

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

Tuesday, June 17, 2003

2:30 P.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., Becky M. Heron, and Mary D. Jacobs

Absent: None

Presider: Chairman Reckhow

Chairman Reckhow welcomed those present to the Budget Worksession.

**Holloway Street Achievement School—Funding Request**

Chairman Reckhow asked that the item be addressed within a 40-minute time limit. The purpose of this presentation was to allow the Commissioners to have their questions answered on this late request for nonprofit funding.

Dr. Regina George-Bowden, the spokesperson for this initiative, clarified the proposal that had been submitted. She described the difference between school-based tutorial service and community-based school concepts. She quoted the findings of study models done since 1938 as related to the holistic approach of what should be done in at-risk communities. Some of those findings follow:

- Having a neighborhood school can give at-risk students attachment to their neighborhood.
- Students who are supported will strive to accomplish the positive expectations placed upon them.
- What sets ghetto residents apart from other American residents is not basic values, but the inability to realize such ideas due to restricted opportunities.
- Ghetto youth without constructive after-school activities are more likely to participate in gang activities.
- Educational outcome is influenced by time spent on homework and self-esteem building.

Dr. George-Bowden concluded that implementation of the proposal would enhance not only the students, but the idea of community and neighborhood involvement. She stated that this approach was not new, was not just a tutorial service, and would enhance the overall development of the community.

The Board of County Commissioners followed with questions and comments. Answers to their questions provided the following information:

- The planning committee, comprised of education experts, had selected three candidates for the program director's position.
- Names of the candidates for program director, teachers, and tutors could not be released due to ongoing reference checks.
- No transportation plans were included in the programming.
- Dr. George-Bowden considered the community program model being developed to be totally different from programs (that she was aware of) offered by the school system.
- The final salary figure for the director would be set by The Durham Business & Professional Chain.
- No grant funding was being sought to complement any funding Durham County might approve. In-kind contributions were being sought from air-conditioning, electrical, and plumbing contractors to improve the house to meet inspection codes. Dr. George-Bowden had volunteered to pay for parts.
- Envisioned were three tutoring sessions from 3:30 p.m. to 6:30 p.m. of six students each, with one director, four teachers, and one teaching assistant per teacher.
- Teaching assistants would come from volunteer sources.
- About \$31,000 in-kind would leverage the money given by the County of Durham.

Vice-Chairman Bowser voiced the public's concern about this proposed project. He asked Mr. Hester what The Durham Business & Professional Chain would receive from this project and how the project was formulated.

Mr. Hester gave a brief history of the Chain, which goes back to 1937. Its mission changed 15 years ago to that of "affecting social outcomes." The "Rites of Passage" program, funded at nearly \$2 million, was its project to address the alarming rate of AIDS among local African-American males.

Mr. Hester said that the Holloway Street Achievement School had been developing since November 2002. Eastway Elementary School was chosen as the target area because it is one of the lowest performing schools in the state and has been under state and federal sanctions. The Chain hopes to implement this program to remedy the poor performance of Eastway students as they progress through the school system.

Vice-Chairman Bowser asked Mr. Hester to address a comment that the project had the objective of making money for some individuals. Mr. Hester answered that the salaries set were not high, that mileage reimbursement was proposed so the teachers could interact with the students and their parents, and that a lot of volunteer time was expected.

Vice-Chairman Bowser asked Mr. Hester to address the late application. Mr. Hester apologized for the late application but stated that the timing was right. The energy was there along with the volunteers and a tentative budget to move forward.

Vice-Chairman Bowser asked if research was done to identify duplication of activities by other groups. Ms. Denise Hester answered that no duplicate programs had been initiated. She predicted that poor student performance would continue for Eastway students. A federal mandate at the second sanction level would require the school system to provide outside tutoring. This mandate indicates the need for the intensive intervention that this program offers.

In answer to Commissioner Heron, Dr. Regina George-Bowden answered that her involvement with this project was as a member of the Chain and co-chair of the culture committee. The culture committee involves her in community activities and allows her to plan initiatives needed by the community.

A conflict of interest was suggested because Dr. George-Bowden—a member of the Durham Public Schools Board of Education—owns the house from which the proposed school would operate. A \$900 per month in-kind tax write-off had been suggested.

Dr. George-Bowden said, as a citizen, she should be allowed to do as she wished with her property. She stated that she was not using it as a tax write-off.

Commissioner Heron stated that approval of this proposal, after the deadline for submission had passed, would be most unfair to the 40 other nonprofit groups that applied to Durham County for funding. Of those 40, 17 did not receive consideration due to funding constraints.

Commissioner Heron named the many individual programs for children and adults included through the Eastway Family Resource Center, whose aim is to provide the resources to help “build stronger families and to give students a better chance in the school.” This forms a partnership with the community.

