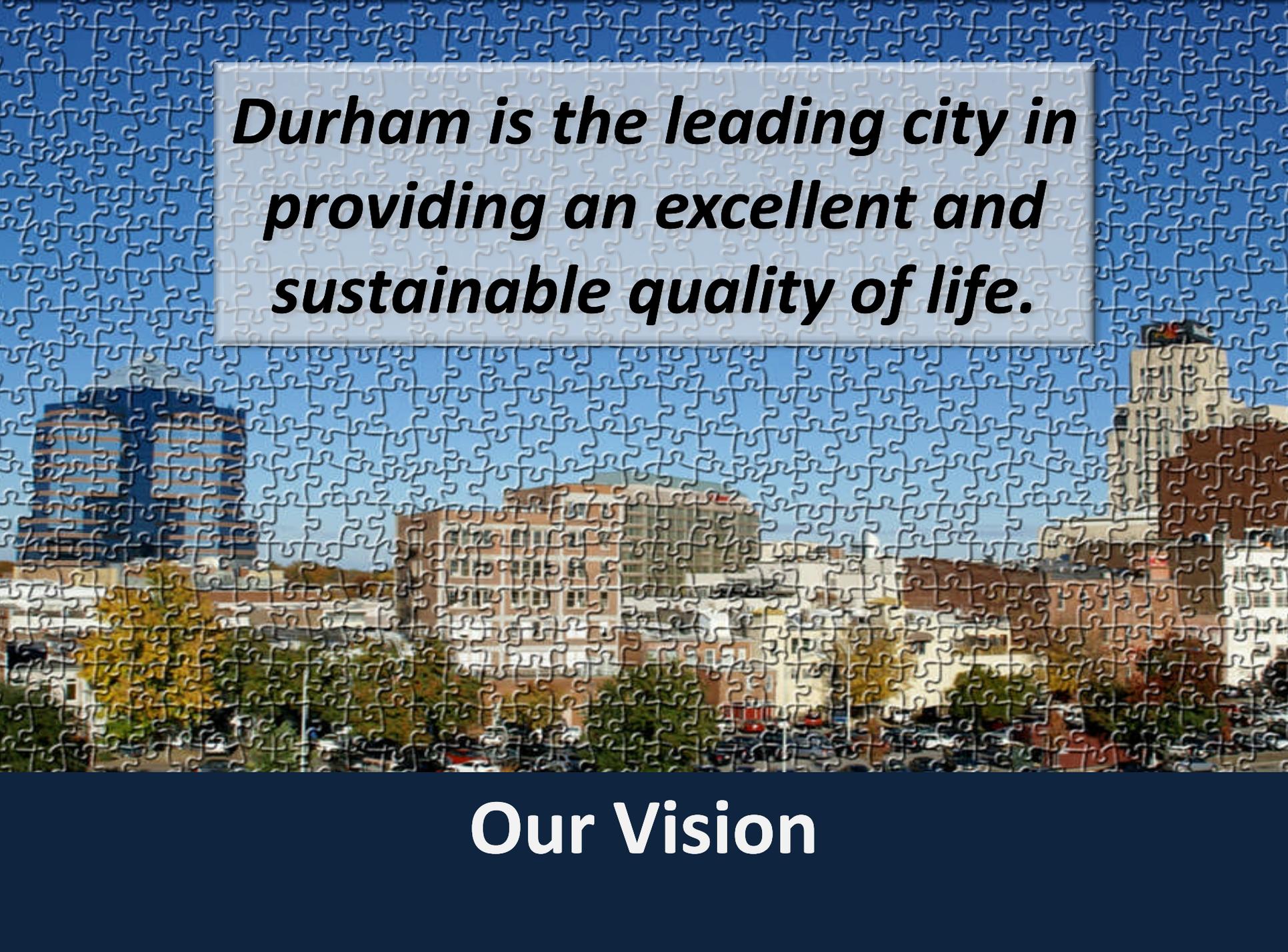




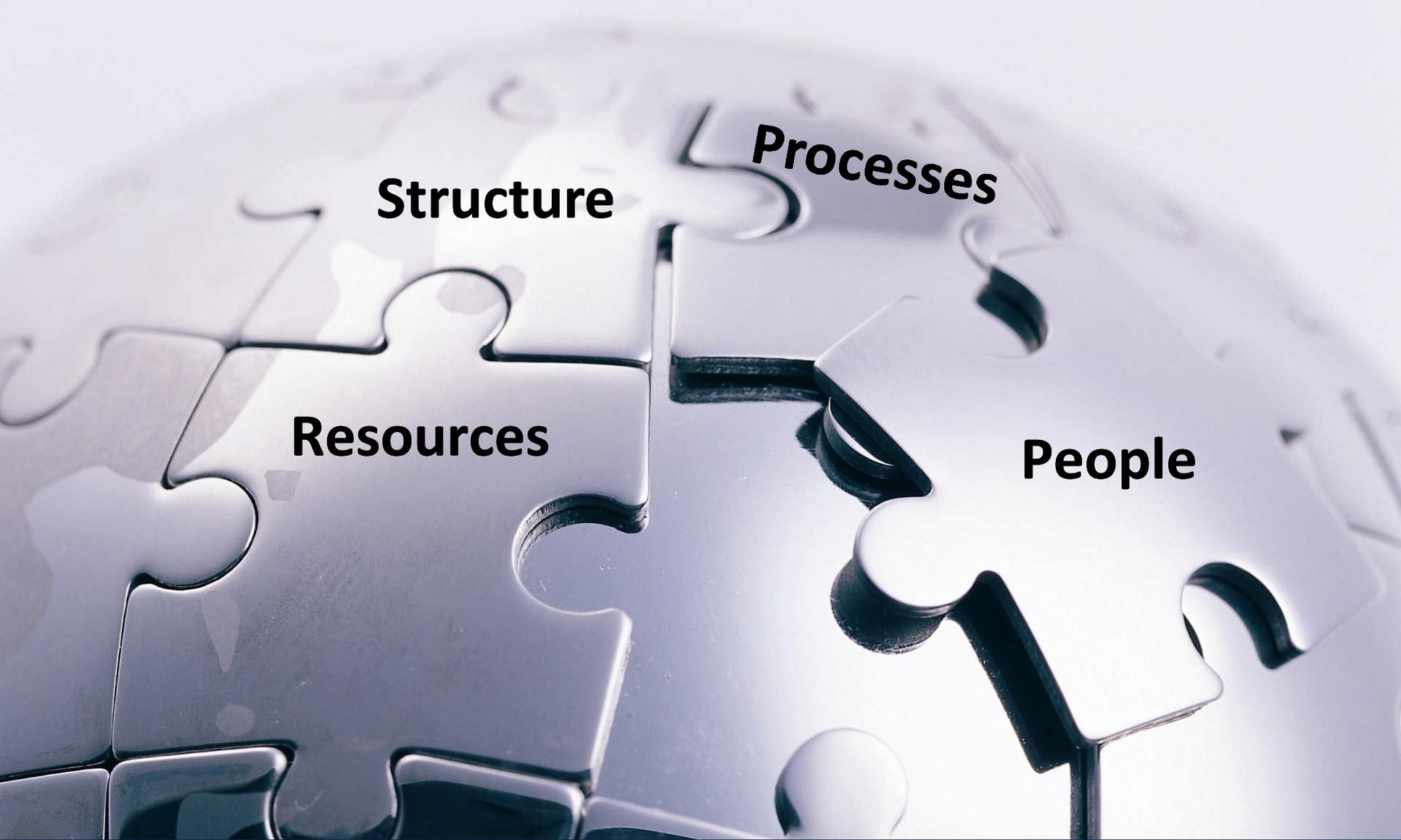
# **FY 2011-2012 Proposed Budget**

**Thomas J. Bonfield, City Manager**  
**May 16, 2011**



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

