

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

Monday, June 3, 2002

9:10 A.M. Worksession

MINUTES

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

Present: Chairman MaryAnn E. Black and Commissioners Philip R. Cousin Jr. and Becky M. Heron

Absent: Vice-Chairman Ellen W. Reckhow (excused) and Commissioner Joe W. Bowser (unexcused—illness)

Presider: Chairman Black

Citizen Comments—Jack Steer

Mr. Jack Steer, 2416 Dawn Trail, Durham, requested time on the agenda to speak to the Commissioners.

Mr. Steer, representing the Friends of Durham, made a presentation to the Board about the FY 2002–2003 Budget and his previous recommendations which had been incorporated into the budget. He recommended additional budget reductions for the Urban Ministries Community Shelter program and recommended eliminating the Eno River Association.

Mr. Steer said that Social Services' budget should be explained because of the 37 percent or \$72 million increase over last year's budget.

Commissioner Heron responded to Mr. Steer's remarks about the Eno River Association. She asked that he consider the amount of land that has been preserved over the years for this and future generations through the work of the association. All the money generated by the festival is spent for land purchases. The money from Durham County pays for the buses that carry people from the parking lot to the festival site.

The Commissioners did not take action on this agenda item.

Update on Anti-Gang Initiatives for Juveniles

The Board of County Commissioners was requested to receive an update regarding anti-gang initiatives aimed at addressing juvenile gang violence. The initiatives are a collaborative effort between the Durham County Sheriff's Department, Durham Public Schools, the District Attorney's office, and the Durham Police Department.

Resource Person(s): District Court Judge Craig Brown

County Manager's Recommendation: The Manager recommended that the Board receive the presentation.

District Court Judge Craig Brown presented to the Board of County Commissioners an update on the anti-gang initiatives for juveniles.

Dr. Betsy Fiefs, Assistant Superintendent for Student Services, Durham Public Schools; Captain Phil Wiggins, Durham Police Department; and Interim Police Chief Steve Chalmers were also present in support of the program.

Judge Brown said he was present to present good news. Through collaborative efforts with the Durham County Sheriff's Department, District Attorney's office, Durham Public Schools, and the Durham Police Department, the Gang-Resistant Education and Training Program will be brought to Durham. The two-week training part of the program will be held at Northern High School from July 28 to August 9, 2002 for 36 law enforcement officers. The Alcohol, Tobacco, and Firearms unit will come to Durham to provide the training. Durham has been allocated \$20,000 for training purposes. The Durham Police Department and the Sheriff's Department will receive \$10,000 each to pay for the training. Once the training is completed, each officer will be required to teach two 13-hour classes of gang-resistant education and prevention in the public schools as a part of the sixth-grade curriculum. The courses will begin after October 1, 2002.

The Commissioners asked questions and made remarks about gang activity in Durham.

The Commissioners took no official action on this agenda item.

New Hope Trail Update

On August 30, 2001, the County awarded a contract in the amount of \$93,000 for construction of elevated boardwalks, two pedestrian bridges, and associated drainage modifications to improve public access to the New Hope Trail due to its location in wetland and floodplain areas. The construction was completed in December, and staff is currently designing signage, formulating rules and regulations, and drafting agreements for security and maintenance with other departments.

The trail is currently experiencing light use by the public with very positive responses from those trail users. Public dedication and opening is being planned for June 22, 2002 year in coordination with National Trails Day celebrations.

Staff is also developing a site steward program that will enlist volunteers to regularly monitor the trail and report needs and concerns. This program is anticipated to begin in mid June and volunteers have already been identified to participate in the program.

Resource Person(s): Frank M. Duke, Planning Director, and Mike Giles, Open Space Land Manager

County Manager's Recommendation: The Manager's recommendation was that the Board accept the update on the New Hope Trail and set a date of dedication for the trail opening which is scheduled for June 22, 2002.

