



## Multi-Year Fund Projections

The City includes fund projections in the annual budget. These projections incorporate the current year budget information with the budget outlook over the next five years. Projections include only the current levels of activity and do not include estimates of future service expansions.

Multi-year projections are prepared for the General Fund, the Debt Fund, and major Enterprise Funds.

**GENERAL FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
General Property Taxes	\$ 92,900,534	\$ 95,556,125	\$ 98,298,045	\$ 101,120,099	\$ 104,024,654	\$ 107,014,145
Taxes: Prior Year Levy/Interest	1,917,941	1,969,816	2,036,889	2,093,770	2,146,732	2,095,778
Other Local Taxes	50,189,456	51,926,080	53,723,216	55,582,972	57,507,532	59,499,157
State-Shared Revenues	12,002,635	12,252,596	12,508,687	12,771,142	13,040,212	13,316,171
Licenses and Permits	6,875,000	7,083,894	7,301,552	7,526,739	7,719,166	7,836,208
Investment/Rental Income	48,672	48,672	48,672	48,672	52,332	52,332
Charges for Current Services	7,280,727	7,386,662	7,494,487	7,605,291	7,719,166	7,836,208
Intragovernmental Services	2,307,616	2,353,768	2,400,845	2,448,863	2,497,841	2,547,798
Other Revenues	666,783	666,783	666,783	666,783	663,123	663,123
Additional Revenues	815,250	5,732,963	6,497,878	7,797,217	10,052,847	11,414,694
<b>Total Revenues</b>	<b>\$ 175,004,614</b>	<b>\$ 184,977,359</b>	<b>\$ 190,977,054</b>	<b>\$ 197,661,548</b>	<b>\$ 205,423,605</b>	<b>\$ 212,275,615</b>
<b>Appropriations</b>						
Personal Services	\$ 130,267,401	\$ 137,951,132	\$ 142,828,693	\$ 147,789,330	\$ 152,811,338	\$ 158,018,995
Operating	30,542,643	33,237,225	34,738,616	36,976,488	38,504,233	40,262,498
Capital Outlay	285,509	166,529	173,191	180,118	187,323	194,817
Debt Service	50,000	50,000	50,000	50,000	50,000	50,000
Others	1,654,476	1,553,476	1,553,476	1,553,476	1,553,476	1,553,476
Transfers to Other Funds	12,204,585	12,018,997	11,633,078	11,112,136	12,317,235	12,195,829
<b>Total Appropriations</b>	<b>\$ 175,004,614</b>	<b>\$ 184,977,359</b>	<b>\$ 190,977,054</b>	<b>\$ 197,661,548</b>	<b>\$ 205,423,605</b>	<b>\$ 212,275,615</b>
Property Taxes Needed	\$ 92,900,534	\$ 101,289,088	\$ 104,795,923	\$ 108,917,316	\$ 114,077,501	\$ 118,428,839
Projected Levy	92,900,534	95,556,125	98,298,045	101,120,099	104,024,654	107,014,145
Surplus/(Shortfall)	\$ -	\$ (5,732,963)	\$ (6,497,878)	\$ (7,797,217)	\$ (10,052,847)	\$ (11,414,694)
One Cent on Tax Rate	\$ 2,417,396	\$ 2,479,190	\$ 2,550,329	\$ 2,623,546	\$ 2,698,905	2,776,467
Tax Rate (General Fund Only)	0.3843	0.3853	0.3853	0.3853	0.3853	0.3853
<b>Tax Rate Equivalent</b>	<b>0.0000</b>	<b>0.0231</b>	<b>0.0255</b>	<b>0.0297</b>	<b>0.0372</b>	<b>0.0411</b>
<b>Tax Rate (cents)</b>	<b>0.3843</b>	<b>0.4085</b>	<b>0.4108</b>	<b>0.4151</b>	<b>0.4226</b>	<b>0.4265</b>
12% Undesignated Fund Balance	\$ 19,530,003	\$ 20,749,003	\$ 21,515,277	\$ 22,379,929	\$ 23,166,764	\$ 24,003,574
Undesignated Fund Balance	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808	\$ 21,408,808
Fund Balance %	13.15%	12.38%	11.94%	11.48%	11.09%	10.70%

