure of additional funds.

ORDINANCE #14295

THE U.S. DEPARTMENT OF JUSTICE, U.S. MARSHALL'S OFFICE, FY 2012/2013 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 2012/2013 Federal Asset Forfeiture Program	**$345,000**
Interest Income	**20,000**
Total	**$365,000**

Section 4. The following amounts are appropriated for this project:

FY 2012/2013 Federal Asset Forfeiture Funds Grant	$365,000

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 18 2012

CITY CLERK

THE STATE OF NORTH CAROLINA, DEPARTMENT OF JUSTICE, DEPARTMENT OF REVENUE, FY 2012/2013 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:

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

N.C. State Controlled Substance Excise Tax Assessments Funds FY 2012/2013	**$185,000**
Interest Income	**15,000**
Total	**$200,000**

Section 4. The following amount is appropriated for this project:

FY 2012/2013 Controlled Substance Abuse Funds Grant	$200,000

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.

2012 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, 2012 through September 30, 2013 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)	**31,227**
Total	**$160,000**

Section 4. The following amount is appropriated for this project:

2012 Federal Task Team Initiatives	$160,000

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 18 2012

CITY CLERK

ORDINANCE #14298

THE U.S. DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, 2012 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, 2012 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, 2012 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, 2012 through March 31, 2014 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 2012	**$20,000**

Section 4. The following amount is appropriated for the project:

2012 Bulletproof Vest Partnership Grant	$20,000

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 18 2012

CITY CLERK

THE UNITED STATES MARSHALS SERVICE, 2013 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 2012 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, 2012 through September 30, 2013 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 2013 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 2013 Fugitive Apprehension Task Force $18,638

Section 4. The following amount is appropriated for this project to be expended in the following manner:

FY 2013 Fugitive Apprehension Task Force Agreement	$15,000
Local Match (Police Department's General Fund)	3,638
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 18 2012

CITY CLERK

THE U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, 2012 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 2012 Local Solicitation Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of $151,044; 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 $75,522 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 funds will be directed to the County of Durham and the County agrees to distribute $75,522 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, 2012 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 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	**$75,522**
Interest Income	**4,000**
Total	**$79,522**

Section 4. The following amount is appropriated for this project to be expended in the following manner:

2012 US/DOJ/BJA Local Solicitation JAG Grant	$79,522

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 18 2012

CITY CLERK

SUPERCEDES GRANT PROJECT ORDINANCE # 14148
THE U.S. DEPARTMENT OF JUSTICE, U.S. MARSHALL'S OFFICE, FY 2011/2012
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 of Federally Forfeited Property for 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, Federal Asset Forfeiture Program FY 2011/2012	**$545,000**
Interest Income	**20,000**
Total	**$565,000**

Section 4. The following amount is appropriated for this project:

FY 2011/2012 Federal Asset Forfeiture Funds Grant	$565,000

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 18 2012

CITY CLERK

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
• City Council retreat to discuss vision and service issues. • Budget kick-off. City Manager explains financial and operational objectives.	• City Council retreat to discuss financial issues. • Public input on budget sought through public hearing and "Coffees with Council".	• Coffees with Council continue. • Department budgets submitted to Budget office. • Budget office projects revenues.
April	**May**	**June**
• Departments present budgets to the City Manager. • Balance expenditure requests with revenue estimates.	• Preliminary Budget and Capital Improvement Plan prepared and formally transmitted to Council. • City Council conducts work sessions on proposed budget.	• 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**
• New fiscal year begins. Budget becomes control instrument for all expenditures.	• Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by Department Directors, Budget and Finance.	• Annual audit of prior year expenditures is conducted and Comprehensive Annual Financial Report (CAFR) is published.
October	**November**	**December**
• Management Team discusses and develops overall budget goals for next fiscal year.	• Appropriation Transfers and Budget Amendments are reviewed and processed throughout the year, as necessary.	• Develop budget manual, train departments in use of budget development software. • Department's have Budget Pre-Meetings with the City Manager.

