

**June 1, 2004 Budget Worksession**

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

Tuesday, June 1, 2004

9:15 A.M. Budget Worksession

**Minutes**

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

Present: Chairman Ellen W. Reckhow, Vice-Chairman Joe W. Bowser, and  
Commissioners Philip R. Cousin Jr., Becky M. Heron, and Mary D.  
Jacobs

Absent: None

Presider: Chairman Ellen W. Reckhow

**Welcome**

Chairman Ellen W. Reckhow welcomed the Social Services employees and the Social Services Board.

Chairman Reckhow asked the Social Services Board Chairman to introduce the Board members present. Iris Carlton-Laney responded to the request.

Pamela Glean, Vice Chair, presented the Social Services budget to the Board of County Commissioners. She began the presentation by making general remarks about the budget.

The purpose of this presentation was to focus on a few of the priority requests as follows:

- **Call Center**

The call center averages 1,123 calls per day, up from 823 calls per day last year. The center has 100 to 110 abandon calls per day. These people are cut off when the twelve trunk lines are full and we don't have adequate employees to answer the calls.

- **Shortage of Staff**

We do not have the income maintenance workers needed to respond to the increase in the number of families receiving Medicaid and food stamps. Medicaid is up 70 percent and food stamps are up 50 percent over the last two years. We have not received any new employees to help serve this increased workload in the last two years. Consequently, the staff is unable to meet the consumer needs and the error rate will increase which will have monetary effects.

- **Day Care**

Day Care is another area that we are failing the citizens of Durham County. Our resources are declining with \$2,000,000 less this coming fiscal year and a waiting list of over 1,000 children.

- **Pay Equity Issue**

The Social Services Department has a very serious pay equity issue with our income maintenance staff. We are 10 percent behind the market based on the latest studies.

## June 1, 2004 Budget Worksession

In order to decrease staff turnover and improve worker morale, we need to respond to this inequity issue.

### Capital Improvement

Pamela Glean, Vice-Chairman, recognized Board Member Tom Neimann to make comments about the capital needs the department has. Tom urged the Commissioners to be sure to keep the new facilities on track. The capital construction is a necessity since more space is needed for expansion.

Pamela Glean turned the budget presentation over to Chuck Harris, Interim Director and Director for Family Safety and Permanence, for his remarks.

Chuck Harris began his budget presentation by discussing the top challenges facing DSS. The challenges are:

- Jobless Economic Recovery for DSS Families
- Growing Latino Community
- Most Children in Foster Care are Teens
- Aging Population
- Need for New Facilities
- Managing Organizational Change
- Strategic HR Planning to meet Changing Roles
- Recruitment of New Director

Chuck Harris also presented the County Commissioners the department's immediate challenges. They are:

- Rising Demand for Services from DSS
- Declining Resources with Capped Block Grants from the Federal Level
- Meeting our goals to serve an increasing number of vulnerable families
- Funding needs are required to fulfill our responsibility to the community

Sharon Hirsch, Assistant Director, Customer Access and Program Support Services, discussed the total revenues and expenditures for FY 04. She also reported to the Commissioners the rising demand for services. Significant gains have been made in reducing wait times through appointments and new work processes, but demand for services is still high and call center volume has doubled since its creation. More phone calls are generated by the appointment process.

Sharon Hirsch explained to the Commissioners why the request is being made for one Processing Assistant III to add staff to our call center and reception desk.

Catherine Williamson-Hardy, Director for Family Economic Stability, talked about the Food Stamp program and the Medicaid program. She told the Commissioners about the consequences of the rising caseload. Medicaid caseload is up 70 percent and the Food Stamp program caseload is up 50 plus percent. A worker in July 2000 would have a caseload of 379. Today that worker has a caseload of over 600. That is a significant impact in our ability to meet the needs of families and to meet them efficiently and effectively. In July of 2000 a food stamp worker had a caseload of 243. Today the food stamp caseload is 340 cases. We are expecting an increase in food stamp cases due to the federal government's outreach program. The budget explains the need for a reduction in the workers caseload and the need to keep our competent employees by addressing the salary issue.