## GENERAL FUND PROJECTION

### Revenue Assumptions

FY2016 – FY2020

- Property Tax Base is projected to grow at 2.87% annually overall.
- FY 2015-16 is a revaluation year in which property tax values will be reappraised.
- Other Local Taxes (Sales and Hotel/Motel) are projected at 3.38% growth annually.
- Intergovernmental projection: State Collected Revenues are assumed to have slow growth of 2%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Rental Income is projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have slow growth (between 1% and 2%).
- Other revenue is projected to grow at 0.5% annually.

### Appropriation Assumptions

FY2016 – FY2020

- Personal Services (all salaries and benefits) appropriations are projected to grow at 3.5% overall.
- Operating appropriations are generally projected to grow at 1%. Other periodic costs such as election year expenses, as well as gradual increases for deferred maintenance and street maintenance funding are also included in future years.
- Capital outlay is projected to stay flat.
- Transfers to Other Funds are generally projected to grow overall by 2%, but fund subsidies are also included with best estimates based upon multi-year projections for those funds.

**DEBT FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
Property Taxes	\$ 36,841,117	\$ 35,849,417	\$ 39,750,154	\$ 39,675,265	\$ 37,700,333	\$ 36,779,935
Other Revenue	642,660	617,123	603,896	580,772	555,495	537,874
Intergovernmental	2,505,000	1,350,000	-	-	-	-
Transfer from General Fund	172,125	162,500	156,650	150,150	143,650	137,150
Appropriation from Fund Balance	1,508,641	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 41,669,543</b>	<b>\$ 37,979,040</b>	<b>\$ 40,510,700</b>	<b>\$ 40,406,187</b>	<b>\$ 38,399,478</b>	<b>\$ 37,454,959</b>
<b>Appropriations</b>						
Debt Service	\$ 35,239,091	\$ 31,632,788	\$ 34,078,630	\$ 34,213,925	\$ 33,073,662	\$ 32,339,547
Tax Collection Fee	424,631	413,224	440,769	439,632	417,798	407,522
Transfer to Other Funds	6,005,821	5,933,028	5,991,301	5,752,630	4,908,018	4,707,890
<b>Total Appropriations</b>	<b>\$ 41,669,543</b>	<b>\$ 37,979,040</b>	<b>\$ 40,510,700</b>	<b>\$ 40,406,187</b>	<b>\$ 38,399,478</b>	<b>\$ 37,454,959</b>

**DEBT PROJECTION**

**Revenue Assumptions**

- Property Taxes – The portion of property tax allocated to pay for debt service.
- 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).
- Intergovernmental – Transfers from Durham County to pay for a portion of a communications infrastructure project.
- Transfer from General Fund – Transfers from General Fund to pay for infrastructure upgrade project on 9<sup>th</sup> Street.
- Appropriation from Fund Balance – Any portion not covered by revenues must be covered by fund balance.

**Appropriation Assumptions**

- Debt Service – Principal and interest payments on the City's debt service.
- 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 funds that have debt obligations.

