

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

Monday, April 9, 2001

3:15 P. M. CIP 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

Revisions to Capital Improvement Program

Staff had undertaken a review of the Board-adopted Capital Improvement Program with the following goals:

- Review all project estimates for accuracy and ensure that all costs have been included to bring each project to fruition;
- Consider any new projects that may have surfaced since last spring;
- Revise project scheduling to accommodate the earlier completion of several projects; and
- Develop alternative revenue budget(s) that include estimates for impact taxes, impact fees, and property tax rates.

Resource Person(s): Michael M. Ruffin, County Manager; Carolyn Titus, Deputy County Manager; Wendell Davis, Deputy County Manager; Pamela Meyer, Budget and Management Services Director; Susan Fox-Kirk, Interim Finance Director; Glen Whisler, County Engineer; and Keith Lane, Senior Budget Analyst

County Manager's Recommendation: The Manager requested that the Board review the information and make any changes, as it deems appropriate.

Chairman Black said the Capital Improvement Program (CIP) has changed from the original plan in the spring of 2000. This was not a public hearing; therefore, citizens were not allowed to speak.

Chairman Black called on County Manager Mike Ruffin to make his presentation.

County Manager Ruffin said three major reasons exist to revise the CIP. Issues addressed in the CIP Update/Revision are project delays, project costs needing inflation, and maintenance of the AAA Bond Rating. The refined definition of capital projects includes projects that cost over \$1 million and project completion is more than one year. In the currently approved CIP, 41 projects are estimated at a cost of \$535 million. The revised CIP comprises 32 projects estimated at \$569 million.

County Manager Ruffin presented and explained two charts concerning debt versus valuation and debt versus expenditures.

Other Changes: Four New Projects

- Judicial Building Renovation: \$10.3 million
- Sheriff Driving Range & Training Center: \$4.6 million
- Open Space Land Acquisition: \$1.2 million
- Durham Tech Student Services Building: \$3 million
- Museum of Life Science BioQuest: underfunded

Durham Public Schools:

- Inflation of 3 percent added each year beyond FY 2002
- County commitment for 10 years: \$217.8 million
- Total ten-year estimate: \$ 226 million

Durham Technical Community College:

- FY 2001 CIP County commitment: \$17 million
- FY 2002 CIP Request from DTCC: \$16 million
- FY 2002 Recommended CIP: \$13 million

Changes in Existing Project Schedules:

- Delayed New Justice Center Parking: one year
- Delayed American Tobacco: three years
- Animal Shelter accelerated: one year
- Delayed EMS Lebanon acquisition: one year
- Delayed Sheriff's Driving Range (with new Training Facility): five years
- Accelerated new Youth Home completion: three years
- Delayed & Consolidated Water Extensions: three years
- Delayed Sewer Extensions: two years
- Accelerated completion of Agriculture Building Renovations: two years
- Delayed Human Services Complex: three years
- Delayed Human Services Parking Deck: four years
- Accelerated Senior Center: one year

- Accelerated Land Acquisition for all future libraries to FY 2002
- Delayed Main Library Renovations: three years
- Delayed North Regional Branch Library: two years

County Manager Ruffin stated that Durham County cannot issue more than \$60 million worth of debt over the next five years. Staff had to reduce the first five years' expenditures by \$100 million to maintain our AAA Bond Rating.

The five major CIP projects follow:

- New Justice Center
- Human Services Building
- American Tobacco Project
- Wastewater Treatment Plant Expansion
- Durham Public Schools

The East Regional Library is still on schedule for FY 02-03.

The 2002 recommended CIP Bond Referenda:

- 2002--\$63.98 million
- 2004--\$67.25 million
- 2006--\$88.23 million
- 2008--\$92.15 million
- 2010--\$55.93 million

The General Obligation Bond Referenda FY 2002--\$63.9 million

- Durham Public Schools--\$51.7 million
- Senior Center--\$5.5 million
- East Regional Branch Library--\$6.7 million

The General Obligation Bond Referenda FY 2004--\$67.2 million

- Open Space Land Acquisition--\$1.5 million
- Durham Public Schools--\$50.8 million
- South Regional Branch Library--\$4.6 million
- Southwest Branch Library--\$2.6 million
- North Regional Branch Library--\$4.8 million
- NC Museum of Life & Science--\$2.8 million

The General Obligation Bond Referenda FY 2006--\$88.2 million

- Judicial Building Renovation--\$9.8 million
- Durham Technical Community College Newton Building Expansion--\$ 4 million
- Durham Technical Community College Northern Durham Center Expansion--\$4 million

- Durham Public Schools--\$62.4 million
- Main Library Renovations--\$8 million

The General Obligation Bond Referenda FY 2008--\$92.1 million

- Human Services Complex--\$69.8 million
- Human Services Parking--\$22.2 million

The General Obligation Bond Referenda FY 2010--\$55.9 million

- Durham Public Schools--\$52.8 million
- Sheriff's Training Center & Driving Range--\$3.1 million

County Manager Ruffin reviewed the following two charts relative to tax needs and debt:

- Capital Finance Plan Property Tax Needs
- Total GO Bond, 2/3rds, and COPS Debt

The County Commissioners asked questions and made comments to which County Manager Ruffin and staff responded. County Attorney Kitchen also assisted with the answers.

The Commissioners held a lengthy discussion session.

Chairman Black said she would like to vote on the projects that should be voted on and give the County Manager direction about the other items.

Commissioner Reckhow moved, seconded by Commissioner Cousin, to approve the G.O. Bond Referendum for November 2001 in the amount of \$63.9 million to be used as follows: Durham Public Schools--\$51.7 million, Senior Center--\$5.5 million, and East Regional Branch Library--\$6.7 million.

The motion carried unanimously.

Vice-Chairman Reckhow moved, seconded by Commissioner Bowser, to give County Manager Mike Ruffin the following directives concerning several capital improvement projects:

New Justice Center: The overall project should move forward at a reduced cost figure. We want the County Manager to look at the potential feasibility of proceeding with the planning but putting the building on the 2003 bond referendum and to look at moving the North Durham

Branch Library forward either with pay-as-you-go or potentially adding it to the fall Bond referendum.

Waste Water Treatment Plant: Bring back the fees required to fully fund the Waste Water Treatment Plant improvements so that it is not funded with General Fund money. This will free up money to do other projects.

Durham Technical Community College: Chairman Black said the County Commissioners will support the \$3 or \$4 million that Durham Technical Community College needs to draw down the state funding of \$6 million.

Human Services Complex: Chairman Black requested that the County Manager review the Human Services Complex to determine how the County could fund the project and place it where it was in the original plan (2003).

Commissioner Bowser requested a letter be drafted to the state asking why Durham Technical Community College has to get money from Durham County before receiving state funding.

The motion carried unanimously.

Closed Session

Vice-Chairman Reckhow moved, seconded by Commissioner Cousin, to adjourn to closed session to consider the performance of a public officer pursuant to G.S.143-318.11(a)(6).

The motion carried unanimously.

Adjournment

After the closed session, Chairman Black adjourned the meeting.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board