Chairman Reckhow asked if the Board of County Commissioners was proposing some additional staff in that area.

Wendell Davis, Deputy County Manager, responded that we are recommending six income maintenance workers in the food stamp and Medicaid areas. A salary study is

## June 1, 2004 Budget Worksession

also going to be conducted. The reduction of caseload per worker and the salary issue will be addressed in this proposed budget.

Arnold Dennis, Director for Family Economic Independence, presented to the Commissioners a slide that explained that the declining resources and raising demand for child care funding has been reduced by \$2million plus, while demand is increasing. Approximately 1,300 children are on the waiting list. Arnold Dennis said that 90 percent of the children in the child care subsidy program received 3 plus Star level child cares, while 71.5 percent of subsidized children statewide are in 3 plus Star cares. The children in Durham receive higher quality of child care. The challenge for us next year is to try to maintain the quality that we have had this year.

Arnold Dennis spoke to the Commissioners about fulfilling responsibility to collect child support. Durham collects 58 percent of child support owed. The State average is 62 percent. The proposed budget is requesting six new processing assistants to handle paperwork and give agents more time to increase collection rate to the statewide average. The County Manager has put 2 of the positions in his proposed budget.

Chuck Harris presented information to the Commissioners about children in foster care and how foster care is increasing. The proposed foster care budget is \$2,680,056. Teens are 40 plus percent of the current foster care population. The number of children in foster care is increasing after declining the last few fiscal years. Length of stay as measured by median days of custody is increasing as well.

Chuck Harris presented a slide about the rising demand for in-home services for adults. The average in-home services provided each month is 528 cases. The Community Alternative Placement (CAP) has a waiting list of 28 people.

Tom Neimann, Board Member, summarized for the Board of County Commissioners the major increases in the proposed Social Services Budget. He discussed the personnel request, (County share 10 slots \$173,552), capped block grants, and County Emergency Assistance of \$50,000 increase.

Tom Neimann ended his comments by stating the commitment of the Social Services Department as follows:

- Focus on Results Accountability
- Seek improvements in efficiency and effectiveness of service delivery
- Seeking resources to implement best practices
- Committed to coming back to County Leadership to share our results.

Tom Neimann urged the Commissioners to adopt the budget as submitted.

Tom Neimann opened the meeting for questions and comments. A lengthy question and answer period followed.

Vice-Chairman Joe Bowser said the statement about our children receiving higher quality care than non-subsidized children in child care in Durham should be corrected. This Board is responsible for all the children in Durham. He asked Arnold Dennis to explain the statement for clarification.

Vice-Chairman Joe Bowser said a statement was made that 85 percent of the Social Services budget goes for public assistance and 80 percent of the 85 percent is Medicaid. Vice-Chairman Joe Bowser asked Chuck Harris to break out who or what organization is getting the Medicaid dollars.

Commissioner Bowser asked Arnold Dennis if he knew why Durham collects 58 percent of child support owed and the State average is 62 percent. Has a comparison been made to see what the differences are?

## June 1, 2004 Budget Worksession

Arnold Dennis said that a list of who owes \$10,000 in child support is going to be published in order to see if collections will increase.

Chairman Reckhow suggested that we convene a meeting with the key stakeholders such as the court officials, county attorney, Social Services representative, and two County Commissioners to talk about child support. Arnold Dennis was asked to set up the meeting.

Pamela Glean, Vice-Chairman Social Services Board, made a closing statement.

### Emergency Communication

Chairman Reckhow recognized Major Charles M. Tiffin, Acting Director 911 Communication, to present the Emergency Communications budget. The documents distributed relates to the budget presentation.

The first sheet was a current organizational chart. Major Tiffin reviewed the organization chart for the Commissioners. The director's position is being advertised at the present time. Two candidates are coming to Durham for an interview.

