

# CITY-COUNTY MEGER

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**DURHAM CITY-COUNTY CONSOLIDATION  
VOLUME III**

**CITIZEN TASK FORCE MEETING MINUTES  
DECEMBER 21, 1999**



**Durham City-County Consolidation  
Volume III – Meeting Minutes**



**Durham City-County Consolidation  
Volume III**

**Citizen Task Force  
Meeting Minutes**

**December 21, 1999**

TO: Marcia Margotta  
FROM: Administrative/General Government Subcommittee  
SUBJECT: Meeting of July 20, 1999

1. Susan Austin and Earl Powell were elected as Co-Chairs and Tom Hurysz appointed as temporary secretary.

2. We decided to meet twice a month (1st and 3rd Tuesdays, except for August) from 7:00 - 8:30 P.M. Susan will attempt to reserve a room at the Main Library. Meeting dates will be 8/10 & 24, 9/7 & 21, 10/5 & 19 and 11/2 & 16.

3. Susan will obtain Durham City/County organization charts, Charters and other descriptive materials from the web.

4. Tom will obtain reports from previous merger discussions.

5. Scott Gardner was added to the subcommittee.

Not present: Fikes, Harrington, Jentsch, Massenburg, McEachin, Steer, and Wildey.

222- 0/11

**Administrative/ General Government Citizen Merger Subcommittee  
Main Library**

**Tuesday, August 10<sup>th</sup>, 1999 7:00 – 8:45pm**

15 members in attendance, 7 absentees

Steering Committee Liaison Mr. Howard Clement III

**Announcements**

Either Co-chairpersons (Ms. Susan Austin or Mr. Earl Powell) need to be notified within 24 hours in the event you are unable to attend a meeting. Two absences without prior notification will be an assumed resignation from the subcommittee.

Minutes from the July 20<sup>th</sup>, meeting were inadvertently left out of the mailed packets. Ms. Austin will contact Marcia and be sure the minutes are available before the next meeting.

All requests for attendance of city/county staff, or requirements of administrative duties, need to be forwarded to Marcia/facilitator via the co-chairs.

Ms. Alicia Morris was elected subcommittee secretary.

**Subcommittee discussions**

The subcommittee focus is on administrative functions as clarified by Mr. Clement. These functions were compared and members decided on which they wanted to keep administratively. The group has decided on the following:

Internal Audit	Equal Opportunity/ Equity Assurance
Internal Consulting Office	Grants
Management Information	Asset Management
Information Services (IS)	Fleet Maintenance
Human Resources	Geographic Information Systems
Economic and Employment	

A memorandum raising specific questions needs to come from the group signed by the co-chairs and directed to the facilitator. The facilitator will be decided on Friday August 13<sup>th</sup>.

The City/County Manager's Work Program Proposal/Budget Document will be available for evaluation at the August 24<sup>th</sup> meeting. Mr. John Steer (County's proposal) and Ms. Annette Montgomery (City's proposal), have volunteered to obtain these documents.

Mr. Scott Gardner will access information on other mergers.

**The meeting was adjourned with no further business to discuss.**

**Administrative/ General Government Citizen Merger Subcommittee**

**Tuesday, August 24<sup>th</sup>, 1999**

**7:00p**

**4<sup>th</sup> Floor Conference Room at City Hall**

18 members in attendance, 6 absentees

Steering Comm Liaison Mr. Howard Clement III

Minutes of the Tuesday August 10, 1999, meeting were amended. "General Services" will be added to "Asset Management" as one of the administrative functions to be discussed. A motion to amend & approve was moved, seconded and carried. Minutes of the July 20<sup>th</sup> meeting were also approved.

Tom Hursycz proposed that we create a mission statement for the new general government and implement a value system. He further stated that four key points need to be addressed: vision, mission, value system, and strategic planning to change the culture. No formal comments were made by the committee as to the future of this proposal.

Scott Gardner presented information on the history of other mergers to the sub-committee.

