



# Durham County Government

## Fiscal Update

### February 22, 2021



# DURHAM COUNTY GOVERNMENT FISCAL UPDATE

- Quick Recap of Mid-Year Update
- FY 2020-21 Outstanding Expenditures
- Mid-Year Salary Review
- Differential/Hazardous Pay
- Next Steps



# DURHAM COUNTY GOVERNMENT

## Budget Management Reminders

- FY 2020-21 Limited Overall Budget Growth
- Positions frozen with exceptions for areas related to COVID-19 management or other compliance areas. (Began Spring 2020)
- \$4.2 million set aside from lapsed salaries to offset potential revenue losses and COVID-19 related expenditures.
- \$4.5 million set aside from COVID related expenses
- Capital Purchases Deferred and/or Amounts Reduced
- Overall increased Fiscal Analysis, Mid-Year Review to Determine Spending on Several Outstanding Issues



# Draft Projected Unbudgeted Year-end Operating Expenses as of February 22, 2021\*

Expenditure Category	Lapsed Salaries Transfer from Existing FY 2020-21 Holdback	Fund Balance Appropriation	Total	Eligible for FEMA Reimbursement
Security equipment and temporary personnel	\$ 45,000	\$ -	\$ 45,000	
General Services - Funds to support building building operating cost including supplies and materials.	\$ 100,000	\$ -	\$ 100,000	
General Services - Cleaning costs due to COVID-19	\$ 474,600	\$ -	\$ 474,600	X
Potential allocation for Learning Centers (4th Quarter)	\$ -	\$ 450,000	\$ 450,000	
Sheriff X-Ray machine replacement	\$ 194,250	\$ -	\$ 194,250	
Public Health - Call Center Infrastructure	\$ 375,674	\$ -	\$ 375,674	X
Public Health Call Center Infrastructure - Vaccine Management Solution	\$ 307,900	\$ -	\$ 307,900	X
Cooperative Ext.- operating funds for Food Security FTE	\$ 37,000	\$ -	\$ 37,000	
Youth Home - additional funding for out-of-county beds	\$ 30,000	\$ -	\$ 30,000	
Youth Home - Mental Health Counseling Services	\$ 7,200	\$ -	\$ 7,200	
Economic Development Extension Payment**	\$ -	\$ 785,000	\$ 785,000	
Rescue and Recovery Task Force	\$ 75,325		\$ 75,325	
To Be Determined				
Food Security (Additional Funding) - (TBD)	\$ -	\$ -	\$ -	
Housing Security - Early April review with updated on State and Federal funding opportunities - (TBD)	\$ -		\$ -	X
Other (TBD)	\$ -	\$ -	\$ -	
<b>Total</b>	<b>\$ 1,646,949</b>	<b>\$ 1,235,000</b>	<b>\$ 2,881,949</b>	

\*The draft expenditure list will be discussed further during future BOCC meetings.

\*\* Economic Development payment based on planned Industrial Extension Policy payments.



# Mid-year Salary Review

## Options For Consideration

- **Three weeks leave that does not expire**  
(Does not accrue to sick time. Nor does it expire. No fiscal impact to the general ledger as a liability.)
- **1% Cost of Living Adjustment**  
(Recurring Annual expense \$1.45 million/Beginning January \$725,000)
- **2% Cost of Living Adjustment**  
(Recurring Annual expense \$2.9 million/Beginning January \$1.45 million)



# Hazardous/Differential Pay Options

## Proposed through June 30, 2021

- **Reinstate differential Pay at 10% - \$2.6 million plus benefits for 6 months**

Eligible for FEMA reimbursement up to 75%, Estimated employees: 1,800.

- **Implement differential Pay at 5% - \$1.3 million plus benefits for 6 months**

Would be a “post-COVID” change/update to the policy which would not be an allowable expense for FEMA reimbursement. Estimated employees: 1,800.

- **Implement Differential Pay at 10% for Certain Job Classifications\* - \$1.9 million plus benefits**

Eligible for FEMA reimbursement up to 75%, Estimated employees: 1,110

*\*Essential Healthcare Employees – Employees serving in healthcare settings who have the potential for direct or indirect exposure to patients or infectious materials. This includes persons not directly involved in patient care, but potentially exposed to infectious agents while working in a healthcare setting (e. g. Public Health and Emergency Medical Services). Essential Non-Healthcare Employees – Employees who are essential to maintain critical infrastructure and continue critical services and functions. This includes the following: Emergency Management Officials, Law Enforcement, Public Safety, Other First Responders, Emergency Medical Services, Public Health, Social Services, Water and Wastewater, Critical Trades (construction, electricians, plumbers, etc.).*





# DURHAM COUNTY GOVERNMENT NEXT STEPS FISCAL MANAGEMENT

- Continued evaluation of deferred expenditures within departmental budgets that require funding. (ie. Delayed capital expenditures and delayed positions that have been not hired due to positions being frozen).
- Continued Operational Assessments to Identify Process Improvements and Efficiencies
- Refine budget realignments for County departments needed to manage the remaining of the fiscal year.
- BOCC updates through the Budget Retreat, BOCC Worksessions and Regular Session meetings