2012-13 CITY OF DURHAM BUDGET ORDINANCE

WHEREAS, the budget estimate for fiscal year 2012-13 for the City of Durham, North Carolina was submitted to the City Council on May 21, 2012 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 22, 2012, stating that the budget estimate has been 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 4, 2012 at which time any persons who wishes to comment on the budget may appear; and the budget estimate for fiscal year 2012-13 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 4, 2012, 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 2012-13 beginning July 1, 2012 and ending June 30, 2013, 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, 2012 and ending June 30, 2013 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, 2012, for the purpose of raising revenue to defray expenses for the proper governance of the City for fiscal year 2012-13 (as shown in the Revenue Section of this Ordinance as General Property Taxes):

2012-13 CITY OF DURHAM BUDGET ORDINANCE, CONTINUED

General Fund Operations	$0.4003
Debt	$0.1249
Transit Operations	$0.0323
Dedicated Housing Funding	$0.0100
Total Rate per $100 Valuation of Taxable Property	**$0.5675**

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, 2012, for the purpose of raising revenue to fund downtown service enhancements. This is shown in the Revenue Section of this Ordinance under the Business Improvement District Fund as General Property Taxes:

Business Improvement District	**$0.0700**

Section 6. That the taxes hereby levied shall be due and collectible on September 1, 2012.

Section 7. That any operating funds encumbered on the financial records as of June 30, 2012 are hereby reappropriated to the FY 2012-13 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 18 2012

CITY CLERK

D. Ann Gray

2012-13 City of Durham Budget Ordinance
Appropriations

General Fund	$	176,667,892
Emergency Telephone System Fund		1,800,331
Business Improvement District Fund		651,333
Debt Service Fund		33,525,067
Impact Fee Fund		1,855,137
Watershed Protection Fund		100,000
Capital Facilities Fee Fund		2,811,500
Water and Sewer Fund		89,901,503
Transit Fund		16,203,375
Solid Waste Disposal Fund		22,027,781
Storm Water Fund		12,961,535
Ballpark Fund		2,284,378
Parking Facilities Fund		2,412,405
Durham Performing Arts Center Fund		3,375,831
DPAC Capital Reserve Fund		460,000
Cemetery Fund		100,000
LEO Special Separation Fund		1,389,781
Other Post Employment Benefits Fund		4,644,619
Total	**$**	**373,172,468**

Attachment 1

2012-13 City of Durham Budget Ordinance
Revenues

General Fund		
General Property Taxes	$	99,217,048
Other Local Taxes		38,573,096
Licenses and Permits		6,285,053
State-Shared Revenues		20,488,846
Intragovernmental Revenue		2,363,391
Charges for Current Services		8,399,956
Investment and Rental Income		317,529
Other Revenue		708,635
Appropriation from Fund Balance		314,338
Subtotal	**$**	**176,667,892**
Emergency Telephone System Fund		
Other Local Taxes	$	1,413,750
Investment and Rental Income		4,000
Appropriation from Fund Balance		382,581
Subtotal	**$**	**1,800,331**
Business Improvement District Fund		
General Property Taxes	$	401,333
Transfer from Other Funds		250,000
Subtotal	**$**	**651,333**
Debt Service Fund		
General Property Taxes		29,659,027
Other Revenue		692,521
Investment and Rental Income		30,097
Appropriation from Fund Balance		1,939,938
Transfers from Other Funds		1,203,484
Subtotal	**$**	**33,525,067**
Impact Fee Fund		
Investment and Rental Income	$	113,000
Operating Revenue		1,742,137
Subtotal	**$**	**1,855,137**
Watershed Protection Fund		
Operating Revenue	$	100,000
Subtotal	**$**	**100,000**
Capital Facilities Fees Fund		
Investment and Rental Income	$	11,500
Operating Revenue		2,800,000
Subtotal	**$**	**2,811,500**
Water and Sewer Fund		
Licenses and Permits	$	56,000
Operating Revenue		81,975,068
Other Revenue		306,028
Investment and Rental Income		540,600
Appropriation from Fund Balance		6,714,865
Transfers from Other Funds		308,942
Subtotal	**$**	**89,901,503**
Transit Fund		
General Property Taxes	$	7,670,132
Licenses and Permits		2,200,000
Intergovernmental Revenue		2,548,772
Operating Revenue		3,677,038
Other Revenue		107,433
Subtotal	**$**	**16,203,375**

