

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

Wednesday, June 16, 1999

8:30 A.M. – 11:15 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 William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Chairman Black opened the Worksession.

County Tax Rate Reduction

Chairman Black stated that she discussed the tax rate for FY 1999-2000 with the County Manager yesterday. They talked about a small tax rate reduction looking at either reducing the odd cents so it would come down to 93 cents per \$100 valuation or looking at a one-cent reduction.

County Manager David F. Thompson stated that a cent produces approximately \$1.3 million. He said quite a few of the Board members looked at reducing the rate in FY 1999-2000. That is why the subject is being brought forward. I don't want any of the employees to think that in any degree the budget is being balanced based on the compensation plan. The compensation plan is one issue among many issues that the staff is looking at bringing forth numbers for. The Pay for Performance is fully funded and the issues we are talking about bringing forward this year and next year are issues that are add ons to the existing compensation package that is already in place. Those issues are equity issues and a performance bonus issue. I want to make this loud and clear. This is one issue that the staff is trying to work out prior to bringing it to the Board in open session.

County Manager Thompson cautioned the Board members that the compensation plan is conservative. Overall, the budget is not as conservative as those I brought to you in the previous fiscal years. The reason for that is, as a manager, I have to look at the trends of

those fund balances occurring and my feeling was that we have accrued to a level that we need to maintain from this year until next year. We can do that because we have a low growth budget. It increases the level of risk if we make decisions that are not good decisions. I have pushed the revenues where they logically should be. We have held expenditures down to about a 2.5 percent growth. There is not a lot of expansion in this budget. I am appropriating over \$4 million out of moneys I think we will be accruing this next fiscal year that I believe we can make. If the Board wants to go beyond and look at the one-cent deduction, I think you can do that and stay within this "envelope." There are still risks such as the detention center in that we have the contract in there. I think the contract will hold true, but we will have to make that up in the next fiscal year. The capital facilities plan will be coming to the Commissioners shortly, that you need to be looking at funding. I feel that you will have to have some type of long-term debt issuance to do that. There are risks out there, but they are not tremendous risks. I think we have pushed this budget where I feel comfortable. I think we can do a one-cent reduction, but if you go beyond that, I would suggest that you look at real cuts.

Chairman Black commented that she does not want us to put any of the programs, staff, or agencies at risk and then have to come back in mid-year to see how we are going to make the money up.

County Manager Thompson said he is not suggesting taking any money out of fund balance. We have the revenues and expenses in line and we have the fiscal controls in line that we will be fine. I think we can reduce the rate by a penny and not suffer any negative consequences.

The County Commissioners asked several questions about the fund balance, reserves, the compensation plan, and tax collection rate to which County Manager Thompson responded.

Chairman Black asked the Commissioners to hear the nonprofit requests.

N. C. Museum of Life and Science

Budget Director Claudia Odom made introductory remarks about the museum budget. The museum was funded at a 9 percent increase which will make the total budget \$777,900. \$627,900 was funded through the General Fund and the capital expenses (\$150,000) was provided for in the Pay-As-You-Go Fund. The increase for FY 1999-2000 compared to the current year is \$69,000.

Dr. Thomas Krakauer, Executive Director, NC Museum of Life and Science, and Mr. James E. Samson, Museum Board Secretary, were present to answer questions.

Chairman Black volunteered to write a letter to the Durham Delegation in support of the \$1 million Biocrest project funding that was put in the Senates Natural and Economic

Resources appropriation subcommittee request yesterday. The museum would request any help to get the funding request to stay in the Senate Committee and to get support for the funding request on the House of Representatives side when the budget goes to negotiation.

Sheriff Department

County Manager David F. Thompson said the reason the Sheriff Department is back before you is to have more discussion on the two positions Commissioner Bowser brought up previously. The two additional positions would be dedicated to investigating child abuse and neglect cases. The total cost of the new positions will be \$95,594. A lengthy discussion was held with the Commissioners, Social Services employees, and the Sheriff Department personnel.

Solid Waste

County Manager David F. Thompson said the major issue in solid waste this year is the contract with BFI being transferred to County staff.

Michael Turner, Director of General Services, presented the Commissioners a history of the container sites since they were put into operation. He also gave the Commissioners a review of the options and cost to operate the container sites with County employees. Each Commissioner was given a copy of the cost background information.

Mr. Turner recommended the County take over the operation of the convenience centers at an approximate cost of \$701,425. If the County takes over the operations of the convenience center, there will be an estimated cost savings of approximately \$12,000.

The Commissioners asked several questions about the recommendation to which Mr. Turner responded.

County Manager David F. Thompson assisted with the questions from the Commissioners.

Michael Turner commented a utilization survey will be conducted this year. County Manager Thompson said the survey form will come before the full Board before it is distributed to the citizens.

