

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

Monday, August 5, 2002

9:00 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, Vice-Chairman Ellen W. Reckhow, and Commissioners Joe W. Bowser, Philip R. Cousin Jr., and Becky M. Heron

Absent: None

Presider: Chairman Black

Citizen Comment—Mr. Jack Steer

Mr. Jack Steer had requested time on the agenda to make comments to the Commissioners about the American Tobacco Project.

Mr. Steer, representing the Friends of Durham, read a statement in support of the American Tobacco Project. He considered this an investment in the future growth of the City and County's economic base. This project should make Durham's downtown more vibrant and desirable. It would give more opportunity for people to be employed and live in the same area. He asked the Board to press developers to build residential units for sale rather than just for rent in the development. Resident-owned housing for middle and upper-middle economic classes should make the area highly sought after.

Waiver of Bidding Procedures for Previously Bid Contracts and Approval to Purchase Vehicles for Sheriff's Office

In October 2001, University Ford successfully completed a public, formal bid process required by N.C.G.S. §143-129. University Ford was awarded the contract to furnish vehicles to the County and is now willing to furnish the same type of vehicles at the same prices, terms, and conditions as those provided under the previous contract in FY 2001-2002.

Pursuant to North Carolina General Statute §143-129(g), the governing board may waive the formal bidding procedures for the purchase of equipment, such as vehicles, if: (1) the vendor has successfully completed a formal bidding process in the past 12 months resulting in a contract to furnish equipment; and (2) is now willing to furnish the same

equipment at the same price or more favorable price, terms, and conditions as those provided under the previous contract.

The statute also requires that a Notice of Waiver of Bidding Procedures be advertised for 10 days prior to the Board waiving the procedures under §143-129(g), which requirement has been satisfied. The purchase of vehicles with University Ford qualifies under this statute, and therefore allows the County to enter into a contract and proceed with the purchase of vehicles with University Ford without going out for a formal bid. If approved, the County would realize savings of at least \$31,500.00. The contract for the purchase of vehicles will be for 35 vehicles in the amount of \$747,148.50, or \$21,347.10 per vehicle.

The funding for this purchase was appropriated in the Equipment Leasing Fund.

The County's required M/WBE participation for the purchase of vehicles is normally 6.27 percent with African Americans. No minority vendors in this area can provide new vehicles that meet the Sheriff Department's needs: therefore, we normally receive a waiver for M/WBE participation in purchases of this nature.

Resource Person(s): Capt. R. D. Buchanan, Sheriff's Office, and George Quick, Finance Director

County Manager's Recommendation: Suspend the rules, waive the bid procedures for previously bid contracts under N.C.G.S. §143-129(g), and authorize the purchase of vehicles from University Ford in the amount of \$747,148.50.

Mr. Quick introduced the item and asked that the County be allowed to buy additional cars for the Office of the Sheriff under the contract approved in October 2001 as per N.C.G.S. §143-129(g). This represents savings of at least \$31,500.

Captain Buchanan stated for Commissioner Heron that the warranty for these vehicles would be one year or 12,000 miles.

Vice-Chairman Reckhow moved, seconded by Commissioner Heron, to suspend the rules, waive the bid procedures for previously bid contracts under N.C.G.S. §143-129(g), and authorize the purchase of vehicles from University Ford in the amount of \$747,148.50.

The motion carried unanimously.

Discussion of Proposal for County Participation in the American Tobacco Project

Negotiators for Durham County, the City of Durham, and the Capitol Broadcasting Corporation (CBC) have reached an agreement in principle on redeveloping the former

American Tobacco facilities located in downtown Durham. The site represents a prime component of the County and City's efforts to revitalize downtown by linking the area between the Durham Freeway and the railroad right of way to the central business district. When complete, the overall project should represent a taxable investment by CBC of over \$127 million, 603,200 square feet of office space, 179,000 square feet of retail stores and restaurants, and 174,400 square feet of hotel and/or residential space. The development is estimated to bring 3,600 jobs into downtown Durham and will complement other future developments such as the new County Courthouse, the Performing Arts Center, and the Multi-Modal Transportation Center. The County's \$19.5 million contribution to the project will be used to help construct public parking garages.

