

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

Monday, June 26, 2000

7:00 P.M. Regular Session

MINUTES

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

Present: Vice-Chairman Ellen W. Reckhow and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: Chairman MaryAnn E. Black

Presider: Vice-Chairman Reckhow

Opening of Regular Session

Vice-Chairman Reckhow called the Regular Session to order with the Pledge of Allegiance.

Agenda Adjustments

County Attorney Chuck Kitchen requested that the Board adjourn to Closed Session after the Regular Session pursuant to G.S. § 143-318.11(a)(3) to consult with an attorney and to preserve the attorney-client privilege regarding a claim concerning Duke and Durham County Hospital Corporation.

County Attorney Chuck Kitchen said that agenda item No. 10, "Adoption of Digital Zoning Map and Text," is a public hearing. Vice-Chairman Reckhow said that agenda item No. 10 would be changed to agenda item No. 6(a).

Commissioner Heron stated she wished to discuss a memorandum received from Chairman Black about an August 3 merger meeting. This agenda item would be No. 17(a).

Interim County Manager Carolyn P. Titus said she had an addition to the agenda. The agenda item would be placed on consent as item No. 5(m), "Proration of Property Taxes on the First Union Building."

Commissioner Bowser requested that an item be placed on the agenda relative to the Census. The agenda item would be No. 17(b).

Vice-Chairman Reckhow said agenda item Nos. 8, 9, 13, and 15 would be placed on consent. County Attorney Chuck Kitchen said the second paragraph in the amendment (agenda item No. 15) is taking the place of paragraph 16 in the original lease.

County Attorney Kitchen said that if agenda item No. 8 passes tonight, it must come back for a second reading since the Chairman is not here.

Vice-Chairman Reckhow said she wished to make an announcement about the George and Mary Payne Historic Preservation Award the Board of County Commissioners received. The announcement would be made after approval of the minutes.

Approval of Agenda as Amended

Commissioner Heron moved, seconded by Commissioner Bell, to approve the agenda as amended.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Excuse Commissioner from Meeting

Commissioner Bell moved, seconded by Commissioner Heron, to excuse Chairman Black from this meeting.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Commissioner Bowser requested time on the agenda to talk about the closing of Hope Valley Road for construction. Vice-Chairman Reckhow said the agenda item would be No. 17(c).

Minutes

Commissioner Bell moved, seconded by Commissioner Bowser, to approve the April 10, 2000 Regular Session Minutes of the Board as corrected; approve the April 24, 2000 Regular Session, May 8, 2000 Regular Session, May 17, 2000 BOCC/Durham Public Schools CIP Worksession Minutes of the Board as submitted.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Commissioner Heron requested that when several sets of minutes are placed on the agenda for approval, that the Clerk to the Board send them to the Commissioners a few days in advance of the agenda.

Historic Preservation Award

Vice-Chairman Reckhow announced that at the recent annual meeting of the Historic Preservation Society of Durham, the Durham County Commissioners were recognized by receiving the George and Mary Payne Historic Preservation Award. The Commissioners received the award for the work they did in preserving the two homes at 915 and 923 North Mangum Street.

June Anchor Award Winner—Janet Whichard

Janet Whichard, Administrative Assistant at The Durham Center, was the winner of the June Anchor Award.

The Access/Crisis Unit of Durham Mental Health has contracted with Alltel for the provision of cellular telephones for a number of years. About a year ago, Ms. Whichard discovered that significant savings could be achieved by consolidating ten usage phones at the Access/Crisis Unit into a Value Share Contract; the remaining four phones were assigned appropriate minute plans. This reduced billing to one invoice per month, thus realizing an approximate \$150-\$200 savings per month for the Unit. The annualized savings equaled approximately \$2,000.

In March, Ms. Whichard requested permission to survey other units of Mental Health to determine what type of contracts they had for cell telephone use. The investigation revealed that the entire agency had multiple small contracts with two vendors for 40 phones with varying minutes. She negotiated a single contract with Alltel for a corporate rate to include a block of time sufficient for the entire agency. This contract will run \$475 per month for the agency's cell phones. Because of her efforts, Ms. Whichard will save The Durham Center approximately \$10,800 per year.

County Manager's Recommendation:

Present the June Anchor Award to Janet Whichard, along with the sincere congratulations of the entire organization.

Vice-Chairman Reckhow asked Evester Bailey, Substance Abuse Program Director, to introduce Janet Whichard to the Commissioners and to tell the Board something about Ms. Whichard.

Ms. Whichard made remarks of appreciation for the Anchor Award and the \$200 check.

Vice-Chairman Reckhow presented the Anchor Award and check to Ms. Whichard.

Consent Agenda

Commissioner Bell moved, seconded by Commissioner Heron, to approve the following consent agenda items:

- * (a) Appointment—NCACC Annual Conference Voting Delegate (appoint a voting delegate and an alternate for the annual conference);
- * (b) Property Tax Releases and Refunds for Fiscal Year 99-00 (accept the property tax release and refund report as presented and authorize the Tax Administrator to adjust the tax records as outlined by the report for May 2000);
- (c) Cancellation of Board of County Commissioners' Meetings (cancel the July 3, 2000 Worksession and the July 24, 2000 Regular Session);
- (d) Final Qualifying Bid to Purchase County Property (612 Bingham Street) (approve the offer of \$14,723.75 submitted for 612 Bingham Street by Mr. Dale M. Williams and prepare a non-warranty deed for the Chairman's signature);
- (e) Final Qualifying Bid to Purchase County Property (110 Plantation Drive) (approve the offer of \$8,300 submitted for 110 Plantation Drive by Ms. Iris Wadsworth, and prepare a non-warranty deed for the Chairman's signature);
- (f) Offer to Purchase County Property (118 Plantation Drive) (authorize the Manager to pursue the upset bid process at this time. A resolution to offer the property in an "upset bid" sale is included in this package. The Board will have the authority to accept or reject any offer at the conclusion of the upset bid process as it so desires);
- (g) Final Qualifying Bid to Purchase County Property (900 Colfax Street) (approve the offer of \$3,744.07 submitted for 900 Colfax Street submitted by the Church of God of Prophecy, and prepare a non-warranty deed for the Chairman's signature);
- * (h) Establish AMS System and ES9000 Technology Upgrade Project (close the Data General Upgrade Project and Year 2000 Compliance Project and establish the AMS System and ES9000 Technology Upgrade Project in the amount of \$220,684 [CPA000016]);
- * (i) Recognition of City Contribution of \$75,000 for Merger-Related Expenses—Budget Ordinance Amendment No. 00BCC000059 (accept the \$75,000 contribution from the City for the purposes of funding activities associated with merger);

- * (j) FY 1999-2000 Budget Ordinance Amendment No. 00BCC000060—Social Services (recognize \$9,228,285 of additional revenue for direct payments for Medicaid services [pass-through dollars]);
- * (k) FY 1999-2000 Budget Ordinance Amendment No. 00BCC000061 (approve budget amendment to make a \$366,310 budget reduction in the debt service fund and a \$366,310 increase to the general fund for industrial payment agreements);
- * (l) FY 1999-2000 Budget Ordinance Amendment No. 00BCC000062 (approve budget amendment in the amount of \$75,000 to increase The Durham Center budget to reflect this additional state allocation);
- (m) Proration of Property Taxes on the First Union Building (authorize the County Manager to adjust the purchase price of the First Union Building from \$1,100,000 to \$1,108,728.56 to satisfy the tax obligation of the seller for the 2000 tax levy year);
- * (n) Authorizing Establishment of an Ordinance Levying Tax on Gross Receipts Derived from Retail Short-Term Lease or Rental of Motor Vehicles (authorize establishment of an ordinance levying tax on gross receipts derived from retail short-term lease or rental of motor vehicles);
- (o) Setting a Public Hearing on Coordinated Transportation: FY 2000-2001 Rural Operating Assistance Program (ROAP) Grant (set a public hearing for the July 10, 2000 Board meeting);
- (p) Integrated Server to Replace IMB ES9000 Mainframe and Upgrade the Financial System Software (authorize the County Manager to enter into two contracts, one with PSR Inc. for \$147,334 and one with AMS in an amount not to exceed \$73,350); and
- (q) Lease Agreement for 705 S. Mangum Street (Tom Lane Complex) for The Durham Center's Child, Youth, and Family Services (approve the lease for 705 S. Mangum Street for a three-year term. Funds have been budgeted in the FY 00-01 budget to cover the cost of the lease).

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

*Documents related to these items follow:

Consent Agenda 5(a). Appointment—NCACC Annual Conference Voting Delegate (appoint a voting delegate and an alternate for the annual conference).

Each Board of County Commissioners was requested to designate a commissioner or other official as the county's voting delegate. Each voting delegate was asked to complete and sign the following statement:

I, MaryAnn E. Black, hereby certify that I am the duly designated voting delegate for Durham County at the 93rd Annual Conference of the North Carolina Association of County Commissioners to be held in Durham, North Carolina, on August 10-13, 2000.