## WATER AND SEWER FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Revenues</b>						
Investment/Rental	\$ 492,862	\$ 502,719	\$ 512,773	\$ 523,028	\$ 533,489	\$ 544,159
Water & Sewer Sales	83,530,701	86,179,504	89,201,257	93,256,142	97,834,397	104,398,153
Other Operating Revenues	627,000	639,540	652,331	665,377	678,685	692,259
Licenses and Permits	83,000	84,660	86,353	88,080	89,842	91,639
Frontage Fees/Assessments	220,000	224,400	228,888	233,466	238,135	242,898
Other Revenues	50,138	51,141	52,164	53,207	54,271	55,356
Transfers From Other Funds	287,635	276,982	-	-	-	-
<b>Total Revenues</b>	<b>\$ 85,291,336</b>	<b>\$ 87,958,946</b>	<b>\$ 90,733,766</b>	<b>\$ 94,819,300</b>	<b>\$ 99,428,819</b>	<b>\$ 106,024,464</b>
<b>Appropriations</b>						
Personal Services	\$ 24,148,668	\$ 25,235,358	\$ 26,370,949	\$ 27,557,642	\$ 28,797,736	\$ 30,093,634
Operating	28,370,731	29,647,414	30,981,548	32,375,718	33,832,625	35,355,093
Transfer to CIP	16,140,000	17,200,000	3,550,000	5,500,000	1,300,000	4,800,000
Transfer to Other Funds	730,000	762,850	797,178	833,051	870,538	909,712
Debt Service	11,260,678	10,785,700	20,919,268	20,199,199	23,793,419	23,533,693
Appropriation to Fund Balance	4,641,259	4,327,624	8,114,823	8,353,690	10,834,501	11,332,332
<b>Total Appropriations</b>	<b>\$ 85,291,336</b>	<b>\$ 87,958,946</b>	<b>\$ 90,733,766</b>	<b>\$ 94,819,300</b>	<b>\$ 99,428,819</b>	<b>\$ 106,024,464</b>

### Debt Coverage Ratio:

Parity Debt	5.50	5.68	2.22	2.32	1.99	2.16
All Debt	3.19	3.45	1.80	1.95	1.74	1.91

### CIP Related:

Revenue or G.O. Bond Issue	\$ 43,555,630	\$ 150,973,130	\$ 97,228,305	\$ 59,742,075	\$ 50,384,640	\$ 97,322,140
CIP Appropriations	\$ 59,695,630	\$ 168,173,130	\$ 100,778,305	\$ 65,242,075	\$ 51,684,640	\$ 102,122,140
Rate Funded	\$ 16,140,000	\$ 17,200,000	\$ 3,550,000	\$ 5,500,000	\$ 1,300,000	\$ 4,800,000

## WATER AND SEWER PROJECTION

### Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges was approved for FY 2014-15. This rate increase equates to about a 3% increase for the average residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.
- Water and Sewer Sales include 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.
- Most non-rate revenue sources are projected to increase by 2% annually.
- Transfers From Other Funds is a repayment over five years from the General Fund for the financing of an information technology infrastructure upgrade project.

### **Appropriation Assumptions**

- All Operational and Maintenance costs including personnel, operating and capital increase by 4.5% each year to cover expected system expansions and increased regulatory requirements.
- Transfer to CIP represents the amount of cash projected to be transferred from the Water and Sewer Fund to the Capital Projects fund for water and sewer construction projects.
- Transfers to Other Funds include a transfer to Stormwater to cover an arrangement regarding the Household Hazardous Waste program, and transfers to capital funds to pay for fleet needs.
- Debt Service projections are provided by the City's Finance Department and includes all existing and estimated future debt service to be paid by the Utility System.

**SOLID WASTE FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
Interest and Rental Income	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Charges for Current Services	6,215,160	5,879,407	5,890,695	5,902,179	5,913,859	5,925,734
Other Revenues	672	672	672	672	672	672
Landfill Gas	200,000	196,000	192,080	188,238	184,474	180,784
Transfers from Debt Service Fund	4,182,847	4,207,021	4,369,410	4,179,667	3,518,519	3,518,519
Transfer from General Fund	9,630,134	9,630,134	9,630,134	9,630,134	9,630,134	9,630,134
Transfer from BID	15,000	15,000	15,000	15,000	15,000	15,000
Additional Revenues		605,828	1,793,851	2,093,249	2,399,397	2,366,197
<b>Total Revenues</b>	<b>\$ 20,248,813</b>	<b>\$ 20,539,062</b>	<b>\$ 21,896,842</b>	<b>\$ 22,014,140</b>	<b>\$ 21,667,055</b>	<b>\$ 21,642,040</b>
<b>Appropriations</b>						
Personal Services	\$ 6,210,096	\$ 6,396,399	\$ 6,588,291	\$ 6,785,940	\$ 6,989,518	\$ 7,199,203
Operating	9,837,269	9,935,642	10,939,142	11,048,533	11,159,018	11,270,608
Debt Service	4,201,448	4,207,021	4,369,410	4,179,667	3,518,519	3,172,228
<b>Total Appropriations</b>	<b>\$ 20,248,813</b>	<b>\$ 20,539,062</b>	<b>\$ 21,896,842</b>	<b>\$ 22,014,140</b>	<b>\$ 21,667,055</b>	<b>\$ 21,642,040</b>