Resource Person(s): Mike Ruffin, County Manager; Chuck Kitchen, County Attorney; Carolyn Titus, Deputy County Manager; George Quick, Finance Director; Pam Meyer, Budget and Management Services Director; and Glen Whisler, County Engineer

County Manager's Recommendation: The Manager recommends that the Board suspend its rules, approve the proposal in principle, and authorize staff to prepare the Business Deal Points and Development Agreement(s) in accordance therewith.

Because there were no Regular Sessions in July, Chairman Black announced that the Board would suspend its rules regarding voting at a Worksession to allow it to handle necessary business.

Chairman Black related that about 100 email messages had been received, mostly in support of the American Tobacco Project. The majority spoke to the Commissioners "moving away" from the agreement on the project. Chairman Black asked that the public record reflect that:

"the Commissioners were not talking about moving away from the initial agreement made in May 2000. What we were discussing were several items—one having to do with an increase in the amount of money that we were being asked for, which was not in the original agreement in May 2000. The other item had to do with the changes that were being proposed in the project that were different from the project that we saw in May 2000. So, it was not accurate to say that we were trying to move away from what we voted on in May 2000. I want to make sure that the public is aware of that and that you understand there were other issues involved in all of this. The emails did not reflect the other issues."

Chairman Black added that there were some incorrect numbers that the County Manager would address in his presentation.

County Manager Mike Ruffin made the project presentation. He mentioned five of the 11 guiding principles the Commissioners followed in developing a plan. These were presented in April 2000.

1. No speculative investment by the public sector. Private commitments must be contractually secured prior to public involvement.
2. Work cooperatively and structure a package where the public support and investment is shared between the County and City.
3. Recognize the value of the DATA site. (It could be the location for a performing arts theater.)
4. Work with the developer to create a strategy for providing Durham residents with information and training to secure jobs in the project.
5. Assure that any public parking developed as a part of this project is available nights and weekends to serve other public venues such as the Durham Bulls Ballpark or other entertainment complex. (This has been a major deal point with the County.)

Mr. Ruffin stated that after today's vote to approve the project in principle, the Board would be presented with the Business Deal Points, which is an elaboration of what the negotiation has produced. On October 14, the Board is to receive the Development Agreement, which is the legally binding document. All the guarantees of the City, County, and Capital Broadcasting will be articulated in the Development Agreement. This complicated project is an outward and visible sign of how well the County and City can get along.

The County's investment is capped at \$19,500,000 for the life of the project. The County's participation is limited to parking decks—the East Deck and the North Deck. The East Deck (1342 parking spaces) should be completed in December 2006 (\$6,630,624). The North Deck (1161 parking spaces) will be built in two phases with Phase I complete in December 2004 (\$7,773,916) and Phase II complete in December 2005 (\$5,820,585). As these figures exceed the County's \$19.5 million commitment, the City and County have agreed that the City will invest 5.33% (\$725,125) of the North Deck cost.

In the East Deck, 700 spaces will be dedicated to courthouse parking; 642 spaces will be dedicated to the American Tobacco Project. In Phase I (610 spaces) of the North Deck, 33 spaces will be reserved for the Multi-Modal Transportation Center; 577 spaces will be leased to Capital Broadcasting Company (CBC). In Phase II of the North Deck, 551 spaces will be reserved for public parking.

County Manager Ruffin advised that the American Tobacco Project would be built out between 2008 and 2010. The tax cost to county taxpayers will be about 1/5 cent. Mr. Ruffin addressed the importance of this project relative to the reclamation of downtown Durham over the next decade.

At Chairman Black's request, Mr. Mike Hill of Capital Broadcasting Corporation addressed the issue of M/WBE participation in the project. He assured the Commissioners that CBC embraces the M/WBE policies of the City and County and anticipates a high percentage rate of participation. Advertising and pre-bid conferences have already been initiated to attract minority contractors.

Mr. Hill commented that the American Tobacco Project will bring jobs to downtown Durham where a major problem for many people living nearby has been transportation to jobs.

The Chairman thanked all staff persons involved in developing this project.

Chairman Black opened the meeting to the two persons who wished to make comments. They were allotted two minutes each.

Dr. Lavonia I. Allison, representing the Committee for the Affairs of Black People, stated her support for efforts to utilize a high percentage of M/WBE companies in the project. She agreed with Mr. Jack Steer's comments that the project should provide an opportunity for home ownership with the inclusion of townhomes or condominiums in its plans.

