



**Date:** June 13, 2016

**To:** Thomas Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Grace Dzidzienyo, Acting Director of Economic and Workforce Development  
**Subject:** Additional Information regarding the FY2017 budget for a contract between the City and Downtown Durham, Inc. for the Business Improvement District Fund

**Executive Summary**

This item provides an answer to questions from Durham City Council members relating to the presentation made by Downtown Durham, Inc. (DDI) at the budget presentation on May 25, 2016. At this presentation, City Council requested information about the enhanced services that would be provided, particularly the cost of each enhancement. The information for the original request, as well as a revised proposal from DDI is included. The revised proposal was necessary once DDI was aware that safety enhancements were already included in the budget for parking facilities in the downtown area, by the City’s Department of Transportation. Staff has reviewed the original and revised proposals and recommends a contract be awarded to DDI to provide Business Improvement District services, in an amount totaling \$768,397.

**Recommendation**

Staff reviewed the proposal received through the Request for Proposal process, met with the organization after the May 25<sup>th</sup> presentation to Council and recommends the following:

- The BID tax rate would remain at 7 cents per \$100 of assessed value.
- The contract with DDI would fund the enhancements requested with the exception of the two (2) full-time safety ambassadors and one (1) bicycle:

<b>2016 Contract</b>	<b>\$653,503</b>
2 FT Ambassadors @\$43,300 each	\$ 86,600
Full size truck (leased @ \$750/ month)	\$ 9,000
2 bicycles incl. maintenance agreements	\$ 4,500
Equipment and/or seasonal help	\$ 14,794

<b>Sub Total Enhancements</b>	<b>\$114,894</b>
<b>TOTAL</b>	<b>\$768,397</b>

**Issues/Analysis**

In accordance with the 2015 revisions to NC G. S.160A-536, the City of Durham held a public meeting to solicit input from the residents and property owners as to the needs of the service district on April 23, 2016. Prior to entering into a contract under G. S. 160A-536, the City used a bid process to determine which private agency is best suited to achieve the needs of the service district. That process began with the issuance of a request for proposal on April 28, 2016 and closed on May 12, 2016. The advertising period was approved by The City's Office of Equal Opportunity/Equity Assurance. One proposal was received by the City. It was from Downtown Durham, Inc. That proposal was evaluated and scored by a committee of 4 people (one each) from: The Small Business Technology Center of North Carolina Central University, Durham Tech's Small Business Center, the City's Departments of Transportation and Equal Opportunity/Equity Assurance (EO/EA). The average score was 90.75 out of 100. The City's purchasing department issued a notice of intent to award a contract on May 17, 2016.

The original enhanced budget proposed by DDI was presented at the May 25<sup>th</sup> budget meeting, included a request to expand the ambassador team to better meet the needs of the Business Improvement District. The organization proposed adding two (2) full-time safety associates, two (2) part-time clean and safe ambassadors and additional operating needs (a full-size truck and bicycles).

**Budget Total Presented at the May 25<sup>th</sup> Budget Meeting with City Council**

<b>2016 Contract</b>	<b>\$653,000</b>
2 FT Safe and Clean Assoc. @\$43,298 each	\$ 86,596
2 PT Clean & Safe	43,299
Benefits	4,105
Full size truck (leased @ \$750/month)	9,000
3 bicycles incl. maintenance agreements	<u>6,000</u>
<b>Sub Total</b>	<b>\$150,000</b>
<b>TOTAL</b>	<b>\$802,000</b>

At the time of the RFP request, DDI was unaware the Department of Transportation planned to provide security enhancements in parking facilities in the upcoming year. Some of these enhancements include:

- Providing two additional dedicated patrols to parking areas
- Facilitating the increased frequency of Police bicycle patrols
- Additional electronic surveillance that will be monitored out of the parking office, so that help can be dispatched to areas of need.

Given this information, along with what was available in the BID fund, based on growth, assuming a 7.00 cent tax rate, Staff met with DDI to develop a revised budget proposal that reflected the needs/requests of the downtown community. This proposal does not include

security enhancements, but instead requests two (2) full-time ambassadors and funding for equipment and seasonal help.