Attachment 2

2012-13 City of Durham Budget Ordinance
Revenues

Solid Waste Disposal Fund		
State Shared Revenue	$	150,000
Intergovernmental Revenue		725
Operating Revenue		8,144,800
Investment and Rental Income		26,000
Transfer from Other Funds		13,706,256
Subtotal	**$**	**22,027,781**
Storm Water Fund		
Operating Revenue	$	12,130,488
Investment and Rental Income		9,000
Appropriation from Fund Balance		590,000
Transfer from Other Funds		232,047
Subtotal	**$**	**12,961,535**
Ballpark Fund		
Operating Revenue	$	482,947
Investment and Rental Income		206,500
Transfers from Other Funds		1,594,931
Subtotal	**$**	**2,284,378**
Parking Facilities Fund		
Operating Revenue	$	2,090,341
Investment and Rental Income		2,000
Appropriation from Fund Balance		320,064
Subtotal	**$**	**2,412,405**
Durham Performing Arts Center Fund		
Other Local Taxes	$	1,300,000
Operating Revenue		1,377,000
Investment and Rental Income		2,000
Other Revenues		400,000
Appropriation from Fund Balance		296,831
Subtotal	**$**	**3,375,831**
DPAC Capital Reserve Fund		
Investment and Rental Income	$	1,000
Transfers from Other Funds		459,000
Subtotal	**$**	**460,000**
Cemetery Fund		
Investment and Rental Income	$	7,500
Transfers from Other Funds		92,500
Subtotal	**$**	**100,000**
LEO Special Separation Allowance Fund		
Operating Revenue	$	1,383,281
Investment and Rental Income		6,500
Subtotal	**$**	**1,389,781**
Other Post Employment Benefits Fund		
Contributions	$	4,583,112
Appropriation from Fund Balance		61,507
Subtotal	**$**	**4,644,619**
Total All Revenues	**$**	**373,172,468**

Attachment 2

RESOLUTION ESTABLISHING FY 2012-13 FINANCIAL PLANS FOR INTERNAL SERVICE FUNDS

WHEREAS, FY 2012-13 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 FY2012-13 financial plan is adopted for the **Risk Reduction Fund:**

Estimated Revenues:	
Charges for Current Services	$3,712,485
Investment Income	80,249
Appropriation from Fund Balance	1,965,000
Transfers from Other Funds	48,709
TOTAL	$5,806,443
Estimated Expenses:	
Operating	$5,806,443
TOTAL	$5,806,443

Section 2. The following FY2012-13 financial plan is adopted for the **Employee Insurance Fund**:

Estimated Revenues:	
Charges for Current Services	$29,112,275
Investment Income	12,500
TOTAL	$29,124,775
Estimated Expenses:	
Personnel	$101,808
Operating	29,022,967
TOTAL	$29,124,775

APPROVED BY CITY COUNCIL

JUN 18 2012

CITY CLERK

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, 2012.

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 at 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 what is now 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 233,769 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 the City Council seats are staggered, and nonpartisan elections are held every two years. The ward members elected in 2009 serve a four-year term. The at-large seats filled in 2011 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 1:00 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)
1997-2011 AND 2012-TO-DATE (THROUGH MARCH, 2012)

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 (thru March)	$120,491,599	$22,207,589	$7,302,655	$58,861,994	$208,863,837

Numbers are based on a calendar year period.
Calendar period from 1/1/12 - 3/31/2012

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 Blue Cross and Blue Shield of North Carolina, Verizon and North Carolina Mutual Life Insurance Company.

Some of the largest employers in the Durham area are:

Duke University and Medical Center	Durham County Government
International Business Machines (IBM)	Quintiles Transnational Corp.
Durham Public Schools	North Carolina Central University
GlaxoSmithKline	National Institute of Environment Health Sciences
Blue Cross and Blue Shield of North Carolina	U.S. Environmental Protection Agency (EPA)
Durham City Government	AW North Carolina, Inc.
RTI International, Inc. (Research Triangle Institute)	Measurement Incorporated
Veterans Administration Medical Center	Frontier Communications – Formally Verizon
Cree, Inc.	Durham Technical Community College
Fidelity Investments	All-In-One Staffing

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 40,000 employees working for over 130 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	***GlaxoSmithKline, Inc.*** 5 Moore Drive P.O. Box 13398 www.gsk.com
Cisco Systems 7025 Kit Creek Road P.O. Box 14987 www.cisco.com	***Fidelity Investments*** 4008 E NC Highway 54 Research Triangle Park,, NC 27709 www.fidelityinvestments.com
RTI International 3040 Cornwallis Road P.O. Box 12194 www.rti.org	***U.S. Environmental Protection Agency (EPA)*** 109 T.W. Alexander Drive www.epa.gov
National Institute of Environmental Health Sciences 79 T.W. Alexander Drive P.O. Box 12233 www.niehs.nih.com	***Credit Suisse*** 7200 Kit Creek Road www.credit–suisse.com
Biogen Idec 500 Davis Drive www.biogenidec.com	***Network Appliance*** 7301 Kit Creek Road www.netapp.com/us

