



# **BUDGET & MANAGEMENT SERVICES**

---

CITY OF DURHAM

## 2<sup>nd</sup> Quarter Financial Report

Finance and BMS | February 23, 2023

# General Fund



**BUDGET & MANAGEMENT  
SERVICES**

CITY OF DURHAM

# General Fund - Expenditures

<b>DEPARTMENT</b>	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Audit Services	\$ 982,791	\$ 464,493	47.3%	\$ 909,900	\$ 72,891
Budget & Management Services	2,147,061	903,100	42.1%	1,889,701	134,728
City Attorney	2,381,400	1,471,576	61.8%	2,504,032	-
City Clerk	874,225	440,566	50.4%	835,322	38,903
City Council	843,104	556,507	66.0%	834,018	9,086
City Manager/One Call	3,498,404	1,804,480	51.6%	3,663,525	-
City/County Planning	5,974,780	2,598,092	43.5%	5,971,280	3,500
Communications	1,312,522	700,642	53.4%	1,381,346	-
Community Development	3,616,333	1,575,116	43.6%	3,239,846	307,663
Community Safety	5,034,680	1,513,667	30.1%	4,920,429	114,251
Economic & Workforce Development	8,945,919	2,370,001	26.5%	7,943,140	837,658
Emergency Communications	8,450,057	3,797,752	44.9%	7,499,441	950,616
Emergency Management	293,556	118,010	40.2%	293,556	-
Equity and Inclusion	639,301	174,859	27.4%	469,616	158,831
Finance	5,839,086	3,120,104	53.4%	5,849,940	-



# General Fund - Expenditures

<b>DEPARTMENT</b>	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Fire	44,662,866	24,433,629	54.7%	45,998,289	20,000
Fleet Maintenance	4,901,988	2,373,055	48.4%	4,700,200	201,788
General Services	18,203,931	8,059,452	44.3%	18,016,041	187,890
Human Resources	3,705,217	1,579,595	42.6%	3,550,267	154,950
Neighborhood Improvement Service	5,602,139	2,622,706	46.8%	5,594,161	7,978
Parks & Recreation	20,510,488	8,764,850	42.7%	18,841,405	1,669,083
Police	77,061,036	37,091,332	48.1%	73,888,522	1,817,091
Public Works	14,751,106	4,244,373	28.8%	14,102,254	648,852
Technology Solutions	10,952,677	6,568,025	60.0%	10,488,353	464,324
Transportation	9,768,914	5,177,788	53.0%	9,361,072	407,842
Non-departmental	17,694,074	7,408,544	41.9%	17,694,074	-
Indirect Cost	(14,795,247)	(11,096,439)	75.0%	(14,795,247)	-
Transfers To Other Funds	11,492,058	10,790,337	93.9%	11,492,058	-
<b>Total</b>	<b>\$ 275,344,466</b>	<b>\$ 129,626,212</b>		<b>\$ 267,136,541</b>	<b>\$ 8,207,925</b>



# General Fund - Expenditures

<b>CLASS</b>	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Personnel Services	\$ 196,911,516	\$ 99,747,953	50.7%	\$ 190,679,161	\$ 6,232,355
Operating Expenditures	62,206,488	18,447,393	29.7%	60,411,616	1,794,872
Capital Outlay	2,708,843	640,529	23.6%	2,528,148	180,695
Appropriation Not Authorized for Expenditures	2,025,561	-	0.0%	2,025,561	-
Transfers To Other Funds	11,492,058	10,790,337	93.9%	11,492,058	-
<b>Total</b>	<b>\$ 275,344,466</b>	<b>\$ 129,626,212</b>		<b>\$ 267,136,544</b>	<b>\$ 8,207,922</b>



# General Fund - Expenditures

- Year-end expenditures projected at \$8.2M less than budgeted:
  - Personnel costs under budget by \$6.2M mostly due to vacancy rate.
  - Operating costs under budget by \$2.0M due to operational savings.
- No department projected to go over budget.



