

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

Monday, May 12, 2003

7:00 P.M. Regular Session

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., Becky M. Heron, and Mary D. Jacobs

Absent: None

Presider: Chairman Reckhow

Opening of Regular Session

Chairman Reckhow called the Regular Session to order with the Pledge of Allegiance.

Agenda Adjustments

Commissioner Jacobs added an item, to become No. 9, to address the proposed Senate Bill 672, intended to strengthen public health infrastructure.

Chairman Reckhow announced Open House opportunities for citizen participation in the Long-Range Comprehensive Plan. The dates and locations of the meetings follow. They are also noted on the County's Website.

- May 15 Eno Valley Elementary 5:30—7:30 p.m.
- May 20 Southwest Elementary 5:30—7:30 p.m.
- May 21 Main Library 3:00—5:00 p.m.
- May 22 Southern High School 5:30—7:30 p.m.

Chairman Reckhow announced a meeting with the BOCC and the Durham County legislative delegation on May 19 at 8:00 a.m. in the Commissioners' Room.

Minutes

Commissioner Heron moved, seconded by Commissioner Jacobs, to approve the Minutes of the February 3, 2003 Worksession with one change; and the Minutes of the

February 10, 2003 Regular Session; April 28, 2003 Regular Session; February 24, 2003 Regular Session; and April 28, 2003 BOCC/DPS Board of Education Joint Session, as submitted.

The motion carried unanimously.

Chairman Reckhow thanked the Clerk to the Board's personnel for their efforts to complete and present the Board's official minutes of past meetings.

Commissioner Heron thanked the Clerk's staff for bringing the Minutes up-to-date. She said this was a tremendous help to her to be able to look back on minutes of recent meetings. She said that the Commissioners were very appreciative.

Proclamation for "Durham Government Employee Wellness Day"

On Thursday, May 15, 2003, local government employees are asked to participate in a Wellness Booster Event. The event will include exercise samplers, nutrition samplers, educational materials, and door prizes. The activity is sponsored by the Durham County Wellness Team and is designed to encourage employees to develop and maintain good health habits. A proclamation has been prepared to recognize the event.

Resource Person(s): Tracy Bates, Durham Public Health

County Manager's Recommendation: The County Manager recommends that the resolution be presented to Tracy Bates and members of the Durham County Wellness Team.

The resolution was read into the public record by Chairman Reckhow:

PROCLAMATION

WHEREAS, on May 15, Durham County Government employees will participate in a series of activities aimed at celebrating wellness; and

WHEREAS, the planned Durham wellness booster event provides a focused opportunity for Durham County Government employees to learn about healthy lifestyle habits in regards to nutrition and physical activity; and

WHEREAS, nutrition and fitness play a vital role in overall health and wellness; and

WHEREAS, Durham County Government employees provide a crucial link to the Durham community:

NOW, THEREFORE, be it resolved that we, the members of the Durham County Board of Commissioners, do hereby proclaim May 15, 2003 as

“DURHAM COUNTY GOVERNMENT EMPLOYEE WELLNESS DAY”

in Durham County and urge all government employees to recognize and participate in this observance. We further encourage all government employees to be aware of their own health and that of their families, as they are an integral and valued part of the Durham community. Their lead in healthy eating and active living supports the goal of optimal health for all Durham County citizens today and tomorrow.

This the 12th day of May, 2003.

/s/ Five Commissioners
Durham County Commissioners

Chairman Reckhow recognized Ms. Tracy Bates with the Public Health Department and Ms. Diane Wright with the Social Services Department.

Ms. Bates thanked the County Manager and County Commissioners for their support of this initiative. She announced the upcoming wellness event on May 15 and special ticket rates for County employees for the May 22 Durham Bulls game. The events were promoted on the County’s Intranet site, WDNC, the Health Department’s ‘Wellness’ tips, and on fliers.

Chairman Reckhow encouraged County employees to participate in the events and to walk for health.

FY 2003-2004 Recommended Budget

Durham County Manager Michael M. Ruffin formally presented the recommended budget for FY 2003-2004 to the Board of County Commissioners. This is in accordance with N.C.G.S. 159-12(b), the Local Government and Fiscal Control Act.

Resource Person(s): Michael M. Ruffin

County Manager’s Recommendation: The County Manager recommended that the Board receive his presentation.

Chairman Reckhow introduced County Manager Mike Ruffin for his presentation.

County Manager Mike Ruffin read his FY 2003-2004 budget recommendation into the public record. A PowerPoint presentation was included for the benefit of the audience and the public watching on Cablevision.

The County Manager’s budget message follows:

May 12, 2003

The Honorable Members
Durham County Board of Commissioners
Durham County Administrative Complex
200 East Main Street
Durham, North Carolina 27701

Dear Durham County Commissioners:

The Recommended Budget for all funds for Fiscal Year 2004 is \$607.8 million. As you know, because our total budget includes twenty-two funds, the bottom line is somewhat inflated due to interfund transfers. Most of your attention, and much of this budget message, will be devoted to revenue and expenditure recommendations that are reported in the General Fund, the home fund for most of the county's services, which for next year has a recommended appropriation of \$519.4 million, 6.36% more than the current year's appropriation of \$488.3 million.

The obvious question is why is the increase in the General Fund so high, especially in view of the fact that this budget proposes no tax rate increase from the current rate of \$.753 cents and offers very little in the way of new or expanded services? The answer is fairly simple. 46% of our General Fund Budget includes "pass-through funds" in the Department of Social Services, federal and state money over which we have absolutely no control. Consequently, while the General Fund Budget for next year is \$31 million higher than the current year's budget, pass-through funds, largely dedicated for public assistance payments, are up \$30.6 million. In addition to pass-through funds, additional debt service for the American Tobacco Project, and other Capital Improvement Program (CIP)-Recommended projects that were brought to you in March, adds another \$2.4 million to General Fund expenses. In most cases, \$2.4 million in additional debt service, \$1.1 million for the Durham Public Schools, coupled with normal increases for personnel, operations, not to mention mounting capital needs, translates into higher taxes, especially in view of the fact that just a little over \$160,000 in "new money" is expected next year from local taxes that we levy. (Normally that number would mean millions in new dollars.)

The easy thing for me to have done would have been to recommend that you pass the increase in our expenditure budget on to our property taxpayers. But easy would not be right in light of the year our citizens have experienced, at least that's the message I heard from you during the Board Retreat last January. It forced some difficult decisions; however, we've developed a budget in keeping with your directive. We've cut it to the bone, but I'm proud to say that no increase in property taxes is required, no layoffs are necessary, and no elimination of services is proposed.

