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News Release

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Share! #Durham's approved FY16-17 budget includes 1.66 cent tax rate increase for citywide growth & needs

Durham Approves City's Largest Budget to Address Growth & Needs

Includes 1.66 Cent Tax Rate Increase Over Revenue Neutral Rate

DURHAM, N.C. – Earlier tonight, the Durham City Council approved the fiscal year 2016-2017 budget, which includes a 1.66 cent property tax increase over the revenue neutral rate, creating a new tax rate of 56.07 cents per \$100 of assessed value to meet Durham's growing priorities including public safety, affordable housing, and capital improvements.

While the new tax rate is less than last year's tax rate of 59.12 cents, the 1.66 cent approved rate is an increase above the City's revenue-neutral rate of 54.41 cents per \$100 of assessed value following Durham County's [most recent revaluation of real property](#). State law requires taxing units to publish a revenue-neutral tax rate, which is the rate needed to produce the same amount of revenue if real property had not been reappraised. Since Durham's last revaluation in 2008, the city has seen an overall increase in real property growth of 16.2 percent.

The new tax rate generates a tax bill of \$1,005.32, which is a \$29.77 increase over last year, on a house valued at \$179,297.50, the median value for a home located within city limits, according to the Durham County Office of Tax Administration.

The [total budget for FY 2016-17](#) is \$404.9 million, a nearly 4 percent increase from last year, and includes a \$181.6 million budget for services covered by the general fund, a little more than 5 percent increase from last year.

Fighting crime and funding other public safety needs continue to warrant a significant portion of the City's budget with about \$2.5 million dedicated for public safety pay and retention. Also

included is funding for 20 additional sworn officers and a three-year phase-in of a Take-Home Car program to encourage officers to live in Durham neighborhoods and promote community policing.

The budget also includes a continuation of the “penny for housing” as well modest water and sewer rate increases that were approved by the City Council during its May 2 meeting. There are no stormwater rate increases.

The Capital Improvement Plan (CIP) budget contains \$9.9 million in general fund capital projects, including \$2.5 million for Duke Beltline Trail land acquisition, \$2 million for public safety radio replacements, \$2 million for new sidewalk design, \$560,000 for the Kelly Bryant Bridge South Trail land acquisition and design, and \$510,000 for sidewalk repairs. The remaining \$164 million of CIP funding is dedicated to water and sewer and stormwater enterprise projects. CIP funding is provided through impact fees, water and sewer revenues, revenue bonds, stormwater fees, and pay-go funds.

Other highlights include:

- \$3 million for street resurfacing
- \$700,000 for deferred maintenance
- \$45,400 for the return of the Holiday Parade
- New Development Services Center to create a business-friendly environment that will provide time-sensitive and an easy-to-navigate development review process
- Continuation of the pay-for-performance including a 3.8 percent average pay increase for general and fire employees and 4.5 percent average increase for police employees
- Employee health care premiums will rise by 10 percent while dental premiums remain the same

The budget also includes fund balance reserves at approximately 28 percent with \$7.6 million of these funds to be used for one-time expenditures. The City continues to maintain excellent fiscal status with an AAA bond-rating from all three ratings agencies – achieved by only a few of the nation’s more than 22,500 cities.

To review the final budget, visit the [FY 2016-2017 budget webpage](#) or printed copies may also be viewed in the City Clerk's Office and the City's Budget and Management Services Department at City Hall.

About the City of Durham Budget & Management Services Department

The [Budget and Management Services Department](#) is responsible for the development and oversight of the [City's annual budget](#) and [Capital Improvement Program \(CIP\)](#). The department is also responsible for performance management, continuous improvement, and strategic planning. Guided by the City's [Strategic Plan](#), which the department established and maintains, the department helps to ensure that the City of Durham is an innovative and high-performing organization by working with City departments to build and implement performance measurement monitoring and evaluation.

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