Mr. William Kalkhoff, representing Downtown Durham Inc., thanked the County Manager and staff for all their hard work on the project. He stated that the emails sent regarding the project indicate the broad-based support over the last two years. Emails came from investors, developers, historic preservationists, the arts community, neighborhood representatives, and community and business leaders. He said that Durham should take time to celebrate this project when it is done. The magnitude of this public-private partnership is nationwide regarding downtown development.

Chairman Black stated that the County usually is not involved in downtown redevelopment. Its concentration is in human services. This partnership with City government is linked to both. Hopefully, redevelopment of downtown will help lure money for job training for persons to work both in this immediate area and at other jobs in the community.

Commissioner Cousin moved, seconded by Commissioner Heron, to suspend the rules to allow the Board to vote on items in this Worksession.

The motion carried unanimously.

Vice-Chairman Reckhow moved, seconded by Commissioner Cousin, to approve the project in principle and authorize the staff to prepare the Business Deal Points and Development Agreement(s) in accordance therewith.

Commissioner Heron asked that the final agreement include the security that private investment will be in place to support the public investment. The County cannot afford to have empty parking garages.

Commissioners Reckhow and Bowser spoke of their support for the project. Public-private partnership of this magnitude is unique to the southeast. County governments aren't typically involved in downtown revitalization. This reclamation indicates the County's commitment to smart growth. The project should overcome the huge void in employment opportunity in the inner-city.

Commissioner Bowser asked that the record include his request that Capital Broadcasting Corporation use its influence to make sure that the project's private investors consider Durham citizens as viable employees to fill the jobs they create.

The motion carried unanimously.

Chairman Black asked that Public Information Director Deborah Craig-Ray contact Mayor Bell and advise him of the Board's action.

Triangle Transit Authority—Presentation on the Financial Report

Mr. Don Carnell, Interim General Manager, Triangle Transit Authority, presented the Triangle Transit Authority's Annual Report for the fiscal year ended June 30, 2001.

Mr. Carnell stated that he would become the Assistant General Manager for Planning and Engineering with the Triangle Transit Authority. His presentation included information on the Regional Rail Program, long-range planning, and proposed station locations. He provided a printed copy of the presentation. He recounted TTA's beginnings and its revenue forms of \$5.00 vehicle registration tax, which supports the vanpool and bus system, and the five-percent rental car tax that supports the regional rail program.

The regional bus service and vanpool service is expected to increase. A marketing firm has been hired to assist the TTA with marketing both bus and vanpool services and the future regional rail system.

Mr. Carnell explained that Phase I of the Regional Rail Service would extend 35 miles with 16 stations. Construction Phase I would extend from Ninth Street in Durham to Government Center in Raleigh and be open in December 2007. Commissioners Heron and Reckhow advised Mr. Carnell that TTA's proposal for street-level parking to serve the Downtown Durham Station must be discussed in light of the retail value of that property and the parking decks to be built by the County and City.

Construction Phase II, to include the Duke Medical Center station and three north Raleigh stations, would be complete in 2011. The rail service would serve commuting employees, students, hospital visitors, and persons attending entertainment functions.

The TTA expects the final design and property acquisition to happen in fall 2002 and winter 2003. Construction is projected to begin in 2004. The engineering services contract will encourage the employment of local design firms. The construction contracts are projected to be of a small size to allow firms in the Durham community to participate.

Financing for Phase I of the Regional Rail Service would come from the TTA rental car tax (25%), the state highway trust fund (25%), and federal government (50%). The total Phase I cost is projected to be \$677 million.

The Phase II Regional Transit Project includes studies on the feasibility of an airport connector, NC Highway 15-501 Durham to Chapel Hill corridor, NC 54/I-40 RTP to UNC-Chapel Hill corridor, and an I-40 corridor study from Orange County to Johnston County.

The Commissioners received the annual financial report and asked questions and made comments to which Mr. Carnell responded.

Mental Health Reform—Governance

The County Attorney made a presentation regarding the October 1, 2002 deadline for notifying the State as to the governance model to be used for the provision of Mental Health services in Durham County. The Board of Commissioners has the option of determining whether to continue with an Area Authority or to create a County Program to deliver services. The County Attorney explained the differences among the various models, including liability and personnel.

Resource Person(s): Chuck Kitchen, County Attorney

County Manager's Recommendation: Receive the information presented by the County Attorney and give direction to staff.