**Our Vision**



**Structure**

**Processes**

**Resources**

**People**

**Alignment for Success**



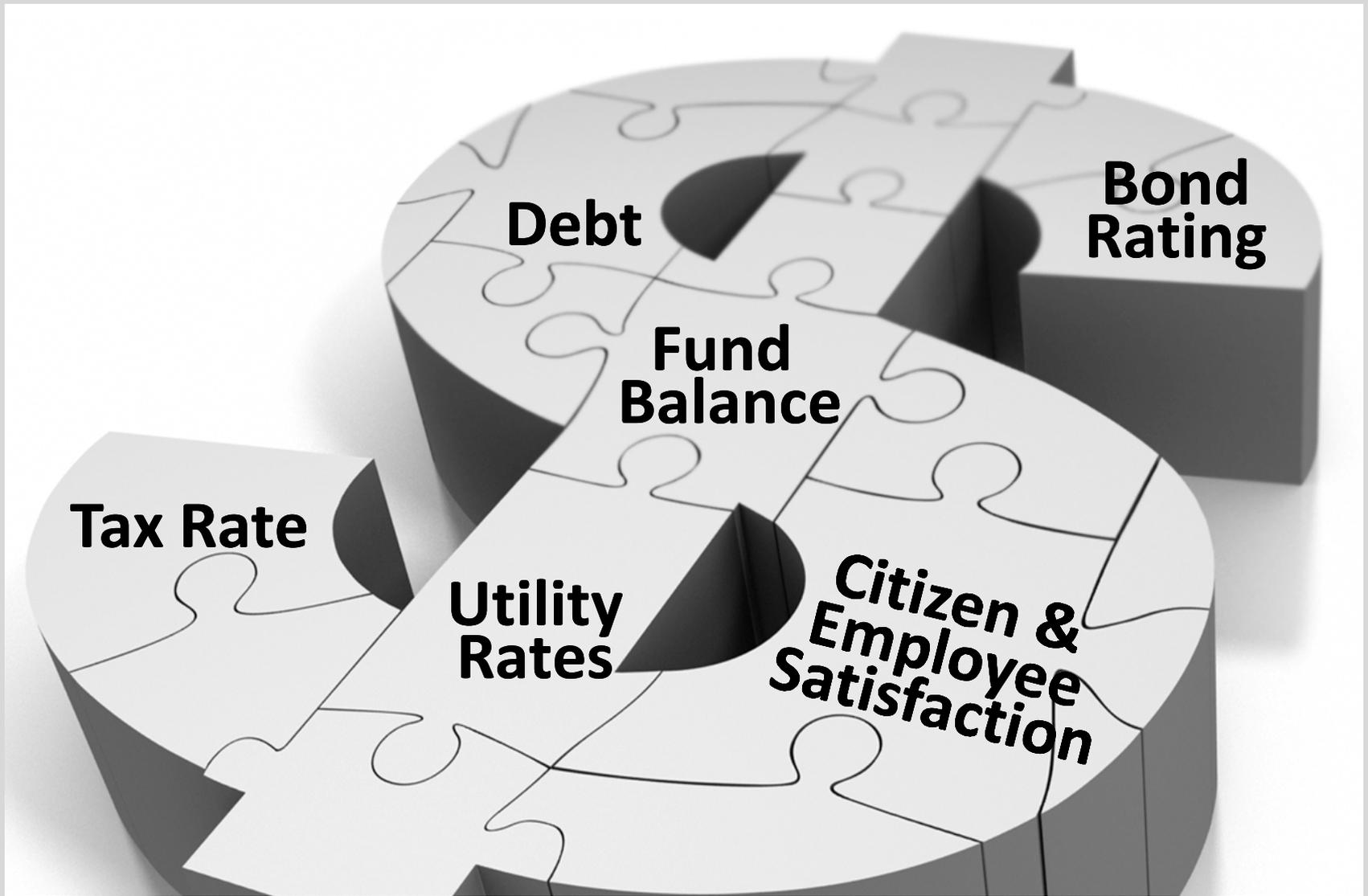
# Alignment for Budget Success



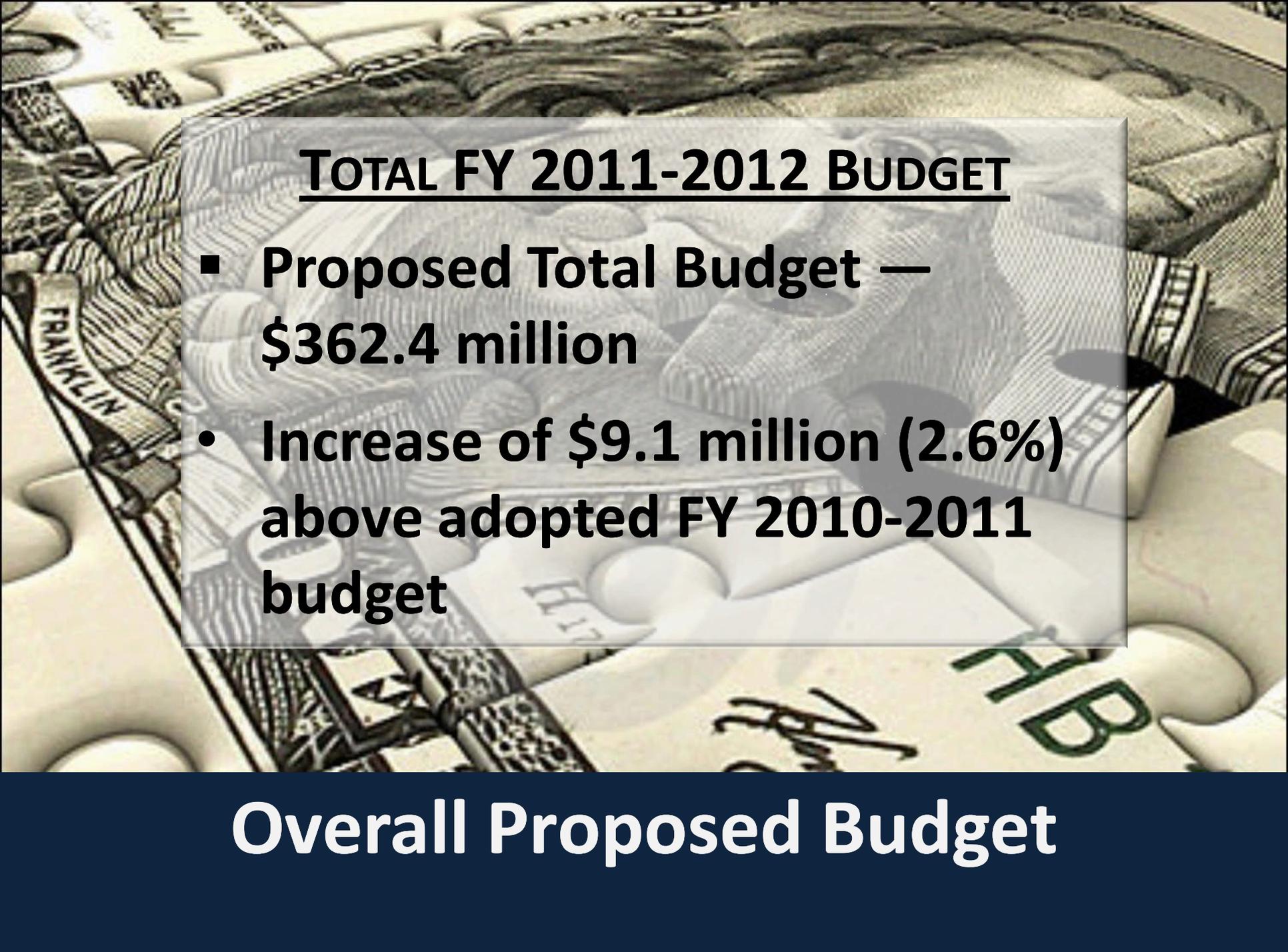
# Community Engagement



# Strategic Plan Goals



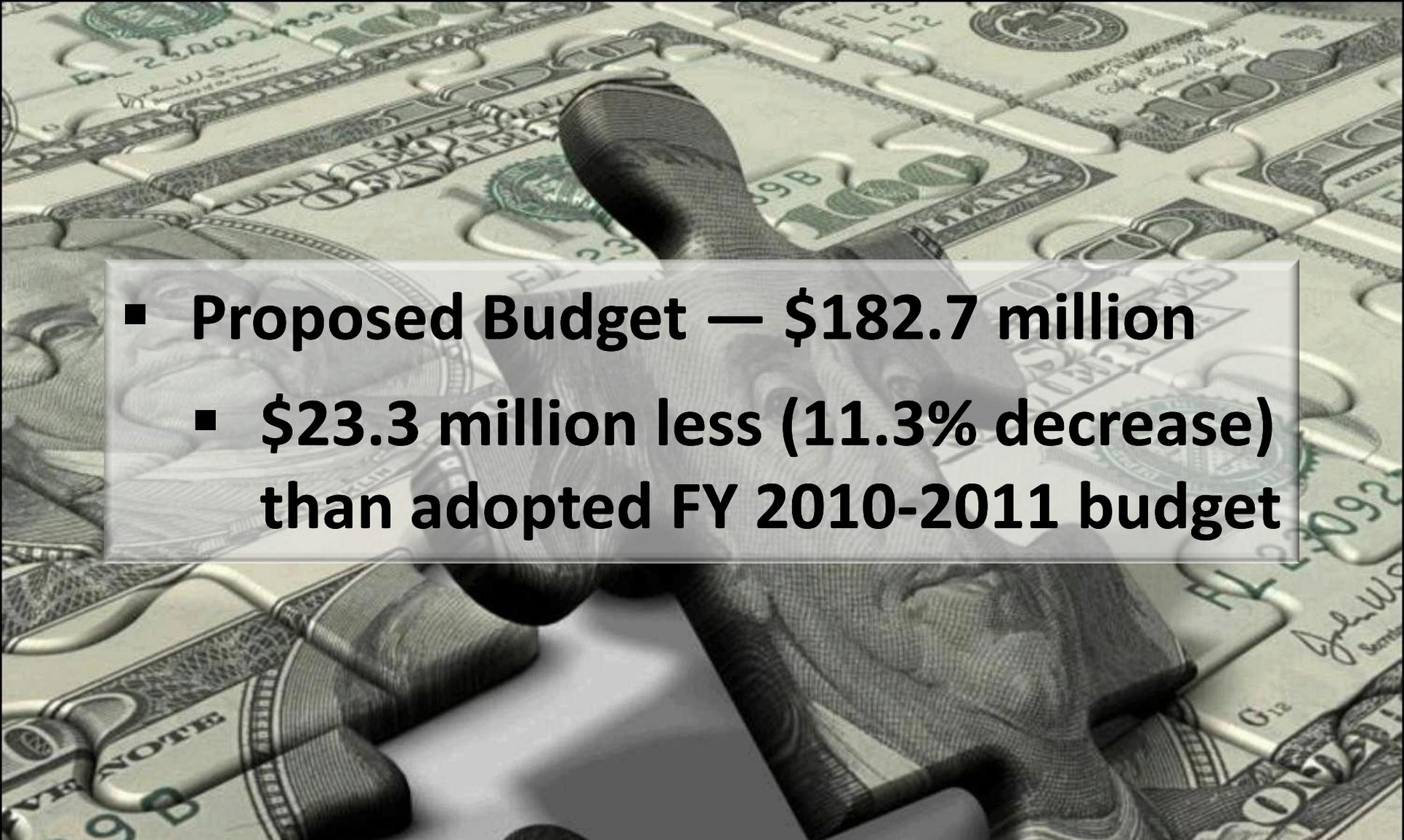
**Well-Managed City**

The background of the slide is a close-up, slightly blurred image of several US dollar bills. The focus is on the texture and patterns of the currency, with some text like 'FRANKLIN' and 'FEDERAL RESERVE' visible. A semi-transparent white box with a thin black border is centered over the image, containing the budget information.

## TOTAL FY 2011-2012 BUDGET

- **Proposed Total Budget — \$362.4 million**
- **Increase of \$9.1 million (2.6%) above adopted FY 2010-2011 budget**

