



News Release

For Immediate Release: June 15, 2020

Durham's FY20-21 Approved Budget Reflects Impact of COVID-19 Pandemic *Property Tax Rate Remains the Same*

DURHAM, N.C. – Earlier this evening, the Durham City Council approved the FY2020-2021 budget that contained no property tax rate increase and creates a special COVID-19 response and recovery fund.

The City's property tax rate will remain at 53.17 cents per \$100 of assessed value, which is the same tax rate from the previous fiscal year. The tax rate generates a tax bill of about \$1,229 per year, or about \$102 per month on a house valued at the median house value of \$231,176, the median house value for the City of Durham according to the Durham County Office of Tax Administration.

The final budget is \$502.6 million, compared to \$477.8 million for FY2019-2020, an increase of \$24.8 million, about \$24 million of which is due to the anticipated refinancing of debt. The budget continues the dedicated affordable housing tax rate allocation at 2 cents, and also includes \$5 million for a COVID-19 response and recovery fund to be available for use in the coming fiscal year.

While street paving and maintenance continues to be a significant concern for residents responding to the 2019 Resident Satisfaction survey, the final budget reduces funding for street paving from \$10 million to \$6 million. According to City Manager Tom Bonfield, this limited level of funding is not sustainable for more than one year. Other reductions include travel, training, fuel, and deferred maintenance.

The City will continue to invest \$62.5 million in upgrading and increasing capacity for water and sewer improvements including water and sewer rehabilitation, future water supply, and Jordan Lake reconstruction. A modest rate increase of about 2.1% for the average customer in water and sewer rates are also included to continue to support ongoing capital, operating, and sustainability efforts.

While over the years, the use of Fund Balance has been limited to one-time expenditures, the final budget draws \$8.7 million from Fund Balance for one-time expenses of \$100,000 and covers revenue losses related to COVID-19, which is approximately \$8.6 million.

The final budget does not include compensation adjustments for employees in the coming fiscal year. To review the approved budget, visit the City's Budget and Management Services Department [webpage](#).

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