

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

Monday, May 9, 2022

7:00 P.M. Regular Session

MINUTES

Place: Commissioners' Chambers, Second Floor, Durham County Government Administrative Complex, 200 East Main Street, Durham, North Carolina

Present: Chair Brenda Howerton, Vice-Chair Wendy Jacobs and Commissioners Nida Allam, Nimasheena Burns and Heidi Carter

Presider: Chair Brenda Howerton

Opening of Regular Session - Pledge of Allegiance

Agenda Adjustments

Chair Howerton announced that there were no agenda adjustments.

Announcements

Monica Toomer, Clerk to the Board read the following announcements:

1. **500 E. Main Street Mixed Use Project Construction to Impact traffic, sidewalks, parking** – Construction activities for the 500 E. Main St. Mixed Use Development will commence on Monday, June 6, 2022. The southern portion of the 500 E. Main St. parking lot will remain accessible to public vehicular traffic. During construction members of the public will have to utilize the new entrance on Elizabeth Street to access the parking lot. Because some of the sidewalks around the construction zone will be closed, pedestrians will be directed to the intersection of Dillard and Ramseur for street crossing from the parking lot and will be able to enter the Human Services Building using the Dillard St. entrance.
2. **DCo Public Health COVID-19 Vaccination Clinic Hours** – The COVID19 vaccination clinic at the Durham County Department of Public Health, 414 E. Main St., has the following hours to get your free vaccination: Monday, Wednesday, Thursday & Friday: 9 a.m. to 4 p.m., and Tuesday: 9 a.m. to 5:30 p.m. Appointments and walk-ins welcome. All doses available. Please note, clinics are closed between 11:30 a.m.-1 p.m. daily. For more information, please visit www.dcopublichealth.org/COVIDVaccines or call 919-560-9217.
3. **Vote in 2022 Primary and Election** – The Early Voting Period for the 2022 Primary and Election continues through Saturday, May 14, 2022. Election Day will be Tuesday, May 17th. For location of voting sites, hours of voting, sample ballots and more, be sure to visit the Durham

County Board of Elections website at www.dcovotes.com. You can also call 919-560-0700 with questions.

4. **Roll Up and Enroll** – Join Durham’s Partnership for Children and drop off your missing documents for Durham Early Head Start and Durham PreK! Staff will also be available to start the application process for either program and PreK providers will be onsite to answer questions about their facilities. For more information, please contact Grace Brown at grace@dpfc.net.
5. **Seed & Feed Event on May 21** – The Durham Cooperative Extension and the Food Bank of Eastern and Central North Carolina are happy to announce that they will be giving away 10,000 pounds of bagged seeds donated by Cherokee Seed Company at a Feed & Seed Event on Saturday, May 21 from 10 a.m. to 4 p.m. The event will be held at 2700 Angier Ave. We are asking for a donation of non-perishable food items for the Food Bank, but donations are NOT required to receive seeds. Sale of seeds strictly prohibited! Contact gvives@dconc.gov or 919-560-0526 for more information.
6. **Register of Deeds Temporary Closure** – The Durham County Register of Deeds office will close to the public on Friday, May 13, 2022, for the installation of a new operating system. This process will impact services for both internal and external users. During this period, the office will be unable to process requests for vital records, file documents, or allow online database access. The Register of Deeds will re-open at 8:30 a.m. on Monday, May 16. For questions, please call 919-560-0480.
7. **Innovate Durham Application Deadline Nears** – Local entrepreneurs seeking ways to develop and test their products and services with the local governments of both the City of Durham and Durham County are encouraged to apply for the 2022 Innovate Durham Program cohort. Applications are due by Monday, May 16 at 5 p.m. More information and the 2022 application can be found at www.durhamnc.gov/3165/innovate-durham.
8. **Budget Public Hearing on Monday, May 23** – The Durham Board of County Commissioners will hold a Public Hearing on the County Manager’s 2022-2023 Recommended Budget during its Regular Session on Monday, May 23, 2022. Residents may sign up to comment on the budget at the meeting, submit comments to the Clerk to the Board’s office at clerk@dconc.gov by 2 p.m. on Saturday, May 21, or submit comments on the FY 2022-23 Budget Portal for Citizen Comments here: <https://dconc.jotform.com/200655932503047>. The Manager’s Recommended Budget for FY 2022-23 will be available to view following tonight’s meeting on the Durham County website at: www.dconc.gov/budgetdocs.
9. **DCo Veteran Services to Hold Memorial Day Remembrance Ceremony** – Durham County Veteran Services invites all county residents to a Memorial Day ceremony in remembrance of the county’s veterans who died while serving their country. The in-person event will take place at 9 a.m. on Monday, May 30 on the steps of the Administration I Building (Old County Court House) at 200 E. Main St. Event is free and seating will be available. Guests may park on the street or in the municipal public garages. Call 919-560-8387 for more information.

Citizen Comments

Sunny Hiraldo, Durham Public Schools Instructional Assistant

Requested for the Board to approve the full funding amount requested by Durham Public Schools to provide increased pay for school classified workers. She asked to have a meeting with the Board to provide more information.

Commissioners shared the following additional announcements.

- The month of May was Amyotrophic Lateral Sclerosis (ALS) Awareness Month
- RTP Bio, a new biotechnology partnership between Durham Technical Community College and Wake Technical Community College received \$1.2 million dollars in federal funding championed by Congressman David Price.
- Encouraged local employers to provide partnership initiatives for local students and residents.
- The County Manager Blog focused on Mental Health Awareness and resources provided by the County for the community.
- May 13th was the deadline to enroll students in the Durham PreK Program.
- The City and County launched a vanpool program, carpool program and on-demand program to provide additional options for residents to commute to work.
- The Spring into Health Event was Friday, May 13th at 3 p.m. and would be held at Durham Housing Authority.