# General Fund - Revenues

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>					
Property Taxes	\$ 126,332,305	\$ 91,143,693	72.1%	\$ 126,963,601	\$ 631,296
Sales Taxes	86,801,651	28,401,895	32.7%	93,178,427	6,376,776
Hotel/Motel Occupancy Tax	2,133,230	1,464,618	68.7%	2,929,236	796,006
Utility Franchise tax	4,097,183	731,397	17.9%	3,128,974	(968,209)
Other Taxes	425,000	303,438	71.4%	485,000	60,000
Powell Bill	6,281,025	7,549,750	120.2%	7,549,750	1,268,725
Other Intergovernmental Revenues	9,521,499	1,378,151	14.5%	9,521,499	-
Licenses & Permits	528,102	204,099	38.6%	517,000	(11,102)
Rental Income	99,939	78,034	78.1%	130,000	30,061
Charges For Services	10,363,893	5,659,205	54.6%	10,838,487	474,594
Assessments	28,000	-	0.0%	14,000	(14,000)
Sale of Property and Miscellaneous	1,209,500	301,245	24.9%	1,209,500	-
<b>TOTAL REVENUES</b>	<b>\$ 247,981,327</b>	<b>\$ 137,215,525</b>	<b>55.3%</b>	<b>\$ 256,465,474</b>	<b>\$ 8,484,147</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 275,344,466</b>	<b>\$ 129,626,212</b>	<b>47.1%</b>	<b>\$ 267,136,544</b>	<b>\$ 8,207,922</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (27,363,139)</b>	<b>\$ 7,589,313</b>		<b>\$ (10,671,070)</b>	
<b>To/(From) Fund Balance</b>					
				<b>Overall Budget Variance</b>	<b>\$ 16,692,069</b>



# Property Taxes

- Property tax payments were to be paid in full by January 5, 2023.
- EOY Projections: \$631K over budget





# Sales Taxes

Collections through October 31<sup>st</sup>:

- 2023: \$31,239,030– 35.9% of budget
- 2022: \$27,247,946– 35.6% of budget

EOY Projections:

