

THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA

Monday, June 11, 2001

9:00 A.M. Budget 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

Introductory Remarks

County Manager Michael M. Ruffin made brief introductory remarks about the agenda. He asked Chairman Black to begin the worksession with the budget request from the North Carolina Museum of Life and Science.

Chairman James E. Sansom, Board of Directors, North Carolina Museum of Life and Science, began the presentation. He listed several activities at the museum that are significant to Durham County. One of our major goals is to complement Durham County's goals. He discussed various programs supported by the museum such as Youth Partners and Free Mondays and new partnerships with Durham Public Schools.

Bob Zimmer, Chief Financial Officer for the museum, thanked the Commissioners for their past support and the County Manager for his funding proposal.

Chairman Black gave the Commissioners time to ask questions and make comments about the budget request.

Mr. Zimmer and Mr. Sansom responded to the questions and comments.

County Manager Ruffin assisted with the capital fund questions.

Volunteer Fire Districts

Durham County Fire Marshal Jeffrey Batten presented the Commissioners an overview of the County Fire Districts and their associated budget requests for F/Y 2001-2002. The leaders of each fire department were present to answer any questions.

The proposed FY 2001/2001 tax rate per \$100.00 valuation for each of the Volunteer Fire Districts follow:

Bahama Volunteer Fire District	\$.0600
Bethesda Volunteer Fire District	\$.0550
Eno Volunteer Fire District	\$.0440
Lebanon Volunteer Fire District	\$.0590
New Hope Volunteer Fire District	\$.0500
Parkwood Volunteer Fire District	\$.0900
Redwood Volunteer Fire District	\$.0750

Fire Marshal Batten thanked the County Commissioners for their past support of the Volunteer Fire Departments.

Chairman Black called on the Commissioners for their questions and comments on various fire department budgets.

Representatives from the fire departments answered the questions.

Additional information was requested from the various fire departments and the Emergency Medical Services program.

Fire department representatives would provide the information to the County Commissioners.

EMS Portion of the Community Health Trust Fund

Chairman Black called on Mickey Tezai, Director of Emergency Medical Services, to give a report on Emergency Medical Services as it relates to the Community Health Trust Fund.

Mr. Tezai presented the County Commissioners a detailed report on Emergency Medical Services activities.

The Commissioners asked questions and made comments about the report to which the Fire Marshal and Mr. Tezai responded.

The Commissioners asked the County Manager to consider the possibility of having joint ventures with the City to provide emergency medical services to various areas of the county.

Community Health Trust Fund and Nonprofits

The Community Health Trust Fund budget follows:

PROGRAM DESCRIPTION

The Community Health Trust Fund was established in FY 1998-99 as a result of the lease agreement for Durham Regional Hospital. In FY 2001-2002, it is recommended that the trust funds be used to support the following budgeted health related programs:

Emergency Medical Services Department	
Education/Training Equipment	\$ 4,000
Automotive Repair Equipment	\$ 2,199
Lease payment for replacement ambulance (new)	\$ 26,709
Supply Clerk	\$ 40,022
Pharmaceutical Supplies	\$ 10,489
Emergency Medical Services Department Total	\$ 83,419
Volunteer Fire Departments (EMS related services)	\$ 735,831
Health Department	
TOPS Program	\$ 143,811
Two School Nurses	\$ 91,439
Health Department Total	\$ 235,250
Social Services	
Health Choice—Health Insurance Enrollment Fees	\$ 30,000
Social Services Total	\$ 30,000
Non Profit Agencies	
Senior PharmAssist	\$ 30,000
Triangle Hospice	\$ 8,000
Watts School of Nursing Scholarships	\$ 17,500
Non Profit Agencies Total	\$ 55,500
COMMUNITY HEALTH TRUST FUND GRAND TOTAL	\$1,140,000

The Commissioners asked questions and made remarks to which County Manager Ruffin, Deputy County Manager Titus, and staff members responded.

Commissioner Bowser asked questions about the Watts School of Nursing Scholarships in the amount of \$17,500. He was opposed to spending the Health Trust Fund money for scholarships.

The Commissioners had a lengthy discussion about the scholarships.

Chairman Black asked the County Manager to designate the money in the Community Health Trust Fund that supports school related activities in next year's budget.

Commissioner Reckhow said she has argued the same principle for the jail. Approximately \$1 million in the Health Department budget is designated for medical expenditures in the jail. The money should be budgeted in the Sheriff Department's budget.

County Attorney Chuck Kitchen said the suggestion to put budget line items in the Sheriff's budget in lieu of the Public Health budget presents several legal problems.