A breakdown of the budget for all funds is as follows:

Fund	Current FY2002-2003	FY2003-2004 Requested	FY2003-2004 Recommended	% Increase/ Decrease
101 - General	\$ 488,355,103	\$ 541,434,361	\$ 519,426,019	6.36%
102 – Risk Management	\$ 1,551,067	\$ 1,605,651	\$ 1,855,651	19.64%
125 - Capital Finance Plan	\$ 28,850,219	\$ 31,404,001	\$ 31,304,001	8.51%
150 - Cafeteria Plan	\$ 7,327,368	\$ 7,681,422	\$ 7,867,222	7.37%
213 - Bethesda FD Fund	\$ 1,369,869	\$ 964,352	\$ 963,669	-29.65%
214 - Lebanon FD Fund	\$ 567,739	\$ 566,323	\$ 565,955	-0.31%
215 - Parkwood FD Fund	\$ 1,040,872	\$ 1,001,974	\$ 1,001,974	-3.74%
216 - Redwood FD Fund	\$ 444,953	\$ 458,791	\$ 458,791	3.11%
217 - New Hope FD Fund	\$ 29,958	\$ 30,785	\$ 30,785	2.76%
219 - Eno FD Fund	\$ 11,274	\$ 11,103	\$ 11,103	-1.52%
221 - Bahama FD Fund	\$ 351,988	\$ 309,125	\$ 309,125	-12.18%
222 - Special Park District Fund	\$ 349,441	\$ 148,851	\$ 148,851	-57.40%
224 - Emerg. Services Tele. Sys.	\$ 1,520,625	\$ 1,220,015	\$ 1,220,015	-19.77%
225 - Special Butner Fund	\$ 7,072	\$ 12,222	\$ 12,222	72.82%
250 - Reappraisal Reserve Fund	\$ 100,687	\$ 100,000	\$ 100,000	-0.68%
304 - Debt Service Fund	\$ 29,733,763	\$ 32,214,704	\$ 32,214,704	8.34%
660 - Water and Sewer Fund	\$ 5,875,254	\$ 6,446,455	\$ 6,446,455	9.72%
662 - W & S Debt Service Fund	\$ 1,771,401	\$ 2,059,053	\$ 2,059,053	16.24%
705 - Geo. R. Linder Mem. Fund	\$ 250	\$ 250	\$ 250	0%
708 - Comm. Health Trust Fund	\$ 548,111	\$ 530,611	\$ 530,611	-3.19%
770 – L.E.O. Ret. Trust Fund	\$ 64,231	\$ 146,505	\$ 146,505	128.09%
868 - Equipment Leasing Fund	\$ 1,551,610	\$ 1,216,908	\$ 1,147,853	-26.02%
Grand Total	\$ 571,422,854	\$ 629,563,461	\$ 607,820,813	6.37%

I told my staff recently that this budget message would be much shorter than normal. “There’s just not much to talk about,” I told them. But our Budget Director had a different observation: “Oh, I think you’ve got quite a bit of explaining to do,” she replied.

She’s right. The truth is while next year’s budget doesn’t have a lot of surprises, it does contain some important initiatives, many of which we’ve discussed over the past year:

- American Tobacco Project: In the next few months, construction will begin on the South Parking Deck, which represents the lion’s share of the County’s commitment to the project. \$14.2 million has been earmarked for construction and another \$1.2 million for the cost of debt service. Both of these figures are consistent with the information we distributed when we met with each of you to discuss the County’s share of the project.
- East and North Durham Regional Libraries: Design will be completed and construction will also begin on both of these facilities next year, one of which will be located on Highway 98, and the other on Milton Road. These facilities will be the first of several “joint-use” projects. Joint-use projects will help the county, city, and school system save money by co-locating facilities on sites, all in an effort to save money on land, utilities, parking, and other infrastructure. Project costs are estimated

at \$6.7 million for the North Regional Library and \$5.9 million for the East Regional Library.

- Stanford L. Warren Library: \$1.2 million has been set aside to fund the renovation and expansion of this facility, which should be completed in FY2005.
- Center for Senior Life: Finally, construction on this 40,000 square-foot, \$5.5 million facility will begin in the next year. One nice thing that has already come from this project is several years worth of the operating dollars needed for the facility have already been raised from the private sector. In other words, no additional dollars from the County will be required to open or staff the facility.
- New Courthouse: \$7.63 million to initiate design and land acquisition will be needed next year to move the project forward. Again, this should come as no surprise since it was outlined in the CIP that we recommended in March. The only change you made to that recommendation was to delay the project until January 2004 so that the Long Range Facilities Plan could be reviewed to determine if any changes might be warranted which would directly impact the size of this facility.
- Human Services Complex: Next year, we begin to implement the decision you made in March to construct the facility in downtown Durham. \$2.4 million in net two-thirds bond funds will be issued to fund a design contract for the project as now planned.
- EMS Station 2: Design is already in progress for this facility, which will relocate from the Lincoln Community Health Center to a location on Old Fayetteville Street. Construction will begin next year on the \$1.2 million facility.
- Technology Replacement: This was a major recommendation of last year's budget, but had to be deferred due to budget woes that came our way last September. It's one of several projects outlined in the recommended CIP and cannot be stalled another year. Technology is vital, especially for a lean organization that is asking its employees to do more with less. Over the next three years, we will be replacing 740 desktop systems, many with Windows 95 operating systems and only 32 to 64 MB of memory, both of which fall below what we need today to operate large software systems needed to serve our citizens.
- Minor Repairs and Improvements: During your January Retreat, our General Services Director outlined some mounting capital needs that require immediate attention. You asked me to give these needs careful study in the FY2004 Budget and I have made provisions to address each and every one of them. Here's the list:
 - ✓ *Detention Center Improvements* (painting, slider door replacement, electrical upgrades for camera equipment and door controls, dryer replacement, energy management control system backup): \$1,050,875

- ✓ *Judicial Building Renovations* (fire alarm upgrade, roof repairs): \$150,000
 - ✓ *HVAC Upgrade at Health Department*: \$245,000
 - ✓ *Chiller Replacement at Main Library*: \$139,230
 - ✓ *Renovation of former Jail Annex*: \$300,000
 - ✓ *Agriculture Building Renovations*: \$325,000
 - ✓ *First Year's Payment for Head Start Relocation from Whitted School to YMCA Building*: \$187,500
- Security: \$597,262 has been recommended for security for County facilities. \$140,300 of that amount is new dollars that are necessary for security for the recently completed Judicial Building Annex (former First Union Building). Three additional deputies will be required to secure the facility for use by court officials.
- Open Space and Real Estate Management: We've operated our open space management program from the City-County Planning Department since its inception. While that arrangement has worked, the size of the program has reached the point where full-time supervision and management are required. I propose that we relocate the program to the County's Engineering Department and merge it with our Real Estate Management function, which is currently housed in the Finance Department. The location of these two functions to the Engineering Department will facilitate closer coordination with the implementation of the CIP. Many of the projects planned over the next ten years, including open space, will require land acquisition. Since our Engineering Department has primary responsibility for the implementation of the CIP and the Long Range Facilities Plan, it just makes good sense to locate our real estate management function in that department, too.
- Little River Park: We have kept you informed as to the progress of our negotiations with Orange County regarding the operation of this facility, which is located in both counties. Our annual share of the cost for operating that facility, which will open next year, is \$52,235. Orange County has agreed to an equal share and will assume primary responsibility for the maintenance and operation.
- Jail Health: Our cost for medical expenses at the detention center has increased precipitously from what we appropriated in the current fiscal year. Once inmates are housed in our facility, we are completely responsible for their medical care. Last year, for example, we incurred some staggering expenses for the treatment of an inmate for renal failure. The growing inmate population, and more particularly their poor state of health due to addictions and chronic diseases such as diabetes, HIV, and AIDS, are responsible for this increase. The total estimated cost to the County for jail health in FY2004 will be over \$1.4 million, up from the current budgeted amount of \$1.2 million.