Durham Banks

Bank of America	Mechanics and Farmers Bank
Branch Banking and Trust	RBC Centura Bank
Cardinal State	South Bank
Coastal Federal Credit Union	State Employees Credit Union
Community National Bank	SunTrust
First Citizens Bank and Trust	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 14,746 (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, 7,700 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 8,349 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 104 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. Charlie Nelms has served as the university's tenth chief administrator since August 1, 2007. 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 24,400 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, 9 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 32,500 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. With over 2,300 physicians, there is an approximate average of 10.6 physicians per 1000 residents in Durham. 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 to hold about 1,150 beds. In 2000 the $30.5 million McGovern-Davison Children's Health Center, a division of Duke Medical Center, was completed. In February 2012, Duke Cancer Center opened. Duke Hospitals serve more than 47,500 patients each year. UNC Hospitals has a license for 804 beds. Durham also has a 262 bed Veterans' Administration Hospital and the Durham Regional Hospital with 369 beds. North Carolina Eye and Ear Hospital, specializing in eye, ear, nose and throat disorders, has 24 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 2011, the City provided an average of 27.00 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 44 MGD are available. Wastewater treatment capacity of the City totals 40 million gallons per day. During 2011, City wastewater treatment facilities processed an average of 18.0 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 and operates five off-street parking garages, one attendant parking lot and 6 unattended parking lots in the central business district.

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 682.91 miles of paved and 20.42 miles of unpaved City and 135 miles of State highways and streets.

Domestic airlines (Air Canada, AirTran, American Airlines, Bahamasair, Delta, Jet Blue, Southwest, US Airways, and United) fly over 9 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 18 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 N.C. Phase one is currently complete and 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 Monday through Friday from 10 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 Chapel Hostess (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 10 a.m.-4 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, $4 for members of the Duke Alumni Association, $3 for non-Duke students with I.D. and free for children 16 and younger. Admission is FREE to Duke University students, faculty and staff with I.D. and to Durham residents who present a valid I.D. with address or proof of residency. 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. www.nasher.duke.edu

Durham Bulls Athletic Park, *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 new 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://www.durhamnc.gov/departments/parks/pdf/skate_park_safety.pdf

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 1 – 5pm on Saturday. (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) 560-4355.

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. (919) 620-0120. www.ah.dcr.state.nc.us/sections/do/stagville.

North Carolina Museum of Life and Science, *433 Murray Avenue*, was rated among the "top four family friendly museums in the Southeast" by Family Fun magazine. The museum is a state-of-the-art interactive indoor/outdoor science-technology center including the renowned Magic Wings Butterfly House, Bayer CropScience Insectarium, 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 12:00 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 -$8.50, children ages 3-12 - $6.00, free under age 2, Senior Citizens - $7.50). 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. www.duke.edu/dukegardens

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 Hecht's as anchor stores. It was recognized by USA Today as one of the nation's "10 great places to spend it all in one place". www.streetsatsouthpoint.com/html/index.asp

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

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: Taxable municipal bonds that 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: 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 storm water management and the evaluation of storm water 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, credit, and taxing power. 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 and a useful life of ten years. 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.

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 storm water 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, 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 City property.

