

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

Monday, November 14, 2005

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 Becky M. Heron, and Commissioners Lewis A. Cheek and Philip R. Cousin Jr.

Absent: Michael D. Page (excused)

Presider: Chairman Reckhow

Opening of Regular Session—Pledge of Allegiance

Announcements

Chairman Reckhow made the following announcements:

- Durham City-County Planning Department will hold a community meeting to gather input on the Eastern Durham Open Space Plan on Thursday, November 17, 2005, 7:00 p.m. at Oak Grove Elementary School Media Center, 3810 Wake Forest Road, Durham.
- NC DOT's "Citizens Informational Workshop" regarding improvements of SR 1959 (South Miami Boulevard) from SR 2112 (Methodist Street) to North of SR 1960 (Bethesda Avenue) will be held Tuesday, November 22, 2005, from 4:00 to 7:00 p.m. at Bethesda Ruritan Club, 1714 South Miami Boulevard, Durham.

Minutes

Vice-Chairman Heron moved, seconded by Commissioner Cheek, to approve as submitted the October 10, 2005 Regular Session and October 24, 2005 Regular Session Minutes of the Board.

The motion carried with the following vote:

Ayes: Cheek, Cousin, Heron, and Reckhow

Noes: None

Absent: Page

Recognition of Military Personnel Currently Serving County Government

Chairman Reckhow reported that in 1918, on the 11th hour of the 11th day of the 11th month, the world rejoiced and celebrated. After four years of bitter war, the Allied powers signed a cease-fire agreement (an Armistice) with Germany at Rethondes, France on November 11, 1918, ending World War I. The “war to end all wars” was over. November 11, 1919 was set aside as Armistice Day in the United States to remember the sacrifices that men and women made during World War I in order to ensure a lasting peace.

In honor of National Veterans’ Day on Friday, November 11, 2005, Chairman Reckhow, on behalf of the Board of County Commissioners, asked past and present military personnel currently employed by Durham County Government to stand and be recognized.

Staff presented a short film honoring American soldiers.

County Manager Ruffin presented certificates to military veterans and members of the National Guard and Reserves (Army, Navy, Air Force, Marines, and Coast Guard) currently employed by Durham County Government for their personal service and sacrifices to both the County of Durham and the United States of America. The certificate reads as follow:

This certificate is presented in recognition and appreciation of your service to Durham County Government and the United States of America. Your commitment to excellence, dedication to Durham County as a Veteran, Guardsman, or Reservist, coupled with your devotion to duty, is in keeping with the highest standards. Your actions reflect great credit upon yourself and Durham County Government.

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

/s/ Michael M. Ruffin
County Manager

This the 14th day of November, 2005.

The Board congratulated and thanked the recipients for their past and present service in the military and for their current service to Durham County.

Mike Turner, General Services Director and NC National Guard Command Sergeant Major, thanked the Board for recognizing Durham County Government soldiers and veterans.

Mr. Turner presented an award to County Manager Ruffin from the National Committee for Employer Support for the Guard and Reserve (ESGR), recognizing him as “a patriotic employer who contributes to national security and protects liberty and freedom by supporting employee participation in America’s National Guard and Army Reserve”.

Johnny Dwiggs, ESGR representative, issued a public statement of support for the Guard and Reserve and presented an award to Durham County for meritorious leadership and initiative in support of the men and women who serve America in the National Guard and Reserve.

County Manager Ruffin read a citizen’s letter that praised Louis Washington, Veterans Service Officer, and staff for their assistance to veterans in Durham County. Mr. Ruffin thanked Mr. Washington for his dedication and hard work.

Chairman Reckhow thanked Mr. Dwiggs for the award. She also thanked Mr. Turner and Wil Glenn, Public Information Specialist, for organizing the tribute to military personnel.

The Commissioners briefly thanked Durham County military personnel for their service to America.

DSS Best Practices Award—Innovations in Services to Customers

Chairman Reckhow announced that the Department of Social Services had received a statewide Best Practices Award from the NC Association of County Directors of Social Services in the "Innovations in Services to Customers" Category. The agency received the award on October 13, 2005 at the Social Services Institute for the *Model Approach to Partnership in Parenting (MAPP): Inclusion of Birth Parent Panel* initiative to help reduce the apprehension of foster parents as they work along with birth parents for reunification.