Minutes

Commissioner Carter moved, seconded by Vice-Chair Jacobs to approve the April 25, 2022 Regular Session minutes.

The motion carried unanimously.

Ceremonial Items

22-0236 Proclamation – National Emergency Medical Services Week in Durham County

Commissioner Burns read the following proclamation:

EMERGENCY MEDICAL SERVICES WEEK | 2022

- WHEREAS,** emergency medical services is a vital and essential public service in Durham County; and
- WHEREAS,** the members of emergency medical services team are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and
- WHEREAS,** the emergency medical services system consists of first responders, emergency medical technicians, advanced emergency medical technicians, paramedics, community paramedics, 911 telecommunicators, firefighters, police officers, educators, administrators, emergency nurses, pre-hospital nurses, emergency physicians, trained members of the public, and other out of hospital medical care providers; and
- WHEREAS,** the members of emergency medical services teams, whether career or volunteer engage in thousands of hours of specialized training and continuing education to enhance their patient care and lifesaving skills; and
- WHEREAS,** the Durham County emergency medical services system maintained their high level of service and response throughout the pandemic, caring for and transporting a record number of patients; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, emergency medical services has grown to fill a gap by providing important, out of hospital care, including preventative medicine and follow-up care through our community paramedics; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers in the Durham County emergency medical services system by designating Emergency Medical Services Week.

NOW THEREFORE, I, Brenda A. Howerton on behalf of the Durham Board of County Commissioners do hereby proclaim the week of May 15 – 21, 2022 as

“EMERGENCY MEDICAL SERVICES WEEK”

in Durham County and call upon all citizens to join with us in recognizing the vital and essential services provided by members of the Durham County emergency medical services system to care for our residents and visitors.

This the 9th day of May 2022

Brenda Howerton, Chair
Durham Board of County Commissioners

Jim Groves, Office of Emergency Services Director thanked the Board for the proclamation. Mark Lockheart, Durham County Emergency Medical Services (EMS) Chief Paramedic commended Durham County EMS, Sheriff Department, Fire Departments, Duke Lift Flight, Duke Regional and University Hospitals for providing functional and exceptional services for Durham County. He thanked the Board for recognizing and appreciating Durham County EMS workers.

The Board thanked Mr. Groves and Mr. Lockheart for their great leadership. They thanked EMS workers for taking risk during the pandemic over the last two years and for providing above and beyond services to take care of Durham residents.

22-0247 Proclamation – Children’s Mental Health Awareness Month

Commissioner Carter read the following proclamation:

CHILDREN’S MENTAL HEALTH AWARENESS MONTH | 2022

WHEREAS, addressing the complex behavioral and mental health needs our children, youth and families is fundamental to the future of Durham and North Carolina; and

WHEREAS, the leadership in Durham, North Carolina recognizes that addressing the complex mental health needs and treatment be on par with medical needs and treatment; and addressing the social-emotional development are essential early foundations to ensure the best outcomes for our children’s well-being; and

WHEREAS, the United States Department of Health and Human Services has identified that 1-5 of our state’s 2.2 million children lives with a mental health condition, and the North Carolina Center for State Health Statistics data report that suicide is the second leading cause of death for children ages 10-17 in our state; families shall not feel stigma and shame to seek treatment for their children and youth and be able to discuss openly their need for help without public retribution; and

WHEREAS, research shows it is important to seek help early and get effective treatment for trauma, mental health challenges, and substance use disorders among children and adolescents, and provide them quality opportunities to live resilient, health, and productive lives; and

WHEREAS, available school based mental health programs and positive behavior, interventions and supports should be considered as best practice, and be encouraged to be practiced in every Durham, North Carolina public school; and

WHEREAS, children are recognized for having unique needs for recovery of mental health, emotional, behavioral and substance use issues, and not being combined with the adult mental health population for treatment; and

WHEREAS, Durham understand children with mental health challenges and their families benefit from access to timely services, supports and crisis response systems that are family-driven, youth-guided, and culturally appropriate; they also benefit from the integrated behavioral health in the health care, education, child welfare, and juvenile justice systems; and

WHEREAS, the Durham County Commissioners along with the State of North Carolina is demonstrating its commitment to children’s mental health through all child, youth adult serving systems to support children’s emotional, resilience, and well-being; emotional and behavioral health issues join to recognize Children’s Mental Health Awareness month.

NOW THEREFORE, I, Brenda A. Howerton on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May 2022 as

“CHILDREN’S MENTAL HEALTH AWARENESS MONTH”

in Durham County and commend its observance to our citizens.

This the 9th day of May 2022

Brenda Howerton, Chair
Durham Board of County Commissioners

The Board thank Teka Dempson who could not be in attendance to receive the proclamation. They stated the high rate of youth suicide received broadcast media coverage and hoped Durham County would consider providing funding for services to prevent youth suicide and treatment centers for mental health. The Board asked for residents to assist by volunteering with the youth in the community.

22-0240 Proclamation – Older Americans Month Proclamation 2022

Vice-Chair Jacobs read the following proclamation:

OLDER AMERICANS’ MONTH | 2022

WHEREAS, Durham County includes a growing number of older Americans who contribute their strength, wisdom, and experience to our community; and

WHEREAS, Durham County is a diverse community, and benefits when people of all ages, abilities, and backgrounds are welcomed, included, and supported; and

WHEREAS, Durham County recognizes the need to create a community that provides the services and supports older Americans need to thrive and live independently for as long as possible; and

WHEREAS, Durham County is working toward building an even better community for our older residents by:

- Creating, Developing, and Implementing the Master Aging Plan.
- Planning programs and using technology to support independent living.
- Ensuring activities are responsive to individual needs and preferences.
- Increasing access to necessary services that support aging in place.
- Fostering cross-sector partnerships to streamline access to services and ultimately expand community living
- Confirming all people, regardless of race, ethnicity, gender, age or disability, have the right to make choices and decisions about their own lives, to live independently for as long as possible, and participate fully in their communities.