County Attorney Kitchen advised that the four governance options were 1)single-county area authority, 2)multi-county area authority, 3)single-county program, and 4)multi-county program. Currently, Durham operates under a single-county area authority. He commented on the advantages and disadvantages of each option. He suggested that the Board hold a public hearing before making a decision on the type of governance.

It was stated that the current budget for mental health is about \$28 million. Chairman Black commented that the County is still told it does not do enough to provide substance abuse services, children's services, and inpatient facilities. With the closing of the state's Umstead facility in Butner, there will be a greater gap in services. Clients would be placed on a waiting list unless the County funds the services, which would require an increase to the mental health budget. Also, if neighboring counties do not fund enough for needed services, clients would be coming to Durham seeking services. Mr. Kitchen

stated that in a multi-county model, the wealthy counties end up supporting the counties that do not budget for the services.

Chairman Black shared information she gained at the NACo Annual Conference in July. She said some counties have added a ½-cent sales tax to provide funding for its mental health and public health services. With Durham's large number of poor persons and persons coming to Durham County for substance abuse services, the burden might be placed upon the property owners with a higher tax. The County needs to consider alternatives to this funding option.

Vice-Chairman Reckhow suggested that human services staff list the pros and cons of the different governance options. The Commissioners could develop a strategy from this. She advised that the trend with State reform is to decrease its funding for services to women and children. Counties need to band together to approach the State with these issues.

This concern over decreased state funding and inadequate taxation by neighboring counties to provide its own services, was to be placed on the agenda for the NCACC Region 9 Counties Regional Issues meeting on September 24, 2002. The Durham legislative delegation would be asked to attend.

Chairman Black asked the Commissioners to give thought to the governance options so that direction may be given to the County Attorney. The Commissioners asked questions and made comments.

The public hearing to illicit comments regarding the choice of governance model was set for the Regular Session on August 26, 2002.

Ms. Ellen Holliman, Interim Director of The Durham Center, stated that the mental health board and staff have been actively involved in beginning the planning process. The needs assessment will be done by August 26.

No formal action was taken on this item.

Excuse Commissioner From Future Meeting

A motion was made and seconded to excuse Commissioner Bowser from the August 12, 2002 Regular Session, as he will be attending an out-of-state conference.

The motion carried unanimously.

Commissioner Heron asked that Commissioner Bowser give a report on the conference upon his return.

Benefits Renewal

The Human Resources Department has put out its entire benefits package for bid. Based on responses to the RFP and input from the Benefits Committee, the Human Resources Department would like to make recommendations on health insurance, dental insurance, life insurance, short-term and long-term disability insurance, ancillary coverages, and would like to present proposals for new out-of-pocket benefits, i.e. long-term care insurance and a prepaid legal plan.

Resource Person(s): Jackye Knight, Human Resources Director, and Debbi Davidson, Benefits Manager

County Manager's Recommendation: Provide input and directions to Human Resources staff in preparation of formal award of contracts to be placed on a future consent agenda.

Chairman Black asked that, in lieu of receiving a report or presentation, the Commissioners might ask questions regarding the information sent to them by Human Resources.

Vice-Chairman Reckhow stated she had no problem with the proposal. However, she questioned the need to increase the flex benefits dollars by 20 percent (from \$165 per pay period to \$200) since negotiations have brought the maximum increase for health insurance to 18.3 percent.

Human Resources Director Jackye Knight explained that the original proposals ranged as high as 24 percent (CIGNA). Negotiations were made based on employee survey feedback. The majority of employees wished to remain with CIGNA despite a projected premium increase. Even with the 20 percent increase to the flex benefit dollars, employees will still see an increase to family coverage. Ms. Knight reminded the Board that any unspent funds would be returned to the General Fund.

Vice-Chairman Reckhow expressed her appreciation at the Human Resources' efforts to negotiate for a smaller percent of increase. She said she still worried about the County's fiscal situation.

Commissioner Heron commented that the County has a tremendous employee benefit package this year, even in these hard times. She was skeptical that the County could make it financially without the State returning moneys it withheld from the County. She said she hoped the County could save a few hundred thousand dollars without hurting the employees. The taxpayers are being hit and are complaining.

Ms. Knight explained that the increases to the benefits plan are not just to health insurance. An increase is expected to the dental plan premiums. There may be a slight decrease in the life insurance and short-term and long-term disability premiums. In

estimating the increases, one must look at dollars needed, not percentages. It's an apples to oranges comparison. The employees are not going to gain income.