This year, 39 non-profit organizations applied for a total of \$1,484,723 in County grants. Even though we received 17 new applications, we actually discouraged new applications this year because we knew how difficult it would be to fund our current organization. I am pleased to report that funding at current-year levels is recommended for the 22 currently funded organizations that submitted an application.

Organization	Requested	Recommended
Eno River Association	\$ 15,000	\$ 12,350
Council for Senior Citizens	\$ 118,750	\$ 118,750
Durham Crisis Response Center	\$ 55,000	\$ 46,730
Literacy Council	\$ 16,000	\$ 14,250
Family Counseling Services	\$ 14,250	\$ 14,250
Genesis Home	\$ 20,000	\$ 19,000
Meals on Wheels	\$ 12,000	\$ 9,500
Planned Parenthood	\$ 4,500	\$ 4,420
Radio Reading Services	\$ 4,000	\$ 3,536
Senior Aides	\$ 28,500	\$ 28,500
Senior PHARMAssist	\$ 90,000	\$ 85,500
Urban Ministries Community Shelter	\$ 150,000	\$ 142,500
Women-In-Action	\$ 30,000	\$ 30,000
Middle School After School	\$ 85,500	\$ 85,500
Child Advocacy Commission	\$ 30,000	\$ 29,925
Child Care Services Association	\$ 40,021	\$ 28,215
Child and Parent Support Services	\$ 8,800	\$ 8,807
Durham Companions	\$ 6,500	\$ 4,750
Infants and Young Children with Special Needs	\$ 10,000	\$ 9,999
Teen Court and Restitution	\$ 30,000	\$ 30,000
Operation Breakthrough	\$ 97,376	\$ 97,375
Project Graduation	\$ 5,700	\$ 5,700
TOTAL	\$ 871,897	\$ 829,557

The absence of any significant amount of new money also required us to revisit our fee schedules for County permits, licenses, and fines. Many of our fees were increased last year and additional increases to these fees are not warranted; however, I am recommending that you consider several increases to library and animal control fees.

Our Library Director has proposed that you raise all library fines by \$.10, which will produce an additional \$60,000 per year. He also plans to implement a new initiative to reduce the amount of uncollectible fines that we find ourselves writing off each year, a move that he estimates will generate another \$60,000 per year. Finally, he plans to fully activate print management software in order to improve efficiencies in our honor system, which will bring in another \$60,000 per year.

Our Animal Control Director has recommended that you consider increasing our annual fee for licenses. The current fee schedule charges \$25 for dogs or cats that haven't been spayed or neutered and \$5 for those that have been sterilized. She is recommending an increase to \$10 for owners of sterilized pets and \$75 for owners of non-sterilized animals. Raising these fees will help us cover the increasing costs associated with animal control, which is not a mandatory county service and one where user fees are more than appropriate. These increases will generate an additional \$427,000.

I have recommended a fund balance appropriation of \$10.3 million. In spite of the increase from the current appropriation, our fund balance continues to grow. In fact, we expect a 2.41% increase in our fund balance at the end of this fiscal year. What that means is the spending reduction plan that we put in place last September to cover the tax shortfall has more than worked. It has also enabled us to continue along the path of increasing our percentage of fund balance. Since I arrived in FY2001, our percentage of fund balance has increased from 10.98% to 13.71%, an increase of almost 25%. I am proud of that growth because it has been realized over the same period of time that we have been forced to make up for millions of dollars in shortfalls handed to us by the state, a sagging economy, and an error in estimating our tax base. It's a credit to all of our employees who have been asked to do more with less. Clearly, their efforts have made a difference.

Normally, I recommend an appropriation from fund balance of approximately \$6 million, none of which we usually spend. However, we cannot continue to stall capital improvements, or ignore small maintenance and repair needs about which you were made aware during your January Retreat. A healthy fund balance allows us to exercise a pay-as-you-go philosophy and use our savings account to pay for these one-time, non-recurring expenditures. I explained to you in March, when revisions to the CIP were presented, that an additional appropriation equivalent to \$.01 on the property tax rate would be required in FY2004. All of that proposed tax increase for next year's implementation of the CIP, plus the capital improvements previously outlined, can be absorbed by the additional fund balance appropriation. The expanded appropriation enables us to keep taxes flat, move forward with sorely needed capital improvements, and still grow our fund balance. It's the best of all worlds.

	<i>Audited FY Ending 6/30/98</i>	<i>Audited FY Ending 6/30/99</i>	<i>Audited FY Ending 6/30/00</i>	<i>Audited FY Ending 6/30/01</i>	<i>Audited FY Ending 6/30/02</i>	<i>Projected FY Ending 6/30/03</i>
Reserved Fund Balance	18,780,073	19,714,437	21,947,865	17,714,703	17,993,896	18,211,051
Designated Fund Balance	6,558,924	7,825,829	14,473,211	12,573,772	15,365,221	15,007,352
Undesignated Fund Balance	<u>21,285,993</u>	<u>24,816,155</u>	<u>14,147,109</u>	<u>14,937,310</u>	<u>15,479,492</u>	<u>22,415,142</u>
Total Fund Balance	46,624,990	52,356,421	50,568,185	45,225,785	48,838,609	55,633,545

Total Expenditures	219,694,926	233,284,037	260,568,011	251,945,142	272,896,398	273,000,000
LGC Recommended 8% Minimum	17,575,594	18,662,723	20,845,441	20,155,611	21,831,712	21,840,000
Fund Balance Applied Toward 8%	27,844,917	32,641,984	28,620,320	27,511,082	30,844,713	37,422,494
Expressed As A % Of Expenditures	12.67%	13.99%	10.98%	10.92%	11.30%	13.71%

As I've already mentioned, no increase in property taxes is proposed. Moreover, no elimination of services or layoffs will be required. I could not possibly make these claims without saying a great big thank you to the finest employees around. This group has really taken it on the chin over the last few years. The reason we are in great financial shape is in no small measure to the sacrifices that we have asked our employees to make. In the last three years, over a 100 positions have been eliminated. In short, we have asked them to do more with less and they have responded to that challenge and continued to serve our citizens with exceptional public services. I can't say enough about them.

This year, with the cooperation of our department heads, I eliminated 18.03 vacant positions and added 15.72 new positions for net decrease of 2.31 positions. Clearly, this kind of shift indicates that our needs are changing. But it also underscores how much department heads work together to help meet the needs in other departments.

If there's one disappointment I have with next year's budget, it concerns employee compensation. This year, we reinstated our longevity pay program and increased employee raises from 2½% to 5%. I thought it was the right thing to do in light of the sacrifices our employees had been asked to make. Why not step up and show them how much we appreciate them? Unfortunately, the property tax shortfall we experienced this year will not allow the five-percent pay-for-performance increases to continue beyond this calendar year. It's just more than we can afford and very hard to justify when you look around and see, for example, that public school teachers are only expected to receive a 1.6% increase in pay. Other counties and cities report that their employee raises will range between 2% and 3%. My recommendation eliminates longevity and reduces pay-for-performance increases for the last half of the fiscal year from 5% to 2½%.