Deputy County Manager Titus said the Commissioners want to know the true cost of a program. They also want to know how much money is given to a certain population or program.

Chairman Black and Commissioner Heron suggested the Commissioners have a fall retreat to discuss nonprofits and a winter retreat to discuss the presentation of certain budget items in the budget documents.

Ms. Titus said the Open Space and Trails Commission and the Adult Care Home Community Advisory Committee expenditures have been put in the Clerk to the Board's budget.

Commissioner Reckhow suggested that funding for the Child Care Services Association be restored to \$30,000 from the \$20,000 suggested by the County Manager.

Commissioner Heron suggested the Nursing Home Community Advisory Committee be funded at \$3,500 for travel to the nursing homes. She recommended transferring the funding from the Women-In-Action line item.

Chairman Black wanted to provide the Nursing Home Community Advisory Committee members funds for travel expenses.

County Manager Ruffin said the staff will consider funding possibilities for the Nursing Home Community Advisory Committee this afternoon.

The Manager said he is looking into the request of the Women's Commission for office space in the Administrative Complex.

Mr. Ruffin said the Veterans Administration is requesting a full-time employee to assist with veterans' concerns. He has recommended a half-time position.

Community Health Trust Fund (Continued)

The following vote was taken:

Commissioner Reckhow moved, seconded by Commissioner Cousin, that the Commissioners support Earnings and Allocation Option No. 2.

The motion carried unanimously.

Note: The portion of invested earnings will be 55 percent. The amount of earnings in Option 2 is \$1.1 million.

The meeting was recessed until 1:30 p.m.

The following vote was taken on the Community Health Trust Fund guiding principles:

Commissioner Reckhow moved, seconded by Commissioner Heron, to set the three guidelines for the Health Trust Fund as follows: the non-supplant for existing county appropriations, devoting money to new health care initiatives, and monitoring the impact of these programs on a regular basis).

The motion carried unanimously.

Inmate Labor

Colonel Naylor of the Sheriff's Department gave a report on inmate labor program.

Capital Financing Plan

County Manager Mike Ruffin said that staff would like to talk about next year's Capital Improvement Program (CIP) and suspend discussion of the long-range CIP until the July Worksession.

County Manager Ruffin discussed the CIP with the Commissioners.

PROGRAM DESCRIPTION

Concurrent with the 1986 bond referendum described in the debt service cost center, the Durham County Board of Commissioners established a capital financing plan for the purpose of funding all major capital projects taken by the County. Revenues dedicated to the capital financing plan by the Board of Commissioners are listed below with estimates for the upcoming fiscal year. In addition to debt service on general obligation bonds, these monies will be spent to retire debt associated with certificates of participation, as well as to fund pay-as-you-go (County contribution) projects. The long-range capital financing plan and related policies follow:

Dedicated Revenue	2001-2002
Property Taxes (5.2 cents)	\$10,197,007
½ Cents Sales Taxes	\$14,188,222
Hotel Occupancy Taxes	\$ 2,013,182
State Reimbursements	\$ 235,260
Interest Earnings	\$ 160,196
Fund Balance	\$ 484,862
Total Resources	\$27,278,729

Proposed Expenditures	2001-2001
Transfer to debt service	\$25,104,666
County contribution	\$ 2,174,063
Total Expenditures	\$27,278,729

For FY 2001-2002, the portion of the countywide tax rate dedicated to the Capital Financing Plan is reduced from 8.4 cents to 5.2 cents. This decrease is due mostly to the countywide 2000-2001 revaluation process which increased what one penny on the tax rate would collect (from \$1.3 million to just over \$1.9 million).

**FISCAL YEAR 2001-2002 COUNTY SUPPORT
 FOR CAPITAL IMPROVEMENT PLAN**

	Original Plan	Funding Delays to FY03	FY02 Revised Funding
New Justice Center Parking	\$ 250,000	\$ 250,000	
Judicial Building Renovations	\$ 299,104	\$ 100,510	\$ 198,594
Animal Shelter	\$ 437,500	\$ 217,500	\$ 220,000
EMS Lebanon Purchase	\$ 890,000	\$ -	\$ 890,000
Open Space Land Acquisition	\$ 200,000	\$ -	\$ 200,000
One Stop Shopping	\$ 275,000	\$ -	\$ 275,000
Agriculture Building Renovations	\$ 375,000	\$ 225,000	\$ 150,000
Community Shelter Renovations	\$ 201,213	\$ 122,083	\$ 79,130
DTCC—Northern Durham Expansion	\$ 80,000	\$ -	\$ 80,000
No. Regional Branch	\$ 2,984,907	\$ 2,984,907	\$ -
Stanford L. Warren	\$ 81,339	\$ -	\$ 81,339
Total	\$ 6,074,063	\$ 3,900,000	\$ 2,174,063

The Commissioners asked questions and made remarks to which the budget staff responded.

