

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

Monday, June 21, 1999

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 William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Call to Order

Chairman Black called the Worksession to order.

Responses to Questions

Claudia Odom, Budget Director, asked the Commissioners if there were additional questions from the answers given to the Commissioners on Friday. That will be the starting point of this conversation.

County Manager David F. Thompson gave the Commissioners a handout to let them know where they were in the budget process dollar wise. The one-page handouts were recommended budget changes to the proposed budget.

The handout follows:

**DURHAM COUNTY GOVERNMENT
FY 99-00 RECOMMENDED BUDGET CHANGES**

Budget Changes

<u>Recommended Expenses</u>	\$351,053,117
Revised compensation plan	\$ (1,285,428)
Reduction in Planning Resource position	\$ (18,585)
Two Deputies for Child Protective Services	<u>\$ 71,208</u>
	\$349,820,312

<u>Recommended Revenues (minus fund balance appropriated)</u>	\$346,400,437
Decrease in revenues associated with compensation plan	\$ (138,493)
Increase in Environmental Engineering Fees	\$ 80,000
Decrease in Health Trust Fund appropriation	\$ (80,000)
Proposed reduction in Tax Rate from .9397 to .9297	<u>\$ (1,297,055)</u>
	\$344,964,889
Proposed fund balance appropriated	\$ 4,855,423
<u>Fund Balance Appropriated: June 1, 1999</u>	\$ 4,652,680
Senior Pharmacist (originally budgeted in Trust Fund)	\$ 60,000
Parkwood (originally budgeted in Trust Fund)	\$ 20,000
2 Deputies for Child Protective Services	\$ 71,208
Difference needed for 1-cent tax reduction	\$ 51,535
Proposed Fund Balance Appropriated: June 21, 1999	\$ 4,855,423

Notes:

Fund balance appropriated=3.74 cents

1 cent tax reduction=\$1,297,055

We hope we can maintain right at 15 percent of fund balances.

County Manager Thompson said there is \$100,000 in the PAYG fund that can be used for open space acquisition or for farmland preservation. The money is there. The balance of \$283,376 in the PAYG fund balance will be \$183,376 if the \$100,000 is used for open space or farmland preservation.

Ms. Odom went through the responses to the questions in general terms that the Commissioners had submitted earlier in the budget process.

The answers to questions relative to Social Services, Durham Public Schools, and dropout data for 1997-98 were also distributed to the Commissioners for their information.

Ms. Odom discussed the responses to the questions the Commissioners asked for. Various questions and comments were made by the Commissioners for staff response.

Dan Hudgins, Director of Social Services, responded to the Social Services questions.

Sheriff Worth Hill Comments

Sheriff Hill talked to the Commissioners about newspaper articles that appeared in the newspaper while he was on vacation. The Sheriff was disappointed how the articles were

written and what other law enforcement officers said. One article was about a report that was prepared by my office during an election year. In the opinion of Sheriff Hill, the article was written in an attempt to cause conflict during the election. Conflict did not arise due to the newspaper article. When Commissioner Bowser asked Sheriff Hill to request two deputies to help investigate child abuse and neglect in the City, Sheriff Hill did not like the way the newspaper reported it and the reply the representative in the Police Department made to the reporter.

Sheriff Hill stated he was willing to do anything to help improve the City and County. The City is in the County. Sheriff Hill also gave the history of the Few Garden situation when sheriff deputies were put on patrol to improve the situation that existed in the neighborhood. We need to work together to do the best we can. I am willing to do anything to improve the situation for the citizens.

County Manager David F. Thompson said, for the record, that the only discussion we have had with the City Manager is that we need to have that discussion and it needs to be at the Crime Cabinet and be very similar to what we did with the school resource officers. The County Manager stated he did not supersede the Sheriff's authority and I don't want the Sheriff to think I did.

County Manager Thompson suggested the two positions remain in the contingency until the parties involved sit down to discuss the matter.

Vice-Chairman Reckhow said the meeting should be held before July 9 when the Crime Cabinet meeting is held.

Commissioner Bowser said, for the record, that he sits on the Community Child Protection Team and the more I heard in that meeting we are going to need those two deputies. We will need those two people. I was hoping this would be an opportunity for us to work together. The Sheriff and I were elected by all the citizens of this community and if we see a problem it is our obligation to fill that void. Let's look forward to working with the City Police on this issue.

Sheriff Hill stated the equity pay plan should be approved in order to help keep moral high.