Chairman Reckhow stated that the Eastway Family Resource Center is in place because a grant was secured by Durham County Government. It is being run through the Cooperative Extension Program.

Commissioner Jacobs noted that public scrutiny of the Board calls for these questions. In answer to her questions, the following information was offered:

- The organization knew about the nonprofits application deadline, but had not yet selected people to run to school.
- The organization had since assembled a team of educators and others and was in the process of interviewing for director, teachers, and assistants.
- Students would be recruited by identifying low scores on grade testing and by securing parental commitment through a survey already distributed at Eastway

Elementary. The model was taken from family institutes at Northwestern University and the University of South Carolina.

- Only one restroom would be required for 15 children, but two restrooms would be provided that would meet the handicap code.
- The organization had requested \$12,000 in funding from the City but had not received an answer.
- No federal funding had yet been requested.
- The Chain would depend on volunteers (HVAC, plumbing, electrical, etc.) first before offering direct funding.
- \$112,000 was earmarked in the proposed budget for student services.
- Liability insurance would be in place as required by law.
- Security would be provided by having persons monitor the students as they come and go. A council of elders would be formed by the neighborhood residents.
- 65% of the budget was for administration.
- No pilot program had been done. The organizers were of the opinion that there were enough education-based collaborators to bypass this step.

Chairman Reckhow's questions brought forth the following information:

- Transportation to the house on Canal Street would be provided/arranged by the parents as a part of their responsible role in the program.
- The number of students likely to receive services per week was 90 (three classes of six students each for five weekdays).
- The \$100,000 budget reflected that only 16% was allotted for teaching, with 45% to be spent on administrative personnel. The program expected numerous volunteer teachers.
- Other program expenses would include \$5,000 for fundraising.
- A variety of permits for the facility would be required (special use permit and zoning variances). If the zoning issue could not be solved, alternative space would be sought in a local church.
- There would be additional fire code requirements from the Fire Marshal's office in changing the occupancy from a dwelling to an educational facility.
- The Federal "No Child Left Behind Act" requiring outside tutoring is two school years away. The State has set earlier sanctions for Eastway Elementary.
- Outside resources (Eastway Elementary, John Avery Boys and Girls Club, and the Salvation Army Boys and Girls Club) have been identified which offer tutoring. They are not, however, directly located in the Canal Street neighborhood.

Frank Duke, City-County Planning Director, stated he had met with Mr. and Ms. Hester and explained to them that, under the Zoning Ordinance, the use must be classified as allowed within the Zoning Ordinance or the ordinance provides for not allowing the use at all. He set the use as either a daycare or school in order to give it required standards. As a daycare or school, it would need a minor special use permit and one or two zoning variances. It would need a second minor special use permit because the lot size does not conform to the minimum lot sizes required. This information was conveyed to Mr. and Ms. Hester along with the time period requirement for obtaining those approvals. A site

plan was needed first. Under a best-case scenario, it would be August or September before the approvals are in place.

There being no further questions or comments, Chairman Reckhow called for a motion.

Commissioner Heron moved, seconded by Chairman Reckhow, to deny the funding request for the Holloway Street Achievement School and that the \$100,000 be allocated to the Durham Public School System. If deemed appropriate, it could be used to reinforce the existing after-school programs and/or the Family Resource Center.

No vote was taken on this motion.

Commissioner Cousin stated he could not support the request to fund the school. He stated that his reason concerned the proposed funding allocation and not the educational concept. He commented that the funding proposed was 75% for staff compensation and 5% for materials and supplies. He suggested a better allocation of dollars going to materials and supplies, and more solicitation of community funding and volunteerism. He suggested that more time should have been given to construction of the parameters of the program. He restated that the proposal's concept was good.

Commissioner Jacobs stated that the Commissioners could not base their decision on emotion. Helping neighborhood children who are academically at-risk is a very worthy cause. She stated she agreed with Commissioner Cousin and offered the following substitute motion:

Commissioner Jacobs moved, seconded by Commissioner Heron, to ask whether the Holloway Neighborhood Achievement School would be willing to pilot the program this year using volunteers to serve 10-15 students, track the program's progress, and then submit a full-blown proposal for nonprofits funding by the application deadline next year.

The motion carried with the following 4 to 1 vote:  
Ayes: Cousin, Heron, Jacobs, and Reckhow  
Noes: Bowser

Vice-Chairman Bowser stated that this program was an opportunity to make a difference in a problem neighborhood regarding the cycle of students dropping out of school and later committing crimes. The program's \$100,000 budget would have come from the one-cent tax increase proposed by the Commissioners on this budget cycle.

An additional motion followed:

Commissioner Jacobs moved to allocate \$25,000 each to Bethesda, Burton, Eastway, and Pearson Elementary Schools—the lowest achieving elementary schools—so they could have teacher assistant positions to help with student tutoring and the achievement problem.