### Revised Budget Request

<b>2016 Contract</b>	<b>\$653,503</b>
2 FT Ambassadors @\$43,300 each	\$ 86,600
Full size truck (leased @ \$750/ month)	\$ 9,000
2 bicycles incl. maintenance agreements	\$ 4,500
Equipment and/or seasonal help	\$ 14,794
<b>Sub Total Enhancements</b>	<b>\$114,894</b>
<b>TOTAL</b>	<b>\$768,397</b>

With the addition of two (2) full-time clean ambassadors, DDI will be able to better handle the growth that has occurred over the last 4 years in downtown since the BID was established in 2012.

These Ambassadors will assist with trash collection, (167% growth since 2012) and sidewalk cleaning and ambassadorial services which have grown tremendously with the new employees (18% growth), new residents (18% growth), new hotel rooms (243% growth) and street level businesses (26% growth). In addition, these Ambassadors will be able to assist during all of the current and new downtown events that occur in downtown. These ambassadorial services include giving directions, handing out maps, serving as the eyes and ears of police, and being a helpful presence on the streets of downtown.

This revised proposal will place the additional funding into the Ambassador program. Currently, DDI offsets administrative expenses that exceed the contract award through private fundraising efforts and other economic development contracts (see attachment 1: Profit and Loss Statement). With this proposal, DDI would still utilize the \$61,171 of the organization's operating budget to cover additional anticipated costs of the BID that exceed the budget request above.

Funding this proposal for enhanced BID services would not alleviate the need for DDI to continue its private fundraising efforts and additional contracts. However, it would allow DDI to focus on growing the number of retail businesses in downtown, assist with larger development projects by making sure they fit the goals of the Downtown Master Plan in design, delivery & use, provide additional support and sponsorship of more downtown events and allow for increased marketing for downtown (more maps, materials, advertising & more).

### Financial Impact

North Carolina law requires all counties to reappraise real property at least every eight years. This past year Durham County reappraised all real property in the county (the last reappraisal took effect on January 1, 2008). G.S. 159-11 requires each taxing unit to publish a revenue-neutral property tax rate ("revenue-neutral rate") as part of its budget for the fiscal year following the revaluation of its real property. The revenue-neutral rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no revaluation had occurred.

The revenue-neutral tax rate for the BID District, as defined by G.S. 159-11(e), is 5.32 cents. Staff recommends the property tax rate for FY2016-17 remain at 7.00 cents, which represents a 1.68 cent increase from the revenue neutral rate.

A 7.00 cent tax rate will produce \$614,674 in general property taxes. This funding, along with a \$250,000 contribution from the General Fund, comprises the Business Improvement District Fund, totaling \$864,674.

With the proposed \$864,674 of funding the following expenses are recommended by staff:

Contract with Downtown Durham, Inc.	\$768,397
Transfer to Solid Waste (enhanced collection services and new compactors)	90,130
Tax Collection Fee	<u>6,147</u>
<b>Total Appropriations</b>	<b>\$864,674</b>

### Alternatives

City Council could direct Administration to adopt the revenue neutral rate or some other rate different from the proposed 7.00 cents. The impact would result in a reduction of funding to Downtown Durham, Inc. in the amount of \$31,207 compared to the FY2016 contract, increasing the need for additional fundraising efforts for the organization. In addition, a slightly lower Tax Collection Fee would be charged because fewer taxes would be collected.

	7.00 cents	5.32 cents
	Current	Rev Neutral
<b>Revenues</b>		
General Property Taxes	\$ 614,674	\$ 467,097
Transfers from Other Funds	250,000	250,000
<b>Total Revenues</b>	<b>\$ 864,674</b>	<b>\$ 717,097</b>
<b>Appropriations</b>		
Operating	\$ 768,397	\$ 622,296
Tax Collection Fee	6,147	4,671
Transfer to Other Funds	90,130	90,130
Transfer to Fund Balance	-	-
Appropriations not Authorized	-	-
<b>Total Appropriations</b>	<b>\$ 864,674</b>	<b>\$ 717,097</b>

