FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2014-15 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.

- **Debt Service Fund** – accounts for General Fund related debt service.

- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.
  These funds include:
  - Water and Sewer Fund
  - Solid Waste Fund
  - Stormwater Management Fund
  - Transit Fund
  - Parking Facilities Fund
  - Ballpark Fund
  - Durham Performing Arts Center Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.
  These funds include:
  - Law Enforcement Officers' Separation Allowance Fund
  - Cemetery Fund
  - Other Post Employment Benefits Fund

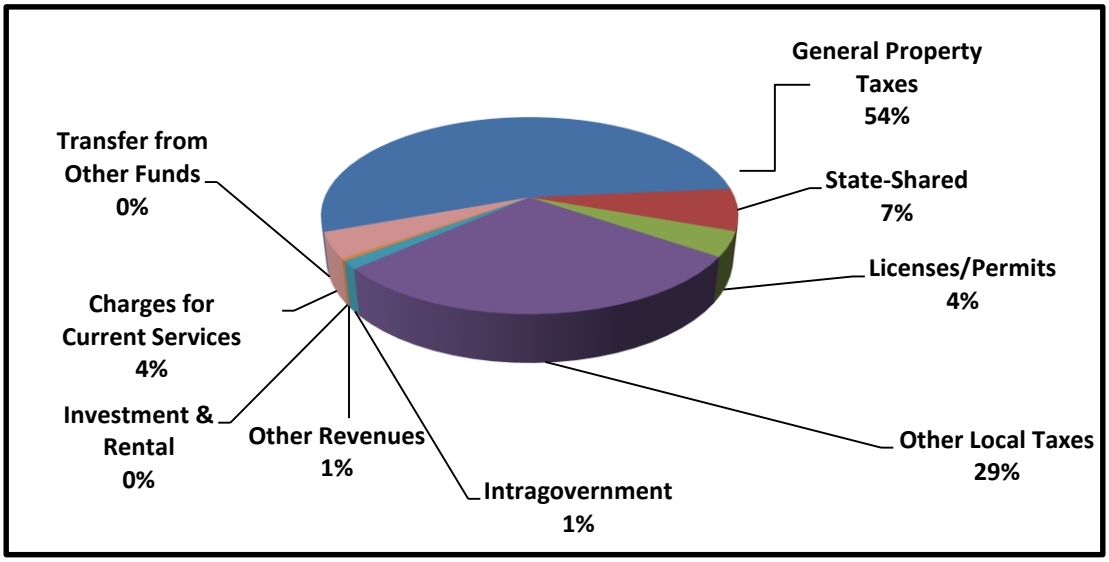
- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.
  These funds include:
  - Business Improvement District Fund
  - Dedicated Housing Fund
  - Emergency Telephone System Surcharge Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.
  These funds include:
  - General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
  - Impact Fee Fund
  - Water and Sewer Capital Facilities Fees Fund
  - Watershed Protection Fund

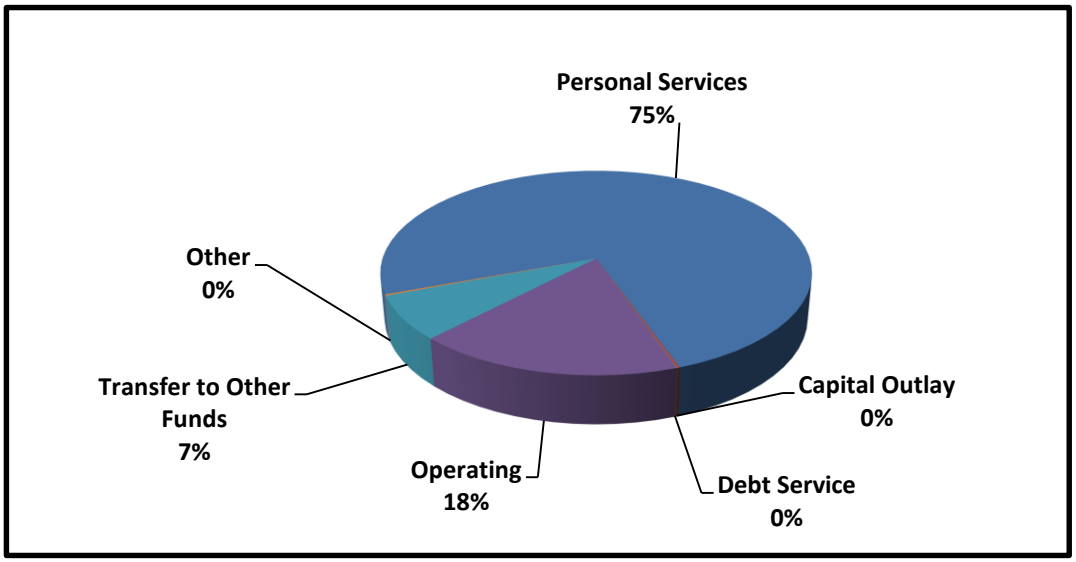
- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to sections IV (Budget Summaries) for information on Internal Service Funds. These funds include:
  - Risk Reduction Fund
  - Employee Insurance Fund