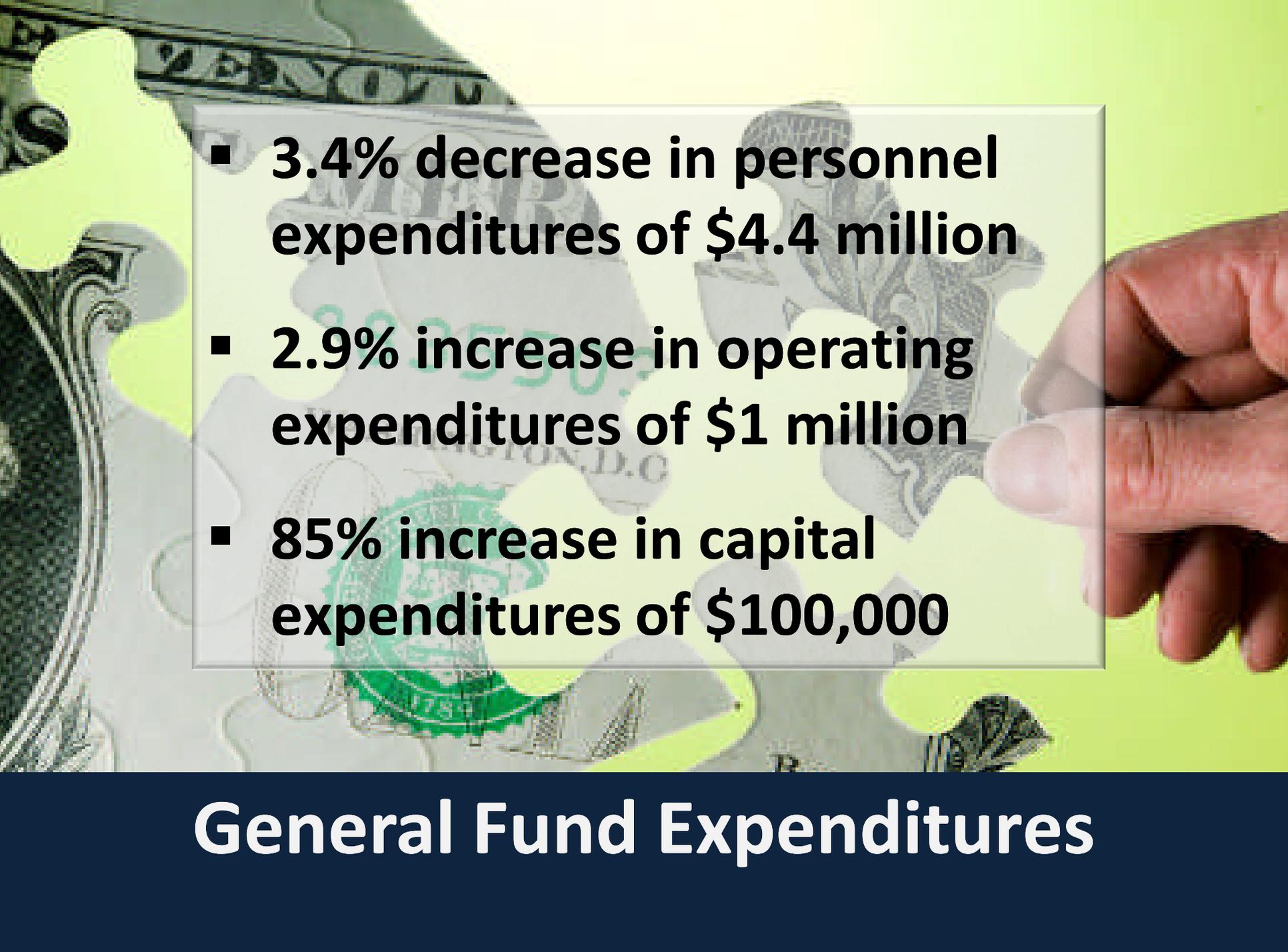
**Overall Proposed Budget**

- 
- **Proposed Budget — \$182.7 million**
    - **\$23.3 million less (11.3% decrease) than adopted FY 2010-2011 budget**

**General Fund**

- 
- **2% net increase in property tax revenues**
  - **10.5% decrease in sales tax revenue of \$4 million**
  - **5.4% increase in State collected local revenue**

## **General Fund Revenues**

- 
- **3.4% decrease in personnel expenditures of \$4.4 million**
  - **2.9% increase in operating expenditures of \$1 million**
  - **85% increase in capital expenditures of \$100,000**

## **General Fund Expenditures**

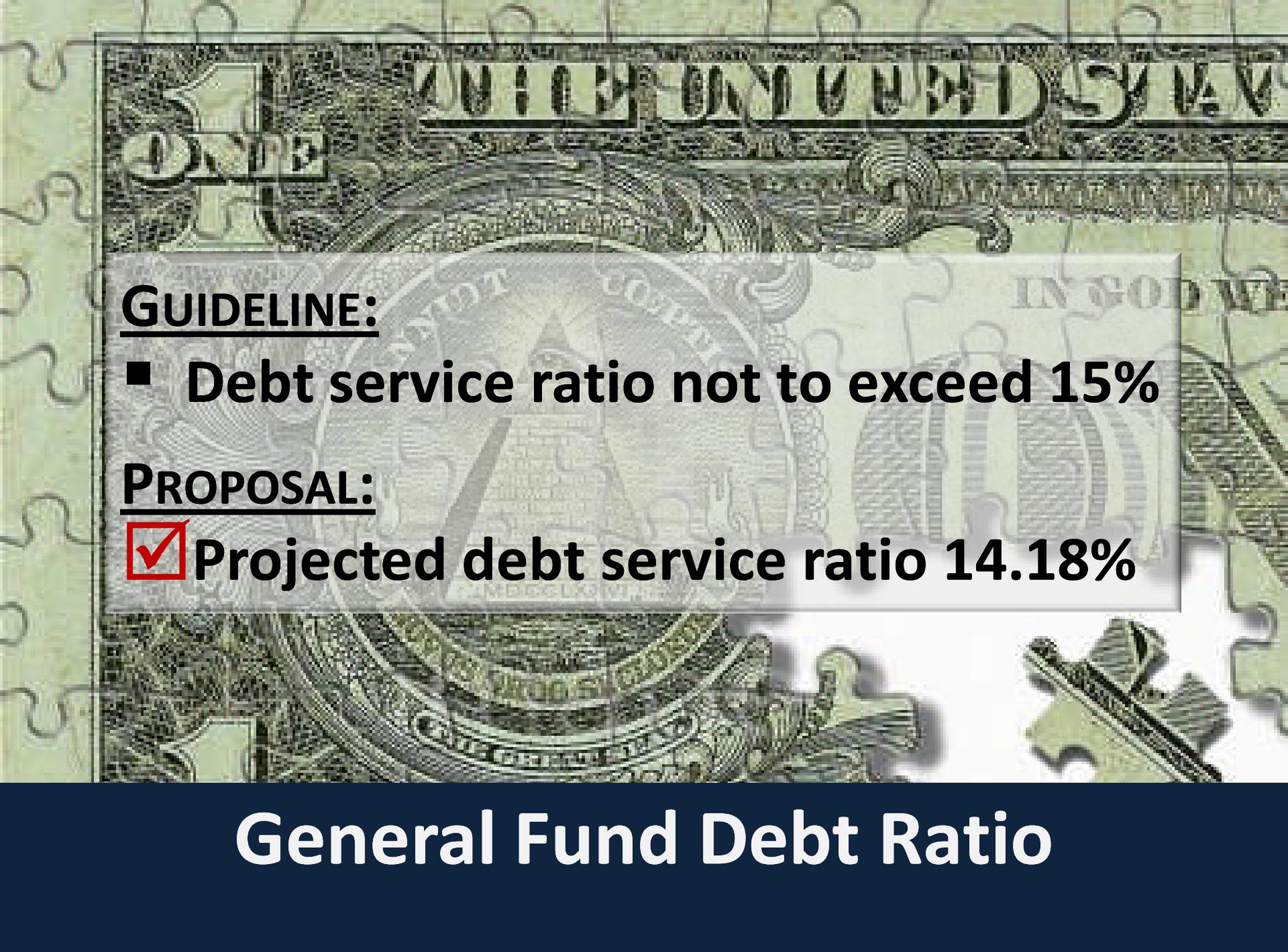
**GUIDELINE:**

- **General Fund balance at least 12%**

**PROPOSAL:**

- Unrestricted fund balance —  
\$20,203,581**
- Fund balance — one-time  
expenditures**
- Projected fund balance — 12.5%**