NOW THEREFORE, I, Brenda A. Howerton on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May 2022 as

“OLDER AMERICANS’ MONTH”

in Durham County. We urge every resident to recognize the contributions of our older citizens, help to create an inclusive society, and join efforts to support older Americans’ choices about how they age in their communities.

We commend this observance to our community and urge all residents, community agencies, faith groups, medical facilities, and businesses to join with the Department of Social Services, The Durham Center for Senior Life, Dementia Inclusive Durham, and Aging Well Durham to honor older adults, and those who care for them, during May and throughout the year.

This the 9th day of May 2022

Brenda Howerton, Chair
Durham Board of County Commissioners

Ben Rose, Director of the Department of Social Services (DSS) thanked the Board for the proclamation and stated the 2022 Theme was “*Age My Way.*” He added the focus was for older adults to remain in their homes, live independently and be involved in the community.

The Board inquired about the number of older Americans in the community. Mr. Rose replied the projection was 77 million older American in the United States by 2034. The Board thanked Mr. Rose and the DSS staff for taking care and honoring the older community in Durham. The Board announced that the *Age My Way Educating and Empowering Conference* would be held on Saturday, May 21st from 9 a.m. – 3:30 p.m. at The Durham Center for Senior Life.

22-0267 Proclamation – National Foster Care Month

Chair Howerton read the following proclamation:

NATIONAL FOSTER CARE MONTH | 2022

WHEREAS, strengthening families and focusing on their well-being is vital to building strong communities, and preserving families is the primary goal of the child welfare system; and

WHEREAS, foster and kinship care families play an important role in supporting biological parents and helping them enhance their relationships with their children to achieve family stability and maintain family connections in support of family reunification; and

WHEREAS, more than 407,000 children and youth are in foster care nationwide, and foster families open their homes to provide a stable, nurturing environment; and

WHEREAS, more than 11,000 children and youth live in foster care in North Carolina, and more than 1000 youth in congregate care such as group homes and residential treatment facilities who need a foster home; and

WHEREAS, on April 1, 2022, 294 children and youth live in foster care in Durham, North Carolina, and 13 youth in congregate care such as group homes and residential treatment facilities who are in need of a foster home; and

WHEREAS, every child deserves to keep the meaningful connections they have with relatives and fictive kin, during the journey to permanency, and when this is not possible, the needs of the foster care population result in a greater call for dedicated foster families, community resources and partnerships; and

WHEREAS, during National Foster Care Month we celebrate all those who have invited a child in need into their hearts and homes and express our deepest appreciation for those who make foster care possible.

NOW THEREFORE, I, Brenda A. Howerton on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May 2022 as

“FOSTER CARE MONTH”

in Durham County. We commend this observance to our community and urge all citizens to reach out and support kinship and resource families to help raise hope and foster dreams of children and youth in foster care.

This the 9th day of May 2022

Brenda Howerton, Chair
Durham Board of County Commissioners

Ben Rose, Director of the Department of Social Services (DSS) stated Foster Care was a unique service which involved partnerships with foster families, biological families, attorneys, providers, and the community. He added Kinship Care was being implanted slowly in North Carolina by Federal Law to help keep families together.

Jovetta Whitfield, Assistant Director of Child and Family Services thanked the Board for supporting Child Welfare. She stated the number of children in care was decreasing due to the focus on keeping families together. She announced the celebration for foster families was Thursday, May 12th at the Durham Bull Ball Park starting at 7 p.m.

The Board inquired about Families First use of resources to keep families together and services provided. Mr. Rose responded federal legislation would allow shifting of Title IV-E federal funds to provide in-home services to try to resolve issues and keep the children with their families. The Board asked about the support network around foster parents. Ms. Whitfield replied, the Recruitment and Retention Committee created a newsletter and network bond for support including the Triangle Resource Parents. The Board added Durham County Cooperative Extension also offered classes for parents and foster families.

The Board thanked Mr. Rose and Ms. Whitfield for continuing to protect and support children in the Durham community. The Board asked residents to provide wrap-around services for foster families.

Other Business

22-0262 FY2022-2023 Manager's Recommended Budget Presentation

County Manager Dr. Kimberly J. Sowell shared the "2022-23 County Manager's Recommended Budget" and provided the following summary:

"Good Evening Chair Howerton, members of the Board County Commissioners, County Staff, and Durham County residents. It is an honor to present to you my recommended budget for fiscal year 2022-23.

Before diving in, I would very much like to thank all County staff that have helped me "onboard" during the last several months since I arrived. Taking on the challenge of understanding and directing a complex organization like Durham County government is not possible without the help and knowledge of the employees who ARE the organization.

The annual budget development process which culminates in this document can be conceived as a census of County needs, a re-evaluation of County direction, and a fiscal application of County services and expectations. My task as County Manager, especially a new one, during this budget process was to clearly understand Board directives and expectations, set those in comparison to existing County programs and services, and balance all that under an umbrella of available fiscal resources.

The framework for developing this budget is best characterized by a mixture of optimism, growing needs, and a dash of uncertainty.

Optimism that the pandemic's most damaging effects are receding, optimism that Durham's local economy will continue its vibrant growth, and optimism that significant federal stimulus funds will support strategic investment in the County's future, as well as ongoing COVID health and economic relief strategies.

Growing needs are reflected in the many goals and objectives identified by the Board, important concerns relayed by citizens, budget requests presented by departments, and an economy that continues to stratify winners and losers.