Signed: /s/ MaryAnn Black

Title: Chairman, Board of County Commissioners

Consent Agenda 5(b). Property Tax Releases and Refunds for Fiscal Year 99-00 (accept the property tax release and refund report as presented and authorize the Tax Administrator to adjust the tax records as outlined by the report for May 2000).

Due to property valuation adjustments for over assessments, listing discrepancies, duplicate listings, and clerical errors, etc., the report details tax releases and refunds for the month of May 2000.

Releases & Refunds for 1999 & 2000 Taxes:

Real	\$24,358.35
Personal	\$ 1,307.91
Registered Vehicles	\$50,290.77
Vehicles Fees	\$ 780.00
Solid Waste Fees	\$ <u>220.00</u>
Total for 1999 & 2000 Taxes and Fees	\$76,957.03

Prior Years (1995-1998) releases and refunds for May 2000 are in the amount of \$22,472.52.

Total Current Year and Prior Year Releases and Refunds \$99,429.55

(Recorded in Appendix A in the Permanent Supplement of the June 26, 2000 Minutes of the Board.)

Consent Agenda 5(h). Establish AMS System and ES9000 Technology Upgrade Project (close the Data General Upgrade Project and Year 2000 Compliance Project and establish

the AMS System and ES9000 Technology Upgrade Project in the amount of \$220,684 [CPA000016]).

The capital projects budget ordinance amendment follows:

DURHAM COUNTY, NORTH CAROLINA
FY 1999-2000 Capital Projects Budget Ordinance
Amendment No. 00CPA0000016

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 1999-00 Capital Projects Budget Ordinance is hereby amended to reflect budget adjustments for the Data General Conversion Project, Year 2000 Compliance Project, and AMS and ES9000 Technology Upgrade Project.

PAYG FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
Data General Upgrade	\$450,000		\$118,775	\$331,225
Year 2000 Compliance	\$633,912		\$130,144	\$503,768
AMS and ES9000 Technology Upgrade	\$ 0	\$220,684		\$220,684

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

This the 26th day of June, 2000.

(Capital Projects Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 5(i). Recognition of City Contribution of \$75,000 for Merger-Related Expenses—Budget Ordinance Amendment No. 00BCC000059 (accept the \$75,000 contribution from the City for the purposes of funding activities associated with merger).

The budget ordinance amendment follows:

DURHAM COUNTY, NORTH CAROLINA
FY 2000-01 Budget Ordinance
Amendment No. 00BCC000059

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2000-01 Budget Ordinance is hereby amended to reflect budget adjustments for the County Manager's Budget.

GENERAL FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>				
General Government	\$ 19,432,438	\$75,000		\$ 19,507,438
<u>Revenues</u>				
Intergovernmental	\$180,637,985	\$75,000		\$180,712,985

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

This the 26th day of June, 2000.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 5(j). FY 1999-2000 Budget Ordinance Amendment No. 00BCC000060—Social Services (recognize \$9,228,285 of additional revenue for direct payments for Medicaid services [pass-through dollars]).

The budget ordinance amendment follows:

DURHAM COUNTY, NORTH CAROLINA
FY 2000-01 Budget Ordinance
Amendment No. 00BCC000060

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2000-01 Budget Ordinance is hereby amended to reflect budget adjustments for Social Services.

GENERAL FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>				
Human Services	\$211,481,300	\$9,228,285		\$220,709,585

Revenues

Intergovernmental	\$180,712,985	\$9,228,285	\$189,941,270
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All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 26th of June, 2000.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 5(k). FY 1999-2000 Budget Ordinance Amendment No. 00BCC000061 (approve budget amendment to make a \$366,310 budget reduction in the debt service fund and a \$366,310 increase to the general fund for industrial payment agreements).

The budget ordinance amendment follows:

DURHAM COUNTY, NORTH CAROLINA
 FY 2000-01 Budget Ordinance
 Amendment No. 00BCC000061

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2000-01 Budget Ordinance is hereby amended to reflect budget adjustments for Economic Development.

GENERAL FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>				
Economic Development	\$ 3,928,128	\$366,310		\$ 4,294,438
<u>Revenues</u>				
Nondepartmental	\$18,497,442	\$366,310		\$18,833,752

DEBT SERVICE FUND

<u>Debt Service</u>				
<u>Expenditures</u>				
	\$24,218,288		\$366,310	\$23,851,978
<u>Revenues</u>				
Debt Service Revenues	\$24,218,288		\$366,310	\$23,851,978

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

This the 26th day of June, 2000.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 5(1). FY 1999-2000 Budget Ordinance Amendment No. 00BCC000062 (approve budget amendment in the amount of \$75,000 to increase The Durham Center budget to reflect this additional state allocation).

The budget ordinance amendment follows:

DURHAM COUNTY, NORTH CAROLINA
FY 2000-01 Budget Ordinance
Amendment No. 00BCC000062

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2000-01 Budget Ordinance is hereby amended to reflect budget adjustments for the Department of Mental Health.

GENERAL FUND

	<u>Current</u> <u>Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised</u> <u>Budget</u>
<u>Expenditures</u>				
Human Services	\$220,709,585	\$75,000		\$220,784,585
<u>Revenues</u>				
Intergovernmental	\$189,941,270	\$75,000		\$190,016,270

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

This the 26th day of June, 2000.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 5(n). Authorizing Establishment of an Ordinance Levying Tax on Gross Receipts Derived from Retail Short-Term Lease or Rental of Motor Vehicles (authorize establishment of an Ordinance Levying Tax on Gross Receipts Derived from Retail Short-Term Lease or Rental of Motor Vehicles).

DURHAM COUNTY BOARD OF COMMISSIONERS
RESOLUTION ADOPTING AN ORDINANCE LEVYING A TAX ON GROSS
RECEIPTS DERIVED FROM RETAIL SHORT-TERM LEASE OR RENTAL OF
MOTOR VEHICLES

WHEREAS, the North Carolina General Assembly has ratified Senate Bill 1076, signed into law as Session Law 2000-2 (S.L. 2000-2) and effective for taxable years beginning on or after July 1, 2000; and

WHEREAS, this act repealed the property tax on certain vehicles leased or rented under retail short-term leases or rentals and authorized counties to replace the lost tax revenue through enactment of a local tax on gross receipts derived from retail short-term leases or rentals affecting certain vehicles; now, therefore, be it

RESOLVED by the Durham Board of Commissioners that the following Ordinance is enacted:

ORDINANCE LEVYING A TAX ON GROSS RECEIPTS DERIVED FROM RETAIL
SHORT-TERM LEASE OR RENTAL OF MOTOR VEHICLES

SECTION 1. Definitions. The following definitions shall apply to this Ordinance:

“Customer” shall mean any person that leases or rents a vehicle on a short-term lease or rental basis.

“General Statutes” shall refer to the North Carolina General Statutes and any reference to a particular section thereof shall include the same as may be from time to time amended, modified, supplemented, revised or superseded.

“Gross receipts” shall mean the total lease or rental price charged to a customer for the short-term lease or rental at retail of vehicles, excluding sales taxes and excluding the taxes imposed by this Ordinance.

“Lease or rental” shall mean a transfer, for consideration, of the use but not the ownership of a vehicle to another for a period of time.

“Person” shall mean any individual, trustee, executor, other fiduciary, corporation, unincorporated association, partnership, sole proprietorship, company, firm, or other legal entity.

“Retail” shall mean the lease or rental of vehicles for any use or purpose other than for re-leasing or subleasing by the customer.

“Short-term lease or rental” shall mean any vehicle lease or rental, whether written or verbal, which is made to the same person for a period of less than 365 continuous days.

“Tax Administrator” shall mean the Durham County Tax Administrator.

“Taxpayer” shall mean any person liable to Durham County for the collection, reporting and payment of the taxes imposed by this Ordinance.

“Vehicle” shall mean any of the following:

- a. A motor vehicle of the private passenger type, including a passenger van, mini-van, or sport utility vehicle;
- b. A motor vehicle of the cargo type, including cargo van, pickup truck, or truck with a gross vehicle weight of 26,000 pounds or less used predominately in the transportation of property for other than commercial freight and that does not require the operator to possess a commercial drivers license; and
- c. A trailer or semi trailer with a gross vehicle weight of 6,000 pounds or less.

SECTION 2. Levy of Tax. A tax is hereby imposed and levied in an amount equal to one and one-half percent (1.5%) of the gross receipts as defined in Section 1.

SECTION 3. Administration. The Tax Administrator shall administer and collect the taxes levied herein from every person engaged in the business of short term leasing or rental of vehicles, and the Tax Administrator may promulgate additional rules and regulations necessary for implementation of the taxes. In addition to the provisions herein, the levy and collection of the taxes herein imposed shall be administered in the same manner as the sales and use tax as provided in Articles 5 and 9, Subchapter 1 of Chapter 105 of the General Statutes.