Homeless Shelter

Jack Price said he sent material to the Commissioners about the renovation of the shelter and the factors that led up to where we are now. I have met with members of the shelter board. I don't know the procedure at the moment. I have met twice with the County Manager and other staff members. The history of this is about one year since we began working on the solution to the shelter's problems from the construction and renovation standpoint. At this point, it is up to the Commissioners to make some recommendations

relative to the fact that work has been done basically by myself and others. The best thing to do is to ask for any questions or issues that the Board may have in regard to my role in the process up to this point and whether or not you want to continue some role for me in the next stages of the process. A lot of matters need to be resolved relative to the other parties involved. The board needs to decide just what you feel is the proper, fair, and productive way to proceed. The County is doing very well in terms of financial considerations and savings that will accrue. Someone needs to shepherd this project along. I will leave it up to the Commissioners as to what you want to do about it.

Mr. Hap Johnson, Chairman of the Board for the Community Shelter for Hope, thanked Jack Price for his work. He should be paid.

Mr. Johnson talked about the financial situation and budget of the shelter.

Mr. Dave Pottenger, a former board chair, talked about resources and what we are trying to accomplish at the shelter. He stated the shelter is asking for additional operational funds from the County. A fund raising drive will be conducted by a professional fundraiser.

Ms. Maggie Lee, Executive Director at the shelter, said the clients are charged a fee to stay at the shelter based on service received. She answered several questions for the Commissioners.

The County Manager asked Mr. Johnson a question about the amount of additional funds the shelter is requesting.

Mr. Johnson responded \$25,000. \$14,000 was borrowed to pay the salaries and other operational expenses. The borrowed money has to be repaid in July. The total request from the County is \$175,000.

County Manager David F. Thompson said he was here to represent Mr. Price. He did not represent himself fully. Mr. Thompson said the board should understand the total picture of what occurred. On February 1, 1999, the County Manager recommended the following:

That the Board include the construction/renovations plans in the FY 2000-2005 Capital Improvement Program for future discussion and approval. During the CIP process, staff will investigate alternative funding sources such as 1986 Bond funds and federal HOME funds. However, to ensure North Carolina HFA funds are set aside to support the project, the Manager recommends providing staff with the authority to write a letter to NC HFA stating the County's intended support for the project.

The Commissioners gave the staff authority to pursue funds from the North Carolina HFA funds. The project was not approved by the Commissioners. At this point in time,

there was a fallen out of opinion on what occurred. The staff did not obligate the County in any way to imply or to enter into contracts with Mr. Price or with an architect or the person that wrote the application for the HFA. It was not brought to the Board or my office for approval. Mr. Price and a grants writer and architect did a lot of work. Legally, no contract was entered into. In the opinion of the County Attorney, the County cannot pay the architect directly or indirectly, since it was not bid out. Payment of the architect would be illegal. The only way Mr. Price can be compensated would be through the nonprofit. The shelter can pay Mr. Price but it would have to be out of their own funds. The shelter requested \$44,000 be added to the County's appropriation to them in order to pay the two consultants. The Board cannot pay the \$44,000 directly since the services have already been rendered. Mr. Thompson said nothing he has seen or heard has led me to believe that the staff entered into any type of obligations to anyone. Mr. Price did make a valuable contribution to putting this project together. Legally you cannot do anything about any architectural services since the architect did not have a contract. The state law is very precise. In the case of Mr. Price and the grants writer, there is no obligation of the County government from day one. The only way for the grants writer to get paid is through the shelter's budget. The Commissioners cannot increase their appropriation to the shelter's budget for this purpose.

Chairman Black stated she has talked to the County Manager and County Attorney and she is not going to open the door for something that is illegal. I am standing by the Manager and Attorney's recommendation.

County Manager Thompson said if Mr. Johnson feels strongly that payment should be made, he can take it out of the County's appropriation or the fund raising revenue.

Responses to Questions (continued)

Vice-Chairman Reckhow asked a question about raising the rezoning fees in the City/County Planning Department. She supported the 50 percent fee increase.

Mr. Thompson responded to Vice-Chairman Reckhow.

Vice-Chairman Reckhow requested the 50 percent rezoning fee increase be effective January 1, 2000.

Vice-Chairman Reckhow requested the City/County Planning Department Work and Program and budget be placed on the Joint City County Planning Department agenda in April of each year.

County Manager David F. Thompson concurred with Vice-Chairman Reckhow about the request she made.

The Commissioners asked additional questions about the answers to the questions the Commissioners submitted earlier. The County Manager, Deputy County Manager, and Budget Director responded to the questions.

Compensation

Chairman Black asked Jackye Knight, Human Resources Director, to talk about the bonus component and how an employee moves along the pay schedule.

County Manager Thompson said we need to have another title for "exceeds expectation."

Ms. Knight said most questions about the compensation plan relate to whether the employees are actually getting money.

Jackye Knight discussed the questions about employees receiving actual money for the Commissioners' information.

The Commissioners asked several questions about the compensation plan to which Jackye Knight and County Manager Thompson responded. County Attorney Kitchen also assisted with the questions.

