

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

Monday, November 5, 2001

9:00 A.M. Worksession

**AGENDA**

1. **1. Citizen Comments**

The following citizens have requested time on the agenda to make comments to the Commissioners. Please note their written requests.

1. Phillip W. Evans Esq.
2. Jack Steer

1a. **Appointment to Board of Equalization and Review**

Mr. Call Smith has previously resigned from the Board of Equalization and Review. He was the recommended appointee of Commissioner Heron. Commissioner Heron has recommended that Mr. Charles W. Smith, MAI, SRPA be appointed in his place.

County Manager's Recommendation: Due to the meeting schedule of the Board of Equalization and Review, suspend the rules and appoint Mr. Charles W. Smith to serve in the place of Mr. Call Smith.

2. **Capital Improvements Program for the Raleigh-Durham Airport Authority**

Representatives from the Raleigh-Durham Airport Authority are present to discuss the Airport's Capital Improvement Program, as well as the Authority's strategy for increasing participation by minority firms competing for contracts.

Resource Persons: David Powell, Director of Facilities; Cleon Umphrey, Director of Human Resources

County Manager's Recommendation: Receive the report and advise the staff if any additional action is necessary.

3. **Refunding Bonds and 2/3s Bonds**

Two bond issues separate and apart from the November general obligation bonds are to be discussed. The first is a refunding bond proposal which has been proposed by our financial consultant, Davenport & Company, L.L.C. Davenport has suggested that the County Commissioners authorize the refunding of approximately \$35,485,000 in 1992 bonds. The projected net savings would be \$1,502,402. This is based on current market rates, and the savings can and probably will fluctuate with market conditions. In refunding the existing bonds, no additional debt will be incurred. This is just a restructuring of existing debt. It should also be noted that the refunding bonds will be paid off in the same time period as the existing 1992 bonds. The actual amount to be requested in the legal documents to be approved will be an amount not to exceed \$39,000,000. This will allow for additional savings if market conditions are favorable at the time of the actual bond sale. A copy of the refunding analysis is attached.

The second bond issue is the 2/3's bonds which is a part of the County's Capital Improvements Plan (CIP). The maximum amount available for issue is approximately \$11.3 million. The proposed usage in the CIP of the bond proceeds are for a New Justice Center Planning and Land Acquisition -- \$9,462,821 and a New Justice Center Parking Planning -- \$1,488,900. Due to changes being considered in the financing of the parking decks, as directed by the Board of Commissioners, it is proposed that the financing for the planning of the parking be deferred until a decision on parking is finalized. In the place of the planning for parking, it is proposed that the Board utilize the bond capacity for the purchase of the old Lowe's Grove School property for use as a library site.

It should be recalled that 2/3's bonds are general obligation bonds which are limited to 2/3's of the amount of principal debt retired in the previous fiscal year. These bonds do not require voter approval, and for this reason, are the most cost-effective form of financing available to the County. These bonds must be issued before the refunding bonds.

Resource Person(s): Chuck Kitchen, County Attorney; Pam Meyer, Budget Director; and George Quick, Finance Officer

County Manager's Recommendation: Receive the information from staff and direct the preparation of the legal documents for the Board's Meeting on November 12, 2001.

#### 4. **Transportation Improvement Program (TIP) for FY 2004-2010**

The Transportation Improvement Program (TIP) determines how state and federal transportation funds will be spent throughout Durham County and the State of North Carolina in upcoming years. The biannual TIP preparation begins with a process of setting of priorities by local jurisdictions. Each jurisdiction gives a priority recommendation for transportation projects which have not been funded or which are partially funded. At the meeting, a member of the City Transportation staff will provide background on the process and make a presentation on proposed road projects. In the past, the Board of County Commissioners has elected to hold a public hearing on the TIP. **It is suggested that a public hearing be scheduled for November 26, 2001** to allow a 3-week comment period. The proposed priority list will be advertised prior to the hearing. Following the public hearing, the TIP priorities should be adopted by the Board.

*Attachments:*

- A. TIP Two-year Cycle Process
- B. 2004-2010 TIP Development Schedule
- C. 1999 Durham County Priority List
- D. 1999 and 2001 City of Durham Priority Lists
- E. 2000 Regional Priority List
- F. Durham County Element of the 2002-2008 TIP
- G. Resolution Endorsing the Northern Durham Parkway
- H. Summary Table of Major Projects in the 2002-2008 TIP
- I. Map #1 TIP Project Map for Durham County
- J. Draft 2001 Durham County Priority List and Resolution of Endorsement

Resource Person(s): Wesley Parham, Senior Transportation Engineer; Bonnie Estes, Planning Department; and County representative on the Durham-Chapel Hill-Carrboro MPO.

County Manager's Recommendation: The Manager's recommendation is that the Board receive the presentation and schedule a public hearing for November 26, 2001.

#### 5. **Performance Report for Health Care Trust Fund**

Durham County has received the custodial reports from First Citizens for the year ending September 30, 2001 for the Health Care Trust Fund. A performance summary is provided below:

	10/01/00	9/30/01	YIELD	BENCHMARKS
<b>MDL</b>	\$5,000,000	\$5,758,093	15.16%	12.95%
<b>US Trust</b>	\$8,000,000	\$9,028,537	12.86%	12.95%
<b>Wedge</b>	\$6,000,000	\$6,351,750	5.86%	-16.89% (S&P Barra)
<b>Sovereign</b>	\$4,000,000	\$3,756,041	-6.10%	-26.62% (S&P 500)
<b>TOTAL EARNINGS</b>	\$1,794,521		7.80% (ANNUALIZED YIELD)	

Based on the benchmarks, three of the four firms registered earnings in excess of the benchmark, some better than others. The yield on that portion of the portfolio managed by US Trust falls below the benchmark established and well below the performance of MDL. The only reason for this difference appears to be the mix in the two portfolios. The ratio of U.S. Government Bonds to Corporate Bonds for MDL is 45% to 55% while US Trust is 40% to 60%.

The Equity Managers also performed outstandingly in a market that saw equities take a beating during the third quarter 2001. Both managers out-performed the market with Wedge registering an investment gain.

Resource Person(s): George K. Quick, Finance Director

County Manager's Recommendation: Based on the performance of MDL, it is recommended that their fund level be increased by \$3,000,000 and US Trust be reduced by \$3,000,000. The Equity side should remain unchanged.

6. **Community Development Block Grant?2002 Scattered Site Housing From the State Department of Commerce Division of Community Assistance**

The State Department of Commerce - *Division of Community Assistance* has made available to the County of Durham approximately \$400,000 in grant funds for the purposes of rehabilitating low-income housing. Recent changes by the General Assembly now provide that all eligible counties receive these funds every three years on a noncompetitive basis. The funds can only be used in the unincorporated areas and the County. Staff is requesting the Board's permission to pursue participation in the 2002 Scattered Site Housing Program.

Resource Person (s): Wendell M. Davis, Deputy County Manager

County Manager's Recommendation: The Manager's recommendation is that the Board receive this presentation and authorize the Manager at the November 12, 2001 meeting to prepare an RFP for consulting services. The consultant will prepare and submit the application to the Division of Community Assistance on the County's behalf. The consultant may also be selected to administer the program once funded by the state. The application deadline for receiving the funds is February 28, 2002.