



Durham County Operating Budget Guiding Principles

Durham County government develops an annual balanced budget as required by state law, with final approval by the Durham Board of County Commissioners. The annual budget development process and final approval creates a guiding financial plan, policy implementation decisions, and funding allocations in support of organizational strategies and values. The annual budget allocates resources across departments and service areas to achieve ongoing and new outcomes that reflect community values and priorities, Commissioner directives, administrative knowledge, and legal and fiscal requirements. The operating budget provides funding for all County operations, as well as specific capital items (non-capital project items), in support of the County's immediate operational needs, County Manager workplan and Commissioner objectives. A regularly updated Durham County strategic plan provides goal and priority guidance across all levels of the government, reflected in funding allocation decisions. Durham County prioritizes its annual operating budget resource allocation both across and within Funds, based on the following guiding principles.

The Durham County annual operating budget will be developed:

1. In accordance with established County financial policies and developing Budget policies
2. Within the Managing for Results framework, reflecting the principles of strategic and operational planning, budgeting for results, managing service deliver, and learning, evaluation, and accountability
3. To maintain adequate fund balance levels for all Funds in support of a continued triple A bond rating
4. With revenue projections that adequately reflect recent trends while also providing a margin of safety that ensures any variability in collection can be adequately met
5. With expenditure projections that maintain critical services, to the greatest extent possible, while also maximizing County-wide outcomes
6. With "one-time" revenue sources only being used to support one-time costs.
7. With the expectation that entities receiving funding use any savings from those funds in a fiscally responsible and consistent manner, particularly relating to one-time revenue sources only being used to support one-time costs.
8. Strategically along with the Capital Improvement Plan (CIP); aligning operating and capital investments for coordinated and efficient results; assessing the impact of capital investment on operating accosts and evaluating potential savings realized through capital investment
9. With secure debt service support provided through an ongoing capital financing policy that dedicates significant revenue resources towards annual payments
10. To maintain critical operating services where possible
11. To support ongoing operating and maintenance costs including strategic levels of replacement funding (i.e. vehicles, equipment, computer hardware, building systems). Allocations should support the organization's commitment to short and long-term sustainability efforts.
12. With appropriate investment in organizational capacity through compensation, training, and employee development
13. Maximizing external funding opportunities where possible
14. Adjusting County fees to capture relevant program costs
15. With sound decision-making based on robust performance metrics, where available
16. Supporting flexible services and programs across County government that are capable of responding to emerging and unanticipated needs while also building resilience as an organization