GENERAL FUND SUMMARY

Revenues

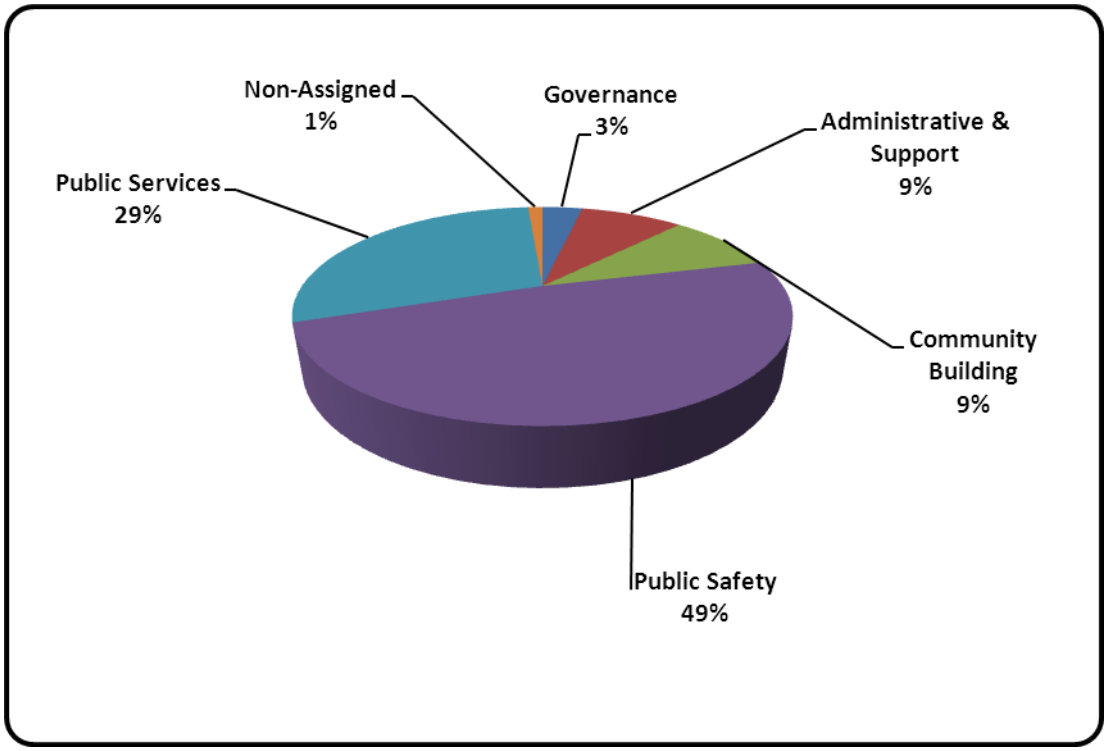


Appropriations



GENERAL FUND SUMMARY

Appropriations by Function



GENERAL FUND SUMMARY

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
General Property Taxes	$ 95,403,305	$ 90,655,790	$ 89,967,486	$ 93,609,777	3.3%
Other Local Taxes	37,073,528	39,372,477	39,432,301	50,189,456	27.5%
State-Shared Revenues	20,861,376	20,882,132	21,131,062	12,002,635	-42.5%
Licenses and Permits	7,677,349	7,225,446	7,708,510	7,004,000	-3.1%
Investment/Rental Income	98,845	271,332	233,036	36,832	-86.4%
Charges for Current Services	8,318,266	7,531,050	6,469,280	7,280,727	-3.3%
Intragovernmental Services	2,210,499	2,368,353	2,203,788	2,307,616	-2.6%
Other Revenues	553,424	730,785	1,509,302	685,735	-6.2%
Transfer from Other Funds	112,300	200,000	200,000	-	0%
Approp From Fund Balance	70	394,455	3,318,756	440,250	11.6%
Total Revenues	**$ 172,308,962**	**$ 169,631,820**	**$ 172,173,521**	**$ 173,557,028**	**2.3%**
Appropriations					
Personal Services	$ 123,052,842	$ 127,966,673	$ 126,198,963	$ 130,274,401	1.8%
Operating	27,434,375	30,473,942	34,324,910	30,409,755	-0.2%
Capital Outlay	152,480	188,901	705,130	285,509	51.1%
Debt Service	25,951	90,000	90,000	50,000	-44.4%
Other	-	169,759	58,015	344,778	103.1%
Transfers to Other Funds	17,962,525	10,742,545	10,796,503	12,192,585	13.5%
Transfers to Fund Balance	3,680,789	-	-	-	0.0%
Total Appropriations	**$ 172,308,962**	**$ 169,631,820**	**$ 172,173,521**	**$ 173,557,028**	**2.3%**
Appropriations by Function					
Governance	$ 5,653,113	$ 6,247,024	$ 6,260,664	$ 5,892,272	-5.7%
Administrative and Support	14,721,243	14,658,233	15,195,163	14,928,923	1.8%
Community Building	14,808,347	15,358,243	16,488,907	15,661,308	2.0%
Public Safety	78,789,701	82,273,644	81,949,833	84,423,057	2.6%
Public Services	53,256,353	50,695,526	51,544,665	50,529,392	-0.3%
Non-assigned	5,080,205	399,150	734,289	2,122,076	431.6%
Total Appropriations	**$ 172,308,962**	**$ 169,631,820**	**$ 172,173,521**	**$ 173,557,028**	**2.3%**

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.

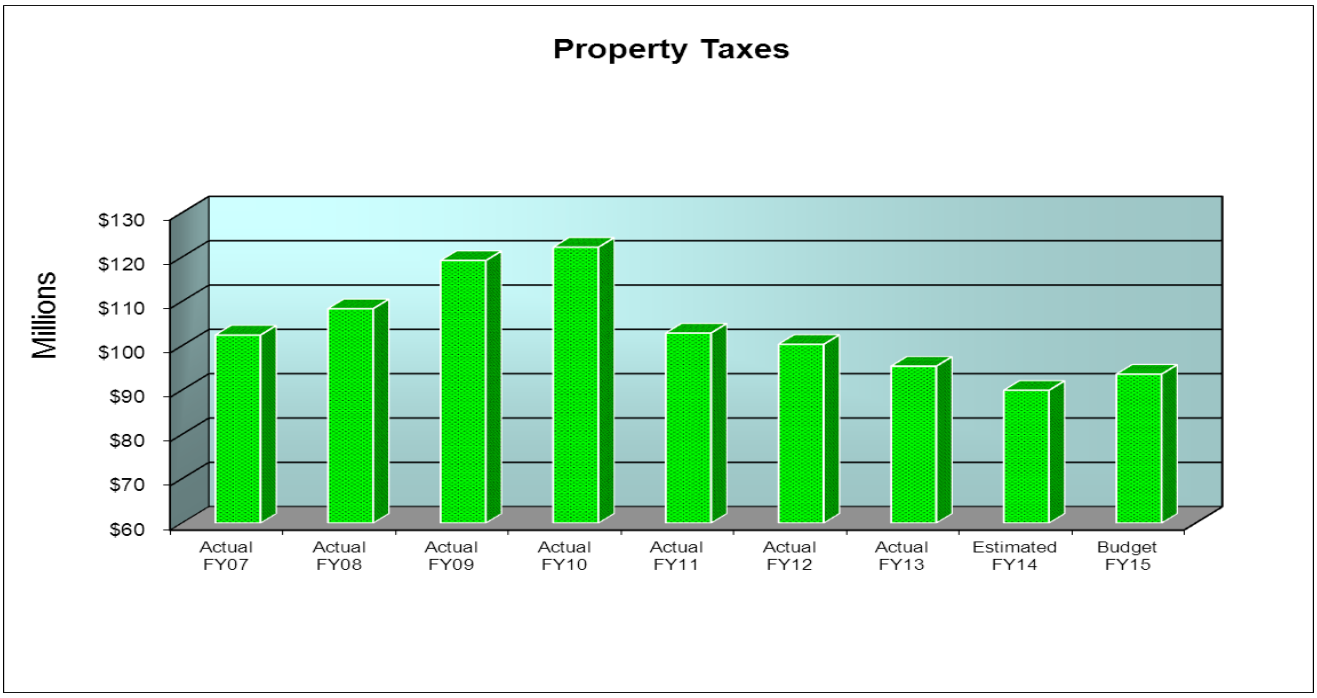
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

General Fund – Discretionary Revenues

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
General Property Taxes					
Current Levy	$ 93,693,653	$ 88,570,790	$ 88,117,486	$ 91,691,836	3.5%
Prior Years Levy	1,354,586	1,700,000	1,500,000	1,500,000	-11.8%
Interest & Penalties	355,066	385,000	350,000	417,941	8.6%
Subtotal	**$ 95,403,305**	**$ 90,655,790**	**$ 89,967,486**	**$ 93,609,777**	**3.3%**
Other Local Taxes					
Local Option Sales Tax	$ 34,994,125	$ 37,304,762	$ 36,930,957	$ 48,071,541	28.9%
Heavy Equipment	80,358	85,000	85,000	85,000	0.0%
Rental Car Gross Receipts	233,512	222,715	234,344	228,915	2.8%
Hotel/Motel Occupancy Tax	1,765,533	1,760,000	1,832,000	1,804,000	2.5%
Subtotal	**$ 37,073,528**	**$ 39,372,477**	**$ 39,082,301**	**$ 50,189,456**	**27.5%**
Licenses					
Business & Professional Licenses	$ 3,027,700	$ 3,023,800	**$ 3,208,300**	$ 3,010,300	-0.4%
Subtotal	**$ 3,027,700**	**$ 3,023,800**	**$ 3,208,300**	**$ 3,010,300**	**-0.4%**
Intergovernmental Revenues					
Utility Franchise Tax	$ 13,817,605	$ 13,793,605	$ 13,808,000	$ 4,474,172	-67.6%
Gasoline Tax (Powell Bill)	5,883,844	5,816,807	6,051,342	6,091,430	4.7%
Beer & Wine Tax	935,603	1,074,567	1,074,567	1,096,058	2.0%
Alcoholic Beverage Control	166,667	127,500	127,500	130,050	2.0%
Subtotal	**$ 20,803,719**	**$ 20,812,479**	**$ 21,061,409**	**$ 11,791,710**	**-43.3%**
Investment					
Investment Income	$ 58,673	$ 219,000	$ 160,000	$ -	-100.0%
Subtotal	**$ 58,673**	**$ 219,000**	**$ 160,000**	**$ -**	**-100.0%**
Other Major Revenue					
Sale Of Surplus Equipment	221,879	304,708	501,395	325,089	6.7%
Street Assessments	51,667	100,000	100,000	100,000	0.0%
Subtotal	**$ 273,546**	**$ 404,708**	**$ 601,395**	**$ 425,089**	**5.0%**
Appropriations From Fund Balance	**$ 70**	**$ 394,455**	**$ 3,318,756**	**$ 440,250**	**11.6%**
Total Revenues	**$ 156,640,541**	**$ 154,882,709**	**$ 157,399,647**	**$ 159,466,582**	**3.0%**

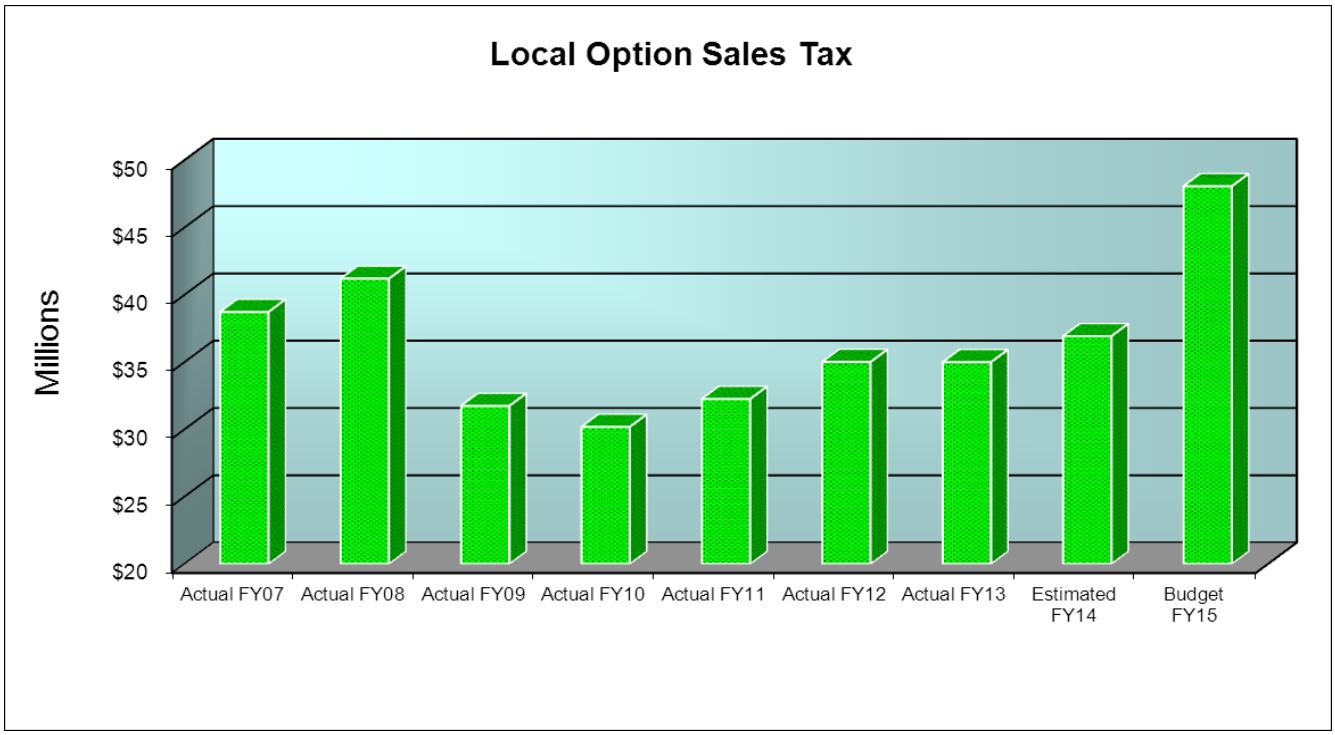
General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES



The FY2014-15 budget proposes a tax rate of 58.04 cents per $100 of assessed valuation, an increase of 1.29 cents over the adopted FY2013-14 rate. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, whose office bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division. The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, and began collections on April 1st, 2013. The sales tax rate of 7.50 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. Most services and prescription drugs are exempt from sales taxes. The State retains 4.25 cents for retail (0.00 cents in the case of food sales) and returns on average 2.5 cents to local governments. The sales tax is an important revenue source for the City, representing nearly 24% of General Fund discretionary revenues for FY 2013-14.

The proposed increase in sales tax revenue (28.9%) is due to the State's elimination of the electrical and gas franchise tax; to be replaced with increased sales tax. According to fiscal analysts at the General Assembly, sales tax revenues are projected to increase to 3.75%. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44 and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 40 and Article 42 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 3.5% increase based on the interlocal with Durham County, and the fact that Durham County has a large number of non-profits that are entitled to sales tax refunds. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. The current distribution ratio is 42% for the City and 58% for the County. This current agreement will remain in effect for five years from July 1, 2013 through June 30th, 2018.

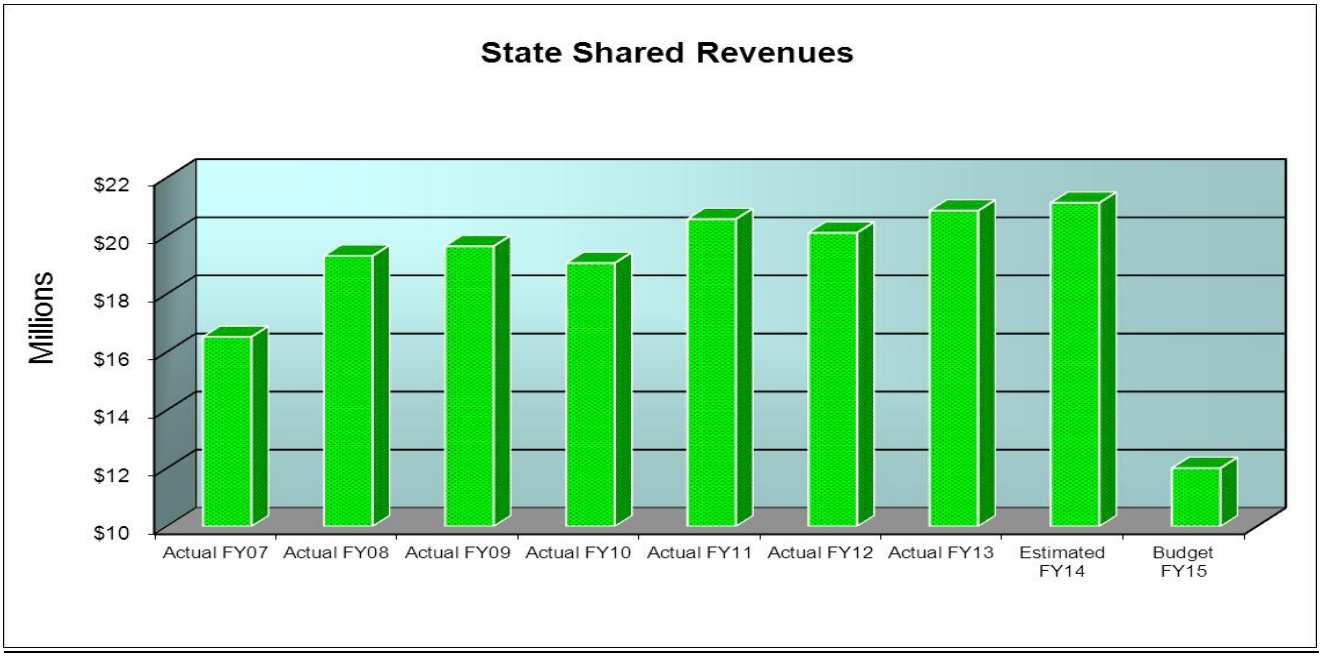
Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is for the Durham Performing Arts Center. The FY 2014-15 budget projects Occupancy tax to be 2.5% higher than the FY 2013-14 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

LICENSES AND PERMITS

Business Licenses - Businesses are assessed a fee for the privilege of doing business in the City. The FY 2014-15 budget projects a 0.4% decrease compared to the FY 2013-14 budget.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.



State Shared Revenues

- **Utility Franchise Tax** – In 1989, the General Assembly replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new special sales tax on telecommunications. In 2006, the General Assembly replaced most of the local cable franchise taxes with a replacement revenue source from three special sales taxes (Sales Tax on Video Programming, Sales Tax on Direct-to-Home Satellite Service and Sales Tax on Telecommunications). Due to tax reform, the City is projecting an overall decrease in State collected local government revenues of 43.3%.
    - In 2013 the General Assembly replaced the **Electricity** franchise tax with increases in sales tax.
    - **Telecommunications** sales tax revenues are expected to decline by 36.7% in FY 2014-15. The decline is attributed to changes the General Assembly made to telecommunications sales tax distributions when it increased the general sales tax on September 1, 2009.
    - Due to tax reform the **Piped Natural Gas** excise tax is being eliminated in FY 2014-15; to be replaced with increased sales tax.
    - The **Local Government Video Programming** revenues for FY 2014-15 are expected to increase by 1.3% compared FY2013-14.

- **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2014-15, the City projects a 4.7% increase compared to FY 2013-14. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.

- **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2014-15, the City projects a 2.0% increase compared to FY 2013-14.

- **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2014-15 budget projects this revenue will increase by 2.0% as compared to FY 2013-14.

INVESTMENT

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2014-15 it is proposed that all investment income be removed from the General Fund budget, and added directly to the Capital Improvement Plan (CIP) budget.

OTHER MAJOR REVENUE

This category is used to record those revenues that are miscellaneous in nature.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2014-15 budget projects a 6.7% increase in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2014-15 budget projects the same amount as was budgeted in FY2013-14.

APPROPRIATION FROM FUND BALANCE

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2014) excess funds will be returned to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2013-14 financial audit. For FY 2014-15, there is a transfer from fund balance budgeted in the amount of $440,250 to fund one-time expenditures. If funds from FY 2013-14 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 14.00%.

General Fund – Program Revenues

LICENSES AND PERMITS

Public Safety
Fire:
Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

Community Building
City/County Inspections:
Revenues from Building, Electrical, Plumbing, Mechanical, Sign and Fire Permits required by ordinance for development activity.

Sign Permits - Revenue generated from the issuance of sign permits.

Public Services
Public Works:
Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

Transportation:
Taxicab Inspection Fees - Revenue from inspecting taxicabs and shuttles for permits.

CHARGES FOR CURRENT SERVICES

Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (ie: services provided under an interlocal agreement) are also included in this category.

Governance
City Clerk:
Revenues from the sale of City Code supplements and copies of public records.

Public Safety
Communications Center:
Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Emergency Telephone System Fund – This fund combines the total 911 surcharge for wireless and wireline services. This money is collected by the telephone companies and forwarded to State. The State distributes these funds directly to the City of Durham. The monthly service charge was set at $0.70 per connection effective January 1, 2008. The 911 Board monitors the revenues generated, and if it determines that revenues exceed the amount needed, the rate must be reduced.

Police:
Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from $3.00 to $10.00 per tow to cover the costs of police officers associated with this program.

Fire:
Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment. In addition, Duke University makes an annual payment to the City of Durham for fire protection services based on the same principle used by the State of North Carolina.