Mr. Giles presented to the Board of County Commissioners an update on the project. The trails completion is a culmination of over two years of work by Eagle Scouts, New Hope Audubon, Durham Academy students and interested citizen volunteers. The project was funded through a combination of sources including \$126,000 in County Park and Recreation Bond funds, a \$30,000 grant from the National Recreational Trails Fund, and an \$8,500 grant from the New Hope Audubon Society.

To coincide with the National Trails Day celebration in June, the Durham Open Space and Trails Commission has agreed to sponsor a public dedication on Sunday, June 22, 2002 to officially open the trail to the public—the first public trail facility provided by the County. This celebration will officially recognize the support by the Board of County Commissioners, hundreds of volunteers, the New Hope Audubon Society, and Mike Waldroup for his gracious donation of a trail easement across his property. Invitations will be sent out in the next two weeks. The event is scheduled for 10:00 a.m. at the trailhead. (Access to the trailhead is by going through the Githens Middle School athletic field.)

The Commissioners made comments and had a general discussion about the trails being constructed in Durham.

Little River Regional Park and Natural Area Update

The 391-acre Little River Regional Park and Natural Area, jointly owned and to be managed by Durham and Orange Counties, is currently in the design and development stage with the hiring of Haden-Stanziale, P.A., Planners and Landscape Architects. The firm will be responsible for designing the park entrance, access, parking, and other infrastructure as approved by both Boards of County Commissioners upon recommendations by the Little River Park Advisory Committee. Haden-Stanziale will provide services through the bidding/award phase for an amount not to exceed \$27,120, plus reimbursable expenses (such as printing, travel, etc.). The design and construction phase is primarily funded by a Land and Water Conservation Fund Grant.

Due to the joint management and administration of the park's overall use functions, design, interlocal agreements, and budget constraints etc., the timeline for opening the park is anticipated to be after July 1, 2003. Staff is currently finalizing a draft interlocal agreement for consideration by the Orange and Durham County Boards for consideration in the near future.

Two County Commissioners are requested to work with two representatives from Orange County Commissioners to coordinate design, usage, or budget-related matters regarding this joint facility.

Resource Person(s): Frank M. Duke, Planning Director, and Jane Korest, Senior Planner

County Manager's Recommendation: The Manager's recommendation was that the Board accept the Little River Regional Park update and appoint two Commissioners to serve as liaisons with Orange County.

Ms. Korest presented to the Board of County Commissioners an update on the Little River Regional Park project. The Little River Park Advisory Committee (LRPAC) prepared use recommendations for the development of the park which were approved by Durham County in August 2001 and Orange County in November 2001. Since that time, we have hired the design firm to do the entranceway, parking lot, and the trailhead. The trail master plan will be incorporated into the overall park master plan that will include the design work by Haden-Stanziale. Orange County approved the architectural firm in April. Durham and Orange Counties have had one opening meeting with the consulting firm. The site plan will come before the Commissioners in October for your consideration. When both Boards approve the site plan, construction will begin. The official opening will be next summer. The development of a draft Interlocal agreement between the two counties to address both fiscal and management issues is being finalized by the two county staffs, which includes information and recommendations on staffing, operations, use clarifications, and security issues. The agreement will be brought to you later this summer for your consideration. It will be beneficial to have two representatives from each Board able to discuss in more detail any issues related to this joint facility.

Ms. Korest asked the Commissioners to appoint two representatives to meet with the two Orange Board members. Orange County Commissioners have appointed Commissioners Barry Jacobs and Margaret Brown as their representatives. Vice-Chairman Reckhow and Commissioner Heron have been serving on the Little River Park Advisory Committee. A management budget will have to be developed while the interlocal agreement is being finalized.

Initial Park development will be funded primarily through a \$262,000 LWCF grant that will be administered through project management staff from Durham and Orange Counties. A budget amendment will come to you on June 10, 2002 that will address Durham County's share of anticipated funds.