- \$6.3M over budget



**BUDGET & MANAGEMENT  
SERVICES**

CITY OF DURHAM

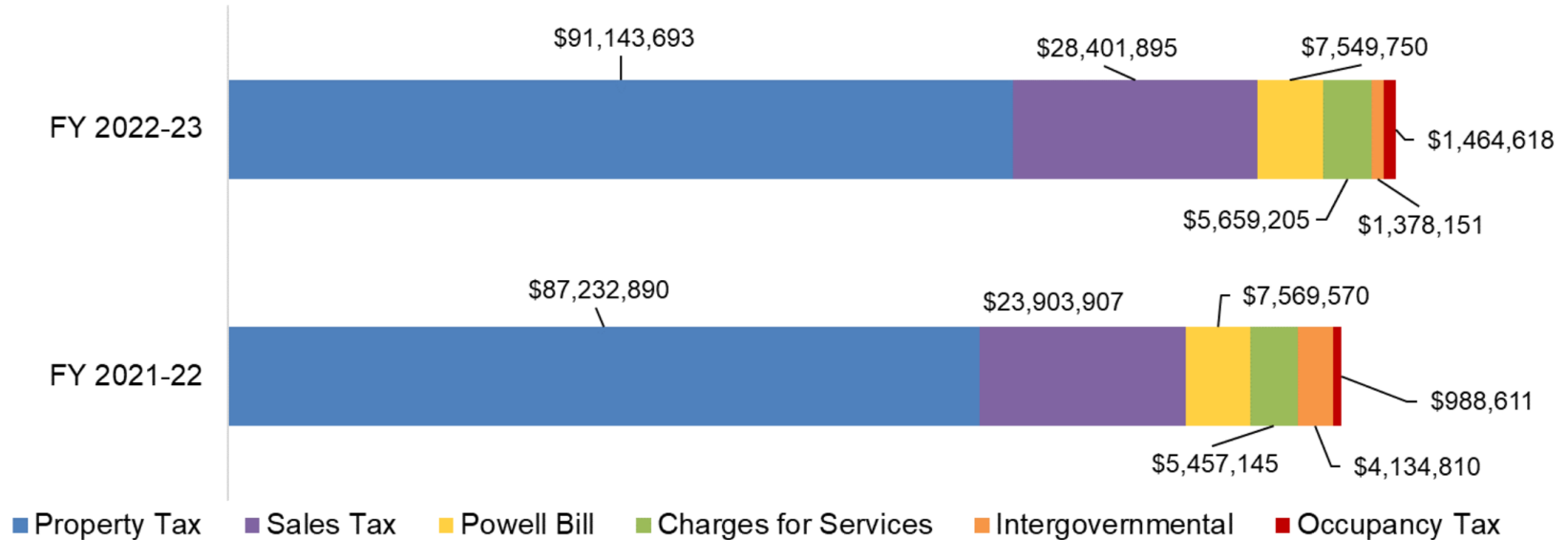
# General Fund Revenues

## EOY Projections

- Total Budget: +\$8.5M over budget
- Sales taxes: +\$6.3M over budget
- Property taxes: +\$631K over budget
- Utility Franchise taxes: -\$968K under budget
- Charges for Services: +\$474K over budget
- Occupancy Tax: +\$796K over budget



# Major Revenues FY 2022-23 Comparison



# Enterprise Funds



**BUDGET & MANAGEMENT  
SERVICES**

CITY OF DURHAM

# Water and Sewer Fund

- Overall fund is expected to end with a negative budget variance of \$3.8M as of Q2.
- Personnel Services \$2.4M under budget due to vacancies.
- Operating Expenses \$2.6M over budget due to increases in chemical costs.
- Bond Payment impacts negative budget variance, budget which will be corrected in Q3.
- Revenue is projected to come in very close to budget.



# Water & Sewer Fund - Revenues

	<b>FY2023 ADOPTED BUDGET</b>	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>ENCUMBRANCES</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>							
Operating Revenues	\$ 118,744,155	\$ 118,744,155	\$ 65,155,038	54.87%		\$ 118,414,454	\$ (329,701)
Permits	110,440	110,440	54,500	49.35%		110,440	-
Total Operating Revenues	\$ 118,854,595	\$ 118,854,595	\$ 65,209,538	54.86%		\$ 118,524,894	\$ (329,701)
Non-Operating Revenues							
Miscellaneous	\$ 811,015	\$ 811,015	\$ 386,769	47.69%		\$ 815,115	\$ 4,100
Investment Income	707,612	707,612	219,434	31.01%		707,612	-
Total Non-Operating Revenues	\$ 1,518,627	\$ 1,518,627	\$ 606,203	39.92%		\$ 1,522,727	\$ 4,100
<b>TOTAL REVENUES</b>	\$ 120,373,222	\$ 120,373,222	\$ 65,815,741	54.68%		\$ 120,047,621	\$ (325,601)



# Water & Sewer Fund - Expenses

	<u>FY2023 ADOPTED BUDGET</u>	<u>FY2023 ADJUSTED BUDGET</u>	<u>ACTIVITY THROUGH DECEMBER 2022</u>	<u>PERCENT OF BUDGET TO DATE</u>	<u>ENCUMBRANCES</u>	<u>PROJECTION THROUGH YEAR END</u>	<u>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</u>
<b>EXPENDITURES</b>							
Personnel Services	\$ 38,340,253	\$ 38,343,114	\$ 18,822,156	49.09%	\$ 197,794	\$ 35,910,365	\$ 2,432,749
Operating Expenditures	29,262,196	30,376,932	14,395,756	47.39%	2,710,826	32,981,909	(2,604,977)
Non-Departmental Administration	7,387,908	7,387,908	3,693,954	50.00%	-	7,387,908	-
Capital Outlay	158,000	361,084	42,624	11.80%	-	361,084	-
Payment to Refunded Bond Escrow Agent	-	-	3,382,104	0.00%	-	3,382,104	(3,382,104)
Debt Service Principal and Interest	16,323,512	16,323,512	11,844,442	72.56%	-	16,323,512	-
Operating Transfers to Other Funds	28,901,353	28,901,353	28,901,353	100.00%	-	28,901,353	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 120,373,222</u>	<u>\$ 121,693,903</u>	<u>\$ 81,082,389</u>	66.63%	<u>\$ 2,908,620</u>	<u>\$ 125,248,235</u>	<u>\$ (3,554,332)</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (1,320,681)</u>	<u>\$ (15,266,648)</u>			<u>\$ (5,200,614)</u>	
<b>To/(From) Fund Balance</b>							
						Overall Budget Variance	<u>\$ (3,879,933)</u>



# Transit Operations Fund

- Personnel expenses projected under budget due to Transit Fund vacancies.
- Operating Expenses and Miscellaneous revenue projected under budget due to delayed service enhancements implementations driven by driver shortage.
- Total positive budget variance: \$6.9M.
- FY23 Grant funding in the amount of \$12.0M (federal) and \$3.4M (state).
- Tax rate of 3.75 cents per \$100 (about \$14.9M) is budgeted in Transit Fund.