The uncertainty comes from an economy changed by a pandemic, a local economy, that while strong now, may slow in the near future, and an economy affected by inflation and supply chain disruption. The economy is what refills County coffers every year, and what the future holds is always a little uncertain.

With that in mind my recommended budget, through judicious funding decisions, reflects Durham County's response to significant internal and external pressures, known and unknown.

We are navigating a host of social, economic, and public health challenges, and to navigate these complex dynamics the Board of County Commissioners has a guiding Strategic Plan.

This plan consists of five strategic goals and related objectives and strategies which tie together service delivery within departments. This guide places a higher priority on collaboration among departments and the community.

Development of this budget is predicated on a second straight fiscal year's significant growth in major revenue sources. Durham County, from downtown, to the Research Triangle Park, and all points in between, continues to grow in terms of business location, job expansion, and a desired place to live. All of those economic drivers are, in turn, pushing major revenue sources higher And yet...we still see, feel, and recognize the need for so many more services, more intensive existing services, or new programs to deal with arising issues that are a part of our fast-growing community. Simply put, this amazing growth in revenue has easily been offset by a faster set of growing expenses

Ultimately this budget is about meeting the near future needs of the community, with an eye toward the ongoing sustainability of Durham County's vibrant economy, culture, and life.

Key priorities I have built into this recommended budget attempt to apply significant revenue growth to the most important areas that will provide the best outcomes. My first priority, given such impressive revenue growth, is to implement services at a pace that allows us to maintain the General Fund property tax rate at the current level. Second is the annual appropriation of ARPA funds to support the daunting pandemic aftermath needs of our community. Another important priority is protecting the economic stability of our employees by compensation funding that keeps up with inflation and supporting existing benefits.

Broadly speaking, estimated revenue growth for the upcoming fiscal year is distinctly positive. Major revenues include property tax, sales tax, Medicaid Hold Harmless funds, occupancy tax, and EMS patient fees.

In fact, Durham County, like many other counties across the state, saw strong growth in sales tax revenue, a direct reflection on local economic activity, as well as growth in City and County property valuation, which in turn increases property tax revenue collection.

However, even with significant "natural" growth in key revenues, the financial needs presented to and by various departments across the organization are significantly higher than this "natural" growth in revenue alone can fund.

The fundamental challenge for development of the FY 2022-23 budget is that even with significant natural growth in key revenues totaling approximately \$32 million, six key priorities consumed most of this growth, as illustrated here. These priorities total approximately \$30.2 million.

The last two years, within the specter of a pandemic, County staff has steadfastly worked the Covid frontlines, worked from home, worked on vacations, not taken vacations, still provided emergency services and public safety for citizens, met directly with citizens in need, and zealously protected the health and safety of County citizens and County employees.

In short, they have done and continue to do an amazing job, all the while stress levels and job vacancies continue to rise. Our employees deserve to have salary increases that, at a minimum, keep up with inflation and surrounding County compensation trends.

Before I talk about next year's compensation recommendations, I'd like to proudly review some of the key changes we made this current year to try and meet employment conditions and employee needs of the County.

There has been a very real struggle to fill vacant positions, keep employees from leaving high stress jobs, and overcoming the organizational knowledge drain from increasing retirements. To that end, during this current fiscal year, in trying to combat the pay, vacancy, and work/life issues facing employees, the County supported a 3% COLA, increased pay for approximately 350 "hard to fill" positions, implemented referral bonuses, longevity pay, vacation incentives, and retention bonuses.

Now, on to next year.

The major "all employees" compensation recommendations help us acknowledge and demonstrate our very real appreciation of all they do. \$4.5 million of funding is provided for implementation of a full year cost of living adjustment for employees. \$2.8 million is budgeted for the annual merit pay increases based off of annual performance reviews and is recommended to increase to 3% for "meets expectations" and 4% for "exceeds expectations". In total, all employees are eligible receive anywhere from a minimum of 5.5% pay increase to a maximum of 7.5%.

That alone does not offset or directly confront the continuing vacancy issue being experienced by nearly every department in the County, but especially public facing departments in the area of Public Safety. To that end, longevity support along with hiring bonuses are also part of the overall compensation changes in the upcoming recommended budget. And specifically related to Public

Safety, additional funding is budgeted for EMS salary adjustments to remain competitive with surrounding counties, along with a 5% salary increase for Law Enforcement and Detention Officer positions and a nighttime shift differential pay increase for Detention Officers.

This budget also supports continued investment in our employees by recommending additional funding for the Tuition Reimbursement program for County employees.

Finally, a comprehensive compensation study, beginning before the end of the current year, will review the entire compensation package provided by the County, taking into account the new forms of remote work available to employees, as well as the stress and strain of public facing positions. Should the compensation study recommend investment in financial strategies to create a more equitable salary structure, I strongly encourage Commissioners to consider such recommendations as they will play a critical role in the County's ability to remain competitive, while ensuring the organization can attract, recruit and retain a talented workforce.

Durham Public Schools continue to be the single largest recipient of County funding, and their recommended increase for the upcoming year is \$9.88 million. In fact, their very size is making it progressively more difficult to find natural growth in revenue just to support their annual increases. Other high priorities are listed in order of approximate additional cost for the upcoming fiscal year. Of course, there were additional new and expansion costs throughout the General Fund budget not included in this list.

As part of understanding and development of estimated FY 2022-23 property tax revenue, it is important to assess how current year collection is progressing. Current estimates of "year-end" property tax collections have the County surpassing budgeted amounts by 3%, which translates to approximately \$9 million.

The high growth in collections for the current fiscal year is largely fueling property tax revenue growth for the upcoming fiscal year, while on top of that is stacked estimated property tax revenue growth for the upcoming fiscal year. A double hit of revenue growth.