Major Tiffin spoke about the major challenges that came out of the audit that was recently completed. The Major Challenges were as follows:

#### Staffing

- Develop Comprehensive methods for determining staffing requirements and shift schedules
- Implement action plan for hiring, training, and retaining staffing levels
- Continued quality improvement of training and coaching processes

#### Management Changes

- Hiring Director and Assistant Manager

#### 2005 Priorities

- Quality Control programs to ensure the efficient and accurate receipt, processing, and dispatch of 9-1-1 calls
- Participate in a joint project with Work Force, Congregations, Associations and Neighborhoods (CAN), and El Centro to increase bilingual staff
- Demonstrate efficient hiring and training programs that will increase staffing levels and maintain control of overtime costs

#### Major Changes FY 04 to FY 05

- Implementing a major Computer Aided Dispatch (CAD) system
- System will upgrade current technology to improve operability with other agencies and upgrade to a Windows-based system

#### Resource Allocation Table

The total capital expenditure proposed for the FY 2004-05 is budgeted at \$2,066,246. The total appropriation for the proposed FY 2004-05 budget is \$5,379,322.

- Unfunded Items
- Pending the results of the current staffing model, it is possible that 4 FTEs may be listed as unfunded items.

Commissioner Reckhow requested additional information on the capital expenditures for the CAD system, fund balance, and revenues. Major Tiffin said he would provide the

## **June 1, 2004 Budget Worksession**

requested information. Commissioner Reckhow requested the capital information within two weeks.

The Commissioners asked several questions. Staff responded to the questions.

Major Tiffin said he would provide the Commissioners an update on phase two of the wireless system.

### **Criminal Justice Resource Center**

Chairman Reckhow recognized Gudrun Parmer, Criminal Justice Resource Center Director, to make her budget presentation. She began her presentation by introducing two staff members to assist with the presentation.

Jo Iverson, Deputy Director, Criminal Justice Resource Center, reported on the Community Corrections Program and the Starr program.

Dr. Amy Elliott, Manager of the Juvenile Program, reported on the Juvenile Dare Reporting Center.

Dr. Amy Elliott and Jo Iverson answered several questions for the Board of County Commissioners.

Gudrun Parmer presented a report on the accomplishments for this year and the plans for next year.

The final report that Gudrun Parmer made was the budget report for the Commissioners. The County Manager's recommended budget amounted to \$1,924,850. The \$270,000 is for the renovation of the jail annex that will be contracted for the renovations in July. Gudrun Parmer said information came from the architect that the renovations will exceed the \$300,000. Two and one half positions were requested in the budget for the adult program. The County Manager's budget recommended one and one half positions. We also have in the budget the positions related to the truancy grant.

Chairman Reckhow said Durham County is getting a Crime Commission truancy grant that will require a \$34,000 local match.

Gudrun Parmer said the three positions related to the truancy grant will work in the middle schools and the Durham County Judicial Building.

Gudrun Parmer said we are asking for more support from the Commissioners for the adult program due to the huge increase in the client population. She also asked the Commissioners to contact Representative Paul Luebke in support of House Bill 1796. The bill will restore funding that was removed two years ago.

### **Public Health**

Chairman Reckhow recognized William T. Small, Chairman, Board of Public Health, Brian Letourneau, Public Health Director, and Marcia Robinson, Public Health Administrator, to assist with the budget presentation.

Brian Letourneau presented the budget requests as follows:

“The Health Department's requested budget for FY 2004-2005 is \$16,463,107. The requested budget reflects two programmatic expansions, a reduction in projected revenue of \$212,000, significant medical expense increases for Durham County Jail inmates, nominal increases in operating costs attributable to medical inflation, and scheduled pay plan salary increases. The Manager's recommended budget for FY 04-05 is \$15,701,606, \$119,000 less than projected FY 03-04 spending and \$1,206,722 higher than the original FY 2003-2004 budget.

## June 1, 2004 Budget Worksession

The Fiscal Year 2005-2005 Budget expansion requests include the Campaign for a Healthy Durham, a multi-agency obesity prevention initiative, and an increase in the number of FTE Environmental Health Specialists by 3.5 to meet current food and lodging inspection workloads.

The request to fund the Campaign for a Healthy Durham reflects the growing problem of obesity in our community, particularly among our children. In Durham, 1 out of 10 children ages 2-4 are overweight children by the time they reach their teenage years. As adults, 22 percent self report that they are obese. 59 percent of adults report being overweight statewide.

