

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, February 3, 2020

9:00 A.M. Worksession

MINUTES

Place: Commissioners' Chambers, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chair Wendy Jacobs, Vice Chair James Hill and Commissioners Heidi Carter, Brenda Howerton and Ellen Reckhow

Presider: Chair Wendy Jacobs

Citizen Comments

The Board of County Commissioners provided a 30-minute comment period to allow Durham County citizens an opportunity to speak. Citizens were requested to refrain from addressing issues related to personnel matters.

Bryan Fox spoke in support of the current draft of the Durham County Economic Development Policy.

Carl Rist, member of the Durham People's Alliance Economic Inequality Committee, commended the County for the Economic Development Policy and provided the following recommendations on the most recent version:

1. Ensure this policy was discussed within a larger economic development strategy.
2. Increase transparency via an annual report on the incentives program or an online dashboard (such as the City's) which included total dollars invested per deal, total jobs created, and total return in property taxes.
3. Ensure public hearings for economic development items are announced 10 days in advance as well as alert all community stakeholders. Make agreements publicly available once they have been approved.
4. Address the issue of living wages and perhaps provide an extra bonus for all incentivized jobs to be living wage jobs.

John Tarantino, Durham Satire founder, performed a cover from the Capitol Steps on the issue of immigration.

Consent Agenda

The Board was requested to review the following Consent Agenda items for the March Regular Session meetings.

20-0032 Execution of a Contract with Bordeaux Construction Company for the Pre-Construction Services for the New Durham County Youth Home, Project No. DC-001

General Manager Jodi Miller confirmed the concept for the new Youth Home facility accommodated 16- and 17-year-olds. She provided the Board with a brief update regarding the State’s funding for the facility and noted staff also reached out to the counties for which Durham County provided youth detention housing space (i.e. beds).

Peri Manns, Deputy Director of Engineering and Environmental Services, clarified that the contractors were using 25% MWBE, not 22% as shown in the documents.

Staff was encouraged to negotiate support for operating costs with the State, not just capital costs. Considering the precedent of the State per diem reimbursement for holding State (adult) inmates in the Durham County Detention Center, the County should be entitled to the same type of reimbursement of the average costs for the State to house 16- and 17-year-old youths. Commissioner Reckhow noted that the counties who sent their youth to Durham’s Youth Home could hesitate to contribute to the funding of the new facility due to believing it was the State’s statutory responsibility.

Vice Chair Hill arrived at the meeting at 9:28 a.m.

20-0034 Budget Ordinance Amendment No. 20BCC000042 Appropriation of \$79,000 of Fund Balance from the General Fund and the Transfer of the funds to the City of Durham and Approval of an Interlocal Agreement with City of Durham for the Continuation of Street Outreach for the Homeless

The Board raised concerns regarding the lack of clear delineation of the relationship between the Main Library, Urban Ministries of Durham, and the 300 East Main Street Block development. Chair Jacobs believed clear delineation would help ensure the Board’s interests were met. Dre Cummings, Chief of Staff and Hanaleah Hoberman, Community Development Department Homelessness Project Manager II, addressed the Board’s concerns. Ms. Hoberman noted the RFP, which was released first, was more specific and this was why the Interlocal was not as detailed.

Ms. Hoberman stated, according to the Interlocal, the County would match the amount the City spent on the RFP contract in an amount not to exceed \$215,000 each. The City would use funds from the Dedicated Housing Fund (local money). She emphasized the RFP’s requirements were meant to ensure service-oriented interactions with the homeless population.

Upon some inquiry from the Board, Manager Davis stated he believed staff vetted the Interlocal thoroughly.

Discussion was held regarding sending a letter to the congressional delegation describing the impact of State budget cuts at the local level. Manager Davis stated the letter could be a topic of

discussion during the next fiscal year since the State did not pass their FY19-20 budget—the cuts that were supposed to occur did not due to the standoff.

The Board agreed to proceed with the item once the language was edited to reflect that there would be an offset by Alliance should funds become available. Mr. Cummings stated he was in conversation with Alliance regarding this topic. County Manager Davis announced the edits would be made before the Monday, February 10th Regular Session.

