

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

Thursday, May 22, 2003

9:05 A.M. Budget Worksession

**MINUTES**

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Ellen W. Reckhow, Vice-Chairman Joe W. Bowser, and Commissioners Philip R. Cousin Jr. (arrived late), Becky M. Heron, and Mary D. Jacobs

Absent: None

Presider: Chairman Reckhow

**Call to Order**

Chairman Reckhow convened the meeting and welcomed everyone to the Budget Worksession.

**Volunteer Fire Departments**

Chairman Reckhow recognized Durham County Fire Marshal Jeff Batten for remarks on behalf of the volunteer fire departments. Fire Marshal Batten introduced the Fire Chiefs and Assistant Fire Chiefs who were present at the worksession.

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After a brief discussion, the meeting format was changed with respect to the order of the speakers.

**Emergency Management Services (EMS)**

Mr. Mickey Tezai, EMS Director, presented the FY 2003-04 budget narrative to the County Commissioners. He stated that overall, considering recent budget constraints and resulting reductions in operating expenses, EMS has experienced a fairly productive year. This year's budget request concentrates on upgrades that have been delayed the past two fiscal years; it does not include any new initiatives.

**Capital Equipment**

Recent budget shortfalls have necessitated delays in capital equipment replacement. This budget request included the remounting of four emergency vehicles and purchasing ten, 12-year-old 800 MHz portable radios.

Personnel

This year's request included the addition of 4.0 FTEs. EMS reduced its staff in the FY 2002-03 budget by 8.45 FTEs. Since the reduction, several issues have adversely impacted the department's ability to provide staffing necessary to maintain current service levels.

Operating Expenses

Operating expenses remained basically consistent. The call volume remained fairly static as compared to previous years. Good progress was made in the public education initiative.

Revenues

Revenues for FY 2002-03 have not met expectations. Due to the April 2002 implementation of a five-year nationwide ambulance fee schedule, expectations indicated that the net return generated by the Medicare increase would be approximately 20 percent. However, the actual return will be closer to 10 percent. The second phase was implemented in April 2003, and the net return reflected in the FY 2003-04 budget will reflect that 10 percent increase.

Implementation of a revised EMS rate structure proved to reflect the same result. Net returns proved to be significantly lower than anticipated. The FY 2003-04 budget should be more accurate and is based on the current year's results.

Revenues generated from the annual EMS Medicaid cost report continue to be fairly accurate, although the current year's adjustment has not been received. However, Medicaid has implemented a statewide cost-reduction initiative by eliminating most Medicare co-payments. This is a significant reduction in anticipated revenues.

Chairman Reckhow suggested that the Commissioners voice concerns to the NCACC about the elimination of Medicare co-payments. She directed that the Commissioners get this matter resolved, if possible.

**Volunteer Fire Departments (Continued)**

Mr. Batten gave the County Commissioners an overview of the fire departments' budget requests and the tax rates for the upcoming year.

The recommended FY 2003-04 tax rates follow:

Bahama	.060
Bethesda	.055
Lebanon	.059
Parkwood	.090
Redwood	.075
New Hope	.060
Eno	.060

Mr. Batten recognized Assistant Fire Chief Kathy Bobseine from Parkwood Volunteer Fire Department. She gave a brief overview of the current state of EMS in Durham County as it pertains to funding and coverage issues.

Mr. Tezai discussed a situation that has existed for some time wherein the volunteer fire departments fund EMS operations from the fire tax.

Chairman Reckhow and Commissioner Heron stated that it is unfair for citizens who pay the fire tax to subsidize EMS operations.

Chairman Reckhow directed County Manager Ruffin to contact the appropriate people to work on correcting the situation. A task force could be convened on this issue.

### **Durham County Compensation and Benefits Plan**

Ms. Jackye Knight, Human Resources Director, recognized Mr. Tony Noel, Human Resources Manager, to discuss the following goals and objectives of the compensation plan:

- Attract New Employees
- Retain Current Workforce
- Pay Living Wages
- Future Goals

Mr. Noel also reviewed the components of the compensation plan established by the department heads in 1997:

- Pay Plan Maintenance
- Compensation at Hire
- Movement through the Range
- Performance Bonus

Mr. Noel made comments about the County Manager's recommended FY 2002-03 employee package and Human Resources' FY 2003-04 recommendation. He continued his presentation by explaining the following:

- Employee Salary Distribution Profile
- Market Workforce Data
- Workforce Indicators for Triangle Area
- Cost of Living Comparison

Ms. Deborah Davidson, Human Resources Benefits Manager, reviewed the following charts relating to employee benefits:

- Increases (Flex Benefit) for Durham County
- Impact of Health Insurance Increase
- Health Insurance Rate Projections

- How the Cafeteria Plan Generates Funds
- Cafeteria Plan Balances

Commissioner Jacobs reiterated her concerns regarding no compensation for exceeding expectations and no longevity payments. These issues must be addressed to help employee morale.

Chairman Reckhow stated that the Board should consider Commissioner Jacobs' concerns.

Commissioner Heron expressed the opinion that the tax rate should not be increased this year.

### **Durham Public Library**

County Manager Ruffin complimented Mr. Phillip Cherry, Library Director, for putting forth various initiatives in the Library.

Mr. Cherry made remarks about the proposed FY 2003-04 Library budget, which was the result of a team effort including Library Board members, Friends of the Library, Library staff, and other County Government staff.

Mr. Cherry's presentation focused on the following points:

- The Library's operational budget request for FY 2003-04 is an acknowledgement of the financial challenges put forth to County Department Heads at the January 28-29, 2003 Budget Retreat.
- The budget request represents the Library administration's attempt to increase revenue, reduce expenditures or hold to zero their growth rate, and avoid any negative impact on public services.
- The internal changes from this budget plan will not only help achieve those desired outcomes stated in point two, but will set the stage for the strengthening and advancement of Library services in Durham County.
- The proposal is focused intensely on the generation of additional revenue through both external and internal activities.
- The proposal is the result of an intensified scrutiny of the allocation and assignment of human resources within Library operations. Filling key vacancies is essential to the maintenance of Library service levels and to the successful execution of any Library initiatives in the near future.
- While Library administrators would like to see a larger County appropriation for FY 2003-2004, the budget amount contained in the County Manager's operations for the upcoming year is reasonable considering the larger economic restraints. The

Library's original request was \$6,178,480; the County Manager recommended \$6,119,653, a difference of \$58,827.

- It is extremely important in Library operations that key supporting departments such as General Services and IT receive the budgetary support needed to continue facilities maintenance and technology support without which the Library cannot excel.

The Library will focus intently on increasing non-tax revenue by approximately 57 percent by:

- Increasing each fine category by 10 cents to provide approximately \$60,000 in additional revenue.
- Automating the patron workstation; the patron would pay for use of the service.
- Automating to upgrade the collection rate for overdue fines and fees.
- Employing a grant writer to allow the Library to be more efficient and systemic in the grant arena.
- Raising the profile of the Library in the community to attract additional giving from the corporate entity and private donors.
- Filling the public relations position and expanding the program.

### **Announcement**

County Manager Ruffin announced that on Thursday, May 29, 2003, the County Commissioners would hold a Budget Worksession from 9:00 a.m. to 3:15 p.m.

No official action was taken at this budget worksession.

### **Adjournment**

Chairman Reckhow adjourned the meeting at 11:54 a.m.

Respectfully submitted,

Garry E. Umstead, CMC  
Clerk to the Board