Fire Inspections Fees – In 1991 the State of North Carolina began mandating all municipalities conduct fire inspections in accordance with the NC Fire Code. A fee structure was established based on the type of inspection or permit required, and it was last updated in FY 2012-13. Inspection fees and permits for hazardous materials, fireworks, tents, tank removal and construction are included in this revenue.

Community Building
Office of Economic and Workforce Development:
Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

City/County Planning:
Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, annexations, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2014-15, the City and County are each projected to fund 50% of the Planning budget with no positions solely funded by either entity. However, the interlocal agreement is scheduled for re-adoption during the course of the upcoming fiscal year and there continues to be discussion whether the funding split needs to be restructured.

City/County Inspections:
Durham County Inspections Services - In FY 2002-03, Durham County reimbursed the City 14% of the Inspections Departments appropriations for its share of the joint City/County Inspections. County Inspections fees were remitted to the County every six months after reconciliation. Starting in FY 2003-04, the City began 100% retention of County inspections revenue. The County no longer reimburses the City for its share of the Inspections function.

Administrative and Support

Finance:
Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

Technology Solutions:
Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1st, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7th, 2000.

GIS Sales - Revenue generated from public map and data requests.

Public Services
General Services:
Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave spaces at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to citizens who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

Fleet Management:
Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios.

Public Works:
NCDOT State Highway Maintenance - This program has been suspended by the State due to budget shortfalls, but in the past, this was revenue paid by the State Department of Transportation for street maintenance work by the City on State highway system streets within the City limits.

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

Parks and Recreation:
Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

Transportation:
Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

INTRAGOVERNMENTAL SERVICES

This section is used to record those revenues associated with services provided by one City department to another department.

Community Building

Public Works:

Street Maintenance Charges - These charges occur as a result of General Fund divisions performing street construction and stormwater system work for other departments or divisions in other funds.

Engineering Fees - This revenue represents charges to bond and construction funds for engineering services provided by the Engineering Divisions.

General Fund – Non-Departmental Appropriations

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Personal Services					
Severance Payments	$ 15,000	$ 25,000	$ 37,500	$ 37,500	50.0%
Other Employee Benefits	-	444,247	82,787	594,144	33.7%
Health Insurance - Retirees	3,009,616	3,164,055	3,164,055	3,093,202	-2.2%
Subtotal	**$ 3,024,616**	**$ 3,633,302**	**$ 3,284,342**	**$ 3,724,846**	**2.5%**
Operating					
Risk Management Charges	$ 2,214,650	$ 2,938,599	$ 2,938,939	$ 3,202,497	9.0%
Downtown Revitalization	1,955,997	1,492,219	1,905,729	837,090	-43.9%
Donations	-	40,000	20,360	40,000	0.0%
Indirect Cost Reimbursements	(8,101,323)	(8,243,258)	(8,215,939)	(7,785,417)	-5.6%
Other Operating Costs / Savings	3,694,893	(100,000)	152,570	(56,700)	-43.3%
Subtotal	**$ (235,783)**	**$ (3,872,440)**	**$ (3,198,341)**	**$ (3,762,530)**	**-2.8%**
Transfer to Other Funds					
Transfer to Debt Service Fund	$ 1,203,484	$ -	$ -	$ 172,125	0.0%
Transfer to Water and Sewer Fund	308,942	298,288	298,288	287,635	-3.6%
Transfer to BID	250,000	250,000	250,000	250,000	0.0%
Transfer to Capital Projects Fund	-	-	-	1,400,000	100.0%
Transfers Other	502,995	-	-	-	0.0%
Subtotal	**$ 2,265,421**	**$ 548,288**	**$ 548,288**	**$ 2,109,760**	**284.8%**
Debt Service					
Cost of Servicing	$ 25,951	$ 90,000	$ 100,000	$ 50,000	-44.4%
Subtotal	**$ 25,951**	**$ 90,000**	**$ 100,000**	**$ 50,000**	**-44.4%**
Total Nondepartmental	**$ 5,080,205**	**$ 399,150**	**$ 734,289**	**$ 2,122,076**	**431.6%**

PERSONAL SERVICES

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.
Other Employee Benefits - As of FY 2013-14, The City must set aside in advance, funding for future unemployment insurance claims.
Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.
Downtown Revitalization – costs related to the former Downtown Fund.
Donations – Reserve for small miscellaneous donations.
Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.
Other Operating Costs / Savings – Anticipated costs or savings associated with technology initiatives (FY15).

TRANSFERS TO OTHER FUNDS

Transfer to Debt Service Fund – Transfers related to General Fund debt service to the Debt Service Fund.
Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.
Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.
Transfer to Capital Projects Fund – Transfers related to capital expenditures for street maintenance and pay-go funding.
Transfer Other – Transfer to reserves.

DEBT SERVICE

Cost of Servicing – Operating costs from the sale of debt.
Please refer to the Debt Management section of this document (Section X) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
General Property Taxes	$ 29,377,415	$ 34,390,211	$ 34,390,211	$ 36,841,117	7.1%
Interest	51,716	14,000	-	-	-100.0%
Other Revenue	1,119,758	692,521	692,521	642,660	-7.2%
Transfers from Other Funds	1,656,637	-	-	172,125	0.0%
Bond Refunding	13,838,432	-	-	-	0.0%
Intergovernmental	-	2,950,000	2,950,000	2,505,000	-15.1%
Appropriation from Fund Balance	1,278,600	2,625,897	2,639,897	1,508,641	-42.5%
Total Revenues	**$ 47,322,558**	**$ 40,672,629**	**$ 40,672,629**	**$ 41,669,543**	**2.5%**
Appropriations					
Debt Service Principal	$ 22,748,723	$ 24,906,018	$ 24,906,018	25,766,383	3.5%
Debt Service Interest	10,441,629	10,229,616	10,229,616	9,472,708	-7.4%
Bond Refunding	13,838,432	-	-	-	0.0%
Tax Collection Fee	293,774	395,487	395,487	424,631	7.4%
Transfer to Other Funds	-	5,141,508	5,141,508	6,005,821	16.8%
Total Appropriations	**$ 47,322,558**	**$ 40,672,629**	**$ 40,672,629**	**$ 41,669,543**	**2.5%**

FUND DESCRIPTION

The Debt Service Fund was established in FY 2010-11 to account for the City's General Fund debt service obligations.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service. This is 15.24 cents for FY 2014-15.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – A transfer is made from the General Fund to cover debt associated with the former Downtown Fund.

Bond Refunding – Revenues and Expenditures associated with refunding of bind issuances.

Intergovernmental – Revenue from Durham County to be received for their portion of the radio infrastructure capital project. Please refer to the Capital and Grant Project Information section of this document (Section XII) for detailed information on City capital projects.

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

EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

Bond Refunding – Revenues and Expenditures associated with refunding of bind issuances.

Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.

Transfer to Other Funds – Transfers to the Solid Waste, Ballpark and Parking Funds which represents their portion of debt obligations.

WATER AND SEWER FUND
WATER AND SEWER REVENUES

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Investment & Rental Income					
Interest: Investments and Assess.	$ 110,014	$ 210,000	$ 155,000	$ 172,862	-17.7%
Rental Income	348,676	315,600	321,723	320,000	1.4%
Total Investment & Rental Income	**$ 458,690**	**$ 525,600**	**$ 476,723**	**$ 492,862**	**-6.2%**
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	$ 80,018,961	$ 81,033,281	$ 82,353,892	$ 83,247,701	2.7%
Late Fees	199,607	325,000	115,207	100,000	-69.2%
Industrial Monitoring	16,705	13,000	15,000	13,000	0.0%
Sewer Surcharge	213,571	160,000	189,767	160,000	0.0%
Suspended Solids	33,717	25,000	22,324	10,000	-60.0%
Subtotal	**$ 80,482,562**	**$ 81,556,281**	**$ 82,696,190**	**$ 83,530,701**	**2.4%**
Other Operating Revenues					
Septic Tank Disposal	$ 164,700	$ 100,000	$ 200,280	$ 150,000	50.0%
Water Connection Fees	303,112	240,000	390,000	300,000	25.0%
Sewer Connection Fees	79,300	65,000	100,000	80,000	23.1%
Engineering Inspection Fee	154,673	80,000	135,000	82,000	2.5%
Backflow Certification	15,275	20,000	12,700	15,000	-25.0%
Subtotal	**$ 717,060**	**$ 505,000**	**$ 837,980**	**$ 627,000**	**24.2%**
Licenses and Permits					
Water Permits	$ 31,050	$ 22,000	$ 28,000	$ 30,000	36.4%
Sewer Permits	18,000	12,000	17,000	15,000	25.0%
Cross Connection Control Permits	37,970	25,000	38,000	38,000	52.0%
Subtotal	**$ 87,020**	**$ 59,000**	**$ 83,000**	**$ 83,000**	**40.7%**
Total Operating	**$ 81,286,642**	**$ 82,120,281**	**$ 83,617,170**	**$ 84,240,701**	**2.6%**
Other Revenues					
Miscellaneous	$ 83,516	$ 66,028	$ 80,528	$ 50,138	-24.1%
Water Frontage Fees/Assessments	216,406	120,000	99,078	100,000	-16.7%
Sewer Frontage Fees/Assessments	415,283	120,000	219,016	120,000	0.0%
Total Other Revenues	**$ 715,204**	**$ 306,028**	**$ 398,622**	**$ 270,138**	**-11.7%**
Transfers from Other Funds					
General Fund	$ 308,942	$ 298,288	$ 298,288	$ 287,635	-3.6%
Total Transfers from Other Funds	**$ 308,942**	**$ 298,288**	**$ 298,288**	**$ 287,635**	**-3.6%**
Appropriation from Fund Balance	$ 4,051,536	$ 3,080,194	$ 1,764,181	$ -	-100.0%
TOTAL W & S FUND REVENUES	**$ 86,821,015**	**$ 86,330,391**	**$ 86,554,984**	**$ 85,291,336**	**-1.2%**