# General Fund Balance



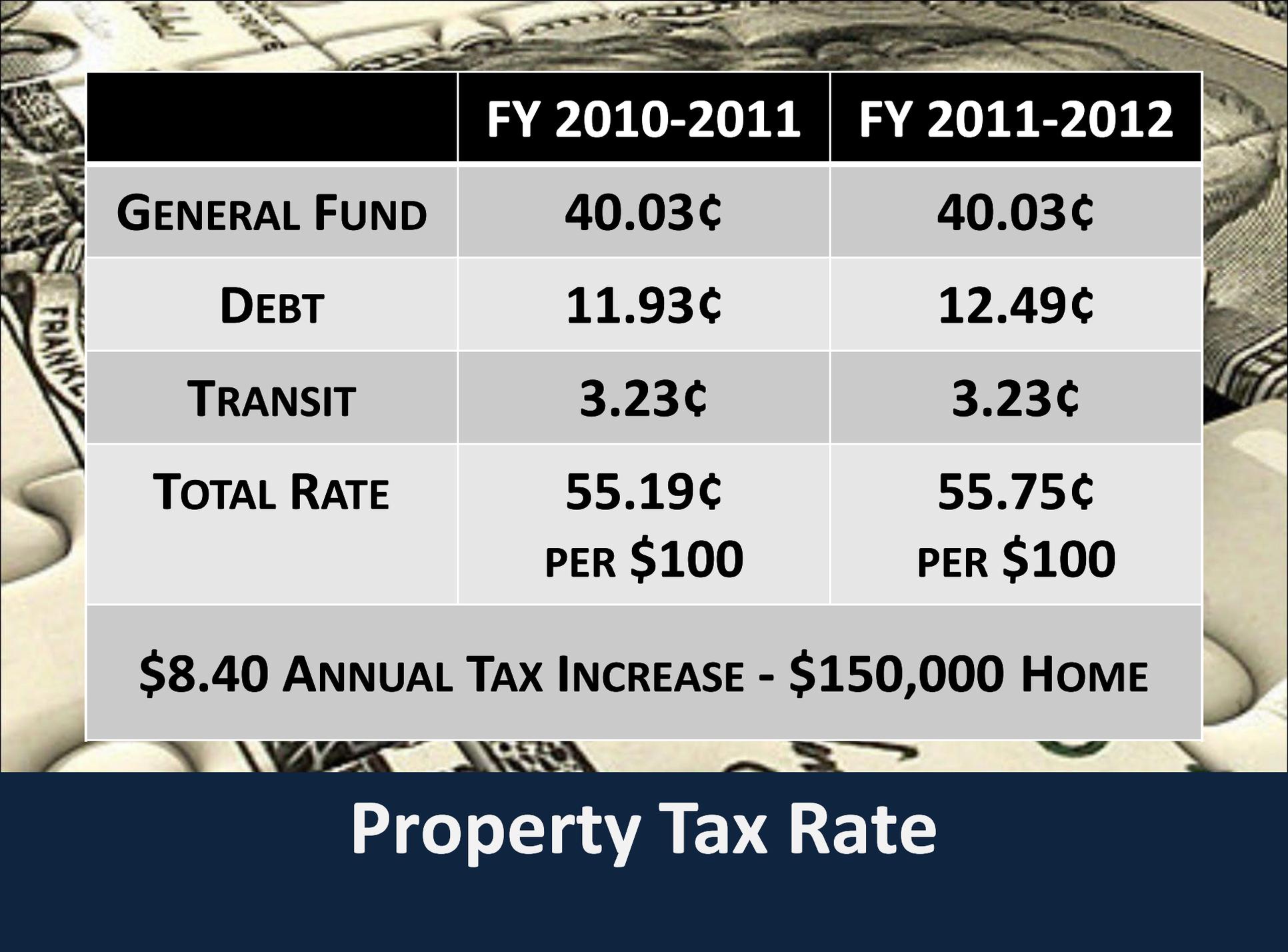
**GUIDELINE:**

- Debt service ratio not to exceed 15%

**PROPOSAL:**

- Projected debt service ratio 14.18%

**General Fund Debt Ratio**



	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>GENERAL FUND</b>	<b>40.03¢</b>	<b>40.03¢</b>
<b>DEBT</b>	<b>11.93¢</b>	<b>12.49¢</b>
<b>TRANSIT</b>	<b>3.23¢</b>	<b>3.23¢</b>
<b>TOTAL RATE</b>	<b>55.19¢</b>	<b>55.75¢</b>
	<b>PER \$100</b>	<b>PER \$100</b>
<b>\$8.40 ANNUAL TAX INCREASE - \$150,000 HOME</b>		

# Property Tax Rate

## **GUIDELINE:**

- **Water & Sewer rate increase not to exceed an average of 5%**

## **PROPOSAL:**

- ☑ **4.7% average rate increase effective**

**July 2011:**

- **Average tier three single-family residential customer approximately \$2.24/month**

# **Water & Sewer Rate**

## **GUIDELINE:**

- **Stormwater rate increase not to exceed 10%**

## **PROPOSAL:**

- ☑ **8.5% average annual rate increase for all tiers effective July 2011:**
  - **Residential Tier 1 — \$2.40/year**
  - **Residential Tier 2 — \$5.04/year**
  - **Residential Tier 3 — \$10.08/year**