**Sub-committee Groups have been formed as follows:**

Internal Audit/ Internal Consulting Office - Robert Jentsch and Susan Austin

Management Information/ Information Services (IS) – Eric Harrington, John Steer, Holly Whitacre

Human Resources – Scott Gardner, Tom Hursycz, Alicia Morris

Economic and Employment – Earl Powell, John Steer, Haywood Davis, Annette Montgomery

Equal Opportunity/ Equity Assurance – Anita Hammond

Grants – Tara Fikes

Asset Management/ General Services – Annette Montgomery, John Steer,  
Brandon Poole, Haywood Davis

Fleet Maintenance – Betsy Robb

Geographic Information Systems – John Steer

Arrangements will be made through the co-chairs to have directors from each administrative department meet with the sub-committee groups.

The next subcommittee meeting will be Tuesday, September 21<sup>st</sup>. A one-page summation of questions and/or objectives of each group's meeting are to be given to the co-chairs prior to the meeting. The location will be the 4<sup>th</sup> floor conference room in City Hall.

**The meeting was adjourned with no further business to discuss.**

**Administrative/ General Government Citizen Merger Subcommittee  
Tuesday, September 21st, 1999**

**7:00p**

**4<sup>th</sup> Floor Conference Room at City Hall**

**11 members in attendance, 10 absentees**

**Steering Committee Liaison Mr. Howard Clement III**

**Merger Consultants/ Facilitators Bob Melville and Sharon Murphy**

Minutes of the Tuesday August 24<sup>th</sup>, 1999, meeting were amended. John Satterfield was inadvertently left off of the Management Information/ Information Services list.

Consultants Bob Melville and Sharon Murphy from the Maximus Group, Inc. based in Texas, were introduced to the subcommittee by Co-chair Earl Powell. An informal Q & A session followed. Bob Melville outlined 5 criteria and suggested all committees use to assess if a merger is feasible. These criteria are:

1. Public confidence
2. Service Delivery
3. Fiscal Strength
4. Regional Competitiveness
5. Transitional Challenge

The following committees reported:

Fleet Maintenance – report was distributed

GIS

Human Resources – no real savings

Economic Development – not difficult. Positive reaction

Equal Opportunity/Equity Assurance

Asset Management & General Services- no reason they cannot be merged.

The next subcommittee meeting will be Tuesday, October 5<sup>th</sup> at 7:00PM. Definitive statements need to be prepared for review and discussion. The location is the 4<sup>th</sup> floor Conference Room of City Hall.

**The meeting was adjourned with no further business to discuss.**

**Administrative/ General Government Citizen Merger Subcommittee**

**Tuesday, October 5, 1999**

**7:00p**

**4th Floor Conference Room at City Hall**

14 members in attendance

Steering Committee Liaison Mr. Howard Clement III

A motion to approve the minutes of the Tuesday September 21, 1999, meeting was moved, seconded and carried.

Sharon Murphy discussed the template concept and opened the table for questions and comments. Consensus will be defined as 51% or a vast majority. However for controversial issues a vast majority vote is sufficient.

Earl Powell informed the subcommittee that the use of the term "sub-sub committee" is to be replaced with the term "task force."

The following Task Forces reported:

- Internal Consulting/Auditing
- Management Information/Information Services
- Human Resources
- Economic Development
- Equal Opportunity/Quality Assurance
- Asset Management/General Services
- Fleet Management
- City/County Manager Merger

The next subcommittee meeting will be Tuesday, November 2nd. All task forces should submit their reports prior to this meeting. The location is tentatively 4th floor Conference Room at City Hall.

The meeting was adjourned with no further business to discuss.



Administrative/General Government Citizen Merger Subcommittee  
Tuesday, October 19, 1999

7:00p

4<sup>th</sup> Floor Conference Room at City Hall

10 members in attendance

Steering Committee Liaison Mr. Howard Clement III

A motion to approve the minutes for the Tuesday, October 5, 1999, meeting was moved, seconded and carried.

Sharon Murphy distributed and discussed the Guidelines for Preparing Resolutions.

Susan Austin reported Betsy Robb had resigned from the Subcommittee due to her moving to Asheville.

The following Task Forces reported:

- Equal Opportunity/Quality Assurance
- Human Resources
- Internal Auditing/Internal Consulting

The next subcommittee meeting will be THURSDAY, NOVEMBER 4, 1999. The remaining Task Forces will submit their reports. The location is the 4<sup>th</sup> floor conference room at City Hall.