**SOLID WASTE PROJECTION**

**Revenue Assumptions**

- Charges for Current Services represents all revenues which are received as a direct result of the department's operations. These revenues include the per ton tipping fee, fees for yard waste collection, disposal bin purchases, brush pickup fees, white good disposal revenue and the State Disposal Tax revenue. These fees are generally projected at an increase of 1% annually for future years. Some notes on specific revenue sources:
  - White good rebates and vendor sales are anticipated to decrease by 2% annually, due to a decrease in tonnage.
  - Beginning July 1, 2014, Mixed Solid Waste tipping fees will increase two dollars, to \$44.50, to address declining mixed solid waste tonnage. Increasing this fee is anticipated to raise an additional \$156,000 in revenue. Collection of MSW is anticipated to decline in FY 16, and then remain stable through FY 2020.
  - Beginning July 1, 2014, Yard Waste Subscriber fees will increase by \$12, to \$72 a year, to address increasing yard waste collection costs. Increasing this fee is projected to raise \$87,614 in additional revenue in FY 15.
- Interest and rental income is revenue earned through the commitment of City funds to investment instruments allowed under State statute.
- Methane produced by the landfill is a limited resource, and as production drops, revenue is projected to decrease by 2% annually.
- Other Revenues are subsidy payments from Build America Bonds (BABs), which are projected to remain flat.
- Transfer from the General Fund is projected to remain flat.
- Transfer from Debt Service Fund is used to pay for capital needs of the department. In FY 19 the transfer from debt service decreases by \$661,148 because the debt payments associated with the purchase of roll-out carts will be complete.
- The Transfer from the BID is used to partially recover costs associated with the provision enhanced collection services within the Business Improvement District. Annual changes in the transfer will be tied to the growth in assessed value of the BID, until collection costs are fully recovered. In the interest in conservative projections, a flat transfer has been assumed.
- Additional revenues will be required in future years to balance the fund.

### **Appropriation Assumptions**

- Personal Services are projected to grow by 3% annually in future years.
- Operating costs are projected to grow by 1% annually.
- Debt service costs cover vehicle purchases and other capital needs. Debt Service estimates are provided by the Finance Department.



**STORMWATER MANAGEMENT FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
Operating Revenues	\$14,486,310	\$ 15,630,000	\$ 16,670,000	\$17,695,000	\$18,267,000	\$ 18,668,223
Interest and Rental Income	20,000	20,600	21,218	21,855	22,510	23,185
Miscellaneous Revenue	250,550	258,067	265,808	273,783	281,996	290,456
Transfers from Other Funds	232,047	232,047	232,047	232,047	232,047	232,047
<b>Subtotal Revenues</b>	<b>\$14,988,907</b>	<b>\$ 16,140,714</b>	<b>\$ 17,189,073</b>	<b>\$18,222,684</b>	<b>\$18,803,553</b>	<b>\$ 19,213,912</b>
Appropriation from Fund Balance	-	3,000,000	-	-	-	-
<b>Total Revenues</b>	<b>\$14,988,907</b>	<b>\$ 19,140,714</b>	<b>\$ 17,189,073</b>	<b>\$18,222,684</b>	<b>\$18,803,553</b>	<b>\$ 19,213,912</b>
<b>Appropriations</b>						
Personal Services	\$ 6,420,313	\$ 6,838,769	\$ 7,061,582	\$ 7,354,536	\$ 7,594,710	\$ 7,909,429
Operating	3,054,594	3,130,959	3,209,233	3,289,464	3,371,700	3,455,993
Capital Outlay	30,000	44,571	45,462	46,371	47,299	47,300
Transfers to Other Funds	4,562,000	9,040,000	6,415,000	7,365,000	7,615,000	6,500,000
Transfers to Fund Balance	922,000	86,415	457,797	167,313	174,845	1,301,190
<b>Total Appropriations</b>	<b>\$14,988,907</b>	<b>\$ 19,140,714</b>	<b>\$ 17,189,073</b>	<b>\$18,222,684</b>	<b>\$18,803,553</b>	<b>\$ 19,213,912</b>

**STORMWATER MANAGEMENT PROJECTION**

**Revenue Assumptions**

Stormwater 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 has been adopted for FY 2014-15.