# **Stormwater Rate**

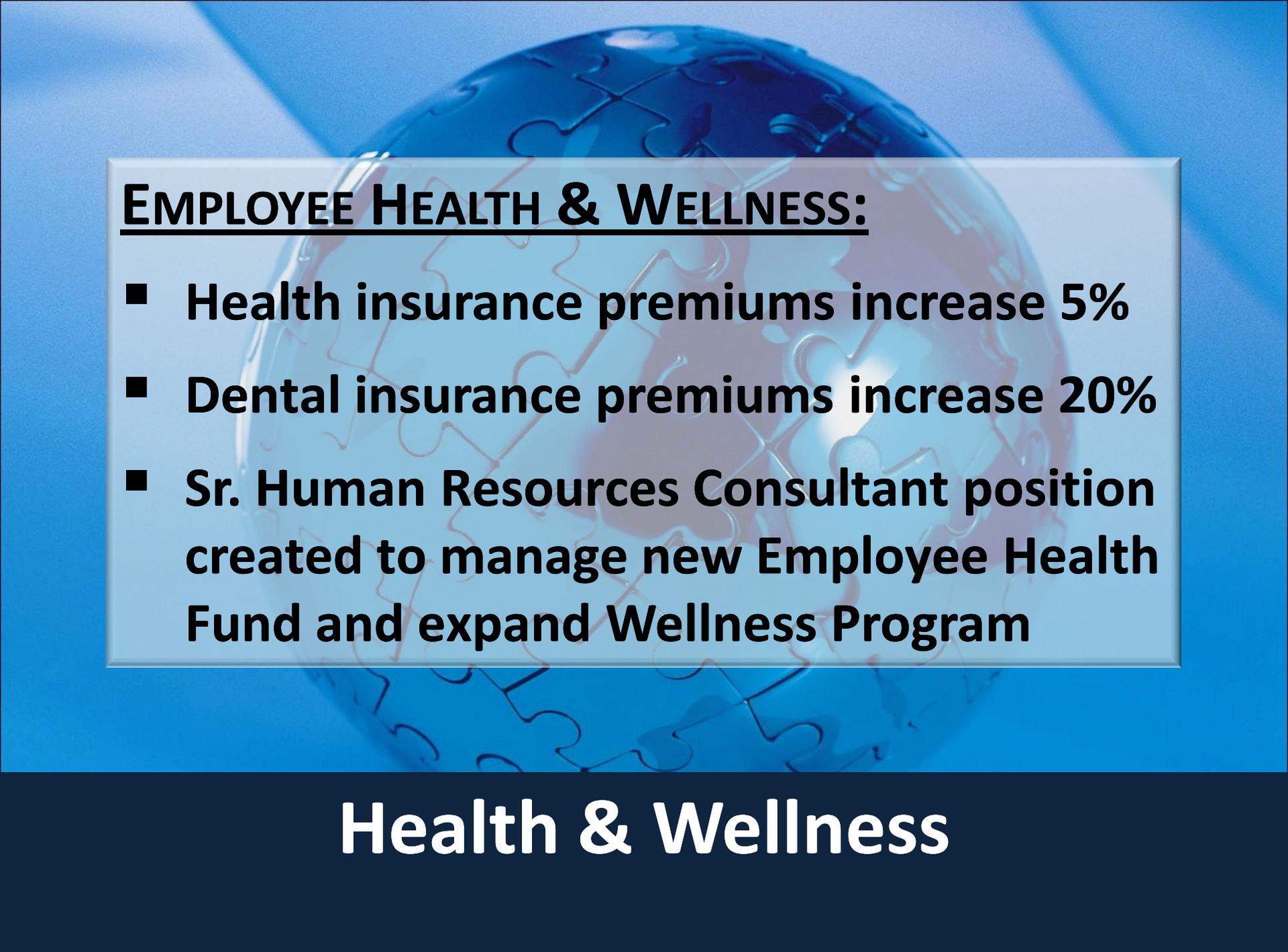


**Connections for Employee Satisfaction**

## EMPLOYEE PAY & RETIREMENT:

- General employee pay plan increase of 2%
- Police and Fire pay plans reinstated (3% to 5%)
- Supplemental 401(k) retirement increase of 1% (excluding sworn police)
- State Retirement System increase of 0.53% for general employees and sworn police

# Compensation



## **EMPLOYEE HEALTH & WELLNESS:**

- **Health insurance premiums increase 5%**
- **Dental insurance premiums increase 20%**
- **Sr. Human Resources Consultant position created to manage new Employee Health Fund and expand Wellness Program**

# **Health & Wellness**

## **REDUCTION-IN-FORCE:**

- **10 positions**
  - 7 filled; 3 vacant

## **NEW AND/OR UNFROZEN POSITIONS:**

- **21 positions**
  - Water Mgmt., General Svcs., Human Resources, Transportation, Public Works

# Staffing



**Workforce  
Development**

**Downtown  
Revitalization**

**Neighborhood  
Revitalization**

**Job  
Creation  
Incentives**

**Youth  
Employment**

**Strong & Diverse Economy**

- 
- **Neighborhood Commercial Revitalization - \$500,000**
  - **Downtown Revitalization - \$255,267**
  - **Job Creation Incentives - \$174,000**

**Strong & Diverse Economy**



## YOUTH WORKFORCE DEVELOPMENT:

- **Mayor's Summer Youth Work Program**
- **Youth Employed & Succeeding (YES)**
- **Working Hard on Achieving (WHOA)**