WATER AND SEWER FUND
REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
REVENUES					
Investment and Rental Income	$ 458,690	$ 525,600	$ 476,723	$ 492,862	-6.2%
Water and Sewer Sales	80,482,562	81,556,281	82,696,190	83,530,701	2.4%
Other Operating Revenue	717,060	505,000	837,980	627,000	24.2%
Licenses and Permits	87,020	59,000	83,000	83,000	40.7%
Frontage Fees/Assessments	631,689	240,000	318,094	220,000	-8.3%
Other	83,516	66,028	80,528	50,138	-24.1%
Transfer from Other Funds	308,942	298,288	298,288	287,635	-3.6%
Appropriations from Fund Balance	4,051,536	3,080,194	1,764,181	-	-100.0%
TOTAL REVENUES	**$ 86,821,015**	**$ 86,330,391**	**$ 86,554,984**	**$ 85,291,336**	**-1.2%**
APPROPRIATIONS					
Personal Services	$ 22,524,459	$ 23,868,418	$ 23,601,228	$ 24,148,668	1.2%
Operating	25,162,311	27,919,680	28,488,379	28,370,731	1.6%
Capital Outlay	245,112	7,500	18,316	-	-100.0%
Debt Service	18,970,450	18,571,664	18,483,932	11,260,678	-39.4%
Transfers to Other Funds	19,918,682	15,963,129	15,963,129	21,511,259	34.8%
Transfers to Fund Balance	-	-	-	-	0.0%
TOTAL APPROPRIATIONS	**$ 86,821,015**	**$ 86,330,391**	**$ 86,554,984**	**$ 85,291,336**	**-1.2%**
Department Appropriations					
Water Management	$ 37,877,169	$ 40,944,127	$ 41,405,369	$ 41,326,784	0.9%
Public Works	2,852,218	3,189,363	3,040,342	3,274,832	2.7%
Finance	188,173	190,960	191,064	193,602	1.4%
Nondepartmental Appropriations	45,903,455	42,005,941	41,918,209	40,496,118	-3.6%
TOTAL APPROPRIATIONS	**$ 86,821,015**	**$ 86,330,391**	**$ 86,554,984**	**$ 85,291,336**	**-1.2%**

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investments and Assessments - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute, and interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. Rates are proposed to increase for water and sewer charges for FY 2014-15, equating to roughly a 3% increase for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for truckloads of septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers the cost of the inspection of CCC devices.

Other Revenues

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund is paying back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year. In FY 2014-15, there is no proposed additional fund balance appropriation.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Personal Services					
Merit/Market Salary Adjustment	$ (78)	$ 84,854	$ 3,854	$ 219,757	159.0%
Subtotal	**$ (78)**	**$ 84,854**	**$ 3,854**	**$ 219,757**	**159.0%**
Operating					
General Fund Services	5,797,679	5,997,679	5,997,679	5,997,679	0.0%
Insurance Risk /Post Employment	1,216,643	1,388,615	1,388,615	1,425,745	2.7%
Miscellaneous	79	-	81,000	81,000	100.0%
Subtotal	**$ 7,014,401**	**$ 7,386,294**	**$ 7,467,294**	**$ 7,504,424**	**1.6%**
Transfers					
Transfer to Storm Water Fund	$ 123,000	$ 123,000	$ 123,000	$ 123,000	0.0%
Transfer to Capital Fleet Program	295,682	556,000	556,000	607,000	9.2%
Transfer to Capital Improvements Program	19,500,000	15,284,129	15,284,129	16,140,000	5.6%
Transfer to Fund Balance	-	-	-	4,641,259	100.0%
Subtotal	**$ 19,918,682**	**$ 15,963,129**	**$ 15,963,129**	**$ 21,511,259**	**34.8%**
Debt Service					
Debt Service/Refunding	$ 18,709,635	$ 18,071,664	$ 18,383,932	$ 10,760,678	-40.5%
County Line Reimbursement	260,815	500,000	100,000	500,000	0.0%
Subtotal	**$ 18,970,450**	**$ 18,571,664**	**$ 18,483,932**	**$ 11,260,678**	**-39.4%**
TOTAL NON-DEPARTMENTAL	**$ 45,903,455**	**$ 42,005,941**	**$ 41,918,209**	**$ 40,496,118**	**-3.6%**

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Personal Services

Merit/Market Salary Adjustment - These funds were previously appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. FY 2014-15 accounts for a small increase in dental rates, and for an incremental increase of 1% to employee pay.

Operating

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations. For FY 2013-14 and FY 2014-15, this primarily consists of unemployment insurance costs for the fund.

Transfers

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program.

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

Capital Improvement Program (CIP) Appropriations

The 2005 Bond Referendum included $20 million in water and sewer capital projects. These projects included sewer rehabilitation, North Durham Water Reclamation Facility improvements, Southern Reinforcing Main, Water Main Rehabilitation, Brown Water Treatment Plant Expansion – Phase II, Sewer Extensions and Improvements and Water Extensions and Improvements. These projects continue in design and or construction and bonds are issued as needed to cover the cost of these projects.

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2014-15, $16.1 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2015-2020 Capital Improvement Program budget document.

Debt Service

Debt Service **-** Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

CAPITAL FACILITIES FEES FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Operating Revenues	$ 3,393,304	$ 2,800,000	$ 3,680,208	$ 4,416,000	57.7%
Transfers from Other Funds	288,585	-	-	-	0.0%
Transfer from Fund Balance	-	-	-	3,487,099	100.0%
Interest and Rental Income	504	32,500	33,000	33,000	1.5%
Total Revenues	**$ 3,682,393**	**$ 2,832,500**	**$ 3,713,208**	**$ 7,936,099**	**180.2%**
Appropriations					
Transfers to Other Funds	$ -	$ 2,832,500	$ 3,713,208	$ 7,936,099	180.2%
Transfer to Fund Balance	3,682,393	-	-	-	0.0%
Total Appropriations	**$ 3,682,393**	**$ 2,832,500**	**$ 3,713,208**	**$ 7,936,099**	**180.2%**

FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and funds are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

REVENUE DESCRIPTIONS

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by $200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. Capital Facility Fees increased 5.7% in FY 2013-14 for all new connections to the City's water and sewer system based on the increased capital cost of construction. A 2.4% increase is proposed for FY 2014-15 to cover increased construction costs.

Transfers from Other Funds – A transfer was made in FY 2012-13 from the Water and Sewer Fund as an accounting necessity to cover a negative balance in one of the types of capital facility fees.

Transfer from Fund Balance – Additional fund balance is being appropriated in FY 2014-15 to allow for a larger transfer to capital to cover the construction phase of several projects expected to begin this year.

Investment and Rental Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

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

SOLID WASTE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Interest and Rental Income	$ 5,812	$ 15,000	$ 15,000	$ 5,000	-66.7%
Charges for Services	5,566,127	6,475,447	5,672,129	6,230,160	-3.8%
Solid Waste Fee	-	1,470,055	1,388,362	1,399,967	-4.8%
Other Revenues	725	725	725	672	-7.3%
Landfill Gas	205,911	190,000	200,000	200,000	5.3%
Other Financing Sources	-	2,703,159	2,703,159	-	0.0%
Transfer from Other Funds	13,706,256	11,914,510	11,914,510	12,413,014	4.2%
Transfer from Reserves	619,455	-	623,555	-	0.0%
Total Revenues	**$ 20,104,286**	**$ 22,768,896**	**$ 22,517,440**	**$ 20,248,813**	**-11.1%**
Appropriations					
Personal Services	$ 6,217,914	$ 6,317,830	$ 6,219,672	$ 6,210,096	-1.7%
Operating	10,360,452	10,000,149	9,846,851	9,817,269	-1.8%
Debt Service	2,995,021	3,040,706	3,040,706	4,201,448	38.2%
Capital and Other	-	-	-	20,000	0.0%
Transfers to Other Funds	530,899	3,410,211	3,410,211	-	0.0%
Total Appropriations	**$ 20,104,286**	**$ 22,768,896**	**$ 22,517,440**	**$ 20,248,813**	**-11.1%**
Department Appropriations					
Water Management	$ 216,302	$ 250,734	$ 310,017	$ 251,605	0.3%
Solid Waste Management	17,735,818	17,895,447	18,442,464	15,826,032	-11.6%
Nondepartmental Appropriations	2,152,166	4,622,715	3,764,959	4,171,176	-9.8%
Total Appropriations	**$ 20,104,286**	**$ 22,768,896**	**$ 22,517,440**	**$ 20,248,813**	**-11.1%**

FUND DESCRIPTION

The Solid Waste Disposal Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this fund.