Natural growth on property valuation is 4.4% higher or \$2 billion from the current year to next year, and while this is significant growth, it is important to emphasize that this captures the growth from the current year's valuation as well as growth for this coming year.

All the above explanations translate into estimated additional property tax revenue of \$13.9 million for the General Fund before any property tax rate increase.

I am excited to note that in this Recommended budget, I am proposing no property tax rate increase. Instead, growth in other available revenue sources, noted above, and judicious application of those dollars will provide the resources needed for the upcoming year.

And while there is no property tax rate increase recommended, there may be an increase requested in FY 2023-24 related to support the potential passage of a \$550 million General Obligation bond referendum.

This budget was developed with the understanding that it is important that the County, where possible, limit property tax rate hikes, and their impact on residents, by maximizing efficiency of current processes and services, and limiting expansion of services to areas that provide the highest return on investment for all Durham County residents.

We budget property tax revenue in two categories - one to support General Fund expenses and the other to support the Capital Financing Fund, which pays for capital projects and debt service. I would like to remind the Board and Durham County citizens that the property tax rate is the primary revenue source controllable by the Board and is the only significant way to raise additional revenue in future years. While the recommended rate for the upcoming fiscal year is flat, future tax rate increases may also be needed to support ongoing County goals, including our significant commitment to Durham Public Schools, capital planning, and other initiatives.

Strong growth in property valuation across all fire districts and the RTP special district have allowed me to recommend no tax rate increase for any those districts. The value, and the valuation, of a strong and vibrant local economy cannot be overstated.

The total amount of budgeted sales tax revenue for next fiscal year is \$106.1 million. For perspective, this is the equivalent of 22 cents of property tax revenue. Sales tax revenue is the second largest revenue source for Durham County government and is entirely related to economic activity.

The estimated current year sales tax collections is expected to come in well above budget estimates. In fact, it is expected to increase 6.4% over what was originally budgeted.

That over collection for the current fiscal year, along with an estimated 5% growth in sales tax for next year, equals a \$11.5 million increase in sales tax revenue or a 12.2% increase. It should be noted that \$4.6 million of that increase goes to the Capital Financing Fund by Board policy, while \$6.9 million helps fund many different General Fund initiatives.

That estimated 5% growth in sales tax collection revenue for next fiscal year is relatively conservative and still reflects the possible unknown, and as of yet, played out economic consequences of the COVID pandemic.

Additional revenue sources that have increased significantly for the upcoming year, based on current trending include:

Medicaid Hold Harmless funds, increasing by \$5 million Register of Deeds fee revenue increasing \$2.7 million EMS patient fees increasing \$3.3 million.

The increase in these three revenues alone, \$9.4 million, equal almost 2 cents of property tax.

Even though there is no recommended increase in the County property tax rate, it is worth noting that an additional 1 cent of property tax would bring in a little over \$4.8 million in additional revenue. A half cent would bring in \$2.4 million.

Durham County will expend nearly \$63 million dollars in American Rescue Plan funds over the next several years. These dollars will support the public health and economic recovery efforts resultant from the coronavirus pandemic. Further, the resources allow for infrastructure investments which are essential for the community's growth and viability.

After much deliberation including community input, staff feedback, and Board discussions, a spending framework was adopted by the Board of County Commissioners that aligns with US Treasury spending guidelines and the Board's strategic plan. The plan supports transformative, equitable, and evidence-based investments.

The Recommended budget includes a \$6.5 million allocation of ARPA funds, with additional allocations occurring in upcoming months through request for proposal processes.

While the General Fund is where the vast majority of daily activity and spending for government services occurs, there are a number of other funds that serve specific County financial and operational purposes.

These include the already mentioned special tax districts, the Debt Service fund, and our Sewer Utility fund.

The total County budget, including all of these funds, increases 8% to just under \$800 million, while the General Fund, a subset of that total amount, increases 8.97% to \$550 million.

Some, but not all of the increases in the General Fund include:

- *Increased employee health insurance costs*
- *Increased Durham Public School funding*
- *Compensation adjustments for County employees*
- *ARPA funding in the General Fund*

- *New positions*
- *Pre-K support expansion*
- *A number of different planning documents and initial plan implementation*
- *And Economic Development Incentives supporting a growing number of businesses choosing to reside in Durham County.*

Here are a few highlights of some of the major items funded within Goal One: Community Empowerment and Enrichment.

The main priority as expressed by the Board of County Commissioners in the Strategic Plan and reiterated in recent Board retreats is education, and this budget recommendation reflects that priority with Durham Public Schools continuing to be the single largest expenditure for Durham County Government at \$176 million, or 32.7% of the entire General Fund budget.

This funding includes a current expense increase of \$9.88 million. Per pupil funding increases \$359 to \$4,333, a 9% increase.

The County also provides approximately \$48 million in indirect support for DPS through a number of different departments and programs.

DPS will be receiving significant federal COVID-related funding over the next several years, up to \$136 million. This federal funding support will go a long way toward supporting student needs coming out of the pandemic.

The County's commitment to education continues to be unwavering.

Another integral part of Durham County's support for education of all its residents is funding for Durham Technical Community College. This educational system provides a myriad of services, degrees, and opportunities that either continue education after high school and towards college, or towards a high paying, stable, and lifelong career. Total funding for DTCC increases \$789,000 or 8.81%.

Of that increase, \$380,000 is for Durham student scholarships, designated through Board policy that allocates a portion of Article 46 sales tax dollars collected. A total of \$1.89 million of total County funding to DTCC is for Durham student scholarships.