Chairman Black suggested that a representative from the Legal Department and one from the Finance Department should work along with the Commissioners to move the project forward. The attorney and the financial person would serve as staff when the work group meets.

Commissioner Heron concurred with Chairman Black.

Chairman Black appointed Vice-Chairman Reckhow and Commissioner Heron to serve on the work group with the two Commissioners from Orange County.

The Commissioners asked questions and made remarks about the overall project to which Ms. Korest responded.

West-Northwest Durham Plan

The Board was requested to receive a report on the West-Northwest Durham Plan which combines two of 15 small areas that comprise Durham's total planning jurisdiction. The planning area is a mix of urban, suburban, and rural land uses ranging from older city neighborhoods, to large-lot suburbs, to rural homesteads. The challenge of planning for the future of the area is preserving the integrity of residential neighborhoods and viable commercial areas, allowing reasonable planned growth, and protecting the rich resources of the area's natural and cultural heritage.

Participants in the West-Northwest Durham planning process recognized that growth would occur. The consensus was that it must be managed to protect the well being of existing residents and businesses, as well as the environment and future residents. The plan endorses the need for this protection, but it also realizes the realities of the urbanized region. This vision characterizes the challenge faced by the West-Northwest Durham planning process and the growth management theme upon which it is based.

The Planning Committee reviewed and approved the plan on August 8, 2001. The City Council held a public hearing and adopted the plan on March 18, 2002. Staff is prepared to schedule a public hearing and present the plan to the Board for its consideration and adoption.

Resource Person(s): Frank M. Duke, AICP, Planning Director, and Dwight Yarborough, Senior Planner

County Manager's Recommendation: The Manager's recommendation was that the Board receive the staff report on the West-Northwest Durham Plan and set a date for the public hearing.

Mr. Yarborough presented an update to the Board of County Commissioners on the West-Northwest Durham Plan and made detailed remarks about the plan. The West-Northwest planning area is bounded on the north by the Eno River and on the east by the Roxboro Road, Interstate 85, NC 147, and Chapel Hill Road corridors. The southern boundary is the Durham-Chapel Hill Boulevard and New Hope Creek. The western boundary is the Orange County line and US 70. Mr. Yarborough talked about the background, issues/analysis, alternatives, fiscal impacts, and Planning staff's recommendation (hold a public hearing to receive comment and adopt the West-Northwest Durham Plan as presented).

The Commissioners asked questions and made remarks about the West-Northwest Durham Plan to which Mr. Duke and Mr. Yarborough responded.

County Manager Mike Ruffin said the Commissioners have already set the public hearing for the Regular Session scheduled for June 24, 2002.

No official action was taken on this agenda item.

Loan Modification—Ricky Henry (1110 Moreland Ave.)

Currently, Durham County holds a second mortgage on Mr. Henry's home at 1110 Moreland Avenue. Mr. Henry desires to make the following improvements to this property:

1. Repair front porch
2. Remove and replace two closets
3. Level floor in wash room
4. Install floor in bedroom
5. Replace front beams
6. Close in back porch

Total cost \$20,200

Mr. Henry has made arrangements with First Citizens Bank to borrow \$30,600 to finance these improvements and pay off his first mortgage (\$10,400+/-). He is requesting that Durham County subordinate its second mortgage to this new loan so that he can obtain the necessary financing. Our loan has a current balance of \$38,008. The current tax value of the property is \$50,027. Our loan to value is 1.37X (loan to value has always exceeded 100%). With the proposed new loan, our position will improve because of the added life to the asset. These repairs are needed to improve living conditions and to correct poor work done in the past. First Citizens Bank will administer the loan and inspect all completed work.

Resource Person(s): George Quick, Finance Director

County Manager's Recommendation: The County Manager's recommendation was that the Board suspend the rules, approve the subordination of the County's second mortgage, and authorize the Manager to sign the required documents.