The meeting was adjourned with no further business to discuss.

**Administrative/General Government  
Citizen Merger Subcommittee**

**Thursday, November 4, 1999  
7:00p  
4th Floor Conference Room at City Hall**

13 members in attendance

A motion to approve the minutes for the Tuesday October 19, 1999 meeting was moved, seconded and carried.

A report on the October 28, 1999 meeting between the Consultant and Subcommittee leaders was given by Earl Powell.

The following Task Force reports were updated:

- MIS, IS, GIS
- Economic Development and Employment
- Asset Management
- City/County Manager's Office

Minor changes and clarifications were made to the following Task Force Reports:

- Equal Opportunity/Equity Assurance Procurement/MWBE
- Human Resources
- Internal Audit/Internal Consulting
- Fleet Maintenance

A motion to accept all reports as amended was moved, seconded and carried.

A motion to do one resolution for all 8 task force reports and subsections was moved, seconded and carried.

The next subcommittee meeting will be Tuesday November 9 at 7:00p, 4<sup>th</sup> floor City Hall.

The meeting was adjourned with no further business to discuss.

**Administrative / General Government  
Citizen Merger Subcommittee**

**Tuesday, November 9, 1999**

**7:00 p**

**4<sup>th</sup> Floor Conference Room at City Hall**

11 members in attendance

A motion to approve the minutes of the Thursday November 4, 1999 meeting was moved, seconded and carried.

The subcommittee reviewed a draft resolution making corrections and clarifications.

A motion to unanimously approve the amended resolution was moved, seconded and carried.

A second draft of the entire report will be available for review December 6.

The meeting was adjourned with no further business to discuss.

**Human & Comm  
Services**



**\*\* NOTICE \*\***

September 23, 1999

The Community Services & Development subcommittee and the Health & Human Services subcommittee have officially consolidated their efforts to study the issue of merger as one subcommittee. This consolidation occurred during a joint meeting of the subcommittees on September 22, 1999.

For the duration of the citizen study phase of City/County Merger for the County of Durham and City of Durham, the combined subcommittees will operate as a single subcommittee. The Chairperson is Janette Warsaw and the Vice-Chair/secretary is Sarah Heinemeier.

HEALTH AND HUMAN SERVICES  
Citizens Subcommittee on Merger

Minutes 7/26/99 - Meeting #1

Three member of the subcommittee were present for 7/26/99 meeting. Those present agreed to serve as temporary officers until next meeting when additional members will be present and officers can be elected. Temporary officers are: Chairperson Janettee Warsaw, Vice Chairman Michael Royster and Secretary Terry McCabe.

Preliminary list of City and County Departments which fall under this subcommittees area of responsibility was developed. List includes:

Mental Health	Human Relations
Social Services	Equity Assurance
Public Health	MWBE Program
Economic Development	EMS Services
Durham Housing Authority	Employee Training
Affordable Housing	

At next meeting discussions will be held to expand list and more clearly define area of responsibility.. And, decision will be made on how best to interviews various Departments. In addition, outline of standard questions to be asked during the interview will be drafted.

Next meeting is 7 PM 8/11/99 at Shannon Manor Library. Future meeting will be ever two weeks.

Terry McCabe  
Acting Secretary

HEALTH and HUMAN SERVICES  
Citizens Subcommittee on Merger

Minutes 8/11/99 - Meeting #2

Present: Janette Warsaw, Michael Royster, Terry McCabe, MaryAnn Black  
Absent: Luther Holman, Kate Young Porter, Cynthia Brown

Subject of combining Health and Human Services Subcommittee (HHSS) with another small Subcommittee was placed on the table by Commissioner Black. Following discussion, suggestion was rejected because of the large number of agencies HHSS will be reviewing. In addition, subcommittee decided the City Parks and Recreation Department should also be included in its area of responsibility. Once outside consultant is hired, final listing of City/County services that fall in HHSS area of responsibility will be locked in for action. Consultant should be in place by next HHSS meeting.

Commissioner Black suggested HHSS might find it useful to attend upcoming Human Services Task Force which will be looking at desirability of merging DSS, PH and Mental Health into one organization. Committee will contact this group.