SECTION 4. Collection. Every person engaged in the business of the short-term lease or rental of vehicles at retail to customers shall collect at the time of the lease or rental the tax herein levied, place the tax so collected in a segregated account, and thereafter remit such tax to the Tax Administrator in accordance with the provisions of this Ordinance. The taxpayer shall include a provision in each retail short-term lease or rental agreement stating that one and one-half percent (1.5%) of the total lease or rental price, excluding sales tax, is being charged as a tax on gross receipts. The amount of the tax shall be stated separately from the lease or rental amount and shall be shown separately on the taxpayer's records. The customer shall pay the tax to the taxpayer as trustee for and on account of Durham County. The taxpayer shall be liable for the collection thereof and for its payment to the Tax Administrator, and the taxpayer's failure to charge or to collect said tax from the customer shall not affect such liability. The taxes collected under this Ordinance are not subject to sales tax. The taxes collected under this Ordinance belong to Durham County and are not subject to creditor liens against the taxpayer.

SECTION 5. Report and Payment of Tax. The taxes levied hereby are due and payable when a return is required to be filed. Every taxpayer shall, within the time specified, submit a return to the Tax Administrator on the form prescribed by the Tax Administrator. The taxpayer or the taxpayer's agent must sign the return. Returns of taxpayers are due to the Tax Administrator each month on or before the fifteenth (15th) day of the month following the month in which the tax accrues. A return filed for this purpose is not a public record as defined by Section 132-1 of the General Statutes and information contained in a return may not be disclosed except as required by law.

The return may be filed by personal delivery to the Tax Administrator or by United States mail. Returns submitted by mail shall be deemed to be filed as of the date shown on the postmark affixed by the United States Postal Service. If no date is shown on the postmark, or if the postmark is not affixed by the United States Postal Service, the return shall be deemed to be filed when received in the office of the Tax Administrator. The burden of proof shall be on the taxpayer to show that the return was timely filed.

SECTION 6. Taxpayer to Keep Records. The taxpayer shall keep and preserve suitable records of the gross receipts received by such taxpayer in the conduct of business and such other books or accounts as may be necessary to determine the amount of the tax for which such taxpayer is liable under the provisions of this Ordinance. It shall be the duty of the taxpayer to keep and preserve for a period of three years all such records of

gross receipts and other books and accounts described. All records, books, and accounts herein described shall be for examination at all reasonable hours during the day by the Tax Administrator or his duly authorized agent.

SECTION 7. Tax Administrator to Provide Forms. The Tax Administrator shall design, prepare, print and make available to all taxpayers operating within Durham County forms and instructions for filing returns to insure a full collection of and an accounting for taxes due. The failure of any taxpayer to obtain or receive forms shall not relieve such taxpayer from the payment of the tax at the time and in the manner provided.

SECTION 8. Situs. The transaction giving rise to the tax herein levied shall be deemed to have occurred at the location of the person from whom the customer takes delivery of the vehicle.

SECTION 9. Assessment Procedure. If the Tax Administrator discovers that any return or tax is due from a taxpayer, the taxpayer shall be notified in writing of the failure to file and of the proposed assessment, if known by the Tax Administrator. The assessment may be made on the best information of the Tax Administrator. A proposed assessment is presumed to be correct. The notice shall be delivered either in person or by United States mail sent to the taxpayer's last known address. The notice is presumed to have been received by the taxpayer unless the taxpayer makes an affidavit to the contrary within 90 days after the notice was mailed. If the taxpayer makes this affidavit, the time limitations for a request for hearing as hereafter provided apply as if the notice had been delivered on the date the taxpayer makes the affidavit.

A taxpayer who objects to the proposed assessment or to the requirement to file a return is entitled to a hearing upon written request within 30 days after the date the notice was mailed, or within 30 days after the date of personal delivery. If no request for a hearing is timely made, the proposed assessment becomes final without further notice.

If a taxpayer files a timely request for hearing, the Tax Administrator shall set a hearing date within 90 days, and notify the taxpayer at least 10 days prior to the hearing date. Within 90 days after the hearing, the Tax Administrator shall notify the taxpayer of the final decision. The taxpayer may then appeal the decision as set forth in Section 11 of this Ordinance. The Tax Administrator shall have no authority to waive or compromise any interest or penalty imposed by this Ordinance.

SECTION 10. Penalties, Interest and Remedies. The provisions with respect to penalties, interest and remedies applicable to Subchapter VIII (Local Government Sales and Use Tax) of Chapter 105 of the General Statutes, as contained in Article 5 and Article 9, Subchapter 1, Chapter 105 thereof, and the provisions applicable to remedies provided by the Machinery Act (Chapter 105, Subchapter II of the General Statutes), shall be applicable in like manner to the tax levied and collected under this Ordinance, to the extent that the same are not inconsistent with the provisions hereof.

Without limiting the foregoing, and subject to any changes in the General Statutes with respect to penalties, interest and remedies, the following shall be applicable with respect to the levy and collection of the taxes imposed herein:

- a. Any taxpayer who fails to file a return on the date it is due, determined with regard to any extension of time for filing, shall pay a penalty equal to five percent (5%) of the amount of the tax if the failure to file is for not more than one month, with an additional five percent (5%) for each additional month, or fraction thereof, during which the failure continues, not exceeding twenty-five percent (25%) in the aggregate, or \$5.00, whichever is greater.
- b. Any taxpayer who fails to pay the tax levied herein when due, without intent to evade the tax, shall pay a penalty equal to ten percent (10%) of the tax, except that the penalty shall in no event be less than \$5.00.
- c. Taxes shall be payable at par or face amount if paid on or before the filing date as set forth in Section 5. Taxes paid after the filing date will be delinquent and shall be subject to interest charges. Interest shall accrue at the rate of three-fourths of one per cent ($3/4\%$) a month or fraction thereof until the principal amount of the taxes, the accrued interest, and any penalties are paid.
- d. When the bank upon which any uncertified check tendered to the Tax Administrator in payment of taxes, penalties or interest returns the check because of insufficient funds or the nonexistence of an account of the drawer, the Tax Administrator shall assess a penalty equal to ten per cent (10%) of the check, subject to a minimum of one dollar (\$1.00) and a maximum of one thousand dollars (\$1,000.00).
- e. Any taxpayer who willfully attempts, or any person who aids or abets any taxpayer to attempt in any manner to evade or defeat a tax imposed herein or its payment, shall, in addition to other penalties provided by law, be guilty of a Class H felony.
- f. Any taxpayer required to collect, withhold, account for, and pay over any tax who willfully fails to collect or truthfully account for and pay over the tax shall, in addition to other penalties provided by law, be guilty of a Class 1 misdemeanor.
- g. Any taxpayer required to pay any tax, to make a return, to keep any records, or to supply any information, who willfully fails to pay the tax, make the return, keep the records, or supply the information, at the time or times as required by law, or rules issued pursuant thereto, shall, in

(SEAL)

Public Hearing for Durham County Ten-Year Solid Waste Management Plan

North Carolina General Statute 130A-309.09A(b) requires each unit of local government, either individually or in cooperation with other local governments, to develop a ten-year comprehensive Solid Waste Management Plan (SWMP) and update the plan every three years. In addition, each unit of government is required to conduct a public hearing, adopt a resolution, and begin implementing its SWMP by July 1, 2000.

On June 23, 1997, the Board of Commissioners adopted the County's first ten-year comprehensive SWMP for 1997-2006. Durham County's initial waste reduction goal was 25 percent by 2001 and 40 percent by 2006. The current estimate for Durham City and County governments is 8 percent waste reduction ending in June 1999. As a result of low waste reduction percentages statewide, North Carolina has established a more realistic goal of 10 percent by the year 2010. The proposed three-year SWMP update includes current programs, intended actions, and financing methods for 2000-2010. The updated plan also reflects the State's revised waste reduction goal of 10 percent by the year 2010.

At its June 12, 2000 Regular Session, the Board of Commissioners set a public hearing for June 26, 2000 to receive public comment on the proposed plan. The appropriate public notice was advertised in the Durham Herald-Sun, Carolina Times, and Independent newspapers. Copies of the draft SWMP were available for public view beginning June 13, 2000 at the Clerk of Court's office, main branch of the Durham County Public Library, Office of the Clerk to the BOCC, and the Department of General Services.

Resource Person(s): Michael Turner, Director of General Services

County Manager's Recommendation: The Manager recommends that the Board hold the public hearing and receive public comment on the revised ten-year comprehensive SWMP. If indicated, adopt the Resolution as required by NCGS 130A-309.09A(b) to approve the Durham County Solid Waste Management Plan subject to the inclusion of public comment, and authorize the County Manager to implement the plan effective July 1, 2000.

Mr. Turner gave the Commissioners an overview of the ten-year Solid Waste Management Plan.

Vice-Chairman Reckhow opened the public hearing that was properly advertised.

As no one signed to speak at this public hearing, Vice-Chairman Reckhow closed the public hearing and referred the item back to the Commissioners.

The Commissioners asked questions to which Mr. Turner responded.