You have already seen the information provided below. It's a summary of our tax base for the next fiscal year. What it doesn't show is that we're still not out of the hole we dug ourselves into last year when our former tax administrator overestimated our tax base. We made progress, but we're still \$323.6 million less in value than we originally projected. That's \$2.4 million in property taxes. In other words, our tax base has grown, but not enough to make up for the \$811 million error that was made. That's why very little in the way of new money is available.

	FY2003 Adopted	FY2003 (Revised Estimated)	FY2003 (Actual)	FY2004 (Budget Estimate)	% Change FY04 from FY03 Actual
Real Property	\$ 15,380,000,000	\$ 14,878,975,563	\$ 15,040,338,854	\$ 15,440,617,529	2.66%
Auto Value	\$ 1,494,641,252	\$ 1,465,477,520	\$ 1,497,626,784	\$ 1,497,626,784	0.00%
Personal Value	\$ 2,545,000,000	\$ 2,335,992,632	\$ 2,381,310,934	\$ 2,381,310,934	0.00%
Public Service	\$ 623,565,762	\$ 551,633,516	\$ 551,146,419	\$ 400,000,000	-27.95%
Total	\$ 20,043,207,014	\$ 19,232,079,231	\$ 19,474,422,991	\$ 19,719,555,247	1.26%

There is one general misunderstanding that I frequently hear around Durham about County property taxes. Many of our citizens think we have one of the highest county property tax rates in the state. That was true in FY 2001. In fact, we ranked fifth out of one hundred counties in the state. This year, however, we have come all the way down to 30, and we'll move even farther down the list next year. I am proud of the direction in which we are moving. I mentioned two years ago that after the next revaluation, I could see a county tax rate in the mid sixty cents range. I still believe that statement.

Finally, there are other property tax rates about which our citizens are concerned. Durham County has seven volunteer fire departments, each of which have property tax rates that this year ranged from 4.4 cents to 9 cents. No increases in fire tax rates are either requested or recommended. The following is a summary of tax rates for those Fire Districts serving Durham County.

Fire Districts	FY02-03 Tax Rate	FY03-04 Requested Tax Rate	FY03-04 Recommend ed Tax Rate
Bethesda	.0550	.0550	.0550
Lebanon	.0590	.0590	.0590
Parkwood	.0900	.0900	.0900
Redwood	.0750	.0750	.0750
New Hope	.0500	.0500	.0500
Eno	.0440	.0440	.0440
Bahama	.0600	.0600	.0600

It should be noted that the Eno and New Hope Fire Districts serve Orange and Durham counties. The agreements between the two boards of county commissioners calls for the Orange County Board of Commissioners to set the rate and provides that the Durham County Board will approve the same rate for the Durham County portion of the districts.

Before I close, there are a number of individuals here tonight who deserve a great deal of thanks. Putting a budget together of this magnitude is a function of good teamwork. I

am fortunate to have the team that I have. My personal thanks to our Budget Director, Pam Meyer, who is a real taskmaster and keeps us all on schedule; but there are others whose advice has been indispensable: To Carolyn Titus, Wendell Davis, George Quick, Ken Joyner, Kim Simpson, Keith Lane, Susan Fox-Kirk, Anthony Allen, Bill Renfrow, Kim Cook, Deborah Craig-Ray, Heidi Duer, Vera Alston, and to all of our department heads, thank you, and believe me when I say how much I value what you do. Your dedication and high standards of professionalism make the difference in a process like this one.

I look forward to working with you in the weeks ahead. I invite your questions. I am grateful to have a board that cares enough to study what I have laid out tonight. There are not many county managers who can say that about their boards in North Carolina. I appreciate what you do, how you do it, and look forward to working with you.

With highest regards, I am

Sincerely,

/s/ Michael M. Ruffin
County Manager

While reading the budget recommendation into the public record, County Manager Ruffin explained that the County's budget is quite complicated. Although the County's tax base has grown over the past year, it is still insufficient to overcome the over-estimation of last fiscal year. The County will still take in \$2.4 million less in property taxes than originally projected. Thus, there is very little new money available for FY 2003-2004.

The County Manager spoke on the importance of maintaining a healthy fund balance. Durham County expects to increase the fund balance by 2.41% at the end of this fiscal year. "Durham is one of 30 counties among over 4,000 United States counties to have a AAA bond rating. That says a lot about the quality of our political leadership and executive management over the last many years." He stated in his budget address that the County's fund balance has increased by almost 25 percent since he became County Manager in FY 2001. The fund balance has grown despite the state-generated shortfall of millions, the declining economy, and the tax base estimation error.

However, County Manager Ruffin explained that the fund balance would be drawn upon by about \$10.3 million. This would allow the absorption of any increase to the property tax rate, implementation of the CIP (Capital Improvement Plan), and capital improvements detailed in the text of the Manager's budget recommendation.

County Manager Ruffin thanked the County's employees for their dedication and resolve to do more with less and to continue to give the best service possible. He expressed his regret that employee compensation had to be reduced for the upcoming fiscal year—due to the property tax shortfall. He stated that longevity must be eliminated this year and

that employee raises would revert from the 5 percent approved last year to the previous 2.5-percent cap.

County Manager Ruffin announced the schedule of preliminary budget Worksessions. The public hearing for the budget had been set for Tuesday, May 27, 2003:

Tuesday, May 20, 2003	1:00 p.m. to 3:15 p.m.
Wednesday, May 21, 2003	1:00 p.m. to 5:00 p.m.
Thursday, May 22, 2003	9:00 a.m. to 12:00 noon
Thursday, May 29, 2003	9:00 a.m. to 3:00 p.m.
Tuesday, June 3, 2003	1:30 p.m. to 5:00 p.m.

Chairman Reckhow thanked the County Manager and commented that this was the earliest the Board had received the budget recommendation in ten years. The County Manager met the Board's requested target of mid-May. She expressed her appreciation for the hard work of County Manager Ruffin and the Budget Department staff in finalizing the budget document earlier this year. This would allow the Commissioners more time to review and deliberate on this most important responsibility of their office. She thanked County Manager Ruffin for following the Board's direction given at the budget retreat.

No Commissioner action was necessary.

Consent Agenda

Commissioner Heron moved, seconded by Commissioner Cousin, to approve the following consent agenda items:

- *(a) Budget Ordinance Amendment No. 03BCC000059—Mental Health (approve this budget amendment to appropriate funds in the amount of \$1,673,632);
- (d) Request to Accept the Withdrawal of the Low Bidder, Retain the Bid Bond, and Approve a Contract for the River of Life Church Building Demolition on East Main Street to the Second Lowest Bidder (Project No: DC070-48; IFB 03-010) (retain the 5 percent bid bond of \$2,557.75 submitted by D.L. Restorations Inc., and authorize the County Manager to enter into an \$86,780 contract with Empire Dismantlement Corporation and execute any change orders or related contracts, if necessary, not to exceed a project cost of \$95,458);
- (e) Set Public Hearing to Receive Comments on the 2003 Three-Year Revision to the County's Ten-Year Solid Waste Management Plan (schedule a public hearing for June 9, 2003, to receive comments on the

proposed 2003 three-year revision to the Durham County Comprehensive Solid Waste Management Plan;

- *(f) Renewal of Workforce Investment Act Interlocal Agreement (approve the interlocal agreement); and
- (g) Service Agreement with the Durham Arts Council Inc. for Administrative Support for the Durham County Cultural Master Plan (approve the service contract with the Durham Arts Council to provide local administrative support to the Durham Cultural Master Plan).