Committee requested that consultant selected provide, for committee use, sample questions used in other communities where possible merger has been reviewed.

Information on Durham Housing Authority (DHA) was distributed to members. Since this organization does not report to City or County elected officials discussions are still underway as to how best to review impact of City/County government merger on public housing..

Preliminary list of City and County Departments which fall under HHSS's area of responsibility follows:

Mental Health	Human Services
DSS	Equity Assurance
Public Health	MWBE Program
Economic Develop.	EMS Services
DHA	Employee Training
Parks & Rec.	Human Relations Depart.
Affor. Housing	

Discussion was held on how best to enter into dialog with these various Departments. No decisions were reached. Subject will be discussed with outside consultants once there are hired.

Next meeting will be at 7 PM 8/25/99 at Shannon Manor Library.

Terry McCabe  
Acting Secretary

**COMMUNITY SERVICES AND DEVELOPMENT  
CITIZEN SUBCOMMITTEE ON MERGER**

**MEETING MINUTES FOR  
SEPTEMBER 1, 1999**

In attendance last Wednesday were:

Commissioners Reckhow and Boswer, Ellen Dagenhart, Norman Brown, Bob Melville (consultant), Lynne Jefferson, Larry Holt, Corky Camin and myself, Sarah Heinemeier.

This was Bob Melville's first meeting with our group, so we gave him some general information. Of note, was the fact that none of us had received notification of the meeting. BM made note of this.

2) Possibility of consolidating our committee with that of human services was raised.

3) we decided to have an open ended discussion on various issues and determine the scope and theme of our sub committee. Results were:

- 1) extending of funds into county areas re: parks and recreation
- 2) will there be an increase in taxes/services, will services remain consistent, or will services improve/per tax dollar.
- 3) cultural services
- 4) economic growth and development; regional competitiveness
- 5) focus on a more efficient and effective government (can we research models of successful city/county mergers? Examples: NYC, Nashville, Indianapolis, Jacksonville)
- 6) development services ("one stop shop" for developers; clearinghouse)

In addition, committee members thought it useful to:

- 1) the areas in which consolidation in Durham has already occurred, and what are some of the issues yet to be resolved with these mergers.
- 2) publication of decisions for tax payer approval and involvement
- 3) research past studies on mergers, reviewing costs and benefits
- 4) invite in representative from business community, etc.
- 5) determine what kind of services citizens want

Lastly, committee members discussed what type of information was needed for the next meeting:

- 1) budgets
- 2) maps of facilities
- 3) more specific information on economic development
- 4) more specific information of city vs. county responsibilities



**Community Services & Development (CSD)  
and  
Health & Human Services (HHS)  
Durham City/County Merger Citizen Subcommittee Meeting**

**Minutes  
Wednesday - September 21, 1999  
7:00 PM**

**Attendees:** Sharon Murphy and Bob Melville (Facilitators)  
MaryAnne Black - County Commissioner, Cynthia Brown - City Council Liaison

**CSD and HHS Subcommittee Member Attendees (9):**  
Norman Brown, Corky Camin, Wayne Cash, Evelyn Glatt, Sarah Heinemeier, Denise Hester,  
Larry Holt, Nishu Singh, Terrance McCabe, and Mike Royster.

The meeting was called to order by Bob Melville. Melville introduced himself and Sharon Murphy as facilitators.

**Meeting agenda:**

- 1) Organization
  - a) Status
  - b) Merger
  - c) Chairs/co-chairs
  - d) Schedule
  
- 2) Approach
  - a) Charge/decisions
  - b) Criteria
  - c) Procedures
  
- 3) Issues and assignments

**Handouts distributed (7):**

- Telephone contact sheet for both committees
- Breakdown of some departments/services into city or county (top of page reads "Sheet 1")
- Preliminary profile of planning and development services, parks, recreation and cultural services
- Preliminary profile health and human services
- Map (local government services location)
- Chief functions and services for city vs. county governments
- CSD City budget summary

**Community Services & Development (CSD)/Health & Human Services (HHS)  
Durham City/County Merger Citizen Subcommittee Meeting  
September 21, 1999 - Minutes (Continued)**