Commissioner Heron moved, seconded by Commissioner Bell, to approve the Durham County Solid Waste Management Plan and authorize the County Manager to implement the plan effective July 1, 2000.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

The resolution follows:

**RESOLUTION TO APPROVE THE DURHAM COUNTY 10-YEAR (2000-2010)
COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN**

WHEREAS, better planning for solid waste will help protect public health and the environment, provide for an improved solid waste management system, better utilize our natural resources, control the cost of solid waste management; and,

WHEREAS, NC General Statute 130A-309.09A(b) requires each unit of local government, either individually or in cooperation with other units of local government, to develop a 10-year comprehensive solid waste management plan, provide 3-year revisions; and

WHEREAS, Durham County coordinated with the City of Durham in the preparation of the required 3-year revision to the plan;

NOW, THEREFORE, BE IT RESOLVED that the County Commissioners of Durham County hereby approve the Durham County 10-Year (2000-2010) Comprehensive Solid Waste Management Plan.

Adopted by the Board of Commissioners during regular session on this the 26th day of June, 2000.

/s/ MaryAnn E. Black
Chairman
County Commissioners

Attest: /s/ Garry Umstead
Clerk of the Board

Adoption of Digital Zoning Map and Text—Public Hearing

The County of Durham began creating a GIS system in 1994 as a joint venture with the City of Durham. After investing substantial time and money, these efforts are reaching their full potential. The digital zoning represents the culmination of the Planning Department's efforts to streamline and update its most important geographic data.

The purpose of adopting the digital zoning is to:

1. Enable staff, boards, commissions, and the public to integrate disparate data sources on one screen or map and increase availability of data through the Internet.
2. Maintain consistency with other agencies that use zoning information.
3. Increase staff productivity.
4. Create high quality, full color zoning maps.
5. Track zoning changes, denials, and withdrawals as part of data update process.

Adoption of the digital zoning represents the final phases of the implementation of Geographic Information Systems (GIS) in the Planning Department. No changes in zoning are part of this adoption, only the medium on which the map is kept. The associated text change to the Zoning Ordinance reflects the change in the nature of the medium.

Resource Person(s): Paul Black, Senior Planner

County Manager's Recommendation: That the Board receive the presentation and adopt the Digital Zoning Map and text.

Mr. Black, GIS, Senior Planner, gave the Commissioners an overview of the Digital Zoning Map and text.

Vice-Chairman Reckhow opened the public hearing that was properly advertised.

As no one signed to speak at this public hearing, Vice-Chairman Reckhow closed the public hearing and referred the item back to the Commissioners.

Commissioner Bowser moved, seconded by Commissioner Bell, to approve the Digital Zoning Map and text.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

The ordinance amendment follows:

TC102-00

AN ORDINANCE TO AMEND THE DURHAM ZONING ORDINANCE TO
ESTABLISH DIGITAL FORMAT ZONING FOR THE OFFICIAL ZONING MAP

WHEREAS, the Durham County Board of Commissioners wishes to amend the zoning ordinance to allow the official zoning map to be digitized and to be maintained and used on computers; and

WHEREAS, these changes are generally technical in nature; and

WHEREAS, these changes will improve the efficiency of the ordinance; and

WHEREAS, these changes will simplify the work of the staff and approving bodies:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM THAT:

SECTION 1

Sections 1.6.1 and 1.6.2 of the Durham Zoning Ordinance are hereby repealed and replaced as follows:

“1.6.1 Zoning Map

The location and boundaries of zoning districts shall be as shown on a geographic coverage layer entitled “Zoning” that is maintained as part of the City’s and County’s geographic information system (GIS) under the direction of the Planning Director. This depiction of zoning boundaries as shown on the GIS system shall constitute the official zoning map for the City’s and the County’s zoning jurisdiction, and is adopted into the zoning ordinance by reference. The Planning Director shall authorize certain designated persons to revise the official zoning map when amendments are passed by the Governing Body in accordance with Section 15 of this ordinance. Such revisions shall be made as soon as possible after the effective date of the amendment but in no event later than 5 working days after such effective date. No unauthorized person may alter or modify the official zoning map. Errors in the zoning map shall be corrected as they are discovered, and the corrected information shown on the GIS system. The Planning Director may authorize printed copies of the official zoning map to be produced, and shall maintain digital or printed copies of superseded versions of the official zoning map for historical reference. Within the City’s jurisdiction, the updated zoning map shown on the geographic information system shall be considered the official map book in accordance with GS 160A-79(b). The City Clerk may, upon validation by the Planning Director’s designee(s), certify a paper copy of the zoning map, or portions of the map, as a true and accurate copy of the zoning map, or a portion thereof, under the authority of GS 160A-79(b).

1.6.2 Location of Zone Boundaries; Interpretation

A boundary shown on the zoning map as following a lot line or parcel boundary shall be construed as following the lot line or parcel boundary as it actually existed at the time the zoning boundary was established, as shown on maps submitted or used when the boundary was established. If a zoning boundary splits an existing lot or parcel, the metes and bounds description, if one was submitted at the time the zoning boundary was established, shall be used to establish the boundary. If maps and metes and bounds descriptions used when a zone boundary was established did not accurately reflect the lot lines or parcel boundaries existing at that time, but it appears that the intent at the time of the zone change was for the zone boundary to conform to existing lot lines or parcel boundaries, the zone boundary shall be construed to conform to the lot lines or parcel boundaries that existed at the time the zone boundary was established. If, subsequent to the establishment of the zoning boundary, a minor property line adjustment is made, such as from settlement of a boundary dispute, the zoning boundary shall be construed to move with the lot line or parcel boundary if the adjustment is less than 10 feet.

In cases where lot lines or parcel boundaries have not been used to establish zone boundaries, the rules set forth below shall apply. The Planning Director may authorize periodic changes to the boundaries in conformance with these rules. Interpretations of zone boundaries may be appealed to the Board of Adjustment.

- A. Where the ordinance establishing a zoning boundary identifies the boundary as following a particular feature, or reflects a clear intent that the boundary follow the feature, the boundary shall be construed as following that feature as it actually exists.
- B. A boundary shown on the zoning map as approximately following a river, stream, lake or other watercourse shall be construed as following the actual centerline of the watercourse. If, subsequent to the establishment of the boundary, the centerline of the watercourse should move as a result of natural processes (flooding, erosion, sedimentation, etc.), the boundary shall be construed as moving with the centerline of the watercourse.
- C. A boundary shown on the zoning map as approximately following a ridgeline or topographic contour line shall be construed as following the actual ridgeline or contour line. If, subsequent to the establishment of the boundary, the ridge line or contour line should move as a result of natural processes (erosion, slippage, subsidence, etc.), the boundary shall be construed as moving with the ridge line or contour line.
- D. A boundary shown on the zoning map as approximately following a street or railroad line shall be construed as following the centerline of the street or railroad right-of-way. If, subsequent to the establishment of the boundary, the centerline of the street or railroad right-of-way should be moved as a result of its widening or a minor realignment (such as at an intersection), the boundary shall be construed with moving with the centerline only if the centerline is moved no more than twenty-five (25) feet.

- E. A boundary shown on the zoning map as approximately following the zoning jurisdiction boundary of an adjacent municipality shall be construed as following that boundary as described in the ordinance or resolution establishing or extending the municipality's zoning jurisdiction (e.g., an annexation ordinance adopted by the municipality or a resolution adopted by the County Board of Commissioners granting the municipality extraterritorial jurisdiction).
- F. A boundary shown on the zoning map as approximately parallel to, or as an apparent extension of, a feature described above shall be construed as being actually parallel to, or an extension of, the feature.
- G. If the specific location of the boundary cannot be determined from application of the above rules to the zoning map, it shall be determined by scaling the mapped boundary's distance from other features shown on the map.

SECTION 2

That the zoning ordinance be renumbered if necessary to accommodate this change.

SECTION 3

That this ordinance become effective upon adoption.

(Zoning Ordinance amendment recorded in Ordinance Book _____, page _____.)

Ordinance Adopting the Schedules, Standards, and Rules for Appraisal of Property for 2001 (NCGS 105-317)

The values, standards, and rules required by N.C.G.S. 105-317(b)(1) shall be reviewed and approved by the Board of County Commissioners before January 1 of the year they are applied (2001).

The Board of County Commissioners may approve the schedule of values, standards, and rules to be used in the appraising of real property at its true value and at its present use value either separately or simultaneously.

Notice of the receipt and adoption by the Board of County Commissioners and notice of the property owners' right to comment on and contest the schedules, standards, and rules are as follows:

- 1) The Assessor shall submit the schedules, standards, and rules not less than 21 days before the meeting in which the Board will consider them. On the same day they are submitted to the Board for consideration, the Assessor shall file a copy in his office where they shall remain available for public inspection.
- 2) Upon receipt of the schedules, standards, and rules, the Commissioners shall publish a statement in a newspaper having general circulation within the County stating:

- a) That the proposed schedules, standards, and rules to be used in appraising real property in the County have been submitted to the Board of County Commissioners and are available for public inspection in the Assessor's office; and
 - b) The time and place of a public hearing on the proposed schedules, standards, and rules that shall be held by the Board of County Commissioners at least seven days before adopting the final schedules, standards, and rules.
- 3) When the Board of County Commissioners approves the final schedules, standards, and rules, it shall issue an order adopting them. Notice of this order shall be published once a week for four successive weeks in a newspaper having general circulation in the County, with the last publication being not less than seven days before the last day of challenging the validity of the schedules, standards, and rules by appeal to the Property Tax Commission. The notice shall state:
- a) That the schedules, standards, and rules to be used in the next schedule reappraisal of real property in the County have been adopted and are open to examination at the office of the Assessor; and
 - b) That a property owner that asserts that the schedules, standards, and rules are invalid may except to the order and appeal therefrom to the Property Tax Commission within 30 days of the date when the notice of the order adopting the schedules, standards, and rules was first published.