Pattye Brown, Social Worker/MAPP Trainer; Montina Swift, Family-to-Family Coordinator; and Chuck Harris, Assistant Director, DSS, thanked the Board for the recognition.

DSS Best Practices Award—Cost Savings Measures and/or Improvements in Efficiency

Chairman Reckhow reported that the Department of Social Services has received a statewide Best Practices Award from the NC Association of County Directors of Social Services in the "Cost Savings Measures and/or Improvements in Efficiency" category. The agency received the award on October 13, 2005 at the Social Services Institute for a project that automated the Medicaid re-enrollment process. The project has resulted in anticipated savings of 50% in staff time, postage, envelopes, paper, and photocopy expenses with an estimated cost savings over the next 15 months totaling \$27,212.00. The project has reduced time collating forms and stuffing and addressing envelopes, reduced paper in client files, created professional uniform re-enrollment packets, and created imaged documents rather than paper to be stored in the agency.

Cynthia Cason, Medicaid Program Manager, stated that time formerly needed to organize, assemble, fill out, and mail each re-enrollment packet is now utilized to interact with clients; meet accuracy, timeliness, and quality assurance goals on applications and on-going case maintenance; and handle the continuing growth in Medicaid cases without adding more staff. The project has also reduced the amount of time to sort mail because the color-coded, window business reply envelopes with the district number visible in the window allows staff to disburse mail prior to opening. Ms. Cason thanked the Board for recognizing the award.

Commissioner Cheek congratulated DSS for achieving two Best Practices awards, which represents Durham County excellently.

November Anchor Award Winner—Barbara Torian

Perry Dixon, Information Technology (IT) Director, introduced Barbara Torian, Senior Systems Analyst in the IT Department, as the November Anchor Award recipient. He commended Ms. Torian for her superior work, particularly on the SAP project, which is the replacement of Human Resources, Budget, Accounts Payable, Purchasing, and Finance systems. Mr. Dixon stated that Ms. Torian put forth maximum effort to grasp the concept of the SAP system and was later named team leader after sharing her knowledge. Although Ms. Torian contributed heavily to the County's move to SAP, her contributions go far beyond SAP, as she is known for always being helpful and considerate to everyone.

Ms. Torian thanked IT, Human Resources, and Finance staff for contributing to her work on SAP.

Chairman Reckhow presented the anchor award to Ms. Torian.

Durham Convention and Visitors Bureau Recognition—Alfred P. Sloan Award for Business Excellence in Work Place Flexibility

Commission Vice-Chairman Becky Heron requested that the Board recognize the Durham Convention and Visitors Bureau for receiving the Alfred P. Sloan Award on October 12, 2005 for Business Excellence in Work Place Flexibility.

Shelly A. Green, Chief Operating Officer, Durham Convention and Visitors Bureau (DCVB), elaborated on the Alfred P. Sloan Award. The Sloan Award is based on business excellence in workplace flexibility. Eight communities across the nation were selected to receive the award: Long Beach, CA; Providence, RI; Detroit, MI; Chicago, IL; Salt Lake City, UT; Dallas, TX; Brooklyn, NY; and Durham, NC.

Vice-Chairman Heron recognized Reyn Bowman as CEO of Durham Convention and Visitors Bureau; Mr. Bowman was in attendance.

Chairman Reckhow thanked Vice-Chairman Heron for acknowledging the award. She congratulated DCVB on its achievements.

Consent Agenda

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

- a. Request for Authorization to Enter into Contract with Hart Intercivic (authorize the execution of the contract in the amount of \$160,238; funds are available in the Automation Enhancement and Preservation Fund);

- *c. Budget Ordinance Amendment No. 06BCC000025—Public Health—Recognize Revenue for the Environmental Health Division (recognize \$45,025 from the Department of Health and Human Services for the childhood lead poisoning prevention program);
- *d. Budget Ordinance Amendment No. 06BCC000026—Public Health—Recognize Grant Funds From Kate B. Reynolds Charitable Trust and Establish a Part-Time Position to Support the Work of The Partnership for a Healthy Durham (recognize grant funds in the amount of \$15,000 and establish a provisional 0.50 FTE Health Education Specialist position);
- *f. Advancement of Revaluation Date to January 1, 2008 (adopt the resolution from the Tax Administrator advancing the revaluation date); and
- g. Finance Policy (approve the Finance Policy for Durham County) (Recorded in Appendix A in the Permanent Supplement of the November 14, 2005 Regular Session Minutes of the Board).