REVENUE DESCRIPTIONS

Investment and Rental Income – Interest earned on the investment of the fund balance of the fund.

Charges for Services – These include the per ton tipping fee for Solid Waste charged at the transfer station, fees for yard waste collection, disposal bin purchases, brush pickup fees, white good disposal revenue and the State Disposal Tax revenue. Administration has proposed increasing the per ton tipping fee for solid waste from $42.50 to $44.50 to recover revenue lost from declining solid waste tonnage in FY 15. Administration has also proposed increasing Yard Waste Subscriber fees from $60 a year per household to $72 per year during the next fiscal year. This increase is related to increasing collection costs.

Solid Waste Fee – The City charges a $1.80 per month fee to households which receive solid waste collection service from the City.

Other Revenues – Subsidy payments from Build America Bonds (BABs).

Landfill Gas – Revenues generated from methane produced from the City's landfill.

Other Financing Sources – A loan from the Water & Sewer fund to purchase solid waste carts.

Transfer from Other Funds – The General Fund subsidizes the Solid Waste Fund on an annual basis. As well, there is a transfer from the Debt Service Fund to cover the cost of debt payments.

Transfers from Reserves – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services – All of the City's Solid Waste Department employees are accounted for in this area.

Operating – Major items include fuel purchases and solid waste contracts.

Capital and Other— Funding for miscellaneous purchases.

Debt Service – To cover the cost of capital asset purchases.

Transfers to Other Funds – The repayment to the Water & Sewer Fund to cover the cost to purchase solid waste carts

STORMWATER MANAGEMENT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Operating Revenues	$ 12,567,893	$ 13,027,049	$ 13,027,049	$ 14,486,310	11.2%
Interest and Rental Income	34,955	9,000	22,000	20,000	122.2%
Miscellaneous Revenue	265,772	240,550	245,550	250,550	4.2%
Transfers from Other Funds	232,047	232,047	232,047	232,047	0.0%
Appropriation from Fund Balance	-	134,172	232,325	-	-100.0%
Total Revenues	**$ 13,100,667**	**$ 13,642,818**	**$ 13,758,971**	**$ 14,988,907**	**9.9%**
Appropriations					
Personal Services	$ 5,740,581	$ 6,277,808	$ 6,095,409	$ 6,642,313	5.8%
Operating	2,463,468	2,967,010	3,272,062	3,054,594	3.0%
Capital	19,302	40,000	33,500	30,000	-25.0%
Transfers to Other Funds	3,751,982	4,358,000	4,358,000	4,562,000	4.7%
Transfer to Fund Balance	1,125,274	-	-	700,000	0.0%
Total Appropriations	**$ 13,100,607**	**$ 13,642,818**	**$ 13,758,971**	**$ 14,988,907**	**9.9%**
Department Appropriations					
Public Works	$ 6,960,648	$ 7,900,689	$ 8,016,770	$ 8,042,375	1.8%
Solid Waste	210,106	244,800	245,000	249,900	2.1%
Nondepartmental Appropriations	5,929,853	5,497,329	5,497,201	6,696,632	21.8%
Total Appropriations	**$ 13,100,607**	**$ 13,642,818**	**$ 13,758,971**	**$ 14,988,907**	**9.9%**

FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

REVENUE DESCRIPTIONS

Operating Revenue – This revenue stream is comprised of two sources:

Stormwater Utility Charges: Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). A 7.5% rate increase is proposed for FY2015. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: $3.26 for less than 2,000 square feet, $6.75 for more than 2,000 and less than 4,000 square feet; $13.52 for more than 4,000 square feet. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

Stormwater Permit Fees: The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Water and Sewer Fund to support a portion of the Household Hazardous Waste program managed by the Solid Waste department, and from the Transit Fund to support bus shelter cleaning services.

EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects.

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

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

TRANSIT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
General Property Taxes	$ 7,597,235	$ 9,172,303	$ 9,172,303	$ 9,355,323	2.0%
Licenses and Permits	2,337,450	2,280,000	2,383,244	2,431,883	6.7%
Intergovernmental	2,257,560	2,257,559	2,435,742	3,281,952	45.4%
Charges for Current Services	3,362,828	3,526,329	3,415,208	3,508,787	-0.5%
Other Revenue	166,563	120,720	103,124	209,182	73.3%
Appropriation from Fund Balance	518,985	-	19,315	-	0.0%
Total Revenues	**$ 16,240,620**	**$ 17,356,911**	**$ 17,528,936**	**$ 18,787,127**	**8.2%**
Appropriations					
Operating	$ 14,713,829	$ 15,970,510	$ 16,150,724	$ 17,346,487	8.6%
Capital	-	-	80,000	55,000	100.0%
Debt Service	217,955	212,737	212,737	212,737	0.0%
Transfers to Other Funds	1,308,837	1,085,475	1,085,475	1,172,903	8.1%
Transfer to Fund Balance	-	88,189	-	-	-100.0%
Total Appropriations	**$ 16,240,620**	**$ 17,356,911**	**$ 17,528,936**	**$ 18,787,127**	**8.2%**
Departmental Appropriations					
Transportation Department	$ 15,639,102	$ 16,819,253	$ 16,991,278	$ 18,249,469	8.5%
Nondepartmental Appropriations	601,518	537,658	537,658	537,658	0.0%
Total Appropriations	**$ 16,240,620**	**$ 17,356,911**	**$ 17,528,936**	**$ 18,787,127**	**8.2%**

FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes the Durham Area Transit Authority (DATA) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. DATA is currently operated by Durham City Transit Company (DCTC) which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

REVENUE DESCRIPTIONS

General Property Taxes – Operating funds are proposed at 3.87 cents of the tax rate again for FY 2014-15.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. An increase from $10 to $15 per vehicle registration was adopted and became effective in FY 2009-10.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems. Also, funds are transferred annually from Triangle Transit to cover new services funded by the increased sales tax and vehicle fees dedicated to transit.

Charges for Current Services – Fare box and Para-transit transport fares.

EXPENDITURE DESCRIPTIONS

Operating **–** The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Grant matches for Transit operations and a payment to the Stormwater Fund to cover bus shelter cleaning services.

PARKING FACILITIES FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Interest and Rental Income	$ 1,452	$ 2,480	$ 1,040	$ 1,000	-59.7%
Charges for Current Services	1,930,476	2,656,838	2,596,890	2,801,717	5.5%
Transfers from Other Funds	-	1,999,039	1,999,039	1,987,324	-0.6%
Appropriation from Fund Balance	466,920	-	181,890	-	0.0%
Total Revenues	**$ 2,398,848**	**$ 4,658,357**	**$ 4,778,859**	**$ 4,790,041**	**2.8%**
Appropriations					
Personal Services	$ 33,327	$ 121,369	$ 91,291	$ 146,435	20.7%
Operating	2,259,569	2,305,163	2,508,679	2,656,281	15.2%
Capital	105,952	-	179,850	-	0.0%
Debt Service	-	1,999,039	1,999,039	1,987,325	-0.6%
Transfer to Fund Balance	-	232,786	-	-	-100.0%
Total Appropriations	**$ 2,398,848**	**$ 4,658,357**	**$ 4,778,859**	**$ 4,790,041**	**2.8%**
Departmental Appropriations					
Transportation Department	$ 1,939,042	$ 1,966,982	$ 2,320,270	$ 2,343,514	19.1%
Nondepartmental Appropriations	459,806	2,691,375	2,458,589	2,446,527	-9.1%
Total Appropriations	**$ 2,398,848**	**$ 4,658,357**	**$ 4,778,859**	**$ 4,790,041**	**2.8%**

FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. A new vendor to manage the garages and lots was contracted for FY 2008-09 and continues. On-street parking revenues and expenditures are now also budgeted in this fund as of FY 2011-12. They had previously been budgeted in the General Fund. The North Deck at American Tobacco's revenues and expenses were moved to this fund for FY 2013-14. The FY 2014-15 budget includes increased parking enforcement for areas near downtown, and provisions for a paid public parking lot on Ninth Street.

REVENUE DESCRIPTIONS

Interest and Rental Income - Gained through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor. In FY 2013-14, the revenues from the North Deck at American Tobacco were moved to this fund to consolidate all parking items in one place.