Mike Turner said on November 4, 1998, Tidewater Recycling bought Sunshares business in Durham. The Sunshares contract with Durham County terminates June 30, 1999. Tidewater Recycling has significantly improved the service level of curbside services since November 4, 1998. Tidewater proposes they bring in eight new containers to replace the old wooden Sunshares containers. The source reduction site at their plant takes the place of the separation process at our convenience sites. In the upcoming

contract renewal, Tidewater is requesting a 3 percent CPI that is reasonable compared to other contracts the County has negotiated. The citizen complaints have decreased since November 4, 1998.

Mike Turner recommends that the County renew the contract with Tidewater based on their performance since our recycling services have been improved and everything is running so well at this point in time.

Sheriff Department Child Abuse and Neglect Discussion (continued)

Chairman Black asked Ms. Gail Perry, Supervisor, to tell the Commissioners what is happening with the Child Protective Services Department in the Social Services Department. Ms. Gail Angle, Program Manager in Child Protective Services Department, assisted with the presentation.

The Commissioners asked questions and made comments about the Child Protective Services Department activities and functions. Ms. Perry responded to the questions and comments.

Commissioner Bowser stated two new deputies should be added in the Sheriff Department to investigate the child abuse and neglect cases in the City of Durham.

Commissioner Heron said a meeting should be held with all interested parties dealing with child abuse and neglect to see what is going on and the process that is in place. Everyone should know what is going on in the process.

Commissioner Bowser said more resources are needed to investigate the child abuse cases.

County Manager David F. Thompson suggested nine months of funding (\$71,696) be placed in contingency so it will be there, but it can't be appropriated without a vote of the Board. The Crime Cabinet should look at implementation of the plan.

Vice-Chairman Reckhow will inform the Commissioners when the Crime Cabinet will meet to discuss the Child Protective Services concerns.

The Crime Cabinet will meet on Friday, July 9, 1999 at 12:30 at the Diamond View Office Building.

Chairman Black said there was a consensus to put \$71,696 in the contingency fund for two deputies to work with child abuse and neglect cases.

Environmental Engineering

Claudia Odom, Budget Director, said Glen Whisler, County Engineer, will review for the Commissioners the proposed fee changes in the Sedimentation and Erosion Control Department. Mr. Whisler was asked to look at fee recovery or cost recovery of the Sedimentation and Erosion Control Ordinance. A fee increase was proposed in the budget that would generate revenue of \$220,000. He was also asked to look again at the fee structure to see if we could have full cost recovery for that division.

Ms. Odom asked Mr. Whisler to review the proposed fee schedule. In order to have full recovery, we had to generate \$300,000 in alternate 1 of the typical fee for various sites.

The Commissioners asked questions to which Glen Whisler responded.

Vice-Chairman Reckhow said the Sedimentation and Erosion Control Department should be more self-supporting. She requested more information.

Vice-Chairman Reckhow stated staff needs to look at this department carefully, be sure we need the sixth staff member, revisit fee structure, and get the revenues in sync with the expenses.

Commissioner Heron said the Sedimentation and Erosion Control program should be self-supporting.

County Manager David F. Thompson said to look at 100 percent cost recovery on the erosion control side. The new figures will be brought back to the Commissioners at the June 21, 1999 session.

Open Space Management

County Manager David F. Thompson reviewed the open space management program. He stated he put money in the Pay-As-You-Go Plan to be stronger on land acquisition for open space. He realized that not enough money could be put in the budget to rapidly purchase land. This land acquisition proposal will be brought back to you in the capital plan. There is one position in the budget for a senior planner. The Planning Department has made a budget request for a senior planner and associate planner for the Resource Conservation Ordinance planning functions. The question before the Board is what is thought process on the resource conservation positions and do we utilize some of the funding to help with the resource conservation positions instead of hiring the two new positions. The land acquisition position should be maintained in the budget for the city and county out of the bond funds.

The Commissioners made comments about the presentation the County Manager made relative to open space management and positions.

County Manager David F. Thompson said the Board was going to reduce the associate planner in the Planning Department.

County Manager David F. Thompson said what will be in the budget will be one senior planner for the Planning Department and one open space position for the Planning Department, but we will change allocation so both will be 50/50.

Dick Hails, Interim Planning Department Director, responded to the Geographic Information System (GIS) on the planning function. He also discussed the new positions requested in the budget.

A lengthy discussion was held on the personnel requests in the Planning Department.

Dick Hails discussed briefly the fee schedule in the Planning Department. The Commissioners asked questions and made comments about the fee schedule.

Budget Worksession—June 21, 1999

Claudia Odom, Budget Director, reviewed for the Commissioners the agenda items that would be on the Budget Worksession scheduled for June 21, 1999.

Commissioner Bowser requested that the personnel information he requested be broken out by departments. The requested information dealt with pay in the various departments.

Adjournment

Chairman Black adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board