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

The monthly charge for each commercial ERU is \$6.75. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees.

Miscellaneous revenues include permit fees is for plan review and inspection of any required stormwater management facilities (e.g., detention basin, sand filter) associated with development plans. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. Increases are budgeted at approximately 3%.

Transfers from other funds includes transfers from the Water & Sewer Fund and Transit Fund.

**Appropriation Assumptions**

- Personal Services costs are projected to grow at a rate of approximately 3% annually, plus planned additional positions.
- Operating costs are projected to grow at approximately 2.5% annually.
- The Transfers to Other Funds includes the transfer from the Stormwater Fund to the CIP fund for private property projects and watershed planning and design and to the Fleet Fund for vehicle replacements.

## TRANSIT FUND PROJECTION

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Revenues</b>						
General Property Taxes	\$ 9,355,323	\$ 9,542,429	\$ 9,733,278	\$ 9,927,944	\$ 10,126,502	\$ 10,329,033
Licenses and Permits	2,431,883	2,480,521	2,530,131	2,580,734	2,632,348	2,684,995
Intergovernmental	3,356,952	4,524,478	5,051,686	5,653,146	5,711,143	5,604,210
Charges for Current Services	3,508,787	3,945,823	4,058,958	4,175,744	4,296,302	4,420,760
Other Revenue	209,182	174,709	152,329	154,045	143,865	121,793
<b>Total Revenues</b>	<b>\$ 18,862,127</b>	<b>\$ 20,667,960</b>	<b>\$ 21,526,382</b>	<b>\$ 22,491,612</b>	<b>\$ 22,910,161</b>	<b>\$ 23,160,791</b>
<b>Appropriations</b>						
Operating	17,421,487	18,654,461	19,748,115	20,937,071	21,387,963	21,769,787
Capital	55,000					
Debt Service	212,737	210,417	205,778	205,778	205,778	205,778
Transfers to Other Funds	1,172,903	1,558,681	1,348,305	1,319,112	1,316,420	1,185,226
Appropriation to Fund Balance	-	244,401	224,184	29,651	-	-
<b>Total Appropriations</b>	<b>\$ 18,862,127</b>	<b>\$ 20,667,960</b>	<b>\$ 21,526,382</b>	<b>\$ 22,491,612</b>	<b>\$ 22,910,161</b>	<b>\$ 23,160,791</b>

### TRANSIT PROJECTION

#### Revenue Assumptions

- This fund does not capture the full revenues or costs associated with Transit operations. Several grants are accounted for in grant funds. Changes in future grant allocations affect overall Transit operations.
- The Transit Fund currently receives 3.87 cents of the tax rate, the same rate as in FY 2013-14. Growth in the tax base is projected at 2% annually.
- Licenses and Permits are projected to grow by 2% annually.
- Intergovernmental (State grant) revenue base is projected flat overall, but increases are tied to growth in the transit system as new service is added, based on the funding formula. This line also includes transfers from Triangle Transit for new services and approved transfers for existing service from the half cent sales tax and increased motor vehicle fee approved as part of the Bus and Rail Investment Plan.
- Charges for Services are projected to grow at 3% for Transit and Paratransit services after FY 2015-16.
- Other Revenue is variable based upon expected activities in each fiscal year.