Resource Person(s): Steve Crysel, Tax Administrator, and Jay Miller, Deputy Assessor

County Manager's Recommendation: That the Board adopt the Ordinance Accepting the Schedules, Standards, Values, and Rules to be used in appraising real property in Durham County for the 2001 Revaluation.

Mr. Crysel presented an overview of the ordinance.

The Commissioners asked questions to which Mr. Crysel and County Attorney Kitchen responded.

Commissioner Bell moved, seconded by Commissioner Bowser, to approve the ordinance adopting the schedules, standards, and rules for appraisal of property for 2001 (NCGS 105-317).

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

The ordinance follows:

ORDINANCE ADOPTING SCHEDULES, STANDARDS AND RULES TO BE USED
IN APPRAISING REAL PROPERTY IN DURHAM COUNTY FOR THE 2001
REVALUATION.

WHEREAS, the North Carolina law requires the revaluation of all real property at least every eight years; and

WHEREAS, the County Tax Administrator on May 22, 2000 submitted and presented to the Board of Commissioners the proposed schedules of values, standards, and rules to be used in appraising all real property in Durham County for the 2001 revaluation; and

WHEREAS, a legal notice of public hearing was published on May 27, 2000, declaring that a public hearing on the proposed schedules, standards and rules would be held by the Board of Commissioners at 7:00 p.m. on June 12, 2000 in the Commissioners meeting room on the second floor of the County Courthouse, Durham, North Carolina and further advising that said schedules, rules and standards were available for public inspections; and

WHEREAS, the aforesaid public hearing was conducted as required at 7:00 p.m. on June, 12, 2000 and no persons appeared to comment upon the proposed schedules, standards and rules; and

WHEREAS, this Board has reviewed and discussed the proposed schedules, standards, and rules with the County Tax Assessor and finds that it would be proper, appropriate and in the best interests of all citizens, residents and taxpayers of Durham County to adopted the schedules rules and standards to be used in appraising all real property in Durham County for the 2001 revaluation which are attached herewith as Exhibit A:

NOW, THEREFORE BE IT ORDERED BY the Board of Commissioners for the County of Durham as follows:

SECTION 1. That the Schedules of Values, Standards and Rules to be used in appraising all real property in Durham County for the 2001 Revaluation a copy of which is attached herewith as Exhibit A be and the same are hereby approved and adopted.

SECTION 2. That the Clerk to the Board shall cause a notice of this order to be published once a week for four successive weeks, with the last publication being not less than seven (7) days before the last day for challenging the validity of the schedules standards and rules by appeal to the State Property Tax Commission.

SECTION 3. Adopted this the 26th day of June, 2000.

Attest

/s/ Garry E. Umstead
Clerk

/s/ Carolyn Titus
Interim County Manager

/s/ MaryAnn Black
Chairman

(Ordinance recorded in Ordinance Book _____, page _____.)

D00-112--Major Site Plan--Triad Marine

The John R. McAdams Company Inc., on behalf of Triad Marine, submitted a site plan for a 39,000-square-foot commercial building on a 5.516-acre tract. Triad Marine is proposing to construct a retail marine facility on the site for the sale of marine equipment and related repair. The applicant is proposing 65 parking spaces, which includes 4 handicap spaces.

The plan meets all of the ordinance requirements and addresses the environmental concerns as a result of the applicant acquiring a 404 permit. This permit provides buffering by way of grading and re-vegetation. The Development Review Board recommended approval of this plan (with technical corrections) at the March 24, 2000 meeting.

Resource Person(s): Clay Shepherd, Senior Planner, and Steve Medlin, Senior Planner, presented the item.

County Manager's Recommendation: The Manager's recommendation is that the Board receive the presentation of this site plan and approve, if appropriate, based upon comment from Board members. The plan meets all of the necessary technical requirements for approval.

Mr. Medlin presented an overview of the major site plan for Triad Marine.

The Commissioners asked questions and made comments about the major site plan to which Mr. Medlin and Mr. Ralston, representing John R. McAdams Company Inc., responded.

Following a lengthy discussion, the following action was taken:

Commissioner Heron moved to deny the major site plan request.

The motion failed for lack of a second.

Commissioner Heron moved, seconded by Commissioner Bowser, to defer action on this item until the July Regular Session. Staff was requested to ask the petitioner to increase the buffer to the full 80 feet and to consider reduced hours of operation.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Expansion and Renovation of the Shelter for H.O.P.E. Project Update

This agenda item is an update on the status of the Community Shelter for H.O.P.E. expansion and renovation project.

The Board of County Commissioners awarded an architectural contract to DTW Architects and Planners, Ltd. on February 28, 2000 for design of the renovations and expansion of the Homeless Shelter building. At that meeting, concerns of nearby residents were discussed. Since that time, there have been several meetings with the project team, Shelter Board, neighborhood organization representatives, adjacent property owners, and the architectural firm to receive input and provide comments on design issues. Subsequently, the architect presented schematic designs for the site and building.

Following this meeting, design will continue with the development of construction drawings and specifications for bidding.

Resource Person(s): Wendell Davis, Deputy County Manager
Glen Whisler, County Engineer
Jack Preiss, Project Coordinator
Hap Johnson, Shelter Board, Chairman
Spencer Bradford, Shelter Executive Director

County Manager's Recommendation: That the Board receive the project update and provide comments to the project team.

Mr. Davis made opening remarks about the expansion and renovation of the Shelter for H.O.P.E. He requested that John Thompson with DTW Architects and Planners Ltd. present the architectural rendering for the H.O.P.E. Shelter. Mr. Robert Satalongo assisted with the presentation.

Mr. Thompson made the presentation for the County Commissioners.

The Commissioners asked questions and made remarks about the presentation and the shelter project. Mr. Thompson and Mr. Davis responded to the questions and comments.

The County Commissioners asked questions about the financing program. The funding sources are as follows per Mr. Davis:

\$ 300,000—Housing Bonds from the City
221,278—CIP Pay-As-You-Go
80,000—Housing Bonds from the County
300,000—Home Funds
399,193—Finance through the North Carolina Housing Finance Agency
250,000—Private Donation Capital Campaign

Interim County Manager Titus said the County's contribution will not go beyond what was discussed tonight. The courtyard area and other areas will have to be supported by other funds.

Spencer Bradford, H.O.P.E. Shelter Executive Director, made a presentation to the Commissioners about the programmatic changes at the shelter.

No action was required on this agenda item.

Authorization to Hire Investment Managers for Community Health Trust Funds

At the meeting of January 6, 2000, the Board of County Commissioners approved the Request for Proposal for investment managers to manage the investment activity of the Community Health Trust Funds in compliance with State statutes and County policies.

The RFP was issued and an advertisement was printed in the Herald Sun and the Carolina Times on May 1, 2000. The RFP was mailed to a total of 20 vendors. Eighteen responses were received.

Once the responses were received, staff utilized the services of the County's financial advisors Davenport & Co. LLP in addition to Patricia J. Gravinese, Finance Director; Susan Fox-Kirk, Deputy Finance Director; and Jessica Linton, Investment Manager, to review the responses. A separate memorandum was delivered to the Interim County Manager detailing the RFP process and ultimate recommendation.

Staff requested that the Board authorize the Interim County Manager to execute a General Services Contract with each firm recommended to provide investment services. The firms follow:

Fixed Income Managers:
MDL Capital Management
Brown Brothers Harriman

Equity Managers:

Wedge Capital Management
Sovereign Asset Management

Resource Person(s): Patricia J. Gravinese, Finance Director
Susan Fox-Kirk, Deputy Finance Director
Jessica Linton, Investment Manager
James Traudt, Davenport L.L.C.
Sean Ekiert, Davenport L.L.C.

County Manager's Recommendation: That the Board approve the investment managers' recommendations as presented.

Ms. Titus announced Ms. Gravinese resigned her position to accept a job in the private sector in an effort to spend more time with her children.

Ms. Gravinese introduced the Request for Proposals review team.

Ms. Gravinese provided the Commissioners an historic view of the events that have occurred thus far. We have been through a diligent process of reviewing the analysis of a number of investment managers and will make a recommendation for four firms to manage the Community Health Trust Funds. In July 1998, the County received approximately \$23 million in prepaid lease payments from Duke University Health System. The County proceeded to pursue local legislation which would allow the County to invest these funds in the equities market according to the guidelines of N.C.G.S. 147-69.2. The General Assembly granted the legislation in March 1999. The County then developed a set of investment objectives and revised its investment policies and procedures. A primary goal of the Board was to preserve the existing principle and provide for growth through earnings as well as to utilize some of the earnings to further the delivery of health related services in the Durham community. The Board approved the policies and procedures in December 1999.