The motion carried with the following vote:

Ayes: Cheek, Cousin, Heron, and Reckhow
Noes: None
Absent: Page

*Documents related to these items follow:

Consent Agenda Item No. c. Budget Ordinance Amendment No. 06BCC000025—Public Health—Recognize Revenue for the Environmental Health Division (recognize \$45,025 from the Department of Health and Human Services for the childhood lead poisoning prevention program).

DURHAM COUNTY, NORTH CAROLINA
FY 2005-06 Budget Ordinance
Amendment No. 06BCC000025

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2005-06 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$296,566,975	\$42,025	\$296,609,000

Expenditures:

Activity
GENERAL FUND
Human Services

\$363,661,506 \$42,025 \$363,703,531

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

This the 14th day of November, 2005.

Consent Agenda Item No. d. Budget Ordinance Amendment No. 06BCC000026—Public Health—Recognize Grant Funds From Kate B. Reynolds Charitable Trust and Establish a Part-Time Position to Support the Work of The Partnership for a Healthy Durham (recognize grant funds in the amount of \$15,000 and establish a provisional 0.50 FTE Health Education Specialist position).

DURHAM COUNTY, NORTH CAROLINA
FY 2005-06 Budget Ordinance
Amendment No. 06BCC000026

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2005-06 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u> Intergovernmental	\$296,609,000	\$15,000	\$296,624,000

Expenditures:

Activity
GENERAL FUND
Human Services

\$363,703,531 \$15,000 \$363,718,531

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

This the 14th day of November, 2005.

Consent Agenda Item No. f. Advancement of Revaluation Date to January 1, 2008 (adopt the resolution from the Tax Administrator advancing the revaluation date).

RESOLUTION REGARDING ADVANCING THE TIME FOR GENERAL APPRAISAL OF REAL PROPERTY

WHEREAS, under the Octennial Plan, the County of Durham will be required to reappraise all real property as of January 1, 2009, in accordance with the provisions of North Carolina General Statutes 105-283 and 105-317; and

WHEREAS, pursuant to North Carolina General Statutes 105-286(a)(2), the County may advance the time for a general reappraisal of real property by the adoption of the Board of Commissioners of a resolution so providing; and

WHEREAS, the Tax Administrator has requested that the Board of Commissioners advance the time of the next general reappraisal of real property to January 1, 2008; and

WHEREAS, pursuant to North Carolina General Statutes 105-286(a)(2), the Board of Commissioners may advance the time for a general reappraisal of real property by the adoption of a resolution.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS FOR THE COUNTY OF DURHAM DOTH RESOLVE:

1. The next general reappraisal of real property within the County of Durham, North Carolina shall be advanced to January 1, 2008, under the provision of the North Carolina General Statutes 105-286(a)(2).
2. The Tax Administrator shall promptly forward a copy of this Resolution to the North Carolina Department of Revenue.
3. The Tax Administrator shall promptly forward a copy of this Resolution to each of the taxing units located within the County.

ADOPTED this the 14th day of November, 2005.

Items Removed for Discussion

Consent Agenda Item No. b. Award of Contracts for Purchase of Vehicles for Sheriff's Office, Tax Administration, General Services, and Engineering Departments (authorize the Manager to enter into a contract with University Ford Inc. for \$985,465.00, Morehead City Ford for \$141,936.00, and Rick Hendricks Chevrolet Inc. for \$10,812.00).

Victoria Peterson, P.O. Box 101, Durham, NC 27702, signed up to speak on this item; however, she was not present when called upon by Chairman Reckhow.

Chairman Reckhow called for a motion on the item.

Vice-Chairman Heron moved, seconded by Commissioner Cousin, to approve Consent Agenda Item No. b.