The obesity epidemic has extreme health consequence. Type II Diabetes, normally an adult onset disease, is now being found in younger and younger children, a fact unheard of just a few years ago. The future health of our children is a great risk as obese children are more likely to suffer from hypertension, asthma, sleep apnea, high blood cholesterol, early onset of puberty, musculoskeletal problems, and psychosocial issues such as poor self-esteem, depression, social discrimination. Studies have found that over-weight girls believed they were less able intellectually and physically.

Adults who are overweight or obese, in addition to those conditions for children, are at greater risk for heart disease, stroke, and some cancers. Obese adults are more than 50 percent likely to die prematurely from all causes compared to normal weight adults. The long-term impact of obesity will have staggering social and financial impact. The cost of obesity in the US is estimated between \$92.6 billion to \$117 billion annually. Most of the cost associated with obesity is due to type 2 diabetes, coronary heart disease and hypertension. Medicaid and Medicare pay 50 percent of these costs. NC Prevention Partners estimate the cost of poor nutrition in NC to be \$1.8 billion annually. Obese adults' medical expenses are 36 percent higher than normal weight adults.

The Campaign for a Healthy Durham is a \$479,000 project that joins the Health Department with Durham Public Schools and Duke University Department of Community & Family Medicine in a comprehensive family and school based nutrition and physical fitness intervention. The project would be located in two elementary schools and the two middle schools that are served by the elementary schools. Children and their families who are obese or at risk of obesity would have one-on-one clinical nutrition services provided in consultation and coordination with their family physicians. If the family has no medical home, a relationship with an appropriate physician would be established. Children will be assessed as to the need for more intensive assistance with nutrition and exercise based on a questionnaire and guidance from the Health Department school nurses who currently work in the schools; parental consent will be sought to work with those children and their parent/guardians at home. Nutrition and physical fitness education programming would be designed specifically for the children in each school as appropriate.

At the same time, school coordinators will be working with the neighborhoods whose children attend the school. Reaching out to churches, scout groups, sports teams, youth groups, and helping professionals and agencies in the neighborhoods whose children attend the school, school coordinators will connect the school's activities and goals with those of the neighborhood groups, to encourage healthier food choices at meetings and events, as well as to promote the acceptance of the school's campaign developed specifically for the children in the school.

## **June 1, 2004 Budget Worksession**

Though this project is not recommended for funding for this budget, I would urge the Commissioners to fund it should resources become available mid-year. Losing just a few pounds can have a dramatic impact on existing health problems of obese individuals. The project would be an investment in our community's future.

The second expansion request is for 3.5 FTE Environmental Health Specialist positions in order to adequately meet the current work level demands based on the number of restaurants and lodging establishments in Durham County. The North Carolina Division of Public Health conducted a work flow study and found that the complement of Environmental Health Specialists would need to be increased by 3.5 FTE positions in order to meet the existing volume of inspections necessary to protect the public's health. Our level of compliance inspecting all food establishments at least four times per year has fallen to 82 percent due to the rapid increase in the number of retail food establishments in Durham. This rate will continue to decline without the additional resources necessary to meet increasing workload demands.

Service delivery to Limited English Proficiency Hispanic clients continues to present challenges to the Health Department. The Department is required to meet the mandates of Title VI of the Civil Rights Act relating to providing services in a language appropriate to the client. In Durham, the dominant Title VI needs is Spanish. Providing an interpreter is expensive, both in the costs of the interpreter and in the lost productivity of the provider as the translation process can double the amount of time it takes to provide services to a Limited English Proficient client. The Health Department continues to try to recruit and hire bilingual staff for positions when they become vacant, but the pool of qualified bilingual candidates remains small.

The Health Department continues to experience revenue challenges as more uninsured clients seek care in our various clinics. The impact of Hispanic immigration is significant and is escalating. In the Dental Division, 25 percent of the children served are now Hispanic; most do not qualify for Medicaid or HealthChoice and are asked to pay on a sliding fee schedule that is income-based. Just a couple of years ago, only a handful of Hispanic children sought care in our Dental Clinic.