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06/07/16

**Downtown Durham, Inc.**  
**Profit & Loss Budget vs. Actual By Class YTD**  
 July 2015 through June 2016

	BID Enhanced		ED Contract		TOTAL	
	Jul '15 - Jun 16	Budget	Jul '15 - Jun 16	Budget	Jul '15 - Jun 16	Budget
<b>Income</b>						
Downtown Lighting Grants	22,000.00		0.00		22,000.00	0.00
Partners in Progress	0.00		21,400.00	35,000.00	21,400.00	35,000.00
Annual Meeting Income	0.00		31,290.95	20,000.00	31,290.95	20,000.00
BID - City of Durham	599,044.38	653,500.00	0.00		599,044.38	653,500.00
City Economic Dev Contract	0.00		123,036.00	160,000.00	123,036.00	160,000.00
County - Durham	0.00		150,000.00	150,000.00	150,000.00	150,000.00
Interest Income	0.00		41.42		41.42	0.00
<b>Total Income</b>	<b>621,044.38</b>	<b>653,500.00</b>	<b>325,768.37</b>	<b>365,000.00</b>	<b>946,812.75</b>	<b>1,018,500.00</b>
<b>Expense</b>						
Accounting Fees	5,662.50	5,500.00	5,662.50	5,500.00	11,325.00	11,000.00
Annual Meeting Expenses	0.00		15,446.01	15,000.00	15,446.01	15,000.00
Bank Charges	0.00	50.00	0.00	50.00	0.00	100.00
Book Keeping	1,855.11	2,500.00	1,855.14	2,500.00	3,710.25	5,000.00
Contingency	0.00	6,000.00	0.00	6,000.00	0.00	12,000.00
Copier Lease	1,823.75	1,750.00	1,823.80	1,750.00	3,647.55	3,500.00
Economic Development	15,681.50	15,000.00	15,681.50	15,000.00	31,363.00	30,000.00
Employee Benefits	5,580.34	7,500.00	5,580.33	7,500.00	11,160.67	15,000.00
Insurance - Business	1,876.00	2,000.00	1,876.00	2,000.00	3,752.00	4,000.00
Streetscape Supplies	10,310.00	10,000.00	0.00		10,310.00	10,000.00
Legal Fees	0.00	250.00	0.00	250.00	0.00	500.00
Marketing	9,195.35	10,000.00	5,695.35	10,000.00	14,890.70	20,000.00
Memberships	1,005.00	600.00	1,005.00	600.00	2,010.00	1,200.00
Office Rent	9,484.00	10,380.00	16,146.00	18,620.00	25,630.00	29,000.00
Office Supplies	1,280.73	1,250.00	1,280.75	1,250.00	2,561.48	2,500.00
Parking	715.00	600.00	715.00	600.00	1,430.00	1,200.00
Payroll Tax Expense	13,095.26	15,000.00	13,095.22	15,000.00	26,190.48	30,000.00
Telephone	2,811.38	3,000.00	2,811.38	3,000.00	5,622.76	6,000.00
Postage	197.13	900.00	197.15	900.00	394.28	1,800.00
Postage Meter Lease	202.16	500.00	202.17	500.00	404.33	1,000.00
Salaries	166,550.53	186,600.00	166,550.53	186,600.00	333,101.06	373,200.00
Clean & Safe	359,522.99	390,000.00	0.00		359,522.99	390,000.00
Office & Storage Space	11,450.00	9,000.00	0.00		11,450.00	9,000.00
Software Support Fees	237.24	1,000.00	237.24	1,000.00	474.48	2,000.00
Special Events	35,178.84	37,000.00	0.00		35,178.84	37,000.00
Subscriptions	154.82	250.00	154.81	250.00	309.63	500.00
Taxes/Licenses	0.00		100.00		100.00	0.00
Travel/Misc.	2,597.71	2,500.00	2,172.72	2,500.00	4,770.43	5,000.00
Water Meter Fee & Water Supplie	2,760.30	3,000.00	0.00		2,760.30	3,000.00
<b>Total Expense</b>	<b>659,227.64</b>	<b>722,130.00</b>	<b>258,288.60</b>	<b>296,370.00</b>	<b>917,516.24</b>	<b>1,018,500.00</b>
<b>Net Income</b>	<b>-38,183.26</b>	<b>-68,630.00</b>	<b>67,479.77</b>	<b>68,630.00</b>	<b>29,296.51</b>	<b>0.00</b>