Chairman Black stated that the County Manager had assured her that the benefits package could be funded without placing the County in any financial risk.

At Chairman Black's request, the County Manager addressed this issue. County Manager Mike Ruffin stated that this increase in flex benefits dollars is covered by this year's budget. Plus, the over-calculation in the tax base will not be an issue in next year's budget. The trend in tax base growth should allow the Board to accommodate any increases in future years. Mr. Ruffin added an update on the projected actions of the General Assembly regarding the return of sales tax taken by the State.

Vice-Chairman Reckhow asked that Human Resources staff re-examine this as the bid process continues to make sure that staying the course with the full amount is appropriate.

Ms. Knight stated this would be done. She asked the Board for consensus to move forward in finalizing these contracts. Human Resources would discuss the money issue. The contract information would be brought back for Commissioner input and direction.

Chairman Black commended Human Resources staff for working with the various insurance providers to persuade them to lower their costs. In comparison, the City's increases will be about 33 percent. By offering only two insurance providers, the County can obtain a better volume rate.

The consensus was to authorize the Human Resources Department to pursue formal bids to be placed on a future agenda for Board approval.

Report from County Attorney on Juvenile Court Appeals

The County Attorney will report on three appeals which his office has taken from payment orders entered in District Court. Two of the cases, *In re Braithwaite* and *In re Gurley*, are pending cases in the Supreme Court; petitions for Writs of Certiorari have been filed in both cases. Since these cases are pending, only the procedural history will be discussed. The merits of the cases may be discussed in closed session.

The Court of Appeals did not decide, in either case, whether the District Court properly ordered the County to pay for the care of these two juveniles. Instead, the Court decided that it did not have jurisdiction to decide the case and the only review possible is by the Supreme Court. Following these opinions stating that the only review is by the Supreme Court, the County petitioned the Supreme Court to review the propriety of the orders in these two cases.

In general, the cost to the County to petition the Supreme Court (and normally to have a case reviewed by the Court of Appeals) is less than \$1,000. People have made statements that the County is spending far more than \$1000; however, they fail to recognize that the attorneys in the County Attorney's office are not paid the same rate as private attorneys.

The primary issue in any appeal is whether the trial judge committed reversible error. In reviewing cases involving payment orders in juvenile cases, the issue is not normally whether the juvenile needs treatment but whether State or County funds are used to make the payment. Or, in the appropriate case, the parents may be required to make the payments. These appeals are not personal attacks on the judge involved but instead question the propriety of the ruling. The third case, which was appealed with the above two cases, *In re Mercer*, is instructive in this regard. A copy of the Petition for a Writ of Supersedeas, which was filed in the Court of Appeals, illustrates the facts of the case. In this case, the statutory provisions were not followed by which the County could be ordered to pay for the juvenile's treatment. However, the trial court ordered the County to pay for treatment which was not appropriate under Medicaid regulations. The County was sent a bill in the amount of \$14,493.72 for this treatment. Subsequently, the State arranged payment of the costs in the amount of \$8,125.00. The facility accepted this amount as payment in full.

In the vast majority of juvenile cases, State monies have been available to pay treatment costs. When the proper procedure is followed, the juvenile may get the appropriate treatment, and the County is not required to spend the money of its taxpayers for this treatment.

Resource Person(s): Chuck Kitchen, County Attorney

County Manager's Recommendation: Receive the report of the County Attorney.

County Attorney Chuck Kitchen stated that the report was being given to the Board in light of the current newspaper articles that have highlighted these cases.

Mr. Kitchen advised that Ms. Lucy Chavis of the County Attorney's office has been handling these matters on appeal. Trials are expensive, but the cost to take an appeal to the Supreme Court is less than \$1,000. The County does not use outside counsel.

Mr. Kitchen related that for the *In re Mercer* case, Medicaid deemed the placement inappropriate and would not pay. The County was ordered to pay \$14,493.72 for treatment where the child was already placed. The County did not have influence in the choice of placement or in negotiating the treatment cost. The State had the charges reduced to \$8,125.00.

The County, by appealing the three cases, has already saved almost \$14,500. The cost to appeal is only about \$3,000 maximum. These cases are about money and who must pay for care. In most cases, funds are available through the State to pay for care. However,

processing the requests takes time. If State funds are not available, the County negotiates with facilities for a treatment price. County Attorney Kitchen advised that at least four other North Carolina counties have this same problem with the State regarding funding of treatment. He commented that the State should follow its statutory provisions for payment of (physical or mental health) treatment, and the County would pay for treatment when it should.