County Attorney Kitchen suggested this be included in the Memorandum of Understanding with the Durham Public Schools, to assure the money would be restricted to this purpose.

A substitute motion was made:

Commissioner Jacobs moved, seconded by Commissioner Heron, to add to the Memorandum of Understanding with Durham Public Schools, the allocation of \$25,000 each to Bethesda, Burton, Eastway, and Pearson Elementary Schools—the lowest achieving elementary schools—so they could have teacher assistant positions to help with student tutoring and the achievement problem

The motion carried unanimously.

### **Community Health Trust Fund—Set Annual Expenditure Level**

During the Board's May 20, 2003 Budget Worksession, Finance Director George Quick met with County Manager Mike Ruffin to present a status report on the Health Trust Fund performance. In that meeting, County Manager Ruffin was informed that the FY 2003-2004 Budget included a \$530,111 appropriation from the Health Trust Fund. According to the Health Trust Fund policy, only 45 percent of current year's earnings can be appropriated. Since there were no earnings for the current year (\$785,038 paper loss), this allocation is in conflict with the policy. Deviations must be acknowledged and approved by the Board of County Commissioners. As such, the Board was requested to take the necessary action to approve the \$530,111 appropriation for the FY 2003-2004 Budget.

Resource Person(s): George K. Quick, Finance Director

County Manager's Recommendation: The County Manager recommended that the Board of County Commissioners approve this request.

County Manager Mike Ruffin introduced the agenda item and recognized George Quick for an explanation.

Mr. Quick explained that there were no revenues earned from the Health Trust Fund investments for the previous calendar year. Instead, there was a paper loss of

\$785,038.21. It was thus necessary to deviate from policy in setting the appropriation for the FY 2003-2004 budget. He requested approval of the \$530,111 appropriation for the FY 2003-2004 budget.

Commissioner Heron urged the Finance Director to be careful and protect the trust fund. If the County takes Durham Regional Hospital back from Duke University at the end of the 10-year agreement, it must have the funds to operate the facility.

Mr. Quick advised that the County still has \$1.4 million in earnings above the original \$23 million investment. He did not foresee a problem with this year's request. However, this tactic cannot be taken in following years if negative earnings continue. This would lead to withdrawing from the principal investment. A slow investment market upswing is predicted with small percentage earnings.

Commissioner Jacobs moved, seconded by Commissioner Cousin, to approve the request to appropriate \$530,111 from the Community Health Trust Fund for the FY 2003-2004 budget.

The motion carried with the following 4 to 1 vote:  
Ayes: Cousin, Heron, Jacobs, and Reckhow  
Noes: Bowser

### **Final FY 2003-2004 Additions and Deletions**

County Manager Mike Ruffin introduced Budget Manager Pam Meyer to lead the presentation for this agenda item.

Ms. Meyer provided an update for the Commissioners. Information relayed included the following:

- The Eno and New Hope Volunteer Fire Districts tax changes are pending. These are to be voted on by the Orange County Board of Commissioners, which holds joint jurisdiction.
- The status of the proposed increases should be known by Thursday. The Orange County Manager has recommended these increases to his Board; a resolution of intent to accept the proposed budget has already been adopted.
- The proposed tax increase for Eno VFD is 6.4 cents from 4.4 cents.
- The proposed tax increase for New Hope VFD is 6.5 cents from 5.0 cents.

Ms Meyer provided the following chart reflecting changes to the General Fund which were discussed at this budget worksession.

## General Fund Changes

<b>Commissioner Requested Additions/Subtractions</b>		
<b>Expenditures</b>		
Name	Amount	Description
District Attorney	\$ 38,754	Contract services for District Attorney
Public Defender	\$ 48,376	Contract services for Public Defender
Animal Prot. Soc.	\$ 30,000	Increase related to APS request
Engineering	\$ 16,088	Addition of Stormwater Management position
Non-Profits	\$ 35,000	John Avery Boys & Girls Club Project Learn
Sheriff	\$ 37,989	Deputy Sheriff-for truancy
Nondepartmental	\$ 526,596	Reinstate Longevity
<b>Non-Profits</b>	<b>\$ 100,000</b>	<b>Holloway Neighborhood Achievement School</b>
Nondepartmental	\$ 31,000	Changes to Pay for Performance Plan
Durham Public Schools	\$ 1,344,476	Additional funding for schools
<b>Total Net Change</b>	<b>\$ 2,208,279</b>	