## DDI FINANCIALS

### Recommended Proposal for FY2016-17

<b>2016 Contract</b>	<b>\$653,503</b>
2 FT Ambassadors @\$43,300 each	\$ 86,600
Full size truck (leased @ \$750/ month)	9,000
2 bicycles incl. maintenance	\$4,500
Equipment and/or seasonal help	\$14,794
<b>Sub Total Operating</b>	<b>\$114,894</b>
<b>TOTAL</b>	<b>\$768,397</b>

### (REVISED) DDI Other Funding Sources & Total Budget

BID Revenues and General Fund Transfer	\$653,503
Requested additional 2016-17 BID revenues	\$114,894
<b>Subtotal BID Funding</b>	<b>\$768,397</b>
City Economic Development Contract	\$160,000
County Contract for Economic Development Services	\$150,000
DDI Annual Meeting (Private)	\$20,000
Partners in Progress	\$35,000
Lighting Program Income	\$66,000
<b>Subtotal Other Operating Funding</b>	<b>\$431,000</b>
<b>TOTAL DDI BUDGET</b>	<b>\$1,199,397</b>

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06/15/16

**Downtown Durham, Inc.**  
**Profit & Loss Budget vs. Actual By Class YTD**  
 July 2016 through June 2017

	BID Enhanced	ED Contract	TOTAL
	Jul '16 - Jun 17	Jul '16 - Jun 17	Jul '16 - Jun 17
<b>Income</b>			
Downtown Lighting Income	66,000.00		66,000.00
Partners in Progress		35,000.00	35,000.00
Annual Meeting Income		20,000.00	20,000.00
BID - City of Durham	768,000.00		768,000.00
City Economic Dev Contract		160,000.00	160,000.00
County - Durham		150,000.00	150,000.00
<b>Total Income</b>	<b>834,000.00</b>	<b>365,000.00</b>	<b>1,199,000.00</b>
<b>Expense</b>			
Downtown Lighting Expense	59,400.00		59,400.00
Accounting Fees	4,250.00	4,250.00	8,500.00
Annual Meeting Expenses		15,000.00	15,000.00
Bank Charges	50.00	50.00	100.00
Book Keeping	2,500.00	2,500.00	5,000.00
Contingency	10,350.00	10,350.00	20,700.00
Copier Lease	1,750.00	1,750.00	3,500.00
Economic Development	12,000.00	12,000.00	24,000.00
Employee Benefits	7,500.00	7,500.00	15,000.00
Insurance - Business	2,000.00	2,000.00	4,000.00
Streetscape Supplies	8,000.00		8,000.00
Legal Fees	250.00	250.00	500.00
Marketing	8,000.00	8,000.00	16,000.00
Memberships	750.00	750.00	1,500.00
Office Rent	10,656.00	18,344.00	29,000.00
Office Supplies	1,250.00	1,250.00	2,500.00
Parking	800.00	800.00	1,600.00
Payroll Tax Expense	16,500.00	16,500.00	33,000.00
Telephone	3,150.00	3,150.00	6,300.00
Postage	600.00	600.00	1,200.00
Postage Meter Lease	0.00	0.00	0.00
Salaries	194,500.00	194,500.00	389,000.00
Clean & Safe	487,000.00		487,000.00
Office & Storage Space	13,000.00		13,000.00
Software Support Fees	750.00	750.00	1,500.00
Special Events	45,000.00		45,000.00
Subscriptions	350.00	350.00	700.00
Travel/Misc.	2,500.00	2,500.00	5,000.00
Water Meter Fee & Water Supplie	3,000.00		3,000.00
<b>Total Expense</b>	<b>895,856.00</b>	<b>303,144.00</b>	<b>1,199,000.00</b>
<b>Net Income</b>	<b>-61,856.00</b>	<b>61,856.00</b>	<b>0.00</b>