Directives:

- **Drew Cummings to edit the Interlocal language to reflect that there would be an offset by Alliance should funds become available.**
- **Drew Cummings to provide the Board with the scope of work.**

20-0035 Budget Ordinance Amendment No. 20BCC000043 to Appropriate \$147,253 of Fund Balance in the General Fund to Purchase (A) New Chemistry Analyzer, (B) Tube Transport System Replacement, (C) Replace Two Laboratory Refrigerators, (D) On-Site Staff Licenses and (E) Veteran Services Vehicle

Keith Lane, Budget Director, and Rod Jenkins, Public Health Director, explained the item's funding and purpose.

20-0036 Budget Ordinance Amendment No. 20BCC000044 to Create One FTE Sr. Public Health Nurse Grant Funded Position at \$95,965 in the Durham County Department of Public Health Family Planning Program

The Board suggested including Durham County's infant mortality rate as a dashboard measure, disaggregated by race and ethnicity.

Joanne Pierce, General Manager agreed to request a report from the State of Durham's Young Children Report taskforce which would include an update as well as information about infant mortality rates disaggregated by race and ethnicity. She and Commissioner Howerton spoke about the importance of adapting current strategies in response to outcome data.

Vice Chair Hill discussed the racial and ethnic disparities in maternal morbidity.

Directive: Rod Jenkins to provide the Board with a memo addressing the County's status and strategy regarding the racial disparities in the child and infant mortality rates as well as STD infection rates. The memo should include data disaggregated by race and ethnicity.

20-0037 Budget Ordinance Amendment No. 20BCC000045 to Create One Full-Time FTE County Funded Physician Extender Position using \$119,753 of transferred funding from contracted services

Joanne Pierce, General Manager explained the Physician Extender position was a mid-level medical provider for Durham County's Sexually Transmitted Infection Clinic. She confirmed this position would not create a gap nor lead to staff seeking more funds to backfill in the upcoming budget year. Mr. Jenkins confirmed the item was approved by the Board of Health.

20-0041 Budget Ordinance Amendment No. 20BCC000046 to Create One Full-Time FTE County Funded Dental Van Driver Position in the Durham County Department of Public Health Dental Division at \$37,964 of transferred funding from contracted services

Commissioner Reckhow noted that the wording for this item called for the creation of a full-time employee for the dental van driver (known as the Tooth Fairy van), but the fund amount seemed to only be enough for a part-time employee.

The Board and Ms. Pierce discussed the Tooth Fairy's capacity in terms of hours and amount of work performed.

Directive: Staff to confirm whether the position was part-time (rather than full-time as stated in the item) and edit the wording if so.

20-0042 Amendment of the Public Art Agreement with Volkan Alkanoglu for the Fabrication/Installation of the Public Art at the Main Library Renovation Project No.: DC094

Peri Manns, Deputy Director of Engineering and Environmental Services confirmed the expense amount for the public art piece was originally budgeted for in the Main Library Capital Project.

20-0050 Capital Project Amendment No. 20CPA000021 to Amend the Alliance Behavioral Backfill Project by \$500,000 With a Funding Source of Pay-As-You-Go Capital Project Fund as well as the Execution of the Construction Contract for the Alliance Behavioral Healthcare Backfill Renovation Project No.: 4730DC145

Peri Manns, Deputy Director of Engineering and Environmental Services addressed the large increase and what expenses it was meant to cover.

20-0055 Extension of Contract with Nehemiah Christian Center for Day Center Activities

The Board inquired as to how the Main Library would serve the homeless population in terms of the services the Nehemiah Christian Center was providing. Mr. Cummings confirmed a Social Worker would be stationed at the Main Library. Claudia Hager, General Manager noted her conversations with Tammy Baggett, Library Director and touched on how to make the transition as seamless as possible.

Directive: Drew Cummings and Claudia Hager to provide the Board with a memo regarding the plans on how the Main Library would serve the homeless population in terms of what the Nehemiah Christian Center was providing and how the transition would be handled.

There were no comments made for the items below:

20-0038 Contract Amendment Increase The Select Group Contract \$62,640.00 for a Contract Total of \$108,808.00

20-0045 Durham County Matching Grants Program - Approval of FY19-20 Grant Cycle

20-0047 Capital Project Amendment No. 20CPA000019 - Reducing the IT&S FY20 CIP IT Hardware Replacement Capital Project (42001910DC120) by \$887,245.00 and Increasing the

Audio-Visual Tech. Life Capital Project No. 42001910DC107 by \$403,245.00 and Increasing the 16 Telecommunication Capital Project No. 42001910DC104 by \$484,000.00

Discussion Items

20-0031 Update on Design of the New Durham County Youth Home, Project No. DC-001

In 2017, the Board of County Commissioners approved funds for a Youth Home Program and Site Master Plan, which included an update to the 2014 Building Assessment Report. The study identified current and future needs of the Youth Home. Building assessment results indicated that repairing, upgrading, and expanding the outdated facility was not cost-effective.