# Transit Operations Fund - Revenues

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>					
Operating Revenues	\$ 211,428	\$ 143,487	67.87%	\$ 286,974	\$ 75,546
Non-Operating Revenues					
Taxes	\$ 14,851,092	\$ 10,603,018	71.40%	\$ 14,852,092	\$ 1,000
Investment Income	10,634	51,565	484.91%	51,564	40,930
Grant Revenue	15,358,290	2,722,529	17.73%	15,358,290	-
Miscellaneous	10,229,683	6,876,677	67.22%	9,008,073	(1,221,610)
Total Non-Operating Revenues	\$ 40,449,699	\$ 20,253,789	50.07%	\$ 39,270,019	\$ (1,179,680)
<b>TOTAL REVENUES</b>	\$ 40,661,127	\$ 20,397,276	50.16%	\$ 39,556,993	\$ (1,104,134)



# Transit Operations Fund - Expenses

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>					
Personnel Services	\$ 1,162,635	\$ 188,644	16.23%	\$ 748,988	\$ 413,647
Operating Expenditures	36,024,868	13,726,546	38.10%	28,393,025	7,631,843
Non-Departmental Administration	928,586	464,294	50.00%	928,586	-
Capital Outlay	54,344	-	0.00%	54,344	-
Debt Service Principal and Interest	139,005	118,562	85.29%	139,005	-
Operating Transfers to Other Funds	1,519,047	1,519,047	100.00%	1,519,047	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 39,828,485</b>	<b>\$ 16,017,093</b>	<b>40.22%</b>	<b>\$ 31,782,995</b>	<b>\$ 8,045,490</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ 832,642</b>	<b>\$ 4,380,183</b>		<b>\$ 7,773,998</b>	
<b>To/(From) Fund Balance</b>					
				Overall Budget Variance	<b>\$ 6,941,356</b>



# Solid Waste Fund

- Operating Revenues are projected \$194K over budget.
- Personnel Services projected over budget by \$433K due to temporary contract staff.
- Operating Expenditures projected over budget by \$1.2M due to contractual services associated with fuel and loading and hauling.
- Total negative budget variance: \$1.7M.



# Solid Waste Fund - Revenues

	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>					
Operating Revenues	\$ 8,667,454	\$ 4,718,927	54.44%	\$ 8,861,662	\$ 194,208
Non-Operating Revenues					
Taxes	\$ 22,138,028	\$ 15,808,901	71.41%	\$ 22,138,028	\$ -
Investment Income	55,711	39,966	71.74%	55,711	-
Miscellaneous	381,000	104,439	27.41%	381,000	-
Operating Transfers from Other Funds	82,422	82,422	100.00%	82,422	-
Total Non-Operating Revenues	\$ 22,657,161	\$ 16,035,728	70.78%	\$ 22,657,161	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 31,324,615</b>	<b>\$ 20,754,655</b>	<b>66.26%</b>	<b>\$ 31,518,823</b>	<b>\$ 194,208</b>



# Solid Waste Fund - Expenses

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>					
Personnel Services	\$ 9,988,321	\$ 5,532,033	55.39%	\$ 10,421,415	\$ (433,094)
Operating Expenditures	15,395,601	8,269,411	53.71%	16,604,492	(1,208,891)
Non-Departmental Administration	2,922,951	1,461,477	50.00%	2,922,951	-
Capital Outlay	1,001,478	63,728	6.36%	861,334	140,144
Payment to Refunded Bond Escrow Agent	-	405,980	0.00%	405,980	(405,980)
Debt Service Principal and Interest	3,715,363	1,570,762	42.28%	3,715,363	-
Operating Transfers to Other Funds	943,487	943,487	100.00%	943,487	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 33,967,201</u>	<u>\$ 18,246,878</u>	53.72%	<u>\$ 35,875,022</u>	<u>\$ (1,907,821)</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ (2,642,586)</u>	<u>\$ 2,507,777</u>		<u>\$ (4,356,199)</u>	
<b>To/(From) Fund Balance</b>					
				Overall Budget Variance	<u>\$ (1,713,613)</u>



# Stormwater Fund

- Operating Revenues projected \$58K over budget.
- Personnel Services projected at budget.
- Operating Expenditures projected under budget by \$3K.
- Total positive budget variance: \$48.5K.