The Commissioners had a lengthy discussion about the FY 2001-2002 CIP.

The proposed projects were discussed in detail.

Commissioner Reckhow asked staff to write a brief description of each capital improvement project.

FY02 Changes to Manager’s Recommended Budget

County Manager Ruffin reviewed the following list of changes to his recommended budget:

Community Health Trust Fund (Scenario 2)	\$ 253,283	
Cornell Corrections (2 mos rent only)	\$ (153,007)	
General Services \$5 permit increase (6 mos)	\$ 33,575	
GS Solid Waste fee from City residents	\$ 600	
Register of Deeds fee increase	\$ 16,000	
Travel Reduction Revenues from City	\$ 29,538	
Public Health Revenues overstated	\$ (174,036)	
Library Settlement Revenue	\$ 44,436	
DSS Revenues for Contracts Position	\$ 20,467	
Net Increase/Decrease	\$ 70,856	
<u>Expenditures</u>		
TJCOG Center of Region Study (Clerk’s Budget)	\$ 10,000	
General Services—Lock Box Contracts—Animal Control	\$ 34,926	
General Services—decrease in City contracts	\$ (46,336)	
Register of Deeds Staff Assistant III	\$ 15,614	0.52
Engineering—Erosion Control Tech—9 months funding	\$ 38,113	1.00
Decrease County \$ to Mental Health (insurance costs)	\$ (152,615)	
Library Settlement Funds—Books	\$ 44,436	
DSS Contracts/Grants Management Position	\$ 40,934	1.00
Court-Ordered Care Reduction	\$ (150,000)	
Cafeteria Benefits Reduction	\$ (120,000)	
Net Increase/Decrease	\$ (284,928)	
Overall Net Changes	\$ 355,784	2.52

The Commissioners asked various questions about the line items to which budget staff responded.

Commissioner Reckhow said the County should establish a fee for the stormwater cost so the General Fund would not be liable for the expenditure.

Commissioner Reckhow said the Sheriff is willing to remove the second legal advisor position from his budget; however, he would like to purchase two additional cars for the department. The vehicles could be paid for from the increased fees the Department will

receive for serving legal papers, provided the General Assembly approves the bill. If the fees are not realized, the cars will be paid for by some other appropriation.

Lock Box Service

Chairman Black asked the County Manager to review the banking agreement that Durham County was a party to with Central Carolina Bank and Trust Company and Mechanics and Farmers Bank. The agreement was drafted about two years ago. The Chairman wanted an evaluation of the banking agreement to determine what has been reinvested in the community in terms of employing students, loans, the under-served community, and how much had been given to nonprofit organizations. The City's part of the banking agreement should also be reviewed.

Salaries and Fringe Benefits

The Commissioners discussed the salary schedule and fringe benefits program in detail.

Human Resources Director Jackye Knight answered Commissioner questions.

Nonprofits (Continued)

Chairman Black instructed staff to increase the Child Care Services Association request by \$10,000 to \$30,000.

Miscellaneous Items

Commissioner Heron wanted justification for the additional staff for the Youth Coordinating Board.

Commissioner Reckhow wanted to know why the net expenditure for the Youth Coordinating Board is increasing from last year's original budget and how much money is coming in from the City. The City is to contribute 40 percent and the County 60 percent of the total budget for the Youth Coordinating Board.

Deputy County Manager Titus responded to the questions about the Youth Coordinating Board.

A lengthy discussion followed.

County Manager Ruffin said he added \$44,436 to the library budget to buy additional library books. This was done at the request of some of the County Commissioners.

The grants management position in the Social Services Department is not a countywide position but a position to monitor grants received by the Social Services Department.

Commissioner Heron wanted to add an additional employee in the General Services Department.

After some discussion, Chairman Black set the next budget worksession for Thursday, June 14, from 10:15 a.m. to 12:15 p.m. Chairman Black commented that this should be the last budget worksession before the final budget approval scheduled for the June 25, 2001 Regular Session. Staff must prepare the final Budget Ordinance prior to that meeting.

Commissioner Bowser reiterated his concern about the \$17,500 Watts School of Nursing Scholarship funds in the Community Health Trust Fund budget.

County Manager Ruffin answered questions relating to the recommended FY02 budget.

Adjournment

Chairman Black adjourned the meeting at approximately 4:00 p.m.

Sincerely,

Garry E. Umstead, CMC
Clerk to the Board