This project was the design of a new 36-bed Durham County Youth Home to replace the existing 14-bed facility on the 8.1-acre site currently shared with the Durham County Fire Marshal's and Emergency Management Offices. The new expanded facility would be designed to facilitate best practices and accommodate the housing of older juveniles as mandated by the SB257 Juvenile Justice Reinvestment Act (Raise the Age Law) which took effect on December 1, 2019. The design would follow the standards of the North Carolina Administrative Code 10A NCAC 14J, Rules and Laws Governing the Operations, Surveillance, and Monitoring of Jail Facilities, and the American Correctional Association Standards for Juvenile Detention Facilities. The existing Youth Home would be demolished once the new facility became occupied. This project would pursue LEED Gold certification.

The Board previously requested the County seek to partner with NCDPS and regional communities in the funding of the new facility. In fall 2019, County Manager Davis sent a letter to the County's catchment area communities (Orange, Chatham, Person, Granville, and Vance) to gauge their interest in partnering with Durham County on this project. To date, staff received responses from Orange, Granville and Vance counties on their interest in partnering with Durham. In early December 2019, Durham received a letter from NCDPS Deputy Director William Lassiter in which he indicated NCDPS's interest in partnering on this project. The County was working on a funding proposal to be shared with the interested partners in Winter 2020.

The Board received an update from Bryan Payne, Senior Associate Moseley Architects, on the design of the New Durham County Youth Home. Angela Nunn, Youth Home Director, stated the design of the new Youth Home was formatted to allow for the separation according to gender, age, and mental health needs. Discussion was held regarding efforts made to ensure youths could not harm themselves or others in the housing pods or gathering areas. She described how the space was designed to be therapeutic and durable.

At Commissioner Howerton's inquiry, Ms. Nunn discussed how the Board could answer questions from the public regarding why the County was spending money on a new Youth Home facility.

Ms. Nunn discussed the classroom set up and the number of teachers and teaching assistants. She also described the weekly routine and programming offered to youths. The Board made suggestions regarding therapeutic activities using nature and the outdoor spaces.

Ms. Nunn and Chair Jacobs shared their preference for Option 3 of the building's design as shown in the presentation.

20-0064 2020-2029 Capital Improvement Plan Update

The Durham County Capital Improvement Plan (CIP) was adopted in June 2019. In November 2019, the County's financial advisor Douglas Carter, President and Managing Director of DEC Associates, gave guidance to the Board of County Commissioners and Board of Education on the approaches needed to optimize capacity within the capital improvement plan, while maintaining affordability and current bond rating. Mr. Carter advised both entities to revisit capital project sequencing, timing and cash flow levels to ensure the plan was optimally aligned. For Durham County, although project placement and correlating cash needs were derived based on a shovel-ready checklist, some projects needed changes based on current market conditions, recent policy discussions, and/or project scope changes.

Keith Lane, Budget Director and Claudia Hager, General Manager provided the Board with an update on the 2020-2029 Capital Improvement Plan. Staff gave highlights on proposed CIP changes and noted they were preparing for additional review and discussions with Mr. Carter.

County Manager Davis and Susan Tezai, Finance Director, discussed General Obligation Bonds (GO Bonds) and Limited Obligation Bonds (LOBs).

Ms. Hager and Manager Davis discussed the model of the property tax rate for capital financing and how its accuracy depended on many market factors—the economic status of the nation was one such factor.

The Board questioned the budgeted amount for a project and Peri Manns, Deputy Director of Engineering and Environmental Services agreed to confirm the budget was \$9.4 million, not \$8.5 million as was believed.

Mr. Lane stated the CIP would be updated during Fall 2020. Ms. Hager stated Mr. Carter planned to thoroughly pressure test the information to ensure the timing and sequence of the projects was realistic.

Discussion was held regarding the need to add a footnote in the presentation to acknowledge that the 2016 bond funds were going to be used for Elementary School C, not for the construction of Northern High School as originally intended.