Vice-Chairman Reckhow asked if an opposing editorial could be written to the Herald-Sun to explain the situation. This is a very complicated issue that the public needs to know about.

No formal action was taken on this item.

Closed Session

The Board of Commissioners is requested to adjourn to closed session to consult with an attorney concerning *In Re Braithwaite*, COA01-832; *In Re Gurley*, COA01-833; *Davis v Durham County Area Mental Health Developmental Disabilities/Substance Abuse Services Authority*, Case #2CVS-2211; and to consider the conditions of appointment of a public officer pursuant to G.S. § 143-318.11(a)(3) & (6).

Commissioner Bowser moved, seconded by Commissioner Heron, to adjourn to Closed Session.

The motion carried unanimously.

Reconvene Into Open Session

The Commissioners reconvened to Open Session and made the following motion:

Commissioner Heron moved, seconded by Vice-Chairman Reckhow, to appoint Jay Miller as Interim Assessor and Kimberly Simpson as Interim Tax Collector, with each receiving a 10-percent increase above their normal salaries until completion of their roles. A \$250,000 bond is approved for the Interim Tax Collector.

The motion carried with the following 4-1 vote:

Ayes: Black, Cousin, Heron, and Reckhow

Noes: Bowser

Settlement of 2001 Property Taxes

As required by N.C.G.S. 105-373, the Tax Administrator is herewith submitting the settlement report of 2001 property taxes.

N.C.G.S. 105-373(h) further authorizes the Board of County Commissioners to relieve the Tax Collector of the charges of taxes on classified motor vehicles that are one year or more past due.

Additionally, the General Statutes bar use of any remedies for collection enforcement that is not instituted within ten years of said taxes becoming due.

The Tax Administrator requests authorization to relieve charges of taxes that are beyond the statute of limitation of ten years and those vehicles that are more than two years past due. This request is consistent with last year's settlement, which was authorized by the Board.

Resource Person(s): W. Steven Crysel, Tax Administrator

County Manager's Recommendation: Suspend the rules and receive and approve the 2001 Property Tax Settlement Report. Charge the Interim Tax Collector with 2002 Property Taxes. Authorize the relieving of taxes that are more than ten years past due and motor vehicles taxes that are more than two years past due.

Commissioner Heron moved, seconded by Commissioner Cousin, to suspend the rules and receive and approve the 2001 Property Tax Settlement Report; charge the Interim Tax Collector with 2002 Property Taxes; and authorize the relieving of taxes that are more than ten years past due and motor vehicles taxes that are more than two years past due.

The motion carried unanimously.

The Order for Tax Collector and the "Resolution Approving the Tax Collector's Annual Settlement for Fiscal Year 2001-2002 and Prior Years" follow.

State of North Carolina Durham County

ORDER OF THE BOARD OF COUNTY COMMISSIONERS
IN ACCORDANCE WITH G.S. 105-373, G.S. 105-321 AND 105-330.3

TO: KIMBERLY H. SIMPSON
TAX COLLECTOR OF DURHAM COUNTY, CITY OF DURHAM, TOWN
OF CHAPEL HILL AND CITY OF RALEIGH.

You are hereby authorized, empowered, and commanded to collect the taxes remaining unpaid as set forth in the 1993 through 2002 tax records filed in the office of the Tax Collector, and in the tax receipts herewith delivered to you in the amounts and from the taxpayers likewise therein set forth. You are further authorized, empowered, and

commanded to collect the 1993 through 2002 taxes charged and assessed as provided by law for adjustments, changes, and additions to the tax records and tax receipts delivered to you which are made in accordance with law. Such taxes are hereby declared to be a first lien on all real property of the respective taxpayers in Durham County, City of Durham, Town of Chapel Hill, City of Raleigh, Bethesda Fire, Lebanon Fire, Parkwood Fire, Redwood Fire, New Hope Fire, Eno Fire, Bahama Fire, RTP Special and Butner Safety districts, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell, any real or personal property, and attach wages and/or other funds, of such taxpayers, for and on account thereof, in accordance with law.

Within available funds in the budget ordinance and personnel positions established, the Tax Collector may appoint employees and they have authority to perform those functions authorized by the Machinery Act of Chapter 105 of North Carolina General Statutes and other applicable laws for current and previous year's taxes. County personnel presently in the Tax Collector's office continue to serve in their respective positions.