DTCC will continue to support and enhance an extremely important pipeline of trained workers for technical jobs in the region a second year of funding of \$500,000 for the DTCC "Back to Work Initiative" and the "BULLS initiative and life sciences talent pipeline". As a number of life science oriented companies have chosen to locate in Durham County, discussions soon arose among various economic development groups, the County, and DTCC, around providing them with the human capital needed. These programs will help provide or enhance the skills of local residents so they can get and keep these jobs.

More jobs filled by local workers means more dollars in the local economy, which means a more vibrant economy for all Durham residents.

Goal 2 highlights include supporting our Foster Care families. With changes at the state level in their funding structure, an additional financial burden is being passed down to local governments. We will never question continuing the necessary investment to serve these children and families and in turn are recommending an additional \$275,000 to fully support this important program.

Out of all the staff I have met over the past few months, some of the most passionate and skilled are serving in our new Community Intervention and Support Services Department. This new department puts under one leadership umbrella our Bull City United, Project Build, and My Brother's Keeper programs. This jointly-funded initiative with the City of Durham has a bright future with this group of employees' positive impact on our community and effective violence prevention programs. Violence Interrupters and Outreach Workers work hard to mitigate conflict within census tracts before violence

occurs. They stop retribution and reduce gun violence that often comes from a lack of communication within the community.

This budget supports this staff with an additional position for critical administrative support, and also moves the department to new, more appropriately located space for their programs.

Everyone likes a good book, and this budget supports our library's request for more. We are committing additional funding to enhance the digital and print collections which have seen marked growth these past two years.

I am excited to note the continued support and expansion of the School Health Nurse program for Durham Public Schools with the recommended addition of three School Health Nurse positions. This addition continues the Board's ongoing initiative to have one School Health Nurse in every Durham Public School. With the addition of these recommended positions, the total number of School Health Nurses will be brought to 32, which is only 12 short of having a school nurse position in every Durham public school.

County management and Commissioners are focusing on improving Durham County Maternal Health. I am happy to recommend two positions, a Maternal Health Specialist and Maternal Health Nurse-Lactation Specialist. The Maternal Health Clinic serves primarily minority Medicaid-eligible women and is one of the busiest areas of the Public Health department, averaging 30-50 patients per day.

The pandemic and its effects brought into focus the need for food security for our most vulnerable citizens. This recommended budget takes a real step forward in defining the problem and potential solutions with \$475,000 that will be disbursed in the form of grants to support Durham County emergency food providers with food, infrastructure, materials/supplies. Another \$150,000 is budgeted to conduct a community-centered Durham County food system assessment and create a food security plan. I am also happy to point out that this funding will be offset by expected FEMA reimbursement revenue for early pandemic related costs incurred by the County.

The Goal 3 budget includes funding the replacement of 36 Sheriff's Office vehicles for the upcoming fiscal year. These replacements include 20 hybrid SUVs supporting the County's effort to reduce local government greenhouse gas emissions.

Updated fees are recommended for both the EMS Division and Fire Marshal Division. EMS proposes updated fees that provides greater parity across all fee categories, and addresses rising costs due to supply chain issues and increase in call volume. Durham County's fire prevention program fees have been redesigned to align with current responsibilities.

I know that one of the funding priorities that Board is excited about the Fall 2023 opening of a new 36-bed Youth Home facility. In order to have staff trained and in place for the opening of this facility, the Youth Home budget contains partial-year funding for five new youth home counselors.

Equitable access to services is one of the continued commitments that the Board has made to the Durham community, and this includes access to citizens engaged with the judicial branch. For this reason, I am recommending time-limited funding for an Assistant Public Defender position and an Assistant District Attorney position to address caseload backlogs and continued low bond cases. These time limited positions will be supported with ARPA funding for the upcoming fiscal year.

The Register of Deeds office, custodian and manager of a significant number of public records, has experienced a 25% increase in the number of documents processed over the past five years. Providing prompt, accurate records to county residents is an essential county service, that's why I'm recommending a Deputy Register of Deeds position to work in the office's Vital Records Division.

The recommended budget also supports an appropriation of \$150,000 to create a Durham Community Cultural Plan. The updated plan will address challenges such as the constrained real estate market and the COVID-19 impact, as well as reflect the current demographics and cultural identity of the County. The City of Durham will match the funding for a total appropriation of \$300,000 to the Durham Cultural Advisory Board.

Public transportation continues to be an area of intense focus for the Board of County Commissioners.

To that end, I am recommending a Transportation Planner position to support the administration of the Durham Transit Plan Initiative. I am also recommending a Contract and Financial Administrative Support position to provide specialized administrative support to both Transportation and Economic Development departments, which have a rapidly growing number of contracts, grants, interlocal agreements and projects.

The County continues to support its Economic Development Investment Program, which helps attract and retain new businesses and industry. The recommended budget supports more than \$3.3 million in incentive payouts, a \$978,000 increase from the previous fiscal year due to an increased number of incentive agreements.

The Board of Commissioners recently approved a comprehensive plan to transition all County operations to renewable energy by 2050, and at least 80 percent of operations by 2030. This recommended budget supports the aggressive implementation of that plan with the addition of one energy project manager. The total cost of the Renewable Energy Plan, which this position will direct, is estimated at \$40 million.

The Sewer Utility department, an Enterprise Fund agency that fully supports operational costs through fees charged to customers, is adding three new positions. The first is a Grant Administrator who would be responsible for all phases of grant development, evaluation, and compliance. The second position is a Pretreatment Technician who would support all aspects of the County's Pretreatment program. The third is an Engineering Technician supporting timely processing and bolster service efficiency.

Sewer consumption rates will increase 10% to address anticipated re-investments as well as costs related to operations to continue to ensure our high level of operational readiness and environmental protection.