June 16, 2016

Tom Bonfield  
City Manager  
101 City Hall Plaza  
Durham, NC 27701

RE: Providing answers to your questions regarding the DDI Financials

1. The revenue for City Economic Development contact has been increased by \$10,000 to \$160,000. Did OEWD negotiate an increase in the City Economic Development contract with DDI? If so what was the basis for this increase?
2. Contingency for both categories increased by 70% or a total of \$8,700. What was the reason for this increase in contingency in both areas when it does not appear to have been spent in either program in FY15/16.
3. Economic development was reduced by 20% or \$6,000 split evenly by program. What are the reductions in services?
4. Marketing was reduced by 20% or \$4,000 split evenly by program. What are the reductions in services?
5. Clean and safe services cost increased by \$97,000 from \$390,000 to \$487,000. The attachments reflect enhanced services totaling \$114,894. How is the \$17,894 reconciled?
6. Special events were reduced by \$8000. Which special events will no longer be conducted as a result of this reduction?
7. It has been stated the in FY 15/16 that DDI was subsidizing BID enhanced services however this is not evidenced with the two sets of budget submittals provided.

Downtown Durham, Inc. answers are below in **BOLD**.

1. The revenue for City Economic Development contact has been increased by \$10,000 to \$160,000. Did OEWD negotiate an increase in the City Economic Development contract with DDI? If so what was the basis for this increase?

**Both the 2015-16 Budget and our proposed 2016-17 Budget have \$160,000 listed as the City Economic Development Contract. (There was an increase in approximately 2013-14 to \$160,000 from \$148,000 with the addition of \$12,000 from the Beer Festival/Events support that the City transferred to DDI.)**

2. Contingency for both categories increased by 70% or a total of \$8,700. What was the reason for this increase in contingency in both areas when it does not appear to have been spent in either program in FY15/16.

**Contingency has been increased mostly with the additional administration fee from the Lighting program. In addition, we expect a portion of the 2015-16 contingency will be used when reconciling the year-end budget totals (bookkeeper and audit) from some additional expenses in office & storage space, economic development, streetscape supplies and the DDI Executive Search. This contingency accounts for less than 2% of the total DDI budget.**

3. Economic development was reduced by 20% or \$6,000 split evenly by program. What are the reductions in services?

**This reduction is due to the costs of the Master Plan Consultants not being needed in the 2016-17 fiscal year. The 2016-17 proposed budget will include funds for master plan implementation projects once completed as well as economic development efforts.**

4. Marketing was reduced by 20% or \$4,000 split evenly by program. What are the reductions in services?

**This reduction in services will likely be in special event sponsorship(s). Exactly which event sponsorships are likely to be reduced is yet to be determined.**

5. Clean and safe services cost increased by \$97,000 from \$390,000 to \$487,000. The attachments reflect enhanced services totaling \$114,894. How is the \$17,894 reconciled?

**The total budget for Clean & Safe is not accounted for in just the Clean & Safe line item. That line, plus Office & Storage Space of \$13,000 (for the Ambassador Team & Equipment), Streetscape Supplies of \$8,000 and Water Meter Fee & Water Supplies of \$3,000 are part of this. This totals \$511,000.**

**The previous year these same line items totaled \$412,000 for a difference of \$99,000 (vs \$97,000 referenced in the question). In addition, we have allotted an increased budget number for seasonal help in the Salaries line detailed below. In addition, we have budgeted increased funding for equipment and seasonal help during special events in the Special Events line item. Please see the detailed breakout below:**

**Breakout**

**\$4,500 - Special Events - Bikes that will be used mainly during events**

**\$3,500 - Special Events - Seasonal Event Help (Moogfest, ACC Baseball, Art of Cool, Full Frame, Christmas Parade, etc.)**

**\$7,900 – Salaries -for Seasonal help. Includes work such as fall leaf cleanup, springtime weed cleanup, additional beautification before events, etc.**

**When you combine these items from the BID side of the budget, the total increase comes to \$114,900.**

6. Special events were reduced by \$8000. Which special events will no longer be conducted as a result of this reduction?

**We are showing an increase of \$8,000 in Specials Events from \$37,000 to \$45,000 the budget in 2016-17. This increase of \$8,000 is the addition of line 1 and 2 in the Breakout in Question #5.**

7. It has been stated the in FY 15/16 that DDI was subsidizing BID enhanced services however this is not evidenced with the two sets of budget submittals provided.