The motion carried unanimously.

*Documents related to these items follow:

Consent Agenda 6(a): Budget Ordinance Amendment No. 03BCC000059—Mental Health (approve this budget amendment to appropriate funds in the amount of \$1,673,632).

DURHAM COUNTY, NORTH CAROLINA
FY 2002-03 Budget Ordinance
Amendment No. 03BCC000059

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2002-03 Budget Ordinance is hereby amended to reflect budget adjustments for Mental Health.

GENERAL FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>				
Human Services	\$323,832,653	\$1,673,632		\$325,506,285
<u>Revenues</u>				
Intergovernmental Revenues	\$261,602,662	\$673,632		\$262,276,294
Service Charges	\$ 29,719,429	\$1,000,000		\$ 30,719,429

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 12th day of May, 2003.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 6(f): Renewal of Workforce Investment Act Interlocal Agreement (approve the interlocal agreement).

The Interlocal Agreement follows:

DURHAM CITY-COUNTY INTERLOCAL AGREEMENT TO SERVE AS
A DESIGNATED LOCAL WORKFORCE INVESTMENT AREA, TO ESTABLISH
A LOCAL WORKFORCE INVESTMENT BOARD AND TO ADMINISTER
THE WORKFORCE INVESTMENT ACT OF 1998

ARTICLE I. TITLE AND PURPOSE

The County of Durham (hereafter “the County”) and the City of Durham (hereafter “the City”), contiguous units of local government, agree to serve as a designated local workforce investment area for Durham County, and to establish a board to serve such designated area, pursuant to P.L. 105-220, the Workforce Investment act of 1998, as amended (hereafter “the Workforce Investment Act”), 29 USC 2811 et seq., the federal law that replaced the Job Training Partnership Act (JTPA) P.L. 97-300. The Board that is created shall be known as the Greater Durham Workforce Development Board (hereafter “the Board”).

In addition to overseeing programs created under the Workforce Investment Act, the Board is also authorized to oversee the expenditure of monies that may be directed to the Board under the Welfare-to-Work grant provisions in Title IV, Part A of the Social Security Act (P.L. 94-271), the North Carolina Employment and Training grant program, and other such programs that may be referred to the Board for implementation by the City and the County.

The area served, formerly known as the “Central Piedmont Area” shall be known as the “Durham Local Area.”

ARTICLE II. MEMBERSHIP

The Board shall be established by the following independent and contiguous units of general local government:

County of Durham
City of Durham

ARTICLE III. CERTIFICATION OF AUTHORITY

1. AUTHORITY UNDER STATE AND LOCAL LAW

The City and County certify that: They possess full legal authority, as provided by state and local law, to enter into this agreement and to fulfill the legal and financial requirements of operating as a workforce investment area under the Workforce Investment Act for the geographic area covered by this agreement.

2. SPECIFIC RESOLUTIONS TO ENTER INTO AGREEMENT

A copy of the duly executed resolutions giving the City and the County specific authority to enter into this agreement is attached to this document and is incorporated herein by reference.

3. CHIEF ELECTED OFFICIALS FROM EACH MEMBER UNIT OF GOVERNMENT

This agreement shall be executed by the Chair of the Durham County Board of Commissioners on behalf of the County and the Mayor of the City of Durham on behalf of the City. These elected officials are the Chief Elected Officials under the Workforce Investment Act; they are authorized to sign, on behalf of their respective jurisdictions, any other agreements related to the Board's purposes as described in Article I that are not otherwise authorized to be executed under the provisions of Article VII and Article IX below.

ARTICLE IV. DURATION

This agreement will become effective on the date of the last signatory's signature and shall continue in effect until the Workforce Investment Area is re-designated by the Governor of North Carolina or until this Agreement is terminated by either unit of government as provided for in Article XI.

ARTICLE V. ASSURANCES AND CERTIFICATIONS

The City and the County will comply with the requirements of the Workforce Development Area Act of 1998, as amended, the requirements of the Welfare-to-Work Grant provided for at Title IV, Part A of the Social Security Act, as amended, as well as requirements of the North Carolina Employment and Training Grant provided at G.S. 143.B.438.13, and regulations promulgated thereunder, all other applicable federal regulations, the statutes of the State of North Carolina, and, written directives and instructions relevant to the Workforce Development Area service program issued by the Governor of North Carolina or his/her designee.

ARTICLE VI. ESTABLISHMENT OF A WORKFORCE DEVELOPMENT BOARD

The City and the County agree that the Board shall be established in accordance with applicable executive orders from the State of North Carolina and in accordance with Section 117 of the Workforce Investment Act of 1998.

ARTICLE VII. DELEGATION TO MAYOR OF CHIEF ELECTED OFFICIAL FUNCTIONS

The City and the County designate the Mayor of the City of Durham as the Chief Elected Official to exercise all of the powers that any Chief Elected Official may exercise pursuant to 29 USCS 2832, that are not inconsistent with this Agreement, and the power

to grant approvals, enter into memoranda of understanding, and make agreements pursuant to 29 USCS 2841. This delegation may be further delegated, as provided in Article IX below.

ARTICLE VIII. APPOINTMENT OF BOARD MEMBERS

Appointment of individuals to serve the Board shall be in accordance with the bylaws of the Board. The Board shall consist of at least twenty-one members. Ten shall be appointed by the Chair of the Board of County Commissioners, and approved by the County Board of Commissioners, and eleven shall be appointed by the Mayor and approved by the Durham City Council.

ARTICLE IX. ADMINISTRATION OF THE WORKFORCE DEVELOPMENT BOARD

The City of Durham's Office of Economic and Employment Development (hereafter the "Administrative Entity") will administer the activities funded under the Workforce Investment Act and activities approved by the Board. The parties acknowledge and agree that the County shall not be liable for or contribute to the funding of the Administrative Entity under this agreement. Employees of the Administrative Entity shall be City employees. Costs and expenses related to the work of the Board and the Administrative Entity that are not paid for pursuant to the programs and grants overseen by the Board as described in Article I shall be the responsibility of the City. Notwithstanding the provisions of Article III and Article VII above, contracts administered by the City pursuant to this Agreement, under the Board's direction, may be executed, on behalf of the City, by the City Manager of the City of Durham.

ARTICLE X. REPORTING

A formal report on the previous year's activities shall be provided by the Workforce Development Board, to the governing bodies, at the beginning of each calendar year. The report shall track progress and provide measurable outcomes of activities undertaken by the Workforce Development Board. An informal report will be provided six months after the beginning of each calendar year to the governing bodies.