Ms. Linton presented the information on the RFP process and the recommendation.

The County Commissioners asked several questions and made remarks about the RFP and the recommendation. Review staff responded.

Commissioner Bell expressed concern about a larger minority firm with a very impressive record only getting \$3 million out of the \$23 million.

Commissioner Bowser expressed concern about putting \$10 million with one firm. He preferred to have the funds more evenly split between the firms.

Commissioner Bell reiterated his concern.

Commissioner Heron commented that the review team did what they were asked to do. I think the recommendation should be given a chance. The money needs to be invested to get a better interest rate. I think we should accept the recommendation for one year. I don't feel comfortable going against what the review team brought us.

Commissioner Heron moved that the Commissioners approve the investment managers' recommendation as presented. The investment strategy should be reviewed periodically after the first six months.

The motion failed for the lack of the second.

Interim County Manager Titus recommended that the Board not vote tonight. The administration will look at the flexibility of the funds allocated here and come back on July 10, 2000 with further information.

Commissioner Heron stated she is not happy with the Interim Manager's recommendation, but if the Board wishes to go that way, she will move in that direction.

Vice-Chairman Reckhow said the Board will defer action until the July 10, 2000 Regular Session.

FY 2000-01 Budget Adoption

The Durham County Interim Manager formally presented the adopted budget for FY 2000-01 to the Durham County Board of Commissioners. This submission is in accordance with the Local Government Budget and Fiscal Control Act, which requires adoption of the budget no later than July 1.

Interim County Manager Titus said Claudia Odom, Budget Director, is distributing the FY 2000-01 Budget Ordinance for the Board's review and approval tonight.

County Manager Titus stated she is pleased to present to the Board the Durham County FY 2000-01 Budget Ordinance. The ordinance does not expand or diminish the County or County Manager's authority. It is basically the exact same ordinance as last fiscal year, except the numbers have changed. The Fiscal Year 2000-2001 budget represents a \$401 million operating budget. This budget does not have a tax increase and it maintains Durham County's current tax rate of .9297 cents per \$100 valuation. The staff has taken the Board's directives to identify the most efficient way to conduct county business and the most efficient way to provide services to the taxpayers of Durham County. We took a hard look at the base budget this year to make sure we are reaching greater levels of efficiency.

Expenditures have been held to a very modest increase this year. The budget represents a maintenance budget with a conservative 3 percent growth rate for all our funds including the General Fund, Debt Service, Capital Finance Fund, and the Enterprise Fund.

This budget continues to maintain the healthy and stable fund balance at a projected 15 percent and positions us to maintain the AAA Bond Rating.

Durham Public Schools will receive \$67,790,956 in operating expense which is a 6.1 percent increase from fiscal year 1999-2000. In addition, the recurring capital outlay is a \$500,000 allocation. This increase will allow Durham Public Schools to remain a leader in per pupil funding in the state.

This budget highlights another high priority expressed by the Board--concern for County employees. The budget continues the pay for performance plan. It continues to keep the County workforce competitive by making a 2.5 percent market adjustment to our compensation plan. There is another \$93,336 allocated to adjust those positions which are 5 percent or more behind the market. This budget includes a special 5 percent market adjustment for classifications contained in the Sheriff's Department to address unique market forces in the law enforcement area.

The Commissioners asked questions and made comments about the proposed budget.

Commissioner Heron requested that the County Manager schedule a retreat in October with information on how the budget is working, to determine if there is a better process for going through the budget, and with status reports from the department heads on reaching the goals set for their departments.

Vice-Chairman Reckhow requested the City and County conduct a sales tax audit in the upcoming year. The audit should be a high priority project with joint funding by the City and County.

Vice-Chairman Reckhow requested that staff present a two-year budget in the upcoming year.

Commissioner Bowser said a harder look would be taken at the emergency fund in the Social Services Department in the upcoming year. He is also going to work to get employees' longevity pay reinstated in the upcoming year.

Commissioner Bell moved, seconded by Commissioner Bowser, to adopt the Annual Budget Ordinance for Durham County Fiscal Year 2000-2001 as presented.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow

Noes: None
Absent: Black

The Budget Ordinance for FY 2000-2001 follows:

ANNUAL BUDGET ORDINANCE

Durham County
North Carolina
FY 2000-01

WHEREAS, the proposed budget for FY 2000-01 was submitted to the Board of Commissioners on May 22, 2000 by the Durham County Manager and filed with the Clerk to the Board on that date pursuant to G.S. 159-11;

WHEREAS, on June 12, 2000, the Durham County Board of Commissioners held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 26, 2000, the Durham County Board of Commissioners adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Commissioners considers sufficient and proper in accordance with G.S. 159-13;

BE IT ORDAINED by the Durham County Board of Commissioners that for the purpose of financing the operations of Durham County, North Carolina for the fiscal year beginning July 1, 2000 and ending June 30, 2001, there are hereby appropriated from taxes and other revenues the following by function and fund:

Section 3. For purpose of raising revenues to finance appropriations for the foregoing expenditures, the following ad valorem taxes are hereby levied on all property subject to ad valorem taxes within the county on January 1, 2000 at an anticipated collection rate of 96.6 percent. Rates are per \$100.00 of assessed valuation of taxable property.

<u>District</u>	<u>Rate</u>	<u>District</u>	<u>Rate</u>
Durham County-countywide	\$.9297	Lebanon Fire District	\$.0800
Bahama Fire District	\$.0600	New Hope District	\$.0515
Bethesda Fire District	\$.0550	Parkwood Fire District	\$.0900
Eno Fire District	\$.0515	Redwood Fire District	\$.0850
		Special Park District	\$.0191

Section 4. Charges for services and fees by county departments, excluding those established by state statute, are levied in the amounts set forth in the attached Fee Schedules. (See Attachment)

Section 5. The following authorities shall apply to transfers and adjustments within the budget:

- a. The County Manager may authorize transfers within a function up to 15% cumulatively without report to the Board.
- b. The County Manager may transfer amounts up to \$20,000 between functions of the same fund with a report to the Board of Commissioners at the subsequent regular meeting of the Board.
- c. The Budget Officer may approve intradepartmental transfer requests between appropriation units and between departmental programs within the limits of the approved budget.
- d. The County Manager may enter into the following agreements within funds:

- form and execute grant agreements within budgeted appropriations;
 - execute leases of up to \$30,000 for normal and routine business within budgeted appropriations;
 - enter consultant, professional, maintenance or other service agreements of up to \$20,000 within budgeted appropriations;
 - approve annual renewals for service and maintenance contacts;
 - purchase of apparatus, supplies, materials or equipment and construction or repair work not requiring formal bids by law;
 - reject any and all bids and readvertise to receive bids;
 - waive any bonds or deposits, or performance and payment bonds requirements when authorized or permitted by applicable law.
- e. County Manager can transfer between functions, and/or funds for merit, cost of living and reclassification of funds.
- f. Transfers between funds and transfers from the contingency account may be executed **only** by the Board of Commissioners.

Section 6. In accordance with North Carolina General Statute 115D-54, the following appropriations are made to Durham Technical Community College. All accumulated and unexpended and unencumbered amounts at the end of the fiscal year shall be reported to Durham County within 30 days of the completion of the external audit.

Current Expense Fund	\$2,701,705
Capital Outlay Fund	<u>\$ 400,000</u>
Total Appropriation	\$3,101,705

Section 7. In accordance with G.S. 115C-429(b), the following appropriations are made to the Durham Public Schools. The budget resolution adopted by the Durham Public Schools Board of Education shall conform to the appropriations set forth in the budget ordinance.

The total local appropriation for Durham Public Schools for FY 2000-01 is as below:

Current Expense	\$67,790,956
Capital Outlay	<u>500,000</u>
Total Appropriation	\$68,290,956

- a. In addition, the Durham Public Schools budget should reflect local appropriations by purpose, function, and project. Once adopted, such resolution shall not be amended without the prior approval of the Board of Commissioners if the cumulative effect of such amendment would be to increase or decrease the amount of county appropriations allocated by purpose, function, or project by 15 percent or more.

- b. The Board of Commissioners and the county manager shall be informed in writing of the audited fund balance amounts within 30 days of completion of the external audit.
- c. Transfers between capital outlay and current expense shall be approved by the Board of Commissioners.
- d. Durham Public Schools is authorized to use Public School Building Capital Funds for 1997-98 and 1998-99 and 1999-00 unexpended bond funds for FY 2000-01 capital outlay requests with the approval of the Board of Commissioners.

Funding (including debt service) exceeds the required merger agreement rate of \$1,960 per pupil.

Section 8. In addition, it is the intent of the Durham County Board of Commissioners in appropriating these funds that the Board of Education allocate sufficient funds to continue the teacher supplement at a rate of 12 percent.

Section 9. In accordance with G.S. 159-13.1, the following financial plans for intragovernmental service funds are hereby approved.

