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News Release

For Immediate Release: June 19, 2017

Share! #Durham City Council approves FY17-18 budget which includes 1.79-cent tax rate increase for affordable housing, youth & public safety

Durham's Approved Budget Prioritizes Affordable Housing, Youth and Public Safety

1.79-Cent Tax Rate Increase Approved by City Council

DURHAM, N.C. – Citing the critical need to address the Bull City's growing priorities, including affordable housing, youth engagement and public safety, the Durham City Council voted tonight to approve a 1.79-cent tax rate increase, bringing the new tax rate to 57.86 cents per \$100 of assessed value.

The tax rate generates a tax bill of \$1,041 on a house valued at \$180,000, the median house value for the City of Durham according to the Durham County Office of Tax Administration. This will result in the average homeowner paying \$32 more than last year, or approximately \$3 more per month.

The total budget for FY 2017-18 is \$429.4 million, a 6 percent increase from last year, and includes a \$189.4 million budget for services covered by the general fund, a nearly 4.3 percent increase from last year.

The budget adds an extra penny to the dedicated housing fund, bringing the tax rate allocation to 2 cents, to help address priority gap areas in the City's affordable housing strategy. The value of a penny on the tax rate is \$2.79 million.

Enhanced opportunities for youth as well as informing them of recreational programs also are funding priorities for this budget. On June 1, daily pass fees were eliminated for youth under 18

to encourage them to use the City's recreation centers and pools. Also, the City will introduce after-school drop-in programs for teens at four recreation centers in early fall.

Fighting crime and funding other public safety needs continue to warrant a significant portion of the City's budget, with 53 new positions including 30 new firefighters to staff Fire Station #17 in southeast Durham. Also included is nearly \$1.7 million in funding for the Take-Home Car program to encourage police officers to live in Durham neighborhoods and promote community policing. Funding is also included to replace and upgrade electronic equipment, programs such as the body-worn cameras, and to continue recruitment and retention programs currently underway.

The street resurfacing fund will receive a \$2.6 million boost above the \$4 million included in recurring paving expenditures, which more than doubles the funding for paving and street maintenance. Other fee changes include modest water and sewer rate increases that were approved at the May 15 City Council meeting. There are no stormwater rate increases.

The Capital Improvement Plan (CIP) budget includes \$158.9 million for new and existing projects, such as \$1.6 million for parks and recreation trails, centers and facilities; \$2 million for public safety radio replacements; and \$1.5 million for sidewalk repairs. CIP funding is provided through impact fees, water and sewer revenues, revenue bonds, stormwater fees, and pay-go funds.

The final budget appropriates \$6.1 million of fund balance reserves to be used for one-time expenditures. The estimated fund balance reserves as of June 30, 2017 are 25 percent or \$45.3 million dollars. 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 [FY2017-2018 budget webpage](#) or hard copies may also be reviewed 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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