ARTICLE XI. FINANCING

1. It is anticipated that funding necessary to implement this agreement will be derived from federal and state grant funds received through the Governor.
2. The units of local government acknowledge that pursuant to 29 USCA § 2832, the designated chief elected official named in Article VII above shall serve as the grant recipient for the allocated grant funds and shall be accountable for any liabilities arising out of the allocation of said grant funds under the Workforce Investment Act of 1998, the Welfare-to-Work Grant, and the North Carolina Employment and Training Grant, and for all funds received by the workforce investment area pursuant to the Workforce Investment Act, the Welfare-to-Work Grant, and the North Carolina

Employment and Training Grant. Liability includes, but is not limited to, responsibility for prompt repayment from nonprogram funds of any mis-expenditures by the Administrative Entity of the local area, or any of its subrecipients or contractors, or the Board.

3. Any entity or joint agency created or designated by this workforce investment area, including the Board and Administrative Entity, shall be considered a public agency for the purposes of the Local Government Budget and Fiscal Control Act.

ARTICLE XII. OWNERSHIP OF REAL PROPERTY

The Board will neither acquire nor dispose of real property.

ARTICLE XIII. AMENDMENTS

This agreement may be amended at any time upon the consent of all of the parties as evidenced by resolution of the governing bodies of each member government and as approved by the State of North Carolina.

ARTICLE XIV. TERMINATION

The parties to this agreement may request termination at any time upon six months prior written notice. Termination shall be effective either at the end of the fiscal year during which termination was requested, if notice was received six months prior to the end of such fiscal year, or at the end of the next fiscal year if notice was not given during the specified time period.

ATTEST:

/s/ Garry Umstead
Clerk to the Board

/s/ Ellen W. Reckhow, Chairman
Durham County Board of Commissioners

May 12, 2003
Date

ATTEST:

/s/ D. Ann Gray
City Clerk

/s/ Marcia Conner, Manager
City of Durham

May 12, 2003
Date

Consent Agenda Items Removed for Discussion

Consent Agenda 6(b): Budget Ordinance Amendment No. 03BCC000062—Little River Community Complex (approve to appropriate funds in the amount of \$12,500 to the

Little River Community Complex from the Commissioners' contingency account). The funds will be used to replace the roof on the complex's Senior Center.

Dr. Lavonia I. Allison, representing the Committee for the Affairs of Black People, asked the agenda item to be pulled for clarification on the use of the County's Contingency Fund.

County Manager Mike Ruffin explained that the Contingency Fund was used for unexpected expenses that occur during the fiscal year.

Commissioner Heron moved, seconded by Commissioner Jacobs, to approve Budget Ordinance Amendment No. 03BCC000062 to appropriate funds in the amount of \$12,500 to the Little River Community Complex from the Commissioners' contingency account.

The motion carried unanimously.

The Budget Ordinance Amendment follows:

DURHAM COUNTY, NORTH CAROLINA
FY 2002-03 Budget Ordinance
Amendment No. 03BCC000062

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2002-03 Budget Ordinance is hereby amended to reflect budget adjustments for the Little River Community Complex.

GENERAL FUND

	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>				
General Government	\$21,131,495	\$12,500		\$21,143,995
Other	\$20,737,263		\$12,500	\$20,724,763

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 12th day of May, 2003.

(Budget Ordinance Amendment recorded in Ordinance Book _____, page _____.)

Consent Agenda 6(c): Timer Warner Cable's Rate Filing for Calendar Year 2003 (receive the report and approve the rate order).

Chairman Reckhow commented that she found this report to be very well written and enlightening. She said she was pleased that the County had gone with a contract through

the Triangle J Council of Governments using the Cable Consortium. The support by staff was fine. The research was excellent, including the finding that Durham's rates have increased faster than other areas of the country where there is cable competition. A very good case was made for the position taken by this Board of Commissioners last month in challenging the rate increase.

Commissioner Heron stated she agreed with the consultant's findings. She quoted a portion of the consultant's report that stated, "evidence of rates examined in various markets where Time Warner faces true effective competition reveals that Time Warner's BST rates in Durham County are between 15% to 78% higher than those in these competitive markets and that basic cable installation rates in Durham County are between 200% to 4500% higher than effectively competitive markets." The consultant found that "Time Warner's FCC1240/1235/1205 proposed rates" were "unreasonable because they are not equivalent to rates that would be charged in the presence of effective competition."

County Attorney Chuck Kitchen added that a public hearing would be scheduled in June or August 2003 regarding renewal of the cable franchise. In the meantime, Triangle J Council of Governments has been asked to assemble ordinances from other jurisdictions so that the Board may consider amending the ordinance prior to the time the next franchise is granted.

Vice-Chairman Bowser asked Ms. Catherine Rice of Action Audits LLC to explain the comparison charts on pages 15 and 16 of the consultant's report. The charts show the comparison of basic cable rates and installation rates in comparable markets where Time Warner faces effective competition. He agreed that Durham's rates are not fair to its citizens. He said that, in his opinion, Time Warner is taking advantage of Durham.

Chairman Reckhow requested that a copy of this consultant's report be sent to the City Manager and the Mayor. She wished to alert the City to the quality of the research performed by Action Audits LLC and to encourage the City to consider supporting a better cable deal. Copies were also to be sent to Durham's Congressional delegation, and to NACo (National Association of Counties) to urge better price controls for cable services.

Commissioner Jacobs moved, seconded by Commissioner Heron, to receive the report and approve the rate order.

The motion carried unanimously.

The rate order follows:

**STATE OF NORTH CAROLINA
DURHAM COUNTY
NC-0343 & NC-0650**

BEFORE THE BOARD OF COUNTY COMMISSIONERS

IN THE MATTER OF:)	An Order Finding Time Warner Cable's 2003
The Review of FCC1240 Annual Rate)	FCC1240 Basic Service Tier and FCC1235 Cost of
Adjustment Request, FCC 1235)	Service Rates and FCC 1205 Installation Rates
Abbreviated Cost of Service Rate Request,)	Unreasonable because they do not reflect rates that
and FCC 1205 Equipment and Installation)	would be charged in the presence of true effective
Rate Request filed by Time Warner)	competition.
Cable)	

WHEREAS, Congress re-regulated the cable industry by passing the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act of 1992) Act in response to years of public outcry over monopolistic cable pricing practices;

WHEREAS, the priority established in the 1992 Cable Act is to protect the interests of subscribers from unreasonable rates by establishing cable rate levels equivalent to rates that would be charged in the presence of effective competition;

WHEREAS, Congress instructed the FCC to implement these consumer protections and design rate regulations to "achieve the goal of protecting subscribers of any cable system that is not subject to effective competition from rates for the basic service tier that exceed the rates that would be charged for the basic service tier if such cable system were subject to effective competition";

WHEREAS, in accordance with the provisions of the Cable Act of 1992, the Telecommunications Act of 1996 (1996 Act), the County Code, and regulations adopted pursuant to that Code, the County Board is permitted to regulate rates for basic cable services and associated equipment and is not subject to effective competition;