SELF-INSURANCE FUND

Estimated Revenue	\$1,553,100
Estimated Expense	\$1,553,100

EQUIPMENT LEASING FUND

Estimated Revenue	\$ 1,993,640
Estimated Expense	\$ 1,993,640

CAFETERIA PLAN FUND

Estimated Revenue	\$7,227,418
Estimated Expense	\$7,227,418

Section 10. In accordance with G.S. 159-14, the following trust funds are established and the proceeds are estimated as follows:

Law Enforcement Officers' Retirement Fund: \$35,028
Community Health Trust Fund: \$1,163,943
George Linder Memorial: \$35,250

Section 11. This ordinance incorporates an amendment in the capital financing policy to designate 5% of dedicated revenues to Pay-as-you-go projects instead of 20%.

Section 12. In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the County Manager, the Finance Officer, the Clerk to the Board, and the County Tax Administrator.

Department	Type of Fee	<u>FY 1999-2000 Adopted Fees</u>	<u>FY 2000-2001 Adopted Fees</u>
Animal Control	Impoundment		
	1st Offense + boarding fee + civil penalty	\$25	same
	2nd Offense + boarding fee + civil penalty	\$60	same
	3rd Offense + boarding fee + civil penalty	\$95	same
	4th Offense & subsequent offenses	\$150	same
	Boarding		same
	Dogs	\$9/day	same
	Cats	\$6/day	same
	Civil Penalties		same
	1st Offense	\$25/Offense	same
	1st Offense/after 72 hours	\$50	same
	2nd Offense	\$50/Offense	same
	2nd Offense/after 72 hours	\$75	same
	Registration		
	Unaltered animals	\$25/animal	same
	Altered Animals	\$5/animal	same
Elections	Reports	Reports -- letter size .01 page	same
		Computer reports -- green bar .03 page	same
	Tapes	With tapes \$25	same
		Without tapes \$50	same
	Diskettes	\$1/disk + \$25	same
	Labels	No charge, if you provide labels (Elections does not provide labels)	same
	Copies	per copy .25	same
	Street Rolldex (Address + Precinct Information)	\$12.50	same
Certificates	\$1	same	
Maps	\$3.50	same	
Fire Marshal	see attached detail		
General Services	Solid Waste Management Fee	\$55.00/year	same

Register of Deeds	Copy Fees - uncertified copies	25 cents/page	same
	Copy Fees – Maps	\$2/map page	same
	Copy Fees - maps uncertified	\$2/map page	same
Public Health	Well Permit (includes one water sample)	\$215	same
	Water Sample	\$47	same
	Well & Septic Tank Reports	\$140/report	same
	Septic System Improvement Permits:		
	Conventional Systems	\$115	same
	Low Pressure System Installation (includes monitoring)	\$520	same
	Pump conventional permit	\$260	same
	Reconnection Permit	n/a	\$100
	Type V System (plan review)	\$11/connect	same
	Type V System (inspection)	\$115	same
	Type V System (monitoring)	\$6/connect/annual	same
	Application for Improvement Permit 0-2 acres	\$155	\$150
	Application for Improvement Permit 2-5 acres	\$155	\$175
	Application for Improvement Permit 5+ acres	\$190/\$230	\$190+\$10/acre
	Appeal Charge 0-2 acres	\$35-\$70	\$75
	Appeal Charge 2-5 acres	\$105-\$175	\$100
	Appeal Charge 5+ acres	\$35/acre	\$125+\$10/acre
	Appeal of Permit Condition	\$35	\$100
	Individual Swimming Pool Fee	\$150/year	same
	Each additional swimming pool per complex	\$75	same
	Wading Pool or Spa Permit	\$40	same
	Pool Plan Review (includes initial permit)	n/a	\$200
	Tattoo Artist Permits	\$40	\$100
Environmental	Permits, one acre or less	\$130	\$195
Engineering	(per job charge)		
	Permits for more than 1 acre (per acre charge)	\$270	\$405
	Unauthorized Land Disturbance Activities		
	Permits for more than 1 acre (per acre charge)	\$540	\$810
	Permits, one acre or less (per job charge)	\$260	\$390
	Reissuance of Revoked Permits		
	Permits for more than 1 acre (per acre charge)	\$135	\$205

Permits, one acre or less (per job charge)	\$65	\$100
Extensions		
Permits for more than 1 acre (per acre charge)	\$68	\$105
Permits, one acre or less (per job charge)	\$32	\$50
Plan Review, per acre charge	\$38	\$60

Library	Overdue fines:		
	0-40 days(excluding juvenile books)	15 cents/day, maximum \$6/book	same
	over 40 days (including juvenile books):	\$6/book	same
	County Attorney fee	\$15/account at time of notification 60 days	same
	Video tapes, filmstrip viewers	\$1/day up to \$20/item when 20 days overdue	same
	AV rental equipment	\$5/day per item, no maximum	same
	Bookmobile adult collection	5 cents/day, maximum charge of \$6 (begins at 5 cents on 8th day)	same
	Duplicating	10 cents/page	same
	Out-of-county users	\$35	same

NOTE: Library also charges for lost & damaged books as well as overdue penalties and equipment rents.

FY 2001-06 Capital Improvement Plan Adoption

The Durham County Interim Manager formally presented the Capital Improvement Plan for FY 2001-2006 to the Durham County Board of Commissioners. Although the Board of County Commissioners will adopt the Capital Improvement Plan, additional staff and community involvement will occur over the next several months to address the proposed bond referendums and financing options as it relates to Capital Improvement Program implementation.

Interim County Manager Titus presented an overview of the FY 2001-2006 CIP for the Board's approval.

On June 12, 2000, the Board considered the comments of our citizens. This plan serves as a blueprint to position the County to meet future facilities needs in a plan manner. It is intended to be a living document. The document contains all the changes discussed at the worksessions over the last few weeks.

The CIP model includes the projection of an additional one-cent point of sales revenue with the repeal of the 2 percent sales tax on food. If the County can receive this point of sales tax revenue, then it will reduce the need for a projected maximum property tax increase of \$.15 to \$.03 in FY 2008. The point of sales tax projections includes the repeal of the 2 percent sales tax on food and equals 13.8 percent of the total sales tax collections.

Sixty-three projects were submitted for consideration. The total price tag is approximately \$545 million. Twenty-eight of those projects are recommended in your plan for partial or for full funding during the first five years (2001-2005).

The highlights include a \$52.9 million allocation for a new County courthouse and a total of \$204.6 million for Durham Public Schools, approximately \$155 million of which can be issued in three debt issues over the next five years. Also included is \$18 million for the provision of public parking for the American Tobacco Historic District. The plan has \$57.2 million for a new human services complex, \$11.8 million for Durham Technical Community College, \$12.3 million for two new libraries, and \$15 million for renovations and expansion to existing branch libraries.

The Museum of Life and Sciences has \$4.1 million and the Senior Center project has an allocation of \$5.5 million. The Wastewater Treatment Plant has an allocation of \$36.1 million for improvements. There are many small projects in the Pay-As-You-Go plan such as renovations of existing facilities, information technology improvements, and open space land acquisitions.

The Commissioners asked questions and made comments about the proposed CIP.

Commissioner Bell said the Board must go to the General Assembly as soon as possible to get its support for new tax revenue to fund the CIP projects.

Commissioner Bowser and Commissioner Heron concurred with Commissioner Bell.

Commissioner Bowser said it was important to have no tax increase this year since we are going to ask the voters to approve a bond referendum.

Commissioner Bowser moved, seconded by Commissioner Bell, to adopt the FY 2000-2006 CIP as presented.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

ADOPTED CIP HIGHLIGHTS

- Sixty-three projects were submitted for the five-year CIP with a total estimated cost of \$545 million.
- Twenty-eight projects are recommended for partial or full funding during FY 2001-2006 Capital Improvement Program.
- Although requests focused on FY 2001-2006, many project requests have implications beyond the FY 2006 timeframe. In addition, the County's ability to pay for projects extended beyond 5 years. This outlook resulted in a 30-year debt capacity analysis. The *Policy on Financing Capital Projects* and capital finance model are discussed further in the recommendation.
- The BOCC directed staff to provide preliminary recommendations to the BOCC in April. The BOCC adopted the Master Facility Plan on March 27, 2000, which served as the driver of placing County facility related CIP requests. In addition to the Master Facility Plan, staff used original recommendations from a CIP committee formed during FY 98-99.