Staff noted the Durham Public Schools (DPS) fund balance was \$14 million as of June 20, 2019. Their unassigned fund balance increased from \$4 million to over \$8.4 million.

Commissioner Carter expressed her frustration with the amount of time it took for the information to come before the Board due to the lack of "appropriate direction from the top." She hoped any important information requested by the Board in the future was provided by staff sooner. Manager Davis and staff described the difficulty involved with requesting and receiving information from DPS in a timely manner. He stated that staff had yet to receive the long awaited DPS cash flow projections which were needed by the financial advisor to assess affordability.

The Board discussed the needed renovations and critical facility maintenance needs of DPS, namely the Durham School of the Arts.

20-0054 Report on 2019 Resident Survey

For the fifth consecutive year, Durham County partnered with the City of Durham to conduct a resident survey. The survey, which was conducted in late Fall 2019, presented information about service quality and resident prioritization of services. This data, including trends from the past several years, would be used to help Durham County make service improvements in the spirit of the County's continuous improvement model, Managing for Results. The survey also enabled Durham County to compare itself to other, similar-sized communities across the country.

Jason Morado, ETC Institute, provided the Board with a presentation and report on the 2019 resident survey results.

The Board discussed the results and how the low rated areas could be addressed—e.g. public transit, ease of website navigation, access to information, “ability to reach County employee,” and “County effort to keep citizens informed.” Commissioner Reckhow reiterated her suggestion of the County joining the City's Durham One Call service. Staff was encouraged to consider creative solutions to improve these areas.

Directive: Drew Cummings to email the Board the item attachment with the responses to the survey open-ended questions.

20-0051 Durham Transit Tax FY20 Workplan Amendment for GoDurham Better Bus Stop Improvements

Jay Heikes, Transportation Planner, provided the Board with a presentation on the Durham Transit Tax FY20 Workplan Amendment for GoDurham Better Bus Stop Improvements.

GoTriangle, on behalf of GoDurham, was proceeding with design work for 50 GoDurham bus stop improvements. This design work was funded by the FY20 Durham County Transit Tax Work Plan. GoTriangle requested a work plan amendment to fund construction of 10 bus stops in FY20, in addition to purchasing amenities (shelters-in-place, benches, sign poles) for all 50 bus stops in FY20. The estimated cost of this amendment was \$1,029,000.

Katharine Eggleston, GoTriangle Chief Development Officer, stated the cost per bus stop was roughly \$10,000 for design and \$30,000 - \$40,000 for construction. She stated the design process involved site-specific design for each location which included surveying and identifying utility conflicts.

20-0052 Greater Triangle Commuter Rail Potential Next Steps

Ms. Eggleston provided the Board with a presentation on the Greater Triangle Commuter Rail Potential Next Steps. The presentation included an update on upcoming decisions pertaining to the potential next phase of study for Greater Triangle Commuter Rail (CRT) Project, known as “early project development activities.”

The Durham Board of County Commissioners, the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (MPO), and the GoTriangle Board of Trustees would each be presented with two decision points at upcoming meetings:

1. Amend the Durham County Transit Plan to fund “early project development activities” for the commuter rail project to address key project risks and prepare the project for a subsequent decision on whether to proceed with project implementation
2. Authorize a Memorandum of Understanding to govern the roles, responsibilities, and goals of “early project development activities”

The commuter rail project depended on whether elected officials chose to proceed with an additional study. The study would prepare the project for a subsequent decision on whether to pursue project design and implementation, in addition to initiating the federal New Starts process. The following were major elements that would be addressed as a part of the next phase of study: public and stakeholder engagement (integrated with local plan updates); model railroad capacity using the Rail Traffic Controller (RTC) model; preliminary engineering to evaluate critical design risks (e.g. Downtown Durham grade crossings); and agreements with funding partners, municipalities, and railroads.

Staff noted the City was supportive of the project. Ms. Eggleston confirmed a risk register would be developed and provided to the Board once staff performed more detailed engineering analysis.

The Board believed it was important for the public to be aware of where all the proposed stations in Durham would be located (in downtown, East Durham, Ellis Road, West Durham, and RTP).

Regarding an estimated cost for the next step, Ms. Eggleston stated staff was working with a budget amount of up to \$9 million for the additional study. The amount was to be split between Durham, Wake, and other potential partners. Aaron Cain, City of Durham Senior Transportation Planner, stated the Staff Working Group had not yet discussed cost sharing percentages, but recommended a budget of approximately \$2.6 to \$2.8 million based on the projected Durham ridership percentage.