WHEREAS, it is therefore the responsibility of Durham Board of County Commissioners to enforce the fundamental principle of the Cable Act of 1992 and the FCC's rate regulation rules to protect the interests of subscribers from unreasonable rates by ensuring that cable rate levels are equivalent to rates that would be charged in the presence of effective competition;

WHEREAS, the County has received numerous complaints from its residents about the unaffordability of all Time Warner services, including that basic service only subscribers must pay upgrade costs for features which can only be accessed by purchasing advanced

services that Durham residents can't afford, and the unreasonable rates charged for the installation of basic only service;

WHEREAS, Time Warner Cable of Raleigh-Durham (Time Warner) submitted FCC 1240 Updating Annual Maximum Permitted Rates filings for Regulated Cable Services with the County. Time Warner's filings encompass external costs, inflation, and program costs for the True-up period of October 2001 through September 2002, and the projected period of January 2003 through December 2003;

WHEREAS, the County received a report from its Consultant stating that Time Warner submitted its FCC 1240 before the FCC published its October 2002 inflation factors and has requested an increase in its BST MPR about 7.6%, more three times the rate of inflation;

WHEREAS, Time Warner submitted a consolidated national FCC 1205 Determining Regulated Equipment and Installation Costs filing with the County to set the regulated rate for the Hourly Service Charge, Installation Services and Equipment rental rates and requested an increased HSC of 5%, more than twice the rate of inflation, for a cumulative increase of 32.5% over two years;

WHEREAS, the County received a report from its Consultant documenting basic service tier, equipment and installation rates in various communities served by Time Warner Cable which are subject to effective competition, revealing that those rates were significantly lower than rates for similar services in Durham County;

WHEREAS, the County is certified with the FCC to regulate basic service tier rates provided by Time Warner in the County:

NOW THEREFORE THE BOARD OF COUNTY COMMISSIONERS MAKES THE FOLLOWING FINDINGS:

THAT Time Warner's Maximum Permitted \$13.19 Rate for Basic Tier Service in NC-0343 is unreasonable and is not equivalent to a rate that would be charged in the presence of true effective competition;

THAT Time Warner's Maximum Permitted \$11.23 Rate for Basic Tier Service in NC-0650 is unreasonable and is not equivalent to a rate that would be charged in the presence of true effective competition;

THAT Time Warner's \$2.11 "Add-on" Rate for Basic Tier Service in NC-0343 is unreasonable and is not equivalent to a rate that would be charged in the presence of true effective competition;

THAT Time Warner's \$1.81 "Add-on" Rate for Basic Tier Service in NC-0650 is unreasonable and is not equivalent to a rate that would be charged in the presence of true

effective competition;

THAT Time Warner may charge a Basic Service Tier rate below its last approved combined maximum permitted rate;

THAT Time Warner's national \$37.62 HSC is unreasonable and is not equivalent to a rate that would be charged in the presence of true effective competition; and

THAT Time Warner may base its installation rates on its regional FCC 1205 HSC rate, but not above it.

IT IS THEREFORE ORDERED:

THAT Time Warner's Maximum Permitted Rate for Basic Tier Service (\$13.19~NC0343) is unreasonable, its \$2.11 FCC1235 "Add-on" is unreasonable and that Time Warner may charge a combined "selected" BST rate below its last approved maximum permitted rate, but not above it;

THAT Time Warner's Maximum Permitted Rate for Basic Tier Service (\$11.23~NC0650) is unreasonable, its \$1.81 FCC1235 "Add-on" is unreasonable and that Time Warner may charge a combined "selected" BST rate below the last approved maximum permitted rate, but not above it;

THAT Time Warner's Equipment, Installation and HSC rates are unreasonable and are not equivalent to rates that would be charged in the presence of true effective competition;

THAT the County reserves its right to revise this Rate Order subject to subsequent contrary findings by the Board; and

THAT this Rate Order will be effective immediately and copies will be released to Time Warner and the public.

ISSUED BY ORDER OF THE DURHAM BOARD OF COUNTY COMMISSIONERS

This the 12th day of May, 2003.

/s/ Ellen W. Reckhow
Chair

ATTEST:

/s/ Garry E. Umstead, CMC
Clerk

Public Hearing—Colvard Farms, Applicant (Rezoning Case P02-79)

Colvard Farms will present to the Board of County Commissioners a request to rezone 164.26 acres outside of the UGA on the west side of NC 751 at the intersection with Fayetteville Road, extending towards the Chatham County line; PIN 0717-03-24-9770, -44-1076, -33-9131; 0717-04-52-4278. Request: RD (Rural District) to PDR 0.22 (Planned Density Residential—0.22 units/acre). Staff recommends approval citing conformance with the adopted Triangle Township Small Area Plan and compatibility with the surrounding area. The Zoning Committee of the Durham Planning Commission conducted a public hearing on April 8, 2003 and voted 6-0 to recommend approval.

The public hearing for this request was advertised on April 25 and May 2, 2003 in the Durham Herald-Sun.

Resource Person(s): Frank Duke, Planning Director

County Manager's Recommendation: The Manager's recommendation is that the Board hold the public hearing and approve the rezoning, if appropriate, based upon the public hearing.

Mr. Frank Duke, City-County Planning Director, presented the item. He noted that the request from Colvard Farms Development Company was well within the requirements of Durham's Zoning Ordinance and the adopted Triangle Township Small Area Plan. A development plan was to accompany this request and included a minimum lot size of two acres; a minimum lot width of 150 feet; and minimum setbacks of 40 feet (front), 30 feet (side), 15 feet (street side) and 50 feet (rear) except along Corps lands (100 feet at rear). The maximum number of residential units would be 37. The applicant had committed to providing conservation easements as requested by DOST (Durham Open Space and Trails Commission) totaling 8.13 acres along the perimeter of the Corps land.

Mr. Duke commented that the requested rezoning would result in a decrease in the road and school impacts from the present zoning. Mr. Duke advised that the Planning Commission's Zoning Committee and Planning Staff recommended approval.

Commissioner Jacobs stated that this rezoning merits consideration due to its decrease in the impact on both schools and traffic.

Commissioner Heron called for a more detailed analysis of the stormwater impact on proposals in the future. Mr. Duke stated he would convey her request to the County Engineer for more information in the review.

Chairman Reckhow opened the public hearing, which was properly advertised. There were two persons signed to speak:

Dr. Lavonia Allison, PO Box 428, Durham, representing the Durham Committee for the Affairs of Black People, praised the proposal for its lack of impact on traffic and school capacity and for its environmental concerns.

Ms. Liz Pullman, 1114 Scott King Road, Durham, praised the rezoning request for its positive impact on the area's bird and animal population. Wildlife would not be disturbed, plus it would provide unaltered habitat for animals that have been displaced by housing in the north of the county.

Mr. Jeff Hunter, spoke for the applicant, Colvard Farms Development Company LLC. He made himself available for any questions from the Board of County Commissioners. In answer to Commissioner Heron's question about the type of sewage management to be elected for the housing, Mr. Hunter advised that various options were being considered and would depend upon the individual site. Any chosen sewage system would require pretreatment.