#### Appropriation Assumptions

- As noted in Revenue Assumptions, some Transit operating costs are captured in grant funds and not shown here. Changes in those grant allocations will also affect Transit operations funding.
- This projection does not include capital costs for significant expansion of the fleet. Those costs are captured in grant and capital projects.
- Transit service operating costs are projected to rise at an annual rate of 3.05% on average without any increase in service levels. The other increases in FY 2015-16 through FY 2017-18 also reflect costs associated with projected new services as part of the Bus and Rail Investment Plan.
- Transfers to Other Funds show grant matches required to leverage grant funding for Transit operations.
- Appropriation to Fund Balance is present in years when revenues are projected to exceed expenses.

**PARKING FACILITIES FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
Interest and Rental Income	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082	\$ 1,104
Charges for Current Services	2,801,717	2,857,751	2,914,906	2,973,204	3,032,668	3,093,322
Transfers from Other Funds	1,987,324	1,924,735	1,856,505	1,790,185	1,778,144	1,713,229
<b>Total Revenues</b>	<b>\$ 4,790,041</b>	<b>\$ 4,783,506</b>	<b>\$ 4,772,451</b>	<b>\$ 4,764,450</b>	<b>\$ 4,811,894</b>	<b>\$ 4,807,655</b>
<b>Appropriations</b>						
Personal Services	\$ 146,435	\$ 150,828	\$ 155,353	\$ 160,014	\$ 164,814	\$ 169,758
Operating	2,656,281	2,707,943	2,760,593	2,814,251	2,868,936	2,924,668
Debt Service	1,987,325	1,924,735	1,856,505	1,790,185	1,778,144	1,713,229
<b>Total Appropriations</b>	<b>\$ 4,790,041</b>	<b>\$ 4,783,506</b>	<b>\$ 4,772,451</b>	<b>\$ 4,764,450</b>	<b>\$ 4,811,894</b>	<b>\$ 4,807,655</b>

**PARKING FACILITIES PROJECTION**

**Revenue Assumptions**

- Since FY 2002-2003 a private vendor is contracted to operate the City garages and parking lots.
- Charges for Current Services are generally projected to grow by 2% annually. The future of this fund could change substantially if the proposed changes in the recently completed downtown parking study are adopted. No assumptions are included in this projection for new garages or further implementation of the study.
- Transfers from Other Funds are a subsidy from the Debt Service Fund.

**Appropriation Assumptions**

- Personal Services are projected to grow by 3%.
- Operating costs are projected to grow by 1% annually, with the increased costs from expanding enforcement areas included in FY 2014-15.

**BALLPARK FUND  
PROJECTION**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenues</b>						
Interest and Rental Income	\$ 182,788	\$ 209,328	\$ 238,075	\$ 213,001	\$ 229,466	\$ 246,446
Transfers from Other Funds	1,285,617	1,251,239	1,215,354	1,232,745	1,111,321	1,081,874
<b>Total Revenues</b>	<b>\$ 1,468,405</b>	<b>\$ 1,460,567</b>	<b>\$ 1,453,429</b>	<b>\$ 1,445,746</b>	<b>\$ 1,340,787</b>	<b>\$ 1,328,320</b>
<b>Appropriations</b>						
Debt Service	1,272,691	1,265,854	1,258,715	1,251,032	1,240,787	1,228,320
Transfer to Fund Balance	51,000	50,000	50,000	50,000	100,000	100,000
Transfers to Other Funds	144,714	144,713	144,714	144,714	-	-
<b>Total Appropriations</b>	<b>\$ 1,468,405</b>	<b>\$ 1,460,567</b>	<b>\$ 1,453,429</b>	<b>\$ 1,445,746</b>	<b>\$ 1,340,787</b>	<b>\$ 1,328,320</b>

**BALLPARK PROJECTION**

**Revenue Assumptions**

- Per the new lease agreement approved by City Council on May 6, 2013, the City will receive annual base rent of \$130,050, with a projected 2% escalation, based on CPI. Additionally, the City will receive 3% of any gross revenues in excess of \$10,750,000 as well as 1.25% of revenues collected from Third Party and Special Events. These figures and assumptions were used to calculate interest and rental income revenues.
- The Transfers from Other Funds represents a subsidy from the General Fund and Debt Service Fund. The General Fund is providing \$50,000 annually for the capital reserve fund, which will increase to \$100,000 for FY19 and beyond. The Debt Service Fund will subsidize the Ball Park Fund approximately \$1.2 million each year.