Taxes on classified Motor Vehicles for 1999 and prior years are deemed uncollectible; therefore, the County Commissioners, pursuant to AG.S. 105-373 (h) do hereby relieve the tax collector of the charge of collecting taxes on classified motor vehicles listed pursuant to G.S. 105-330.3 (a) (I) for 1999 and prior years.

RESOLUTION APPROVING
THE TAX COLLECTOR'S ANNUAL SETTLEMENT
FOR FISCAL YEAR 2001-2002 AND PRIOR YEARS

WHEREAS, pursuant to the provisions of N.C.G.S. 105-373, the Tax Collector has made his report of settlement to the Durham County Board of Commissioners for fiscal year 2001-2002 and prior years after July 1 and before he is charged with taxes for the current fiscal year, 2002-2003;

WHEREAS, based upon the written and oral report of settlement of the Tax Collector, the Durham County Board of Commissioners has made sufficient inquiry in order to reach a determination that the collection work of the Tax Collector has been performed satisfactorily and that the Tax Collector has done everything that he could have done to reach whatever property may have been available.

WHEREAS, as required by the N.C.G.S. 105-373, before being charged with taxes for the current fiscal year, the Tax Collector has presented to the Board of Commissioners a list of persons owning real property whose taxes for the preceding fiscal year remain unpaid and the principal amount owed by each person and a list of the persons not owning real property whose personal property taxes for the preceding fiscal year remain unpaid, along with a statement under oath that he has made diligent efforts to collect the taxes due from the persons listed out of their personal property and by other means available to him for collection, and he has reported such other information concerning

taxpayers as may be of interest to or required by the Board of Commissioners, including a report of his efforts to make collection outside the taxing unit under the provisions of G.S. 105-364;

WHEREAS, the settlement of Tax Collector, including the settlement for the taxes for prior years, which are attached hereto, together this action with this action of the Board of Commissioners, shall be entered in full upon the minutes of the said Board;

WHEREAS, approval of this settlement does not relieve the Tax Collector or his bondsmen of liability for any shortage actually existing at the time of the settlement and thereafter discovered, nor does it relieve the collector of any criminal liability;

NOW THEREFORE, BE FURTHER RESOLVED by the Durham County Board of Commissioners that the annual settlement of the Tax Collector for fiscal year 2001-2002 and prior years is hereby accepted as presented by the Tax Collector.

BE IT FURTHER RESOLVED by the Board of Commissioners of Durham County that the following documents attached hereto and incorporated herein are approved, consisting of 14 pages and further described as follows:

1. Settlement of 2001 Tax Accounts as of June 30, 2002, including the following that the Tax Collector shall be charged with; the total amount of all taxes in his hands for the year, including amounts originally charged to him and all amounts subsequently charged on account of discoveries; all penalties, interest, and costs collected by him in connection with taxes for the current year; and all other sums collected by him. The Tax Collector shall be credited with all sums deposited by him; releases duly allowed by the governing body; the principal amount of taxes constituting liens on real property, personal property, and registered motor vehicles; and commissions (if any) lawfully payable to the Tax Collector as compensation.
2. Settlement of prior years (1992 through 2000) Tax Accounts and 2001 Tax Accounts as of June 30, 2002, for Durham County and its municipalities, and annual statement of collections for July 1, 2002, through June 30, 2002, of non tax revenues.
3. Settlement of Bethesda Fire Protection District, Lebanon Fire Protection District, Parkwood Fire Protection District, Redwood Fire Protection District, New Hope Fire Protection District, Eno Fire Protection District, Bahama Fire Protection District, Butner Safety District, and Research Triangle District for 2001 and applicable prior years.

BE IT FURTHER RESOLVED that the list of 2001 unpaid real property taxes and the list of persons not owning real property whose 2001 personal property taxes remain unpaid are hereby acknowledged as received; the attached collection reports of 1992 thorough 2001, as of June 30, 2002, are acknowledged as received; the report of minimal taxes is acknowledged as received; and the report concerning efforts made to locate

personal property in other taxing units belonging to delinquent taxpayers, and the efforts made under the provisions of N.C.G.S. 105-364 to collect taxes is acknowledged as received.

ADOPTED this the 5th day of August, 2002.

Adjournment

There being no further business, the meeting was adjourned at approximately 11:50 a.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board

GEU:SBP