**Meeting highlights:**

- November 30<sup>th</sup> is the deadline for all Citizen Subcommittees to complete their review of programs/departments assigned. A joint presentation of all subcommittees will be made to the Durham City/County Merger steering committee.
- Merger of CSD and HHS subcommittees - Members voted to merge the CSD and HHS committees. The vote was 9 in favor of the merger and 0 opposed.
- Election of CSD/HHS subcommittee chair and co-chair - Members voted to retain Janette Warsaw (former HHS chair) as chair and Patricia Byrd (former CSD vice-chair) as vice chair of the CSD/HHS subcommittee. Mike Royster was invited to maintain his standing as vice chair, but declined. Sarah Heinemeier was voted to function as a new vice chair and will also function as secretary. The vote for both chair and vice-chair positions were 9 in favor of the individuals nominated and 0 opposed.
- Review of attendance policy - Members were reminded that two unexcused absences would result in removal from the committee.
- Reminder of meeting dates -- Meeting dates were scheduled for the first and third Wednesday at 7:00 p.m. Meetings will be held at the Main Library in the 3<sup>rd</sup> floor conference room.
- Profiles for the Planning and Development Services, Parks and Recreation & Development Services & Cultural Services, and Health & Human Services were reviewed. Subcommittee members agreed to focus on the following:
  - ⇒ Planning, Zoning, and Inspections -- Review the effectiveness of these functions since they are already operated jointly by the City and County. Use these jointly operated functions as a model to evaluate the potential efficiency/effectiveness of merging other departments/programs.
  - ⇒ Housing and Community Development - Look at balanced growth strategy.
  - ⇒ Parks and Recreation -- Look at the feasibility of extending existing City programs into the County.
  - ⇒ Open Space and Forestry Management - Look at the feasibility of expanding existing City programs into the County.
  - ⇒ Other Cultural -- Review funding agreements between the City and the County.
  - ⇒ Public Health/Mental Health -- Look at how County programs might be implemented more effectively in the City.
  - ⇒ Other Educational -- Look at how merging three boards is likely to work. Look at the possibility of a single advisory committee for public health, social services, and mental health.

**Community Services & Development (CSD)/Health & Human Services (HHS)  
Durham City/County Merger Citizen Subcommittee Meeting  
September 21, 1999 - Minutes (Continued)**

Committee members volunteered to evaluate the merger desirability of following programs/departments:

<b>Program/Department</b>	<b>Committee Member Assignment</b>
Planning and Zoning, and Inspections	Wayne Cash, Denise Hester, and Larry Holt
Housing and Community Development	Wayne Cash, Denise Hester, and Larry Holt
Parks and Recreation	Norman Brown and Corky Camin
Open Space and Forestry Management	Wayne Cash, Denise Hester, and Larry Holt
Cultural	Evelyn Glatt and Sarah Heinemeir
Education	Evelyn Glatt and Nighu Singh
Public Health	Terry McCabe and Michael Roster
Mental Health	Norman Brown, Sarah Heinemeir, Terry McCabe, and Michael Roster

Committee members that were not present at the September 21<sup>st</sup> meeting will be asked to volunteer for a committee assignment at the October 6<sup>th</sup> meeting.

**Next Meeting  
Wednesday, October 6, 1999 - 7:00PM  
Main Library – Roxboro Road  
(3<sup>rd</sup> Floor Conference Room)**