**Appropriation Assumptions**

- Debt Service costs account for the issuance of \$12 million in taxable limited obligation bonds per the development agreement approved by Council on May 6, 2013. These bonds were used to provide \$6 million in deferred maintenance repairs and \$6 million in renovations to the Ball Park, completed in April 2014. Of the total debt service payment in FY 2014-15, \$897,695 is associated with the new debt that was issued. Debt Service estimates are supplied by the Finance Department.
- Transfer to Fund Balance represents the amount set aside to fund a capital reserve for future needs.
- Transfers to Other Funds represent an inter-fund loan repayment projected to be complete in FY 2017-18.

**DURHAM PERFORMING ARTS FUND  
PROJECTION**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Revenues</b>						
Other Local Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Other Revenues	\$ 955,233	\$ 866,860	\$ 1,168,605	\$ 931,395	\$ 918,605	\$ 753,023
Interest Income	\$ 25,920	\$ 32,630	\$ 54,550	\$ 27,777	\$ 48,386	\$ 1,780
Operating Revenues	\$ 1,344,333	\$ 928,445	\$ 1,451,704	\$ 752,231	\$ 1,445,143	\$ 929,764
Appropriation from Fund Balance	\$ -	\$ -	\$ -	\$ 2,076,167	\$ -	\$ 2,376,923
<b>Total Revenues</b>	<b>\$ 3,725,486</b>	<b>\$ 3,227,935</b>	<b>\$ 4,074,859</b>	<b>\$ 5,187,570</b>	<b>\$ 3,812,134</b>	<b>\$ 5,461,490</b>
<b>Appropriations</b>						
Operating	\$ 916,764	\$ 714,355	\$ 540,198	\$ 2,700,858	\$ 468,550	\$ 2,974,716
Debt Service	\$ 2,540,719	\$ 2,488,549	\$ 2,486,467	\$ 2,486,712	\$ 2,490,950	\$ 2,486,774
Appropriation to Fund Balance	\$ 268,003	\$ 25,031	\$ 1,048,194	\$ -	\$ 852,634	\$ -
<b>Total Appropriations</b>	<b>\$ 3,725,486</b>	<b>\$ 3,227,935</b>	<b>\$ 4,074,859</b>	<b>\$ 5,187,570</b>	<b>\$ 3,812,134</b>	<b>\$ 5,461,490</b>

**DURHAM PERFORMING ARTS PROJECTION**

**Revenue Assumptions**

- Other Local Taxes represents Occupancy Tax collections from Durham County. Durham Performing Arts Center is funded with 1% of collections, up to a maximum of \$1,400,000 annually.
- Other revenues represent Ticket Facility Fee Revenue and Naming Rights. Ticket facility fees are a \$1.50 surcharge charged on each ticket purchased for events and performances held at DPAC. Naming Rights fluctuate year to year as organizations' contractual rights to naming change.
- Operating revenues represents the City's share of the net operating revenue of the facility. The City of Durham receives a percentage of net operating revenue, based upon how much revenue falls into various reimbursement tiers. The current reimbursement schedule is as follows:
  - Tier 1: 40% of revenue below \$2,000,000
  - Tier 2: 30% of revenue between \$2,000,000 and \$2,300,000
  - Tier 3: 40% of revenue between \$2,300,000 and \$3,000,000
  - Tier 4: 20% of revenue above \$3,000,000
- Interest Income represents revenues gained through the commitment of City funds to investment instruments allowed under State Statute.
- Appropriations from Fund Balance represents any costs not covered from revenue sources.

**Appropriation Assumptions**

- Operating costs represent expenses related to maintenance and repairs to the facility. These expenses, previously captured in the DPAC Capital Facilities Fund, are proposed to be consolidated with the DPAC Operating Fund for the FY 15 Budget.
- Appropriation to Fund Balance represents transfers for any surplus revenue beyond expenditures.