Mr. Cain discussed the status of the proposed BRT routes as well as requested service to Treyburn.

Directives:

- **Aaron Cain to provide the Board with a one-page document with information regarding the Staff Working Group's recommended budget of \$2.6-2.8 million based on the projected Durham ridership percentage.**
- **Staff to add information regarding the proposed station locations in Durham to the PowerPoint.**

20-0018 Review of Amended Economic Development Policy

The Board was requested to review and discuss the Amended Economic Development Policy. The revisions being considered were intended to further effectuate the County goals as informed by the County’s Strategic Plan, the best practice of our North Carolina peers, working within Federal and State legal parameters and maintaining our economic competitive and comparative

advantage. Dating back to the Spring of 2018, the Board received several presentations and engagements to help shape and inform the policy revision process to include the following:

1. Review of 2008 Policy - Board Feedback and Revision Goals (Spring Retreat, 2018)
2. School of Government Presentation - Economic Development Fundamentals and Legal Parameters (June Work Session, 2018)
3. Policy Benchmarking of NC Peers - Identify Strategies to Revise Policy (Fall Retreat, 2018)
4. Policy Revision Phase I - Contract Strengthening, Criteria & Threshold Refinement (June Worksession, 2019)
5. Initial Draft Proposal and Board Feedback (October Worksession, 2019)
6. Stakeholder Feedback from Partner Institutions and Organizations (October 2019)
7. Board Briefings on Proposed Changes and Feedback (December 2019)

The Amended Economic Development Policy being considered for adoption balanced the County's principles of furthering community and Board goals, maintaining legal compliance and sustaining its economic competitive and comparative advantage.

The Board discussed living wages (citizen comment's fourth recommendation) and whether this could be added to the policy as a requirement rather than a checklist item. Willie Darby, Senior Assistant County Attorney, confirmed that a living wage requirement could not be included in incentive contracts per state statute.

Regarding the citizen comment's first recommendation, Andrew Miracle, Economic Development Officer, considered whether the policy should be renamed as the "Economic Development *Incentive* Policy" as this was specific to only incentives given by the County. He added that the County was statutorily required to publish notice of a public hearing no less than ten (or more than twenty-five) days before the hearing. This ensured the County satisfied the third recommendation. Mr. Miracle addressed the second recommendation for increased transparency.

Discussion was held regarding whether it was wise to lay out the County's formula for companies seeking incentives through the taxable capital investment or jobs criteria. The County Manager emphasized the importance of simplicity to increase the County's competitive edge and comparative advantage.

The Board agreed to add this item to the Monday, February 10th Regular Session consent agenda if staff was able to review the updated policy once all requested edits were made.

Directive: Andy Miracle to make the following edits to the policy:

- **In section 5(b) - include companies who maintain a transportation demand management (TDM) program as a priority for Durham County.**
- **In section 5(c), under the Workforce Partnership factor - add (as the third bullet) language to address apprenticeships and include "work with Durham Technical Community College to create apprenticeships which combine on the job learning and classroom instruction."**

- **In section 7(i) - include a range, rather than a fixed number, for the anticipated revenue in terms of its relationship to the award amount.**
- **In section 7(ii) - remove the linkage to revenue in the second sentence.**
- **In section 8 - reword the third bullet to say: “Between 80 and 100%, for every percent reduction in performance, there is a percent reduction in scheduled payment.”**

20-0053 Follow-Up on Commissioner Directives

The Board opted to postpone this discussion for the sake of time.

20-0058 Resolution - Triangle Trails Initiative

The Board opted to postpone this discussion for the sake of time.

Closed Session

The Board was requested to adjourn into Closed Session to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations pursuant to G.S. 143-318.11(a)(4).

Commissioner Carter moved, seconded by Vice-Chair Hill, to adjourn to closed session.

The motion carried unanimously.

Reconvene from Closed Session

The Chair announced that the Board adjourned from Closed Session and direction was given to staff.

Adjournment

Commissioner Carter moved, seconded by Commissioner Reckhow, to adjourn the meeting.

The motion carried unanimously.

The meeting adjourned at 2:50 p.m.

Respectfully submitted,

Tania De Los Santos
Administrative Assistant