The Fiscal Year 1999-2000 Compensation Program follows:

Expansion of Range to Step K (0.03% of payroll) \$ 16,873

This will add two additional steps to the current pay range and expand the range from step "J" to step "K." Jurisdictions in our market have a 56% average range. Durham County currently has a 48% spread. There are 17 employees at step J.

Benchmark Market Adjustments (0.33% of payroll) \$ 181,053

Implementation of the Benchmark adjustments will impact 823 positions. This will allow Durham County to maintain its external competitiveness. It places Durham County in a better position to attract and hire trained applicants as well as retain competent employees.

Movement through the Range (1.61% of payroll) \$ 889,031

Current employees that meet or exceed workplan objectives will be eligible to receive salary increases based on their performance. Over 98% of eligible employees received an increase in 1998.

Bonus Program (0.91% of payroll) **\$ 500,000**

The Bonus component is designed to reward employees that exceed performance expectations. Employees who receive a “fails to meet” or “needs improvement” rating are not eligible.

Equity Adjustments (0.36% of payroll) **\$ 200,000**

These funds will be used to assist departments with internal equity and salary compression issues among current staff. The maximum salary increase an employee can receive this year is 5%. This represents a two-step adjustment. Large departments will use lapsed salary to fund adjustments. The planned implementation is February 2000.

Compensation Program Cost (3.21% of payroll) **\$1,786,957**

Compensation Program Cost + (FICA, retirement, supplemental retirement) = Total Cost
 $\$1,786,957 + \$313,432 = \$2,100,389$

Increase Cost of Financial Software

County Manager David F. Thompson stated that the County received rather late notice that the cost of the financial software has increased by \$77,000 after the budget had been prepared in our maintenance contracts.

County Manager Thompson asked the Commissioners to reduce the contingency by \$50,00 and transfer the money to the Finance Department Budget. The other \$27,000 will have to be found in lapse salaries within the finance budget in the next fiscal year.

Caswell Center--Operation Santa Clause Project

Diane Howard, Director of Volunteer Services, Caswell Center, has requested that Durham County make a contribution to the Operation Santa Claus Project in order to provide Christmas gifts for the four clients residing at the Center from Durham County.

The Commissioners concurred to authorize the County Manager to take \$200 from his current year’s budget for the Caswell Center project. No official vote was taken.

Durham Public Schools FY 1999-2000 Budget

Commissioner Bell said the net result of the meeting that he and County Manager David F. Thompson had with the Superintendent and Board Chairman Kathryn Meyers was to receive a commitment from them to provide the information that had been requested from the Board relative to the dropout and suspension rate. The real question was how would we get up the data about the dropout data and suspension rates. It was agreed that they

would provide the information and it would be disaggregated by gender, race, school, and grade. The Commissioners will have for each school the disaggregated data for dropouts and suspension by grades. The Commissioners will receive the data on a quarterly basis beginning in August when school begins. The school system will provide the dropout and suspension data on a quarterly basis. The first dropout and suspension data will be provided in October. The data will be distributed in January, March, and July. The suspension data will be presented by giving the actual suspension dates so you will know the actual number of days the student has been suspended. There was a concern that the dropout data may not be as accurate as what actually happened. A disclaimer could be put on the reports they make. The Commissioners would be looking for trends and attention could be brought to a trend that should be looked at.

The Commissioners discussed the answers to the questions the school administration had prepared for the board.

We asked the school administration to look at overall school enrollment and to summarize the enrollment trends.

Vice-Chairman Reckhow said the overall school enrollment was what she requested.

The Commissioners discussed the dropout rate at great lengths.

Vice-Chairman Reckhow was of the opinion that it would be appropriate to update the memorandum of understanding since last years will expire at the beginning of this school year. The school system should incorporate in the budget documents some of the key accomplishments and begin to think about some of the measurable objectives.

Vice-Chairman Reckhow reviewed the draft memorandum of understanding she prepared with the Commissioners.

Commissioner Bell said we need to meet and work with the school system to develop programs for suspended students and potential dropout students who need special help.

Commissioner Bell and County Manager Thompson will meet with Superintendent Denlinger and Chairman Meyers to discuss the memorandum of understanding between the Durham Public Schools and the Board of County Commissioners.

County Manager David F. Thompson said he will try to get the organization chart and the salary schedule for the administration above the principal level this week as well as a further breakdown of the legal fees.

Nonprofit Organizations

Institute of Government Pledge Campaign

County Manager David F. Thompson said the Institute of Government is conducting a fund raising campaign in the amount of \$4 million to complete the renovation and expansion of the Knapp Building.

The League and the Association have each committed \$50,000 as a kick-off gift for this city-county campaign. They are asking that each local government consider joining the campaign with a pledge equal to your annual Institute of Government membership dues. This special contribution may be paid in a single installment or divided over the next three years in any configuration that fits your budget.