Transfers from Other Funds – Beginning in FY 2013-14, this transfer is from the Debt Service Fund to cover debt service payments related to parking.

EXPENDITURE DESCRIPTIONS

Personal Services **–** The City's Transportation Department provides oversight of the parking contracts. A new position was added with the FY 2013-14 budget to manage the parking function for the City, and those costs were annualized for FY 2014-15.

Operating **–** The operating budget represents contract payments to a private contractor. The increase for FY 2014-15 is primarily due to increasing the enforcement areas near downtown.

Capital – Funds were used to purchase automation equipment for garages.

Debt Service – This had previously been paid out of the debt service fund, but in an effort to consolidate all parking related expenses into this fund, it was moved here and is covered with a transfer from the Debt Service Fund.

BALLPARK FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Interest and Rental Income	$ 600,570	$ 468,910	$ 484,685	$ 182,788	-61.0%
Charges for Services	105,494	44,000	39,449	-	-100.0%
Transfers from Other Funds	1,594,931	1,017,259	1,147,259	1,285,617	26.4%
Total Revenues	**$ 2,300,995**	**$ 1,530,169**	**$ 1,671,393**	**$ 1,468,405**	**-4.0%**
Appropriations					
Personal Services	$ 82,246	$ 65,476	$ 53,493	$ -	-100.0%
Operating	821,276	$ 506,600	$ 481,765	$ -	-100.0%
Debt Service	927,625	$ 713,379	$ 845,867	$ 1,272,691	78.4%
Transfer to Fund Balance	94,295	$ 100,000	$ 145,554	$ 51,000	-49.0%
Transfers to Other Funds	375,553	$ 144,714	$ 144,714	$ 144,714	0.0%
Total Appropriations	**$ 2,300,995**	**$ 1,530,169**	**$ 1,671,393**	**$ 1,468,405**	**-4.0%**
Departmental Appropriations					
General Services	$ 771,539	$ 438,385	$ 415,325	$ -	-100.0%
Nondepartmental Appropriations	1,529,456	$ 1,091,784	1,256,068	1,468,405	34.5%
Total Appropriations	**$ 2,300,995**	**$ 1,530,169**	**$ 1,671,393**	**$ 1,468,405**	**-4.0%**

FUND DESCRIPTION

The Ballpark Fund was established in FY 1995-96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). Effective January 2014, the City entered into a 20-year lease with Durham Bulls Baseball Club. Per the terms of this agreement, the City will no longer be responsible for operational activities related to the Ballpark.

The park is currently the home of the Durham Bulls AAA baseball club, a local radio station and a local television station. USA Baseball also moved into DBAP during FY 2003-04. All activities related to the baseball season occur between April and September.

REVENUE DESCRIPTIONS

Interest and Rental Income

Durham Bulls Rent - The Durham Bulls are charged $130,050 as base rent, paid in equal monthly installments.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 3% of the team's gross revenues exceeding $10,750,000 per year.

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events and receive 1.25% of revenues for these events.

Skybox Rentals - This rental revenue ceased on January 1, 2014 per the terms of the new lease agreement.

Office and Parking Space Rentals –The collection of rent for office and parking space rentals ceased on January 1, 2014 per the terms of the new lease agreement.

Charges for Services

Ticket Surcharges - This surcharge ceased on January 1, 2014 per the terms of the new lease agreement.

Transfer from Other Funds

Transfer from Others Funds - The General Fund and Debt Service Fund subsidize the Ballpark Fund in the amount of $50,000 and $1,235,617, respectively.

EXPENDITURE DESCRIPTIONS

Personal Services **–** Costs associated with personnel services ceased on January 1, 2014 per the new lease agreement.

Operating – Beginning January 1, 2014 the Durham Bulls are responsible for all operations of the Ballpark for Club Home Games, Special Events, and Third Party Events. The City has no operational responsibilities associated with the Ballpark.

Debt Service – The City and the Durham Bulls Baseball Club have entered into a development agreement and the City issued $12 million in taxable limited obligation bonds. Of the total $12 million, $6 million will be used to address Deferred Maintenance issues and the remaining $6 million will be used to provide new improvements to the Ballpark.

Transfers to Other Funds – A loan repayment to the Water and Sewer Construction Fund.

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Charges for Service	$ 1,520,912	$ 1,463,416	$ 1,463,416	$ 1,537,665	5.1%
Investment Income	2,322	8,000	5,000	5,000	-37.5%
Appropriation From Fund Balance	236,629	-	3,000	-	0.0%
Total Revenues	**$ 1,759,863**	**$ 1,471,416**	**$ 1,471,416**	**$ 1,542,665**	**4.8%**
Appropriations					
Personal Services	$ 1,758,742	$ 1,470,216	$ 1,470,216	$ 1,541,465	4.8%
Operating	1,121	1,200	1,200	1,200	0.0%
Total Appropriations	**$ 1,759,863**	**$ 1,471,416**	**$ 1,471,416**	**$ 1,542,665**	**4.8%**

FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute.

REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund at a rate of 5.00% of sworn officers' salaries.

Investment Income – Funds are gained through the commitment of city funds to investment instruments allowed under State Statute.

Appropriations from Fund Balance – Any costs not covered by the other two revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services (Separation Allowance) – This expenditure provides special retirement benefits for eligible law enforcement officers as required by State Statute.

Operating (Periodic Fund Audit) – This fund is audited periodically to determine the accuracy of projections. The cost associated with these audits appears here.

CEMETERY FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Interest and Rental Income	$ 2,356	$ 10,000	$ 6,000	$ 6,000	-40.0%
Appropriation from Fund Balance	97,644	-	-	-	0.0%
Total Revenues	**$ 100,000**	**$ 10,000**	**$ 6,000**	**$ 6,000**	**-40.0%**
Appropriations					
Transfers to Other Funds	$ 100,000	$ -	$ -	$ -	0.0%
Transfers to Fund Balance	$ -	$ 10,000	$ 6,000	$ 6,000	-40.0%
Total Appropriations	**$ 100,000**	**$ 10,000**	**$ 6,000**	**$ 6,000**	**-40.0%**

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. This fund holds contributions for future infrastructure needs of the City's two cemeteries. Cemetery operations are contained in the General Fund.

REVENUE DESCRIPTIONS

Interest and Rental Income – Investment interest earned on fund balance.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – For Fiscal Year 2014-15 no funds are proposed to be transferred.

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

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Charges for Services	$ 3,802,617	$ 3,972,647	$ 3,972,647	$ 3,883,393	-2.2%
Contributions	719,642	645,547	795,719	565,879	-12.3%
Interest	508	1,000	2,000	1,000	0.0%
Transfers from Fund Balance	76,037	-	-	-	0.0%
Total Revenues	**$ 4,598,804**	**$ 4,619,194**	**$ 4,770,366**	**$ 4,450,272**	**-3.7%**
Appropriations					
Personal Services	$ 4,598,804	$ 4,604,194	$ 4,522,984	$ 4,442,772	-3.5%
Operating Expenses	-	15,000	5,000	7,500	-50.0%
Transfer to Fund Balance	-	-	242,382	-	0.0%
Total Appropriations	**$ 4,598,804**	**$ 4,619,194**	**$ 4,770,366**	**$ 4,450,272**	**-3.7%**

FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy.

REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

Contributions - City and retiree contributions.

Interest – Investment interest earned on any fund balance.

Transfers from Fund Balance – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services - This expenditure provides post employment benefits for eligible retired employees as required by city policy.

Operating Expenses – These are professional fees for actuarial services.

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

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
911 Surcharge Tax	$ 1,413,750	$ 1,482,087	$ 1,482,087	$ 1,608,226	8.5%
Interest Income	932	5,000	2,000	2,000	-60.0%
Appropriation from Fund Balance	349,215	89,637	339,521	618,199	589.7%
Total Revenues	**$ 1,763,897**	**$ 1,576,724**	**$ 1,823,608**	**$ 2,228,425**	**41.3%**
Appropriations					
Personal Services	$ -	$ 181,607	$ 181,607	$ 227,208	25.1%
Operating	1,310,744	1,395,117	1,503,220	2,001,217	43.4%
Debt Service	453,153	-	-	-	0.0%
Appropriation to Fund Balance	-	-	138,781	-	0.0%
Total Appropriations	**$ 1,763,897**	**$ 1,576,724**	**$ 1,823,608**	**$ 2,228,425**	**41.3%**

FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

Debt Service – Debt service contribution on radio console.