At Chairman Reckhow's request, Mr. Hunter addressed the stormwater issue. He advised that there are two areas that drain more than 25 acres and fall under the required stream buffer. One area has the required buffer surrounding it. Also, a small corner in the NE portion of the property against the Corps boundary and NC 751 drains more than 25 acres and has been buffered appropriately.

In answer the Commissioner Jacobs' question, Mr. Hunter stated that the streets in the development would be private and maintained by the homeowners' association.

There being no other speakers, Chairman Reckhow closed the Public Hearing to receive Commissioner comment. Chairman Reckhow stated she thought this would be a quality development. The following motion was made:

Commissioner Cousin moved, seconded by Commissioner Heron, to approve the rezoning request Case P02-79.

The motion carried unanimously.

Commissioner Heron called for more information in the future from the County Engineer regarding how developers would handle stormwater and sewer systems. County Manager Mike Ruffin stated he would work with the County Engineer to develop a standard of information for reports.

Adoption of the FY 2003-2004 Consolidated Action Plan

The adopted Citizen Participation Plan requires that two public hearings be held prior to Consolidated Action Plan submission to the Department of Housing and Urban Development (HUD). The purpose of the first public hearing, held on February 24, 2003, was to receive comments pertaining to HOME program needs in Durham. The purpose of the second public hearing, held April 28, 2003, was to receive comments on the use of

FY 2003-2004 HOME funds as proposed in the Draft Consolidated Action Plan which was made available for public review March 20, 2003 through April 20, 2003.

The Durham City-County HOME Consortium anticipates receiving total HOME Investment Partnership (HOME) program funds in the amount of \$1,456,000. This amount includes an annual HOME allocation of \$1,306,000 and program income in the amount of \$150,000. FY 2003-2004 HOME funds include a Community Housing Development Organization (CHDO) set-aside, substantial homeowner rehabilitation activities for low-income city and county residents, a First-Time Homebuyers Program for city and county residents, rehabilitation/historic preservation activities (Historic Preservation Society of Durham), and Walltown housing development (Self-Help Credit Union). The Durham City-County HOME Consortium will be required to provide a 25-percent match (non-federal funds) to the total amount of HOME funds used directly for affordable housing activities during FY 2003-2004. The required match will be approximately \$300,000 and will be funded with City Housing Bonds and available County funds as outlined in the current Consortium Agreement.

Charlene Montford, Director of the City of Durham Department of Housing and Community Development, has reviewed this request and recommends that the Board of County Commissioners adopt the FY 2003-2004 Consolidated Action Plan.

Resource Person(s): Michael Pullum, Senior Planner, Department of Housing & Community Development, City of Durham

County Manager's Recommendation: The Manager's recommendation is that the Board adopt the FY 2003-2004 Consolidated Action Plan.

Mr. Michael Pullum presented the item. He related that questions had been raised by the Commissioners at the Public Hearing held April 28. Written responses had been forwarded by the Department of Housing and Community Development to the County Manager dated May 7, 2003. Mr. Pullum asked that the Commissioners adopt the FY 2003-2004 Consolidated Action Plan at this meeting for submission to the U.S. Department of Housing and Urban Development.

Commissioner Heron asked for a clarification of the zoning enforcement policy. She referenced overgrown lots, abandoned houses and autos, and garbage. She called for coordination between agencies (zoning enforcement, housing code enforcement, and the County's General Services Department).

County Attorney Chuck Kitchen advised that these were multiple issues. He suggested that the administration be asked to bring forward a report at a worksession to explain how these are handled under the different regulations of City and County.

Mr. Duke explained, at Commissioner Heron's request, that zoning enforcement can apply only to the Zoning Ordinance and the Subdivision Ordinance. Other complaints

are investigated and referred to the City or County, as appropriate, and are monitored for resolution.

Vice-Chairman Bowser asked Mr. Pullum about the expenditure of these funds outside the City of Durham. Mr. Pullum answered that a promotional package had been assembled and that HOME funds would be available for home rehabilitation and first-time ownership in the County. In answer to another question from Vice-Chairman Bowser, Mr. Pullum advised that Operation Breakthrough funds are limited to home repairs in the city limits. HOME funds must be used to bring a home fully up to code. Operation Breakthrough funds are for limited repairs.

Vice-Chairman Bowser, Mr. Pullum, and Public Health Department Director Brian Letourneau discussed the requirements and limitations for funding well and septic system repair and replacement.

Chairman Reckhow opened the public hearing, which was properly advertised. There was one person signed to speak.

Dr. Lavonia Allison, PO Box 428, representing the Committee for the Affairs of Black People, expressed her concern that it was unknown what impact these public hearings have on the development of the Consolidated Action Plan. She wanted feedback on the public hearings held.

Chairman Reckhow suggested that Commissioner responses to issues raised in public hearings should be summarized in the future and made available to the public.

Mr. Pullum stated that comments made at those public hearings are found in the final document.

There being no other persons signed to speak, Chairman Reckhow closed the public hearing and returned the item for Commissioner comment.

Commissioner Jacobs praised the Department of Housing & Community Development for spending only 7.4% of funds for administrative costs, when the allowable amount is 10%.

The following motion was made:

Commissioner Jacobs moved, seconded by Commissioner Heron, to adopt the FY 2003-2004 Consolidated Action Plan.

The motion carried unanimously.

Agenda Item Added—Discussion of Senate Bill 672

Commissioner Jacobs added the agenda item. A copy of Senate Bill 672, “Strengthen Public Health Infrastructure” and accompanying correspondence was provided each County Commissioner. Commissioner Jacobs stated that this bill is meant to strengthen the infrastructure, improve public health services, and reduce health disparities. But Durham’s Public Health Board, at its meeting on Thursday, May 8, took issue with part of its content and sent a letter to State Senator Fletcher L. Hartsell Jr. opposing the bill.

Mr. Brian Letourneau, Public Health Director, gave a brief overview of the Public Health Board’s concerns. He agreed that the bill deals with certain public health system needs, but Durham is already addressing these. However, Senate Bill 672, intended to strengthen the public health infrastructure, would instead take over and dissolve the local health department. The bill’s development consolidation plan would result in a minimum of ten and maximum of 20 local public health agencies for the state. Counties surrounding Durham don’t have the same local needs. Financing is not addressed; more than two-thirds of Durham Public Health’s budget is supplied by Durham County Government, through its taxpayers. Under the proposed reorganization, Durham might lose control of how its local money is spent. It would be detrimental to Durham County. He commented that the real issue with public health is that the state and federal government underfund it statewide. He urged the Board of County Commissioners to join the Durham County Board of Health in its opposition.

Vice-Chairman Bowser asked if this proposal was a copy of what has been proposed for Mental Health. Mr. Letourneau answered that there is a relationship to the Mental Health reform, but the difference is that Mental Health “comes to the table with a lot of dollars,” while Public Health does not. He advised that Senator Hartsell has not responded to his two inquiries as to the proposed funding plan for this reorganization.

Commissioner Jacobs moved, seconded by Commissioner Cousin, that a letter be drafted to be sent in opposition to this senate bill as it appears to be detrimental to Durham County’s public health system.

The motion carried unanimously.

Adjournment

There being no further business, the meeting was adjourned at 8:59 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board

GEU:SBP