Durham County dues to the Institute of Government each year totals \$15,817. One third over a three-year term would be \$5,272 per year. This request is not in the proposed County Manager's budget due to the timing the request came in.

The Greater Triangle Regional Council

The Greater Triangle Regional Council needs funding for basic administrative support. The Council is requesting that counties and municipalities with 100,000+ population pay \$3,000 as voluntary annual dues.

Durham County Teen Court and Restitution Program and Senior PHARMAssist

County Manager Thompson distributed correspondence about the financial requests these two organizations made.

FY 1999-2000 Nonprofit Budget Request

The Commissioners reviewed the nonprofit budget requests in the County Manager's recommended budget. The following recommendations were agreed upon:

The Center for Documentary Studies, "The Double Take Documentary Film Festival"	\$ -0-
Eno River Association (Festival on the Eno)	\$ 13,000
Seeds Inc.	\$ -0-
League of Women Voters	\$ 500
Durham Open Space and Trails	\$ 1,000
The Salvation Army, "Life Sufficiency Program" (Deferral to DSS for consideration utilizing Work First funding)	\$ -0-
AIDS Service Agency of NC Inc.	\$ -0-

The Center of My Joy Inc. (Put in Contingency at present)	\$ 15,000
Council for Senior Citizens	\$120,000
Development Ventures Inc. (Deferral to DSS for consideration utilizing Work First funding)	\$ -0-
Durham County Literacy Council (Deferral to DSS for consideration utilizing Work First funding)	\$ 8,000
Durham County's Women's Commission	\$ 500
Family Counseling Service	\$ 15,000
HopeLine Inc.	\$ -0-
Meals on Wheels of Durham Inc.	\$ 5,000
Orange/Durham Coalition for Battered Women	\$ 26,190
Planned Parenthood of Orange & Durham Counties	\$ 4,653
Rape Crisis of Durham (One-time allocation)	\$ 35,000
Senior Aides	\$ 30,000
Senior PHARMAssist	\$ 60,000
Triangle Reading Services	\$ 3,722
Community Based Alternatives	\$ 10,389
Durham County Adult Care Community Advisory Committee	\$ 3,000
Pauper Burials	\$ 35,000
Women-In-Action (Deferral to DSS for consideration utilizing Work First funding)	\$ 15,000
Academic Help Center	\$ -0-
Communities In Schools	\$ 10,000
Durham Public Education Network, "Durham Workforce Partnership" (Deferral to DSS for consideration utilizing Work First funding)	\$ 15,000
Middle School After School Program	\$ 79,849
ACCORDED Inc., "Proposal Support Programs"	\$ -0-
Bridges Housing Corp.	\$ -0-
Child Advocacy Commission	\$ 31,500
Child and Parent Support Services	\$ 9,000
Community Cuisine	\$ -0-
Durham Child Care Council (Deferral to DSS for consideration utilizing Work First funding)	\$ 30,000
Durham Community Shelter for HOPE	\$150,000

Chairman Black commented that the Board of County Commissioners and the Durham Community Shelter for HOPE Board should have a memorandum of understanding set up between them no matter what we do financially for the board.

County Manager David F. Thompson said a monthly financial statement should be submitted to the Commissioners.

Chairman Black said the County funding to the shelter should be paid at 1/12 of the total funding per month.

Durham Companions	\$ 5,000
Durham Council for Infants and Young Children with Special Needs	\$ 10,525
Durham County Teen Court and Restitution	\$ 25,000
Genesis Home	\$ 20,000
Lincoln Community Health Center, "Teen Link"	\$ -0-
Operation Breakthrough	\$100,000
Project Graduation	\$ 2,000

Institute of Government Pledge Campaign

County Manager David F. Thompson recommended that \$5,272 be remitted this fiscal year, \$5,272 in FY 1999-2000, and \$5,272 in FY 2000-2001.

The Commissioners concurred with the Manager's recommendation.

The Greater Triangle Regional Council

The Commissioners decided to take this request of \$3,000 in consideration at a later time. The money could be taken out of the contingency.

Budget Ordinance

County Manager David F. Thompson stated we are not recommending any changes in the budget ordinance for FY 1999-2000.

Fire Districts Budget

Claudia Odom will send the Commissioners information on the volunteer fire departments' budgets.

Tax Rate

Chairman Black and the County Manager said the proposed FY 1999-2000 budget that will be presented to the Commissioners on June 28, 1999 for approval will have a reduction of one cent in the tax rate per \$100 valuation. The new tax rate will be .9297 cents.

The Commissioners thanked the County Manager, Budget Director, and the Budget staff for a job well done on the budget preparation.

Adjournment

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

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board