### **Nutrition Division**

The Nutrition Division has been awarded a grant of \$34,321 from Durham Public Schools to hire a Nutritionist to work with DPS's recently funded obesity project. An additional amount of \$13,528 will be matched by federal money in the DINE for LIFE project to fully fund the new position. Durham's Partnership for Children has awarded the Health Department a grant to hire fund a nutritionist to consult with area daycare centers. The grant was awarded midyear FY 03-04 and is fully funded in the amount of \$54,786 for FY04-05."

The Board of County Commissioners asked questions and made comments about the budget requests.

Brian Letourneau responded to the questions and comments.

A lengthy question and answer session followed.

William T. Small, Chairman, Board of Public Health, said the Board has reviewed this budget and we are in complete concert with the Department and we urge your approval.

## June 1, 2004 Budget Worksession

### City/County Planning Department

Frank Duke, City-County Planning Director, was recognized by Chairman Reckhow to make his budget presentation. He used a PowerPoint slide presentation for back-up support. The presentation follows:

- FY 2004-05 – Budget Presentation
- Organization – 42 FTEs
- Major Challenges – Workload Exceeds Expectations
- Difficulty in Recruiting
- Resource Allocation
- Major Changes – 5 Additional Staff
- 2005 Priorities – Durham Citizens enjoy a healthy environment
- 2005 Priorities – Durham Citizens enjoy sustainable, thriving neighborhoods with efficient & well maintained infrastructure
- 2005 Priorities – Durham citizens enjoys a community rich in aesthetic
- 2005 Priorities – Durham citizens enjoy a vibrant community that embraces and . cultural diversity and heritage
- 2005 Priorities - Durham citizens enjoy an efficient and accountable government

Frank Duke said the total budget submitted to City Council was \$3,038,287. Durham County's share of this budget is approximately \$811,000 or 26 percent. City of Durham pays 29 percent. Fees pay for 45 percent of the budget.

Frank Duke answered several questions and responded to various comments.

A lengthy discussion followed by the Commissioners and staff.

Chairman Reckhow requested Pam Meyer, Budget Director, to look at the division of responsibility to support the request of five additional employees in the City-County Planning Department. The Commissioner also wanted additional data to support the number of calls received in the unincorporated areas of Durham and southern Durham County.

Vice-Chairman Joe W. Bowser requested Frank Duke and County Attorney Chuck Kitchen to look at fines and forfeitures to be sure that the County is getting all the money that it should be getting to submit to the Durham Public Schools. If Durham County is getting administrative cost from fines and forfeitures and zoning enforcements, the revenue should be shown on the County's financial records so there would be better control on the money. The administrative cost is 15 percent for collecting fines and forfeitures.

### Tax Administration

Chairman Reckhow recognized Tax Administrator Kenneth Joyner to make his budget presentation to the Board of County Commissioners.

The presentation follows:

#### **Board of County Commissioners Tax Administration Budget Presentation June 1, 2004**

The Tax Administration Department has made great strides over the past year to address the collection rate, continue to build a tax system database to assist with future revaluations, and address the public perception of the department. We continue to see the results of our increased efforts and look forward to the coming year.

As the County's "Cash Register", our department sees and embraces our role. Every goal that the Board of County Commissioners (BOCC) set for the county is dependent on the Tax Department's ability to list, assess, and collect the necessary revenue. Also, in recent

## June 1, 2004 Budget Worksession

years, the role of delivering tax base estimates has gone from being an afterthought to close scrutiny on many administrative levels. Employees of the department understand the significance of our work and the role each has in the process. It is equally important that the department have the necessary tools and resources that are essential in obtaining the BOCC goals. When budgets get tight and tax dollars are harder to obtain, it is *my opinion* that is when you invest in the revenue side of the equation.

Here are several key factors that contribute to the success of this department/county.

### Call Center

As I reported to the BOCC not long after arriving here in Durham County, the revenue officers in our Delinquent Collections Division were answering customer service type phone calls. Knowing that increasing the collection percentage was a top priority for the department, I pulled them off of the phones. My monthly updates have shown the significance of that move in the amount of delinquent dollars that we have been able to collect during the last sixteen months.