**Our understanding is that the BID Enhanced services that were implemented in 2012 took into account not just the Clean & Safe Services, but also factored in Economic Development, Marketing, Special Events and the staff time, resources and hard costs associated with that. At the time, it was decided by previous parties involved that a majority of costs for the operations of the BID (including all associated costs listed above) would be split 50-50 as staff would be spending approximately 1/2 the time on new initiatives as a result of the new funding, with the other 1/2 would be spent on things the staff was already working on. That accounts for a majority of the BID Enhanced and ED Contracts/Private Fundraising dollars being split the way they are. As you will see, some of the line items are not split equally between the two funding sources. These items would be ones such as the Annual Meeting (100% Econ Development) as that was completely done by staff before the BID, so no additional dollars were spent on this from the BID. Items such as the Clean & Safe Program (\$390,000 in 2015-16) and Special Events (\$37,000 in 2015-16) were completely new programs when the BID began, so they are funded 100% from BID Enhanced funding. When all of these expenses are combined to provide the BID Enhanced Services, the number comes out to \$722,000 (2015-16) in total costs for the entire BID program of work. The BID Contract with the City of Durham totaled \$653,500 in 2015-16, a difference of \$68,630. This \$68,630 was covered by the Economic Development Contracts of the City and County and private fundraising.**

**Lew Myers**

Interim President & CEO  
Downtown Durham Inc.  
115 Market Street, Suite 213  
Durham, NC 27701  
919.682.2800



June 10, 2016

Reggie,

Per your request for the matter referenced above, the breakout of what would be eliminated if DDI does not subsidize the BID at the total of \$61,000 per year, it would have the following effect:

The BID would lose 1 full-time ambassador (out of the 7 we have) at a yearly cost of approximately \$43,000.

The BID would lose the entire budget of \$10,000 for Streetscape Supplies which includes 2 yearly plantings of flowers in the ~20 Downtown Planters that the City of Durham owns around downtown. These plantings occur in the fall and spring. This also includes additional funds for landscaping and maintenance.

Water and water meter rental from the City for pressure washing downtown sidewalks and plaza areas would be removed from the services at a cost savings of \$2,700/year

To enhance the visibility of the Ambassador team during events, 3 banners and a tent were purchased at a cost of \$1,000. This would have been removed to save money.

The BID would have to eliminate the fuel needed to operate the truck used for trash pickups & hauling the pressure washer, and the fuel for the pressure washer, gas powered weed-eaters, backpack blowers, Billy-Goat sidewalk vac and hedge trimmers. This would save approximately \$3,000/year.

In 2015-16, the BID spent \$1,300+ on new equipment, personal protection equipment (safety boots, gloves and eye protection), weed abatement chemicals, and graffiti/gum removal chemicals. These would be eliminated without the DDI subsidy.

**Lew Myers**

Interim President & CEO  
Downtown Durham Inc.  
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Durham, NC 27701  
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**BUSINESS IMPROVEMENT DISTRICT FUND**

	<b>Actual FY 2014-15</b>	<b>Adopted FY 2015-16</b>	<b>Estimated FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Change</b>
<b>Revenues</b>					
General Property Taxes	\$ 422,869	\$ 443,294	\$ 443,294	\$ 614,674	38.7%
Transfers from Other Funds	250,000	250,000	250,000	250,000	0.0%
Appropriation from Fund Balance	6	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 672,875</b>	<b>\$ 693,294</b>	<b>\$ 693,294</b>	<b>\$ 864,674</b>	<b>24.7%</b>
<b>Appropriations</b>					
Operating	\$ 653,503	\$ 653,503	\$ 653,503	\$ 653,503	0.0%
Tax Collection Fee	4,372	5,098	5,098	6,147	20.6%
Transfer to Other Funds	15,000	15,000	15,000	90,130	500.9%
Transfer to Fund Balance	-	-	19,693	-	0.0%
Appropriations not Authorized	-	19,693	-	114,894	100.0%
<b>Total Appropriations</b>	<b>\$ 672,875</b>	<b>\$ 693,294</b>	<b>\$ 693,294</b>	<b>\$ 864,674</b>	<b>24.7%</b>

**FUND DESCRIPTION**

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

**REVENUE DESCRIPTIONS**

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

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

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

**EXPENDITURE DESCRIPTIONS**

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

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

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

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

Appropriations not Authorized – Appropriations held in reserve / to be designated.