**Durham City/County Merger Project  
Community Development/Health and Human Services Committee**

**Committee Roster**

Name	Home Phone	Work Phone	E-Mail Address
Black, Mary Ann	489-1669		
Bowser, Joe	493-1229		
Brown, Cynthia	489-9790		<a href="mailto:southernej@mindspring.com">southernej@mindspring.com</a>
Brown, Norman	286-3200		
Bryant, Michelle	493-4028	490-7133	
Byrd, Patricia	479-1584	479-1584	
Camin, Corky	471-4664	993-4366	<a href="mailto:cnicamin@aol.com">cnicamin@aol.com</a>
Cash, Wayne	479-9996	620-9099	<a href="mailto:enofest@gte.net">enofest@gte.net</a>
Dagenhart, Ellen	680-0318	286-5611	
Garrett, Wanda J.	489-4889		
Glatt, Evelyn	929-3143		<a href="mailto:benjglatt@aol.com">benjglatt@aol.com</a>
Heinemeier, Sara	687-0567		<a href="mailto:113214.1224@compuserve.com">113214.1224@compuserve.com</a>
Hester, Denise	544-6400	956-9913	
Holman Jr., Luther	471-9716		
Holt, Larry	477-8102	543-0321	<a href="mailto:jlholt@us.ibm.com">jlholt@us.ibm.com</a>
Jefferson, Lynne	957-8344		
Leonard, Tracy M.	493-4028	544-2600	
McGregor, Scott	956-9883	859-3212 ext. 3003	
Patterson, Willie I.	286-4868	286-9393	
McCabe, Terry	493-5507	416-2222	<a href="mailto:McCabe@pobox.com">McCabe@pobox.com</a>
Reckhow, Ellen	383-3883		
Royster, Michael	402-9751	966-8900	<a href="mailto:michael_royster@hotmail.com">michael_royster@hotmail.com</a>
Singh, Nishu	680-2417		<a href="mailto:nishu.singh@duke.edu">nishu.singh@duke.edu</a>
Swenson Jr., Clayton	544-4464	483-8511	
Wagoner, Trudy	493-7251	682-2133	
Warsaw, Janette	489-5795	286-6806	
Young, Kate Porter		471-3231	
Sharon Murphy – Facilitator		(713) 622-7666	<a href="mailto:smurphv@milm.com">smurphv@milm.com</a>
Bob Melville – Facilitator			<a href="mailto:melville52@aol.com">melville52@aol.com</a>

**Community Services & Development (CSD)/  
Health & Human Services (HHS)  
Durham City/County Merger Citizen Subcommittee Meeting**

**Minutes  
Wednesday – October 6, 1999  
7:00 PM**

**In attendance:**

Sarah Heinemeier, Marcia Margotta, Sharon Murphy, Janette Warsaw, Norman Brown, Evelyn Glatt, Terry McCabe, Larry Holt, Wayne Cash, Denise Hester, Mike Royster, Ellen Dagenheart.

**Handouts:**

- 1) agenda
- 2) assessment criteria and factors (template)
- 3) public parks in Durham County
- 4) guidelines for preparing resolutions
- 5) County budget (1999-2000)

**General Info.:**

The Merger Steering Committee will meet next Wednesday, Oct. 13, 1999, at 7:30 pm in the City Hall Bldg., 2nd floor Committee Room. Bob Melville will be presenting an update on sub-committee progress. Open meeting.

**Minutes:**

7:08 pm: Sharon calls meeting to order, 7 committee members are in attendance. It is noted that 10 committee members are needed for quorum. It is also noted that 4 people have officially resigned from committee (Leonard, Patterson, Jefferson and Wagoner).

7:11 pm: committee reaches quorum and is officially started with acceptance of last meeting's minutes (10 in favor, 0 opposed) (Item 1 on agenda)

**Agenda Item 2:** all handouts are distributed (see list above)

**Agenda Item 3:** M. Margotta requests clarity and caution in using the term "committee"; requests the use of term "assignment" when interviewing business and community members. With the use of the term "committee", all interviews are subject to open meeting laws and regulations. Using the term "assignment" removes these obligations. For use in interviews, we can represent ourselves as "member of the sub-committee on assignment".

**Agenda Item 4:** corrections to assignment list

Planning, Zoning and Inspections: correct, no changes  
Housing and Comm. Devel.: correct, no changes

Parks and Rec.: correct, add K.P. Young

Open Spaces and For. Manage.: correct, no changes

Cultural: correct, add Ellen Dagenheart

Education: DROP

Human Relations: add as category; T. McCabe and J. Warsaw

Health Services: to include Public Health, Mental Health and DSS;

T. McCabe, N. Brown, J. Warsaw, and M. Royster (remove S. Heinemeier)

Agenda Item 5: Schedule all appointments for interviews with M. Margotta, regardless of personal acquaintance, as Marcia needs to keep records of meeting. Marcia at work: 560-0017

In addition, we can channel all requests for additional information through Marcia. This might be helpful to do before conducting interviews.