Mr. Quick presented the agenda item to the Board of County Commissioners.

The Commissioners asked questions and made comments about this agenda item to which Mr. Quick responded.

Commissioner Cousin moved, seconded by Commissioner Heron, to suspend the rules to approve the subordination of the County's second mortgage.

The motion carried with the following vote:

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

Commissioner Heron moved, seconded by Commissioner Cousin, to approve the subordination of the County's second mortgage and authorize the Manager to sign the required documents.

The motion carried with the following vote:

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

Community Health Trust Fund

The custodial reports from First Citizens for the period ending March 31, 2002 have been received. A performance summary is reflected below:

	<u>Fixed Income</u>		<u>Equity</u>		<u>Total</u>
	<u>MDL Capital Management</u>	<u>US Trust Capital Management</u>	<u>Wedge Capital Management</u>	<u>Sovereign Asset Management</u>	
Beginning Net Market Value	\$8,720,964	\$5,981,353	\$6,819,537	\$4,028,029	\$25,335,836
Ending Market Value	8,658,490	6,005,810	7,280,028	4,098,889	25,875,825
Total Holding Period Return	(\$62,473)	\$24,457	\$460,491	\$70,860	\$539,989
Holding Period Return	- .72%	.41%	6.75%	1.76%	2.13%
Indices:	<hr/>				
Fixed Income (1)	.40%				
S&P Barra Value	5.47%				
SPP 500	1.12%				

Based on the benchmarks, all managers have done a good job, some better than others. The holding period return on that portion of the portfolio managed by MDL falls a little

below the benchmark established during the fourth quarter of 2001. During the later part of the fourth quarter (November 27), MDL was given an additional \$3 million to invest. Since the allocation was greater than 50 percent of the current allocation (\$5 million), it caused the portfolio to under perform due to the heavy cash weighting. Nevertheless, MDL outperformed its benchmark for the year ending December 31, 2001. While MDL's first quarter 2002 performance lagged the benchmark, they maintain a 130 basis point lead over the benchmark since inception.

The Equity Managers also performed outstandingly in a market that saw equities below average for 2001. Both managers out performed the market with WEDGE continuing to be off the scale.

Resource Person(s): George K. Quick, Finance Director, and Jessica Brown-Linton, Investment/Debt Manager

County Manager's Recommendation: The County Manager's recommendation was that the Commissioners receive the report.

Summary of Calendar 2001 Earnings

County of Durham, North Carolina

Beginning Investment Balance	\$24,421,746
Net Return on Investments, Quarter 1	(\$89,138)
Net Return on Investments, Quarter 2	\$663,310
Net Return on Investments, Quarter 3	(\$54,564)
Net Return on Investments, Quarter 4	\$596,195
Net Return on Investments	\$1,115,803
Ending Account Value	\$25,537,549
Holding Period Return	4.57%
Fees Paid *	\$71,940

Note: All fees paid have been deducted from investment returns

The Commissioners asked questions and made remarks about the Community Health Trust Fund to which Ms. Brown-Linton and Mr. Quick responded.

Chairman Black said she did not want the County to take the money from the programs that would be funded by the Health Trust Fund and roll the money over into the Operating Budget. I do not want us to do that this year. I don't want that to become a policy. Chairman Black said the only money that should be rolled over to the Operating Budget from the Health Trust Fund is funding for Emergency Medical Services.

Chairman Black wanted to remove from the Operating Budget the money that was set aside from the Health Trust Fund to fund the drug program, TOPS program, and the two nurses. Those programs would go back to the Public Health Department for funding from the Public Health Department budget. The money could possibly come from the Health Trust Fund interest earnings. Senior PHARMAssist, Triangle Hospice, and the Watts School of Nursing scholarship funding would go back to the Health Trust Fund for funding.

Mr. Quick recommended making a special allocation to the Health Trust Fund in lieu of changing the formula.