The motion carried with the following vote:

Ayes: Cheek, Cousin, Heron, and Reckhow
Noes: None
Absent: Page

Consent Agenda Item No. e. Budget Ordinance Amendment No. 06BCC000027 and Capital Project Amendment No. 06CPA000005—Advancement of \$2,005,960 in County funds (Fund Balance) for Two New and Two Existing Durham Public Schools (DPS) Projects to be Reimbursed by General Obligation Bond Funds Issued in Spring 2006 (approve to create two new projects and increase funding for two existing projects).

Vice-Chairman Heron removed this item to inquire about the process of withdrawing \$2,005,960 from the Fund Balance and how much interest will accrue.

Finance Director George Quick responded that DPS requested that the County be prepared to advance \$2,005,960, although \$1.3 million is anticipated to be utilized. The 2006 General Obligation Bonds are scheduled to be issued in April; funds are expected in May. If \$1.3 million is advanced in December, interest accrual would be approximately \$12,800 for five months at 2.375 percent (market rate); interest on \$2,005,960 would be \$19,800. The funds will be used to begin the design phase for the following projects scheduled for Phase II funding:

Durham School of the Arts	\$ 330,800
Fayetteville Street Elementary	400,000
Lowe's Grove Middle	636,160

<u>New Elementary "B"</u>	<u>339,000</u>
Total Obligation	\$ 2,005,960

Vice-Chairman Heron moved to approve Consent Agenda Item No. e.

Chairman Reckhow directed County Manager Ruffin to find out the prospective location of New Elementary "B" and report back to the Board.

Commissioner Cheek expressed delight about the expansion projects underway at Durham Public Schools.

Vice-Chairman Heron commented that continuous school expansion may conflict with the Durham City-County Adequate School Facilities Policy, which states that Durham Public Schools should not be required to exceed their maximum building capacity as a result of changes in the official Zoning Map of the City and County.

Commissioner Cheek reiterated his support for expanding schools, since student overcrowding is a major problem.

In reference to New Elementary "B", Chairman Reckhow further directed the County Manager to inquire if DPS has possession of a site or intends to purchase one, which would require the Board's approval.

Commissioner Cheek seconded the motion.

The motion carried with the following vote:

Ayes: Cheek, Cousin, Heron, and Reckhow
 Noes: None
 Absent: Page

DURHAM COUNTY, NORTH CAROLINA
 FY 2005-06 Budget Ordinance
 Amendment No. 06BCC000027

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2005-06 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Other Financing Sources	\$21,838,663	\$2,005,960	\$23,844,623

Expenditures:

<u>Activity</u>			
<u>GENERAL FUND</u>			
Other	\$5,104,764	\$2,005,960	\$7,110,724

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

This the 14th day of November, 2005.

DURHAM COUNTY, NORTH CAROLINA
 FY 2005-06 Capital Project Ordinance
 Amendment No. 06CPA000005

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2005-06 Capital Project Ordinance is hereby amended to reflect budget adjustments for the following projects:

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>			
Durham School of the Arts	\$240,360	\$330,800	\$571,160
Fayetteville Street Elementary	\$0	\$400,000	\$400,000
Lowe's Grove Middle	\$0	\$636,160	\$636,160
New Elementary "B"	\$50,000	\$339,000	\$389,000

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

This the 14th day of November, 2005.

Resolution Amending the Economic Development Investment Fund

County Attorney Chuck Kitchen stated that the Board of Commissioners adopted a resolution creating the Economic Development Investment Fund on October 14, 1996. Besides creating the fund from which economic incentives could be paid, the resolution created the parameters for awarding economic incentives. Since 1996, the business climate in the United States has changed considerably. Many of the jobs held by Durham County residents in 1996 have now been exported offshore. The need to recruit companies which will bring high paying jobs along with medical benefits to Durham County is now of paramount importance. Corporate headquarters are specifically mentioned in the policy as one type of employer that is likely to produce high paying jobs. While headquarters of companies and other large employers may build their own buildings, today many of these companies may choose instead to locate in properties that have already been developed. The revision to the policy recognizes this change in corporate reality.