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 expenditure 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
911 Wireless Surcharge	V-32, IX-5
Administrative and Support Services	Section VII
Appropriated Fund Balance	IV-12, XIII-19
Arts and Culture	VIII-48
Assessed Valuation	IV-10, XIII - 19
Audit Services	VII-3
Authorized Positions	IV-14 - 15, XIII-19
Ballpark Fund	III-11, V-28
BMS Staff	Introductory Pages
Bond	Section XI, XII-1 XIII- 19
Bond Rating	Section XI, XIII - 19
Budget and Financial Policies	II-33 - 39
Budget and Management Services	VII-8
Budget Ordinance	IV-3, XIII - 3, XIII - 19
Budget Process	XIII-1
Business Improvement District (BID)	V-36, XIII-13
Capital Facilities Fee Fund	V-22
Capital Improvement Program (CIP)	II-31, II-33, V-21, Section XII, XIII-20
Capital Projects	II-8, V-1, V-22, V-35, Section XII, XIII-20
Cemetary	V-30, X-8
Certificates of Participation	Section XI, XIII-20
Charges for Current Services	V-10, XIII-20
City Attorney	VI-5
City Clerk	VI-9
City Council	Introductory Pages, VI-3
City Goals	Introductory Pages, II-1,
City Manager	Introductory Pages, VI-13
Community Development	VIII-17
Community Building	Section VIII
Contract Agencies	VIII-48 - 49
Council Goals	Section II
Coverage Ratio	III-5, XIII-20
Crosswalk Department to City Goals	II-40-45
Durham Area Transit Administration (DATA)	V-26, X-46, XIII-22
Durham Bulls Athletic Park (DBAP)	V-28, X-8, XIII-16
Debt Covenants	XIII-20
Debt	III-4, V-4
Debt Management	Section XI
Debt Service	Section III, XI, V-1, 14, 15, 20, 22, 23, 26, 27, 28, 33, & XIII-20
Discretionary Revenues	V-6, XIII-20
Durham Performing Arts Center (DPAC)	V-33 - 34, X-8
Economic & Workforce Development	VIII-25
Emergency Communications	IX-3

City of Durham Budget Index

Item	Location
Emergency Management	IX-7
Emergency Telephone System	V-32
Employee Insurance Fund	V-38
Enterprise Fund	V-1, XIII-21
Equal Opportunity & Equity Assurance	VII-14
Equivalent Residential Unit (ERU)	V-24, XIII-21
Facts about Durham	XIII-10
Fiduciary Funds	V-1, XIII-21
Finance	VII-19
Fire	IX-10
Fleet Management	X-3
Fund	Section V, XIII-21
Fund Balance	II-33, IV-12 - 13, V-9, XIII-21
General Fund	II-33, III-2, V-4 - 14, XIII-21
General Obligation Bonds	Section XI, XIII-21
General Services	X-7
GFOA Award	Introductory Pages
Glossary	XIII - 19
Goals, Objectives & Strategies	Section II, XII-2
Governance	Section VI
Grants	Section XII, VI, VII, VIII, IX, X, XIII-21
Graphic Information Systems (GIS)	VII-37
Human Resources	VII-28
Impact Fees	V-35, XIII-21
Impervious Surface	V-24. XIII-22
Inspections	VIII-3
Installment Sales	XIII-22
Intergovernmental Revenues	V-7, V-13, XIII-22
Internal Service Fund	V-1, V-37, V-38, XIII - 8
Intrabudget Transfers	IV-9
Investment Policy	II-35
Law Enforcement Officers' Separation Allowance (LEO)	V-29
Letter of Transmittal	Section I
Licenses and Permits	V-5, V-7, V-10, V-16 -18, XIII-22
Local Option Sales Tax	V-6
Mission	Introductory Pages
Multi-Year Projections	Section III
Non-City Agency (NCA)	VIII-48
Neighborhood Improvement Services	VIII-38
Nondepartmental	V-14, V-17, XIII-22
One Cent Tax Equals	IV-11, XIII-23
Organization Chart - City	Introductory Pages

City of Durham Budget Index

Item	Location
Other Local Taxes	V-6
Other Post Employment Benefits (OPEB)	V-31
Parking Facilities	III-10, V-27
Parks and Recreation	X-16
Personal Property	IV-10, XIII-23
Planning	VIII-8
Police	IX-17
Program Revenues	V-10
Property Tax	IV-10, XIII-23
Public Safety	Section IX
Public Works	X-26
Real Property	IV-10, XIII-23
Revenue Bonds	Section XI, III-5
Risk Reduction	V-37
Sales Tax	V-6
Solid Waste Fund	III-7, V-23
Solid Waste Management	X-37
Special Revenue Fund	V-1, XIII-23
State Shared Revenues	V-8, XIII-24
Strategic Plan	II-1 - 32, VI-4, VI-39
Storm Water Management	III-8, V-24 - 25
Supplemental Information	Section XIII
Tax Base	IV-10, XIII-24
Tax Levy	IV-11, XIII-24
Technology Solutions	VII-36
Transit	III-9, V-26, X-46, XIII-24
Transportation	X-46
Vision	Introductory Pages
Water & Sewer	III-5, V-16 - 21
Water Management	X-55
Watershed Protection Fund	V-39