Adopted CIP highlights include:

- \$18 million in COPs (Certificates of Participation) for the American Tobacco Project
- \$36 million in COPs for the Wastewater Treatment Plant renovations in January 2001
- \$52 million in COPs for new court house in FY 2002
- \$71 million in general obligation bonds for voter approval in November 2001 (FY 2002)
- Two-thirds bonds issuance of \$13 million in July 2002
- \$16 million in COPs in FY 2003
- \$151 million of general obligation bonds for voter approval in November 2003

- \$55 million of general obligation bonds for voter approval in November 2005
- Two-thirds bonds issuance of \$18 million in July 2009
- Durham Public Schools forecasted a six-year need of \$204 million. Proposed bond referendums to meet school needs as follows: \$51 million bond referendum proposed November 2001, \$47 million bond referendum proposed November 2003, and a \$55 million bond referendum proposed in FY 2006. Additional needs are met in the outlining years through future proposed bond referendums.
- Durham Technical Community College completed a master plan for building renovations, new construction, and technical improvements. Durham Technical Community College capital need are addressed in the Pay-As-You-Go Fund and the bond referendum proposed in November 2001. Additional needs are funded in the out years through proposed future bond referendums.
- The Library Board of Trustees capital improvement plan proposed \$38 million to improve the Main Library and replace existing, inadequate branches throughout the County. Library project financing occurs by bond and Pay-As-You-Go funding over a ten-year period.
- EMS needs are addressed through bank financing, bond financing, and the Pay-As-You-Go fund. The new construction of a Lincoln EMS station is funded in the proposed FY 2001-02 bond referendum.
- Information Technology projects are recommended with a level of funding of \$200,000 for FY 2001, \$600,000 for FY 2002, and \$700,000 per year beginning FY 2003 in the Pay-As-You-Go fund. This funding approach will address changing technology needs.
- Open Space Land Acquisition is recommended from Pay-As-You-Go funds for the Little River Land Acquisition project during FY 2001. During FY 2002, staff recommends an allocation of \$300,000 for land acquisition. FY 2003-2010 has recommendations of \$400,000 per year.
- Facility maintenance needs are funded FY 2001 with \$50,000. Subsequent year funding is budgeted at \$100,000 per year. This approach budgets for unexpected capital and maintenance issues as the County constructs and renovates new facilities.

DURHAM COUNTY
POLICY ON FINANCING CAPITAL PROJECTS

Durham County recognizes the goal of the capital financing policy is to provide for the adequate funding of the county's capital program while avoiding erratic increases and decreases in the county's property tax rate. Thus, a capital financing plan for the payment of debt related to projects financed by long-term borrowing shall be updated annually.

The county currently dedicates the following revenues to the payment of debt and pay-as-you-go capital projects:

Article 40 and Article 42 one-half cent sales taxes;
The county's share of the occupancy tax;
Countywide property taxes;
The appropriate pro rata share of the retail/wholesale tax reimbursement;
Enterprise revenues.

The county reserves up to twenty percent (20%) of these annually dedicated revenues for pay-as-you-go projects. In addition, the pay-as-you-go policy restricts dedicated property tax revenue to 20% of a maximum of five cents in countywide property taxes. The portion of annual revenues reserved for pay-as-you-go is reduced to 10% for the FY 2000-01 adopted budget. The 15% savings shall be diverted to the annual operating budget in the General Fund.

Investment earnings on unexpended debt proceeds shall be restricted to the payment of debt. Investment earnings on amounts restricted for the payment of debt and pay-as-you-go funds shall bear the same restrictions as the principal amounts generating these investment earnings.

Excess funds, if available, within the debt service fund may be used to provide advance funding for capital projects pending bond sale or loans to the equipment leasing fund. Such advances or loans would be repaid with interest based on the monthly yield of the North Carolina Cash Management Trust short-term investment fund.

This policy applies to the governing board and administration of the county and may be revised from time to time by the governing board as it deems appropriate to meet the changing needs of the county for capital financing.

Merger Meeting—August 3, 2000

Vice-Chairman Reckhow asked Interim County Manager Titus to poll the Commissioners and the Mayor for availability to meet regarding merger during the last week of July instead of on August 3. Commissioner Heron has a commitment to meet on that date with the NCACC and the League of Municipalities.

Vice-Chairman Reckhow said this item will be taken care of when Chairman Black returns.

Durham County Census

Commissioner Bowser reported that Durham County Census response percentages have been low; therefore, Durham County may have to rely on estimates. He asked that the Interim County Manager contact the congressional members and voice concern that Durham County may have to use estimates and to ask for funding to obtain an accurate count in Durham County.

Vice-Chairman Reckhow asked Interim County Manager Titus to write a letter for Chairman Black's signature to Congressman Price to voice concern about using estimates for Durham County census figures.

Hope Valley Road Closing

Commissioner Bowser said he had investigated the concern. He did all he could to get a temporary connector road constructed, but was unsuccessful. He urged patience and said he hopes it will be completed by the start of school.

Board and Commission Appointments

Garry E. Umstead, Clerk to the Board, distributed ballots to make appointments to the following boards and commissions:

- Boxing and Wrestling Commission
- Board of Adjustment
- Durham Technical Community College Board of Trustees
- Hospital Corporation Board of Trustees
- Durham Planning Commission
- Region J Emergency Medical Services Council
- Women's Commission

Vice-Chairman Reckhow said the Durham County Hospital Corporation Board of Trustees appointment would be deferred until the next meeting.

The following votes were cast to make appointments to the following boards and commissions (asterisks denote appointees):

Boxing and Wrestling Commission: One expired position. Term expires January 2002.

*Joseph G. Vicars—Bell, Bowser, Heron, and Reckhow

Board of Adjustment: One expired regular position. Term expires June 30, 2003.

William J. Brian Jr.—Heron and Reckhow
Furney E. Brown Jr., Ed.D.—Bell and Bowser
Brenda Howerton—no votes
Kenneth N. Ivory—no votes

Durham Technical Community College Board of Trustees: One position. Term expires June 2004.

*Jessie B. Anglin Jr.—Bell, Heron, and Reckhow
Willie F. Boyd—no votes
Brenda Howerton—Bowser
Renee J. Vaughan—no votes

Durham Planning Commission: Two expired at-large positions (must be a City resident). Terms expire June 2003.

Furney Edward Brown Jr. Ed.D.—no votes
George H. Conklin—no votes
*Timothy J. Harrell—Bell, Bowser, Heron, and Reckhow
Brenda Howerton—no votes
*Robert W. Jentsch—Bell, Bowser, Heron, and Reckhow
Paula P. Murphy—no votes
Todd C. Patton—no votes

Region J Emergency Medical Services Council: Four expired terms—local government representative, consumer, provider, and hospital administrator positions. Terms expire June 2002.

*Jeffrey L. Batten—Bell, Bowser, Heron, and Reckhow
*John M. Tezai—Bell, Bowser, Heron, and Reckhow

Women's Commission: Four terms (expire June 2003).

*Gale Meyer—Bell, Bowser, Heron, and Reckhow
*Beth Steenberg—Bell, Bowser, Heron, and Reckhow

Closed Session

Commissioner Bell moved, seconded by Commissioner Heron, to adjourn to closed session pursuant to G.S. § 143-318.11(a)(3) in order to consult with an attorney and to preserve the attorney-client privilege regarding a claim concerning Duke and Durham County Hospital Corporation.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Extension of Meeting

Commissioner Bowser moved, seconded by Commissioner Heron, to extend the Commissioner meeting to 11:30 p.m.

The motion carried with the following vote:

Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Reconvene into Public Session

Vice-Chairman Reckhow said the Commissioners provided direction to staff on follow-up communication to Duke University on the lease agreement situation.

County Attorney Chuck Kitchen was asked by Vice-Chairman Reckhow to outline the position of the County.

County Attorney Kitchen made the following comments:

Kitchen: Thank you, Madam Chairman. Last Friday, representatives from Duke University Health Systems, Durham County Hospital Corporation, and the County met under a “meeting confer” provision of the hospital lease agreement. Some of the things I would like to clarify, as far as the County is concerned, is that, first of all it is not clear at all to the County that there’s ever been a misrepresentation as far as any financial audits, or representations about Durham County Hospital Corporation. In fact, since Friday, we have been pursuing that matter further, and it looks like the difference between the figures being presented in the audits from Durham County Hospital Corporation and

Duke University Health Systems, to a very large extent, is simply a matter of accounting methods being used by the two different groups. In any event, the numbers being used by the two different groups are fairly small. It appears that the actual number is about \$3.7 million over a period of several years. And you have to take this into context, or consider it in the context that Durham Regional Hospital is generating some number around \$150 million in gross revenues per year. So the number is a very small fraction of actual revenues. There are no provisions in the lease document for renegotiation of the lease—what we were doing in the meeting confer—is a condition proceeding to litigation. And it's meant for a breach in the lease documents if one has occurred.

At this point, the position of the County is that no breach has occurred, and that we expect Duke to fulfill its agreements as presented in the lease. This includes serving the indigent population of the county. There are specific lease requirements that both Duke University Medical Center and Durham Regional Hospital commit a substantial portion of their revenues to serving the indigent population. We expect Duke to comply with these provisions. Duke has informed the County that they will break even during the month of June and make a slight profit the month of July. As they are doing that, the County has to question whether or not it is advisable at this point to make substantial cuts in programs just at a time when Duke had been saying they were experiencing—and we have no reason to believe otherwise—they were experiencing significant losses at Durham Regional Hospital. They have now turned that around into making a profit. There's also some indication that the currently existing budget, which was presented some weeks ago, also anticipated there being cuts of something in the neighborhood of \$3 million in this year's budget, clearly anticipating already that the cuts would be made long before the meeting on Friday. That's essentially the synopsis of our position, and I'll turn back over to the Board for comments.

Vice-Chairman Reckhow and Commissioner Heron made remarks about the Duke University lease agreement situation.

Adjournment

Vice-Chairman Reckhow adjourned the meeting at 11:30 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board