The Resolution Amending the Economic Development Investment Fund provides the following:

- Minimum \$5 million investment to be increased annually by CPI.
- Minimum creation of 200 new jobs in Durham County.
- New jobs must pay 110% of average wage in Durham County.
- Company must provide health insurance for employees.
- Incentive is up to \$1 million at the discretion of the Board.
- "Claw-back" provision to require partial or total repayment of incentive if the company leaves prior to ten years.
- Commissioners are not obligated to make an appropriation to any company.

Commissioner Cheek moved, seconded by Vice-Chairman Heron, to adopt the resolution amending the Economic Development Investment Fund.

The motion carried with the following vote:

Ayes: Cheek, Cousin, Heron, and Reckhow
Noes: None
Absent: Page

RESOLUTION AMENDING THE ECONOMIC DEVELOPMENT INVESTMENT FUND

WHEREAS, the Board of Commissioners created an Economic Development Investment Fund on October 14, 1996; and

WHEREAS, the resolution creating the Economic Development Investment Fund contained policies by which it would be decided when appropriations would be made to encourage the location and development of industry in Durham County; and

WHEREAS, since the adoption of the said resolution, the economy has changed to the extent that the Board of Commissioners have determined that it is necessary to include in its policies an additional provision for the appropriation of monies to encourage the location and development of corporate, regional, or divisional headquarters of companies and to encourage the location of large companies with a significant presence to be located in Durham County; and

WHEREAS, the County may make these appropriations pursuant to G.S. §§ 153A-149 and 158-7.1.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS FOR THE COUNTY OF DURHAM DOTH RESOLVE:

1. This Resolution shall supplement the Resolution Establishing the Durham County Economic Development Investment Fund. All provisions of the Resolution Establishing the Durham County Economic Development Investment Fund shall remain in full force and effect except as specifically amended by this Resolution.

2. Appropriations will be considered for large companies with a significant presence to be located in Durham County and large companies which propose to locate a corporate, regional, or divisional headquarters in Durham County which meet the new investment and new jobs thresholds.

3. Appropriations shall only be considered for companies which produce new or expansion capital investment of at least \$5 million, which minimum shall be increased annually by the CPI-U for size B/C of the South Urban Region of the United States.

4. Appropriations shall only be considered for companies which create 200 new jobs. New jobs are defined as a net increase in the company's number of full-time employees working in Durham County. A full-time employee is defined as a person who is employed by the company for at least 35 hours per week and whose wages are subject to withholding. The average wage for new jobs must meet 110% of the average wage as to each category of employee hired, as defined by the North Carolina Department of Commerce Finance Center for Durham County. The company must also agree to provide health insurance in at least the minimum amount required for tax credits under the William S. Lee Act, as it existed on the date of the approval of this Resolution. Under these provisions, a company must provide health insurance for full-time positions and pay a minimum of 50% of the premiums.

5. The Board of Commissioners is not obligated to make any appropriations for a company. If an appropriation is made, the amount of the appropriation shall be determined using the following factors:

- Amount of new investment
- Number of new jobs

- Type of business relative to the tax base
- Reputation of the company
- The presence of competition for the project
- Location in the community

6. The maximum appropriation, which may be made for a company locating in Durham County, shall be \$1 million, which shall be paid over a seven-year period unless otherwise determined by the Board of Commissioners.

7. If an appropriation is to be made to a company, an agreement shall be entered into with the company which shall contain, among other provisions, a "claw-back" provision which will require a repayment, in full, of any appropriation to the company from the County should the company move its headquarters out of Durham County or close its operations in Durham County within five years of the date of the signing of the agreement. The agreement shall further provide that should the company move its headquarters out of Durham County or close its operations within 10 years of signing of the agreement, the company shall repay the County any appropriation in the amount of 80% of the total appropriation to the company if the removal or closing during year six after the signing of the contract, and an amount for years seven through ten of an amount which shall be equal to a declining amount of 20% per year of the total appropriation with the amount being 0% of the amount of the appropriation in year ten and thereafter.

This the 14th day of November, 2005.

Adjournment

There being no further business, Chairman Reckhow adjourned the meeting at 8:03 p.m.

Respectfully submitted,

Yvonne R. Gordon
Deputy Clerk to the Board