The Stormwater and Erosion Control fund, another Enterprise fund agency, has one recommended new position included in the budget: A Stormwater and Erosion Control Technician. Additionally, I am recommending an increase in the Stormwater Utility Fee – the department's primary revenue source – from \$24 to \$48 per Equivalent Residential Unit, which will result in approximately \$815,000 in additional revenue. The rate increase is one step in a larger plan to eventually increase the Stormwater Utility fee to \$96 per unit by FY 2025-26. The increased charges will cover the cost of complying with the Falls Lake and Jordan Lake rules, a nutrient management strategy to restore water quality in the lakes by reducing the amount of pollution entering upstream.

Goal 5 departments largely support the efforts and ability of more public facing departments. For several years these departments have not seen the type of personnel growth needed to keep up with service demand, as funding has been scarce or directed elsewhere. This year it was my priority to ensure the departments that support other departments were given the personnel necessary to make public facing departments the best they can be.

Within County Administration a new Chief Equity Officer, Grants Program Manager, and Public Information Officer will ensure that equal access, fiscal opportunities, and internal and external county communications are optimized.

As demands on the Human Resources department continue to grow, we need to invest in positions that will adequately support the workload. Therefore, I am recommending a Senior Human Resources Analyst position and Data Analyst position to support human capital decisions throughout the organization.

Increased intergovernmental funding received by Durham County such as federal APRA funds and FEMA funds, necessitates additional human resources needed for our Finance Department. Therefore, I am recommending two Compliance Specialists and one Accountant position to ensure that our County is compliant with federal and state awards and grant specific requirements.

I am also recommending the addition of four positions in our General Services department. They include a Security Technician, Electrical Supervisor, Stadium Events Coordinator, and a Maintenance Technician. The increasing complexity of building systems and the need to more timely deal with emerging issues have created the need for a substantial increase for related position oversight.

One new Paralegal Secretary is included in the County Attorney's office to ease overwhelming caseload increases by splitting the workload for the Child Welfare Team, thus providing much needed support to the team.

We must maximize technology applications in order to maximize efficiencies and minimize human capital needs moving forward. To do that, we need an appropriately staffed IS&T department that can implement technology solutions and support departments using said solutions.

With that in mind, I am supporting four new positions. Two Business Analysts will work to determine business challenges, needs, and processes as they relate to new technology project requests. One Technology Support Specialist will work to ensure proper computer operation for all Durham County employees by assisting with IT support, and one IT Project Manager overseeing 15 to 20 major projects annually.

I am also recommending a Senior Personal Property Appraiser in the Tax department.

I am excited to announce a new Durham County on the Go vehicle which I refer to as DCo on the Go! This new initiative will bring services directly to Durham County residents. It is my intent that this vehicle will visit neighborhoods, events, and other community gatherings to connect residents with county employees, expanding the reach of County services and improving the outcomes for our residents. Examples of possible services include engagement with social service workers, workforce development resources, and connections to Wi-Fi.

Also included in this budget for the second year is joint Durham County and City of Durham funding for a Master Aging Plan, which will continue to support Durham's older adults.

Staff and I look forward to working with you to deliberate further on this budget.

Budget work sessions will begin on Tuesday, May 17th where we will provide an overview of the budget and the environment in which it was built. Another work session is scheduled for May 19th to begin the review of departmental budgets in earnest.

Monday, May 23rd the Board will hold a Public Hearing for the FY 2022-23 budget as part of the regularly scheduled meeting. Additional work sessions will occur on June 2nd and June 6th.

If additional work sessions are needed June 8th has allotted time. Budget adoption is planned for June 13th.

It has been exciting getting "up-to-speed" with Durham County's complexity, its many voices and needs, understanding Commissioner goals, hearing employee concerns and stresses, and listening to the various communities that make this such a thriving place. This recommended budget largely reflects actions and initiatives towards what I have heard from all noted. It also reflects the realities Durham County finds itself in after climbing, slowly, out of a two-year pandemic and all that it entailed.

I am reminded that every visitor, every student, every County employee, every business, and every citizen has a stake, a part in the development and use of the many services and outcomes that make up a fiscal year, a career, and a life in Durham County.

Copies of the Recommended budget will be made available online at the Durham County website. Citizens can view the entire document as well as find links to interactive Recommended Budget reports there.

With that I conclude this presentation of the FY 2022-23 Manager's Recommended budget.

Management looks forward to the upcoming Board work sessions and to the many great outcomes the Durham County community will experience through the dynamic programs and services that will be delivered out of this budget.

Thank you.”

Chair Howerton thanked County Manager Sowell for the Recommended Budget presentation.

Consent Agenda

Chair Howerton asked the Board if they requested to pull or comment on any items on the Consent Agenda. Hearing none, Chair Howerton entertained a motion for approval.

Commissioner Allam moved, seconded by Commissioner Burns to approve the following items on the Consent Agenda.

The motion carried unanimously.

22-0229 Interlocal Agreement with Durham Public Schools regarding participating in Duke Energy’s Green Source Advantage Program to Meet Renewable Energy Goals

22-0232 City-County Planning Department FY23 Work Program

*22-0234 Approve Budget Ordinance Amendment No. 22BCC00088 Department of Social Services (DSS) to reallocate \$259,406.00 of DSS FY 2021-22 Funds Across Functional Areas to Purchase Seven (7) Hybrid Toyota Highlanders for DSS Fleet

22-0242 Utilities Division Contract Amendment with Veolia Water Technologies Inc.

22-0243 Utility Locating Services Contract Amendment with Taylor, Wiseman & Taylor Inc.