# Stormwater - Revenues

	<b>FY2023 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH DECEMBER 2022</b>	<b>PERCENT OF BUDGET TO DATE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>					
Operating Revenues	\$ 19,768,691	\$ 14,671,541	74.22%	\$ 19,826,691	\$ 58,000
Non-Operating Revenues					
Investment Income	\$ 65,352	\$ 32,898	50.34%	\$ 65,352	\$ -
Operating Transfers from Other Funds	109,047	109,047	100.00%	109,047	-
Total Non-Operating Revenues	\$ 174,399	\$ 141,945	81.39%	\$ 174,399	\$ -
<b>TOTAL REVENUES</b>	\$ 19,943,090	\$ 14,813,486	74.28%	\$ 20,001,090	\$ 58,000



# Stormwater - Expenses

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>					
Personnel Services	\$ 9,961,403	\$ 4,907,245	49.26%	\$ 9,961,403	\$ -
Operating Expenditures	3,175,045	1,229,932	38.74%	3,178,523	(3,478)
Non-Departmental Administration	1,983,196	991,600	50.00%	1,983,196	-
Capital Outlay	100,151	-	0.00%	106,126	(5,975)
Operating Transfers to Other Funds	14,129,500	14,129,500	100.00%	14,129,500	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,349,295</b>	<b>\$ 21,258,277</b>	<b>72.43%</b>	<b>\$ 29,358,748</b>	<b>\$ (9,453)</b>
<b>NET REVENUES LESS EXPENDITURES To/(From) Fund Balance</b>	<b>\$ (9,406,205)</b>	<b>\$ (6,444,791)</b>		<b>\$ (9,357,658)</b>	
				Overall Budget Variance	\$ 48,547





# Parking Fund

- Operating revenue is projected to be \$290K over budget.
- Operating Expenses projected under budget at \$88K.
- Debt Service Fund subsidizes the existing debt portion of the fund.
- Parking Fund overall is projected to end the year with a \$70K negative budget variance.



# Parking Fund - Revenues

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>					
Operating Revenues	\$ 5,274,757	\$ 2,840,379	53.85%	\$ 5,584,614	\$ 309,857
Non-Operating Revenues					
Investment Income	\$ 7,638	\$ -	0.00%	\$ 7,638	\$ -
Miscellaneous	124,126	52,106	41.98%	104,213	(19,913)
Operating Transfers from Other Funds	738,089	738,089	100.00%	738,089	-
Total Non-Operating Revenues	\$ 869,853	\$ 790,195	90.84%	\$ 849,940	\$ (19,913)
<b>TOTAL REVENUES</b>	\$ 6,144,610	\$ 3,630,574	59.09%	\$ 6,434,554	\$ 289,944



# Parking Fund - Expenses

	FY2023 ADJUSTED BUDGET	ACTIVITY THROUGH DECEMBER 2022	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>					
Personnel Services	\$ 1,946,969	\$ 1,096,331	56.31%	\$ 2,037,535	\$ (90,566)
Operating Expenditures	2,022,759	679,714	33.60%	1,934,734	88,025
Non-Departmental Administration	733,710	366,856	50.00%	733,710	-
Payment to Refunded Bond Escrow Agent	-	357,260	0.00%	357,260	(357,260)
Debt Service Principal and Interest	2,959,180	2,642,750	89.31%	2,959,180	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,662,618</u>	<u>\$ 5,142,911</u>	67.12%	<u>\$ 8,022,419</u>	<u>\$ (359,801)</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ (1,518,008)</u>	<u>\$ (1,512,337)</u>		<u>\$ (1,587,865.00)</u>	
<b>To/(From) Fund Balance</b>					
				Overall Budget Variance	<u>\$ (69,857)</u>



# Other Major Funds

- Ballpark Fund: Expected to meet FY23 revenue projections.
- DPAC Fund: Overall positive budget variance of \$264K.
- Inspections Fund: Revenues are expected come in over budget (\$160K).  
Overall positive budget variance of \$272K due to personnel savings.