Chairman Black asked staff to determine the cost to make the special allocation and the payment to Emergency Medical Services.

Deputy County Manager Carolyn Titus said the payment would be \$800,000.

Commissioner Heron said she had a problem with putting money back into other departments from the Health Trust Fund. What she wanted to see is what we fund now out of the Health Trust Fund (45%). We should not move on this until we see what the State Legislature is going to do.

Commissioner Heron expressed concern about the \$17 million renovation at Durham Regional Hospital.

Mr. Quick spoke about the debt that is being incurred. Unless we agree to allow that debt to be placed on an asset that we have leased, then it is not the County's. The debt belongs to Duke Medical Center.

Durham City-County HOME Consortium Re-Certification

On May 29, 2002, the County received a correspondence from the City of Durham advising the County of the re-certification deadlines for the HOME Consortium Program. In May 1993, both the City Council and the Board of County Commissioners approved a three-year consortium agreement for the purposes of administering the HOME Investment Partnership Program. Over the past three years, County Commissioners have raised concerns about the use of HOME funds for projects beyond the City limits.

At present, the City is investing approximately \$762,000 in HOME Funds in the Community Shelter for HOPE project. The City is requesting that the County provide the necessary local match in order to continue participation in the HOME program for next year. Plans for the HOME program in the upcoming year include \$200,000 for Housing Rehabilitation throughout the County and require a \$50,000 match (25 percent) from the County.

The City has a June 5, 2002 deadline to advise the North Carolina Housing Finance Agency whether the City and County will re-certify as a HOME Consortium. Therefore,

the Board is being requested to suspend the rules and take action to determine if, in fact, the County desires to provide the necessary local match to continue participating in the HOME Consortium Program.

Resource Person(s): Wendell M. Davis, Deputy County Manager, and Charlene Montford, Director of Housing and Community Development, City of Durham

County Manager's Recommendation: The Manager's recommendation was that the Board suspend the rules and vote on whether the County will continue participating in the HOME Consortium. Next year's local matching requirement is \$50,000 for the County. The County is presently receiving significant funding in HOME funds for the renovation and expansion of the Community Shelter for HOPE Project. There are also other projects under consideration for the County, which the City Housing and Community Development staff is prepared to speak to.

Deputy County Manager Davis reviewed the agenda item.

The Commissioners asked questions and made comments about the agenda item to which Deputy County Manager Davis and County Manager Ruffin responded.

Ms. Montford told the Commissioners that her department is working on a \$1.2 million deal for a development in the County. We have not asked for a match at this point in time. This project has been ongoing for a year.

Commissioner Heron wanted to know when the Board of County Commissioners would be told about this project.

Ms. Montford said the project is on Angier Avenue and is known as "Angier Haven." It is a proposed development of 35 homes for first-time homebuyers. The developer is asking the City for HOME and CDBG moneys for infrastructure, development costs, and acquisition of the property. We are still in the development stage. We have committed no money to the project.

Commissioner Heron said the Commissioners should have known about this project since we will have to put up money for the \$50,000 match. We need to be kept informed.

The Commissioners asked questions and made comments to which Deputy County Manager Davis responded.

Commissioner Cousin moved, seconded by Commissioner Heron, to suspend the rules to vote on whether the County will continue participating in the HOME Consortium.

The motion carried with the following vote:

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

Commissioner Heron moved, seconded by Commissioner Cousin, to approve that Durham County will continue participating in the HOME Consortium.

The motion carried with the following vote:

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

Closed Session

The Board of Commissioners was requested to adjourn to closed session pursuant to G.S. 143.318.11(a)(6) to consider the performance of a public officer.

Commissioner Heron moved, seconded by Commissioner Cousin, to adjourn to Closed Session to consider the performance of a public officer.

The motion carried with the following vote:

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

Adjournment

Chairman Black called the Commissioners into the Open Session and adjourned the meeting at 12:00 noon with out taking any further action.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board