<b>Manager's Recommended Additions/Subtractions</b>		
<b>Expenditures</b>		
Name	Amount	Description
General Services	\$ 326,245	Emergency jail control need - added to 600k already budgeted
Sheriff	\$ 250,000	Overtime related to Emergency Jail control needs
CJ Resource Cent.	\$ (67,719)	FY03 Pass Through funds incorrectly rolled into FY04 base budget
Youth Home	\$ 27,984	Rebudget funds appropriated for fence repair in FY2003 into FY2004
EMS	\$ 53,376	EMS had, as a part of this fiscal years budget allocation, monies approved to renovate our main EMS station to accommodate HIPAA security mandates as well as to reallocate space to our billing office. This work could not be accomplished until the renovations were completed at our Station 6 on Milton Road and personnel and equipment moved to Station 6.
Planning	\$ (12,883)	Change in Planning Dept. share, per revisions by City
Mental Health	\$ 10,083	Adjustment to get Net County funding to current budget level
Clerk to Board	\$ 50,000	First in Flight contract services
General Services	\$ (221,375)	Eliminate Painting of Detention Center
Clerk to Board	\$ (7,500)	Double-count of TJCOG clean air study
<b>Total Net Change</b>	<b>\$ 408,211</b>	



<b>Recommended Revenue Changes</b>		
Name	Amount	Description
Engineering	\$ 16,088	Revenue increase related to Stormwater Management position
General Services	\$ 30,000	Increase Animal Control fees to cover increase contract costs
Tax	\$ 1,912,797	One-cent tax rate increase (to 76.3 cents/\$100)
Finance	\$ 657,605	Increase fund balance appropriation (covers detention center camera/OT/youth home/ems)
<b>Total Net Change</b>	<b>\$ 2,616,490</b>	

<b>Final Additions/Subtractions</b>		
<b>Expenditures</b>		
Name	Amount	Description
Board of Elections	\$ 7,635	BOCC Approved Director Salary Adjustment
Pay for Performance	\$ (7,635)	Nondepartmental Pay for Performance funds
Register of Deeds	\$ 272,000	Register of Deeds Automation
Cooperative Extension	\$ 335,868	Welcome Baby Program Moved from Mental Health
Mental Health	\$ (53,729)	Welcome Baby Program Moved to Cooperative Extension
<b>Total Net Change</b>	<b>\$ 554,139</b>	

<b>Final Revenue Changes</b>		
Name	Amount	Description
Finance	\$ 272,000	Designated for Register of Deeds Automation Fund Balance
Cooperative Extension	\$ 282,139	Welcome Baby Program Grant (\$278,139) and Fees (\$4,000)
<b>Total Net Change</b>	<b>\$ 554,139</b>	

Ms. Meyer stated that the top three boxes were as the Board had seen them through prior worksessions. The bottom two boxes reflect changes:

- Approve a salary increase for the Board of Elections.
- A percentage of the revenues (from fees collected) in the Register of Deeds Office would be set aside and used for an automation update.
- The Welcome Baby Program (a Smart Start program) would be moved from The Durham Center management to Cooperative Extension management.

Due to Vice-Chairman Bowser's concern, County Manager Ruffin suggested that the proposed salary increase for the Board of Elections could be removed and voted on as a separate item in July. The Board agreed by consensus to do so.

The Commissioner asked questions of the Register of Deeds. Mr. Willie C. Covington, Register of Deeds, explained that the \$272,000 had been set aside from revenues mandated by the State to be collected and spent for upgrades to the system. There would be no cost to the County. This is money set aside to automate and keep current with

technology. The Register of Deeds system was initially installed with minimum hardware and only one server. A backup server is needed to insure against loss of data if the first server fails. Durham is the only county of its size without a backup server. This would upgrade the hardware and allow the department to begin loading the plats and maps on the system.

Budget Manager Pam Meyer and Cooperative Extension Director Cheryl Lloyd answered questions for the Commissioners regarding the Welcome Baby Program move from The Durham Center to Cooperative Extension. Chairman Reckhow called for an ongoing evaluation of the program now that its expenses are under the control of the County. Ms. Lloyd stated she would share with the Commissioners the evaluation of the Smart Start Program, under which the Welcome Baby Program will fall.

Chairman Reckhow stated that if there were no concerns or objections with the changes, the County Manager would incorporate these changes into the Budget Ordinance to come before the Commissioners on June 23, 2003 for adoption. The proposed salary increase for the Board of Elections was removed for a decision in July.

#### **Nonprofit Policy—Discussion at August Meeting**

Commissioner Jacobs suggested, in agreement with Commissioner Cousin's earlier request, that nonprofit groups applying for funding should be made aware in writing that no exceptions to the deadline would be considered. It isn't fair to the other nonprofit agencies and to staff to make an exception for consideration.

Chairman Reckhow suggested that discussion of the nonprofits policy be placed on an August agenda with some proposed wording addressing Commissioner Jacobs' proposal.

The Commissioners were in agreement that this be addressed.

#### **Adjournment**

There being no further business, the meeting was adjourned at approximately 4:55 p.m.

Respectfully submitted,

Garry E. Umstead, CMC  
Clerk to the Board