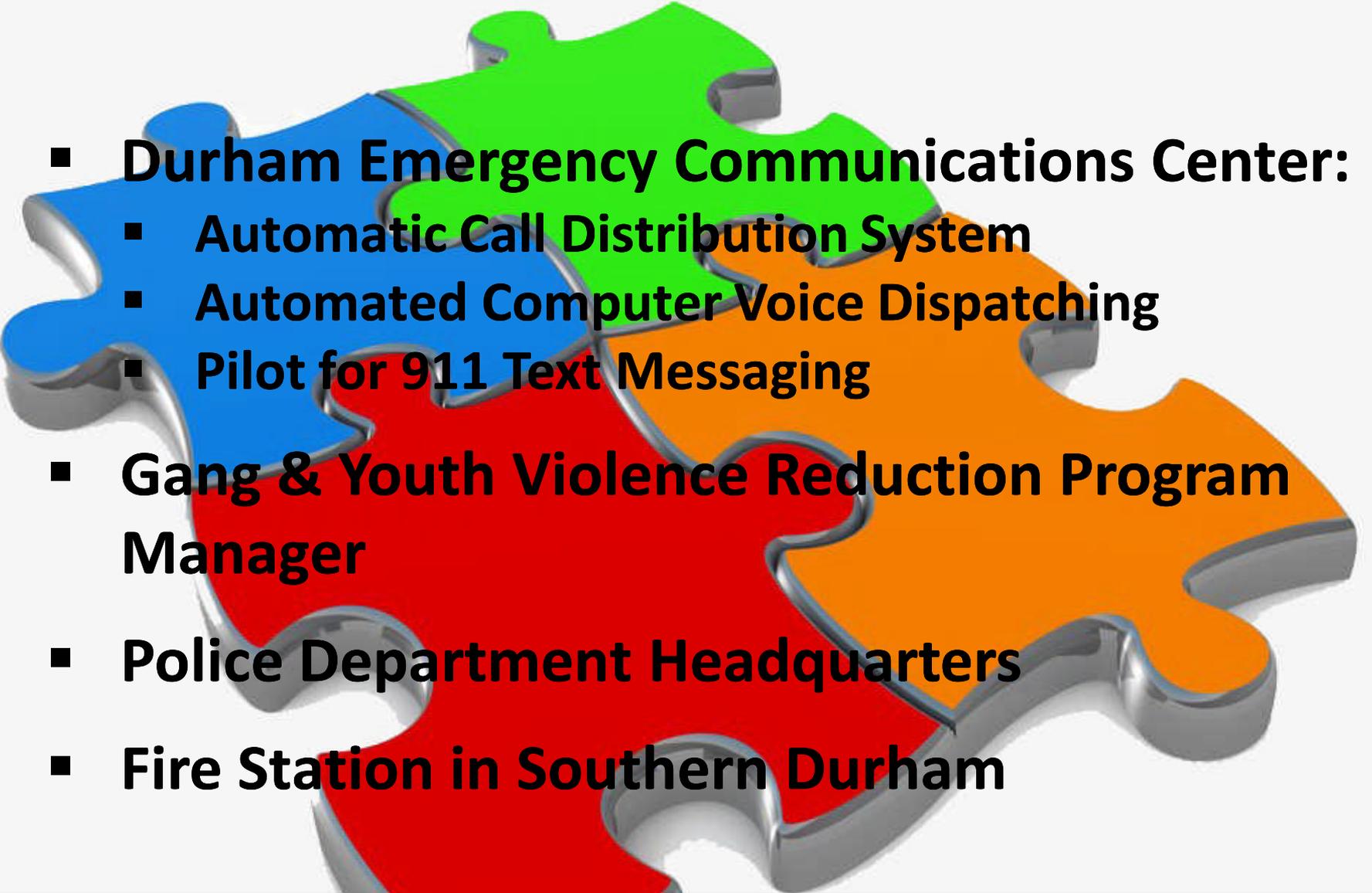
**Strong & Diverse Economy**



**Safe & Secure Community**

- 
- **All Police Department sworn positions fully funded**
  - **Warrant Control Office jointly funded by City and County**
  - **Domestic Violence Judge funded**
  - **Fire Fighter safety equipment replaced**

**Safe & Secure Community**

- 
- **Durham Emergency Communications Center:**
    - **Automatic Call Distribution System**
    - **Automated Computer Voice Dispatching**
    - **Pilot for 911 Text Messaging**
  - **Gang & Youth Violence Reduction Program Manager**
  - **Police Department Headquarters**
  - **Fire Station in Southern Durham**

**Safe & Secure Community**



**Sustainability**

**Code  
Enforcement**

**Affordable  
Housing**

**Traffic Safety**

**Neighborhood  
Redevelopment**

**Thriving, Livable Neighborhoods**

- 
- **Affordable Housing Inventory**
  - **Southside Revitalization**
  - **Code Enforcement**
  - ***Opening Doors*, a Plan to Prevent and End Homelessness**
  - **Reinstate Speed Hump program**

**Thriving, Livable Neighborhoods**



# Stewardship of Physical Assets

- 
- **Deferred Maintenance Fund - \$500,000**
  - **Street Repaving Program:**
    - Repaving now with 2005, 2007, 2010 GO bonds
    - Repaving allocation of \$500,000
  - **Capital Improvement Program - \$50.5 million**
  - **Water & Sewer Infrastructure - \$36 million**

## **Stewardship of Physical Assets**

- **Council Work Sessions May 24 and May 25**
  - **Committee Room, Second Floor, City Hall**
  
- **Public Hearing Monday, June 6 at 7 p.m.**
  - **Council Chambers, First Floor, City Hall**
  
- **Adoption Monday, June 20 at 7 p.m.**
  - **Council Chambers, First Floor, City Hall**

## **Next Steps**



# Strategic Plan Goals

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**Our Vision**



# FY 2011-2012 Proposed Budget