We still have other professional positions that have phone duties. This problem has arisen because the Tax Department has either given back and/or lost six vacant positions during the budget process over the last several years. The decision to remove four of those positions was made by my predecessor. I believe the decision was unwarranted and has adversely affected staff's ability to serve the county and our citizens.

I have put much thought into how we should correct the perception of how well we provide customer service. I would like to establish a tax phone/customer service center. We currently have a customer service group, but it is understaffed to a level that most of the divisions must answer the incoming calls thereby hurting their productivity. The number of complaints of wait time on the phones has continued to increase. During the time frame of December 29, 2003 through January 30, 2004, our office received 10,710 calls. Of those calls, 720 callers abandoned their call for being in the queue too long.

My original request was for four call center positions; however, I understand the budget constraints. The call center can begin with the two additional positions recommended by the County manager along with other realignments within current staff members. I contacted the City of Durham Finance Director to see if funds that we received as part of the incentive could be used for the call center. They have agreed that some of the startup costs do fall within the guidelines established in the interlocal agreement.

### Major Collection Issues

The state of the economy will dictate the success of not only our county, but the State, local businesses, and all our citizens. One measure of the status of our economy is the volume of bankruptcies filed in our county. In 2003 alone, we experienced approximately 996 new bankruptcy filings. Currently, we have approximately 9300 Chapter 13 bankruptcy cases we are managing.

In addition to bankruptcies, let's look at the tax base estimates. We have done a good job of giving the BOCC and Administration information on the perils of public service valuations in recent years, but I am not sure we have given enough of an explanation on our personal property category. That category includes mobile homes, boats, unregistered motor vehicles, and farm equipment. It also includes business personal property. I broke the latter out to add emphasis. Ninety-eight percent of the total personal property value is business personal property and many of the industries found within this category are under the same elements of distress as those found in public service. Our reduction this year was peremptory based on recent trends. Although there are signs of economic recovery beginning to blossom, it will take time for them to emerge into our tax base.

## June 1, 2004 Budget Worksession

### Final Thoughts

Durham County Tax Administration shares the BOCC's commitment to customer service. It is our goal to be a leader in that effort. Currently keeping up with the phone calls and assisting our citizens and/or customers in the office is our biggest struggle. This phone center would be the voice of the tax office as well as the County. They will advise taxpayers on values, addresses, ownership, appeals, etc. This group will, for the majority of our taxpayers, be the first and only voice needed. They will be working with attorneys, paralegals, mortgage companies, etc. in addition to our citizens. A well organized staff, manned with the proper resources, will further strengthen this office and prepare us for the future.

Vice-Chairman Joe Bowser asked Kenneth Joyner several questions about his budget presentation.

The Tax Administrator responded to the questions and comments.

Kenneth Joyner told the Board the revaluation presentation was going to be presented on July 26, 2004. Due to time stipulation, the presentation will be presented in August, 2004.

The Tax Administrator told the Commissioners we are going to recommend to the Board of Commissioners a January 1, 2007 date for the revaluation.

### Recess

Chairman Reckhow said the Board of County Commissioners will recess until 1:45 p. m. The Commissioners will have time to go to Holton School for the tour from 1:00 p.m. to 1:30 p.m.

### Non-Profits Budget Request By Mission

Chairman Reckhow told the Commissioners the overall recommendation from the County Manager is on page 332 in the recommended Operating Budget. Chairman Reckhow recognized Wendell M. Davis, Deputy County Manager and William Renfrow, Budget Analyst, to recommend the best way to proceed with the non-profit requests.

Wendell M. Davis said he had a couple of brief opening comments to update the Board. From that point, I was going to turn it over to the Commissioners for any questions and concerns. That is how we have proceeded in the past.

Wendell Davis said several weeks ago, the Commissioners had an opportunity to have all the non-profits who had submitted request in the FY 04-05 budget to come before you to discuss their services. The Commissioners had about \$2,074,000 requests. That comprised of 46 requests. The Manager recommended 24 requests for a total dollar amount of \$896,000. The non-profit budget this year is flat. All the agencies funded this year are funded next year. Wendell Davis turned the agenda item back to the Commissioners for discussion.