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

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DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Other Local Taxes	$ 1,412,823	$ 1,350,000	$ 1,356,370	$ 1,400,000	3.7%
Other Revenues	912,309	870,000	885,000	955,233	9.8%
Interest Income	-	2,000	2,890	25,920	1196.0%
Operating Revenues	1,342,495	930,000	930,000	1,344,333	44.6%
Appropriation from Fund Balance	-	590,771	533,107	-	0.0%
Total Revenues	**$ 3,667,627**	**$ 3,742,771**	**$ 3,707,367**	**$ 3,725,486**	**-0.5%**
Appropriations					
Personnel	$ -	$ 6,404	$ 1,000	$ -	0.0%
Operating	391,524	431,831	401,831	268,764	-37.8%
Capital and Other	-	-	-	648,000	0.0%
Transfer to Other Funds	559,000	817,000	817,000	-	0.0%
Debt Service	2,487,098	2,487,536	2,487,536	2,540,719	2.1%
Appropriation to Fund Balance	230,005	-	-	268,003	0.0%
Total Appropriations	**$ 3,667,627**	**$ 3,742,771**	**$ 3,707,367**	**$ 3,725,486**	**-0.5%**

FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater. Charges associated with maintenance and repair of the facility, recorded in the Durham Performing Arts Center Capital Reserve fund in prior years, have been consolidated with the operating fund for FY 2014-15.

REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of $1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Interest Income – This line records interest received in the fund.

Operating Revenues – Revenues received from the theater operator.

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

EXPENDITURE DESCRIPTIONS

Personnel – Personnel costs associated with the fund.

Operating - Commissions and fees to meet contractual obligations.

Capital and Other—These funds, previously recorded in the DPAC Capital Reserve Fund, are for maintenance, improvements, and repairs to the facility.

Transfer to Other Funds – In prior fiscal years, this allowed for transfers to the DPAC Capital Reserve Fund.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

Appropriation to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

IMPACT FEE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Operating Revenues	$ 3,170,657	$ 1,900,785	$ 1,900,785	$ 1,939,331	2.0%
Interest and Rental Income	31,136	123,500	123,500	124,500	0.8%
Total Revenues	**$ 3,201,793**	**$ 2,024,285**	**$ 2,024,285**	**$ 2,063,831**	**2.0%**
Appropriations					
Transfer to Fund Balance	$ 3,201,793	$ 2,024,285	$ 2,024,285	$ 2,063,831	2.0%
Total Appropriations	**$ 3,201,793**	**$ 2,024,285**	**$ 2,024,285**	**$ 2,063,831**	**2.0%**

FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

REVENUE DESCRIPTIONS

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

Interest and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
General Property Taxes	$ 336,554	$ 336,558	$ 336,558	$ 433,488	28.8%
Transfers from Other Funds	250,000	250,000	250,000	250,000	0.0%
Appropriation from Fund Balance	-	-	16,000	-	0.0%
Total Revenues	**$ 586,554**	**$ 586,558**	**$ 602,558**	**$ 683,488**	**16.5%**
Appropriations					
Operating	$ 580,500	$ 583,192	$ 599,192	$ 678,503	16.3%
Tax Collection Fee	3,513	3,366	3,366	4,985	48.1%
Transfer to Fund Balance	2,541	-	-	-	0.0%
Total Appropriations	**$ 586,554**	**$ 586,558**	**$ 602,558**	**$ 683,488**	**16.5%**

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.

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

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

RISK REDUCTION FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Interest Income	$ 22,579	$ 54,000	$ 30,000	$ 30,000	-44.4%
Charges for Current Services	3,518,570	4,617,874	4,617,874	4,983,011	7.9%
Transfer from Other Funds	48,709	48,709	48,709	48,709	0.0%
Appropriation from Fund Balance	2,623,025	1,303,638	1,443,418	1,004,016	-23.0%
Total Revenues	**$ 6,212,883**	**$ 6,024,221**	**$ 6,140,001**	**$ 6,065,736**	**0.7%**
Appropriations					
Personal Services	$ -	$ 406,379	$ 406,379	$ 390,641	-3.9%
Operating	6,212,883	5,617,842	5,733,622	5,675,095	1.0%
Total Appropriations	**$ 6,212,883**	**$ 6,024,221**	**$ 6,140,001**	**$ 6,065,736**	**0.7%**

FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Transfer from Other Funds – This is the repayment of an interfund loan.

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

EXPENDITURE DESCRIPTIONS

Personal Services – In FY2013-14 the personnel assigned to risk functions were moved from the Finance department to the Risk fund.

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

EMPLOYEE INSURANCE FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Charges for Current Services	$ 29,494,163	$ 29,191,903	$ 28,977,467	$ 29,069,810	-0.4%
Interest	2,891	30,000	35,000	30,000	0.0%
Appropriation from Fund Balance	-	655,062	655,062	502,707	-23.3%
Total Revenues	**$ 29,497,054**	**$ 29,876,965**	**$ 29,667,529**	**$ 29,602,517**	**-0.9%**
Appropriations					
Personnel	$ 86,753	$ 78,660	$ 81,041	$ 80,739	2.6%
Operating	28,226,987	29,798,305	27,865,979	29,521,778	-0.9%
Transfer to Fund Balance	1,183,314	-	1,720,509	-	0.0%
Total Appropriations	**$ 29,497,054**	**$ 29,876,965**	**$ 29,667,529**	**$ 29,602,517**	**-0.9%**

FUND DESCRIPTION

The Employee Insurance Fund was established to account for the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

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

EXPENDITURE DESCRIPTIONS

Personnel – A Wellness Program Administrator FTE is included in the fund.

Operating – This line includes payments for health insurance.

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

WATERSHED PROTECTION FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
Charges for Services	$ 104,358	$ 100,000	$ 101,276	$ 100,000	100.0%
Total Revenues	**$ 104,358**	**$ 100,000**	**$ 101,276**	**$ 100,000**	**100.0%**
Appropriations					
Transfers to Other Funds	$ -	$ 100,000	$ 100,000	$ 100,000	0.0%
Transfer to Fund Balance	104,358	-	$ 1,276	-	0.0%
Total Appropriations	**$ 104,358**	**$ 100,000**	**$ 101,276**	**$ 100,000**	**100.0%**

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2011-12 to account for activities related to the protection of the City's watershed lands.

REVENUE DESCRIPTIONS

Charges for Services - City Water Services fees collected for the purpose of the preservation of City's watershed.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The fees are transferred to Water & Sewer Construction for the purpose of future purchases of watershed land.

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

DEDICATED HOUSING FUND

	Actual FY 2012-13	Adopted FY 2013-14	Estimated FY 2013-14	Proposed FY 2014-15	Change
Revenues					
General Property Taxes	$ 2,352,078	$ 2,370,104	$ 2,370,104	$ 2,417,396	2.0%
Charges for Current Services	3,945	-	15,713	-	0.0%
Distributed Interest	-	-	-	-	0.0%
Appropriation from Fund Balance	-	-	-	716,215	100.0%
Total Revenues	**$ 2,356,023**	**$ 2,370,104**	**$ 2,385,817**	**$ 3,133,611**	**32.2%**
Appropriations					
Operating	$ 373,196	$ 27,256	$ 1,171,240	$ 1,474,618	5310.3%
Capital and Other	-	830,500	-	74,000	-91.1%
Transfers to Other Funds	996,654	1,053,484	1,053,484	1,584,993	50.5%
Transfer to Fund Balance	986,173	458,864	161,093	-	-100.0%
Total Appropriations	**$ 2,356,023**	**$ 2,370,104**	**$ 2,385,817**	**$ 3,133,611**	**32.2%**
Departmental Appropriations					
Community Development	$ 1,346,379	$ 1,883,984	$ 2,197,468	$ 3,105,811	64.9%
Nondepartmental Appropriations	1,009,644	486,120	188,349	27,800	-94.3%
Total Appropriations	**$ 2,356,023**	**$ 2,370,104**	**$ 2,385,817**	**$ 3,133,611**	**32.2%**

FUND DESCRIPTION

The Dedicated Housing Fund was established in FY 2012-13 to account for activities related to the dedicated one cent portion of the property tax that Council approved as part of the FY 2012-13 budget.

REVENUE DESCRIPTIONS

General Property Taxes – A dedicated 1 cent per $100 assessed value tax on property, allocated to pay for approved housing projects including partially funding the Southside neighborhood revitalization.

Charges for Current Services – Primarily housing lien payments.

Distributed Interest – As fund balance accumulates, interest earnings will be apportioned to this fund.

Appropriation from Fund Balance – A portion of the accumulated fund balance to fund FY 2014-15 activities.

EXPENDITURE DESCRIPTIONS

Operating – Housing related items that are not part of a specific capital project. This amount also includes the 1% fee that the City pays to the County for collecting the taxes dedicated to the fund.

Capital and Other – This primarily holds funds at the beginning of the fiscal year until they are distributed to specific operating or transfer lines.

Transfers to Other Funds – Several capital project funds are set up for Southside. Funds are collected in the Dedicated Housing Fund, and transferred to the appropriate capital project fund as they are needed.

Transfer to Fund Balance – Estimated reserves to be allocated in future years.

APPROPRIATION DESCRIPTIONS

Departmental Appropriations – Funding allocated and approved by Council according to the 5 year plan for the dedicated funding source for housing.

Nondepartmental Appropriations – The tax collection fee paid to the County, and the Transfer to Fund Balance.