22-0253 Authorization for Execution of a CSX Transportation Encroachment Agreement

*22-0254 Budget Amendment No.22BCC00087 and Capital Project Amendment No.22CPA00026 Appropriating \$250,000 of Debt Service Fund Fund Balance to expand the proposed 300 East Main St. Childcare Facility by Approximately 4,000 square feet to Add two Pre-K Classrooms and Expand Capacity from 58 children to 86 children; Transferring \$250,000 of Debt Service Fund Fund Balance to the PAYGO Fund, and using the PAYGO Funding to Increase the 300 E. Main St. Capital Project (4730DC150) Budget by \$250K to Cover Increased Construction Contingency Costs; as well as Authorize the Increase of the Owners Construction Contingency for the C, M @R contract to LeChase Construction by \$250,000 for a Total Construction Contract Not-To Exceed Amount of \$20,789,669 for the 300 E. Main St. Structured Parking Deck

22-0256 Award Contract with GFL Environmental for Curbside Recycling Services to Households in Unincorporated Durham County

22-0257 Sole Source Exemption for Purchase of Compactor at the Triangle Wastewater Treatment Plant

22-0258 Approving an increase of \$258,000.00 in the maximum construction limit for Resolute Building Company for the Administration Building Refurbishment Project (4730DC137)

22-0259 Execution of an Amendment to the Architectural Design Service Contract with DTW Architects and Planners, Ltd. for the Administration Building Renovations Project No.: DC 137

22-0260 Interlocal Agreement Renewal for Durham City-County Strategic Youth Initiatives

22-0263 Replacement of HVAC Package Unit at General Service’s Warehouse using Existing CIP Funds

*22-0264 Budget Ordinance Amendment No 22BCC00090 Appropriating \$80,000 of General Fund Fund Balance for the Durham Youth Home to Offset Higher Than Expected Use of Out-of-County Facilities

22-0268 Durham County Sheriff’s Office contract approval with West Chatham Warning Devices in the amount of \$247,586.88 for Emergency Equipment of the FY21-22 Fleet

Consent Agenda Item #22-0234

**Durham County, North Carolina
2021-2022 Budget Ordinance
Amendment Number 22BCC00088**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2021-2022 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
GENERAL FUND			
<u>Expenditure</u>			
General Government	\$144,329,357.24	\$259,406.00	\$144,588,763.24
Human Services	\$126,442,984.16	(\$259,406.00)	\$126,183,578.16

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 9, 2022

Consent Agenda Item #22-0254

**Durham County, North Carolina
2021-2022 Budget Ordinance
Amendment Number 22BCC00087**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2021-2022 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
GENERAL FUND			
<u>Expenditure</u>			
General Government	\$91,632,575.45	\$250,000.00	\$91,882,575.45
<u>Revenue</u>			
Other Financing Services	\$90,865,117.45	\$250,000.00	\$91,115,117.45

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 9, 2022

**DURHAM COUNTY, NORTH CAROLINA
2021-22 Capital Project Ordinance
Amendment Number 22CPA-26**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY:

That the 2021-22 capital project ordinance is hereby amended to reflect budget adjustments for the following projects.

Project #	Project Name	Current Budget	Increase	Updated Budget
47302635DC150	300 Block East Main Redevelopment	\$24,362,884.00	\$250,000.00	\$24,612,884.00

All capital projects in conflict herewith are hereby repealed.

Approved May 9, 2022.

Consent Agenda Item #22-0264

**Durham County, North Carolina
2021-2022 Budget Ordinance
Amendment Number 22BCC00090**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2021-2022 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
Public Safety	\$72,529,575.97	\$80,000.00	\$72,609,575.97
<u>Revenue</u>			
Other Financing Services	\$50,140,105.81	\$80,000.00	\$50,220,105.81

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 9, 2022

Other Business

22-0249 Draft Durham FY23 Annual Transit Work Program

Ellen Beckman, Durham County Transportation Manager stated the Board would need to approve the general comments on projects that did not meet the threshold of the Transit Plan Amendment. She added the public comment period was open until May 10, 2022. Ms. Beckman shared an overview of the Durham County staff recommended comments on the Draft Durham Fiscal Year 2023 Annual Work Program.

The Board asked which plan would include bus stop improvements. Ms Beckman replied bus stop improvements was one of the projects that met the Durham Transit Plan amendment and GoTriangle was planning for a multi-year improvement plan. The Board inquired about including the detailed comments and the memo comments from the Work Session into the motion. Ms. Beckman responded the comments were shared with staff and was the pleasure of the Board to decide on the motion. The

Board asked if bus speed and reliability would be the first items addressed by the Bus Rapid Transit (BRT) Projects. Ms. Beckman replied yes, along with opportunities to add bus lanes and departure and arrival times of buses. The Board inquired about the best way to share implemented updates and changes with the public. Ms. Beckman responded discussion was needed to reimagine how to share information and engage the public long-term.

Commissioner Carter moved, seconded by Commissioner Burns to approve comments on the Draft Durham Fiscal Year 2023 Annual Transit Work Program.

The motion carried unanimously.

Closed Session

Chair Howerton stated the board was requested to adjourn to Closed Session for the following:

- To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee; pursuant to G. S. 143-318.11(a)(6).

Vice Chair Jacobs moved, seconded by Commissioner Burns to adjourn into Closed Session.

The motion carried unanimously.

Reconvene to Open Session

Commissioner Allam moved, seconded by Vice Chair Jacobs to approve the contract for \$40,800.00 to hire Align Leadership, LLC, a Consulting Firm for Commissioner training.

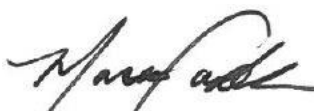
The motion carried unanimously.

Adjournment

Commissioner Burns moved, seconded by Commissioner Allam to adjourn the Regular Session meeting at 9:37 p.m.

The motion carried unanimously.

Respectfully Submitted,



Macio Carlton
Deputy Clerk to the Board