Chairman Reckhow said the Commissioners can review each area. If there are any items that you want to "red flag", you may do that today. We will come back and discuss the items at a later date.

The following non-profit requests were "red flagged":

- Changing a Generation Outreach Ministries
- Council for Senior Citizens
- Healing With CAARE
- Urban Ministries of Durham Community Shelter's
- Watts School of Nursing
- Community Engagement

## **June 1, 2004 Budget Worksession**

- Bid Brothers Big Sisters of Durham and Orange Counties

Chairman Reckhow suggested we review the non-profits we have identified, and be prepared to discuss them on June 15, 2004. The staff should look at these again and be ready to answer questions and make suggestions.

### **Durham Civic Center**

Chairman Reckhow recognized Carolyn Titus, Deputy County Manager, to go over two items with the Commissioners.

Carolyn Titus said the budget request for the Civic Center increased by \$88,125 for next year's budget request. She explained to the Commissioners the reason for the increase.

Carolyn Titus said she would update the Commissioners on the negotiations with the Shaner Hotel Group as they currently are.

The \$88,125 increase is comprised of three items.

The Civic Center Authority Board and the City and County Managers agree that we employ a part time asset manager for the civic center.

The \$12,400 is for the County to pay half of 60 percent of the asset manager's salary. The \$12,400 is a nine month salary figure. The \$12,400 figure will increase slightly for next year for a twelve month figure.

The second thing to increase is a \$37,500 allocation to split the cost of a facilities study with the city for a possible expansion of the civic center. The agreement was made a couple of years ago.

The final item included in the \$88,125 is approximately \$38,000 increase to add money to a building repair account that will allow the replacement of the carpet in the main ballroom.

The second item is a little more money in the fixed asset account which will allow us to buy replacement glassware and silverware serving pieces for the catering business.

The Board of County Commissioners asked several questions about the expenditures.

Carolyn Titus responded to the questions.

Chairman Reckhow suggested that the staff revisit the request. This current level of support is too high for us to increase the funding.

### **Negotiations with the Shaner Hotel Group**

Carolyn Titus, Deputy County Manager, explained to the Commissioners the negotiations that are currently underway with the Shaner Hotel Group.

The \$88,125 in additions and improvements are in a management agreement and catering agreement. These two agreements are in negotiation at the present.

Carolyn Titus explained the original agreements to the Commissioners relative to the negotiations under way.

Chairman Reckhow instructed Carolyn Titus to remove all of the optional items from the budget and give us a revised budget figure at our next budget worksession.

Vice-Chairman Joe W. Bowser said all of the Commissioners should have a clear understanding what is happening with the hotel contracts before we remove all of the

## **June 1, 2004 Budget Worksession**

items from the budget. We need to discuss these transactions as to what we are not going to do over there.

Chairman Reckhow suggested for the meeting on June 15, 2004 to bring a list of those items that you suggest could be deferred or not included at this point in time.

Vice-Chairman Joe W. Bowser requested Carolyn Titus bring back information relative to the number of employees on the payroll, the amount of the annual payroll, and the number of work-first people they have employed since 1997.

The Board of County Commissioners asked several questions about the negotiations.

Carolyn Titus responded to the questions and comments.

Chairman Reckhow asked Carolyn Titus to contact Reyn Bowman with the Durham Convention and Visitors Bureau to see if he would be interested in participating in the expansion study.

Commissioner Jacobs asked Carolyn Titus to get the total cost of all utilities and compute the amount the City and County pays in total and what the percentage of each is.

### **Next Meeting Date**

Chairman Reckhow said the next meeting on Monday, June 7, 2004 after the Regular Worksession, we will cover compensation, benefits, and Mental Health. We will use Tuesday, June 15, 2004 as final deliberations (if necessary).

### **Animal Control**

Commissioner Heron said there has been a request for two animal control positions in the budget so the department can provide better weekend coverage.

### **Adjournment**

Chairman Reckhow adjourned the Budget Worksession at 3:10 p.m.

Respectfully submitted,

Garry E. Umstead, CMC  
Clerk to the Board