Agenda Item 6: Review of template. Please note the following points:

- 1) use the template whenever possible, as this puts data into useable format
- 2) template will provide your baseline information for consideration
- 3) try to give a broad description of functions, strengths and weaknesses
- 4) information on costs and full time employees should be found in distributed budget summaries
- 5) if there is no merger, consider using words such as "void" or "expanding" instead of "merger"
- 6) we will need one template for each category being addressed
- 7) individual groups can best decide how to complete the template for their category (ie., as a group or in individual sections)
- 8) we should also consider whether services are at this time effective or operating efficiently, and not presume them to be so
- 9) template is a guideline; questions can be added, depending on the nature of the interview
- 10) we are not taxation/finance, which is considering the issue of costs. We can address these issues within our interviews, but do not have to analyze financial feasibility.
- 11) capital assets should be considered (ie., equipment, tools, fleet...)
- 12) we are not looking for personal opinions, but rather professional evaluation of the merger and its effects.
- 13) to remove bias from interview questions, remove the words "positively" and "negatively"
- 14) in our evaluation, we should not base our decisions on cost alone, when skills and services are also increasing or expanding.
- 15) work needs to be legible
- 16) all templates will be reviewed to produce resolution
- 17) information needs to be fact based and defensible
- 18) team members can conduct separate visits, but go through Marcia
- 19) will need to produce valid reasons for deciding (either for or) against a merger. Focus on professional guidance in this issue.

**Agenda Item 7: Task Force Reports, Open Call**

T. McCabe: has letter re: mental health, minutes from human relations meeting

**Agenda Item 8: next meeting is October 20, 1999. M. Margotta will try to reserve Main Library conference room.**

**Necessary for the next meeting:**

1) reports and templates from individual groups. You can email or fax to Marcia for copies/distribution.

**Necessary for Nov. 3, 1999 meeting:**

1) consensus building on merger

2) resolution drafting

There is a possibility of an additional meeting Nov. 10, 1999 in order to complete consensus building and resolution drafting.

Bob Melville will report on Dec. 1, 1999 and needs resolutions by Nov. 15, 1999 in order to synthesize data and draft general recommendations. We will have a chance to review previous to this.

**Agenda Item 9: general guidelines for resolutions, to be reviewed in future meetings.**

**Miscellaneous:**

1) need only one representative from each group to contact Marcia

2) allow for telephone interviewing

3) create list of information needed before conducting interviews, including any printed information

4) 8 missing committee members. Motion was made to move forward on assignments, regardless of missing members. Motion passed, 10 in favor, 0 opposed.

5) break up into individual groups to discuss assignments.

Meeting officially adjourned at 8:37 pm.

Respectfully submitted, 10/7/99, S. Heinemeier

**Community Services & Development (CSD)/  
Health & Human Services (HHS)  
Durham City/County Merger Citizen Subcommittee Meeting**

**Minutes  
Wednesday – October 20, 1999  
7:00 PM**

**Minutes**

Known to be Absent: Corky Camin, Evelyn Glatt, Wayne Cash, Larry Holt (checked in briefly at about 7pm, but had prior commitment)

Present: Marcia Margotta, Sharon Murphy, Sarah Heinemeier, Norman Brown, Janette Warsaw, Mary Ann Black, Joe Bowser, Terry McCabe, Mike Royster.

Handouts: blank templates, city (CSD) budget, reports on Forest Protection and Management Services, Health Department, Open Space, agenda

7:09 pm: meeting is called to order with 5 committee members in attendance

1) there can be no vote on last meeting's minutes, as 10 committee members are needed to achieve quorum

2) report on the Oct. 13th merger steering committee meeting:

- a) there needs to be consensus in committee prior to submission of report. Attendance is a problem when building a consensus.
- b) CSD/HHS- on the tail end of completing assignments, but have fewer controversial items to discuss
- c) Bob Melville issued a clarification of the charge: discuss feasibility of merger.

3) blank templates are available; turn in to Marcia when completed for processing and distribution

4) the next two meetings are very important...all data must be gathered and summarized. There will be voting on recommendations and drafting of a resolution (expected Nov. 10). Quorum must be achieved to vote on resolutions. Janette and Sarah will call members who have been absent and ask for formal resignations if members express little or no interest in completing assignment or continuing on committee. This resignation should be in writing, but can be submitted by email. Janette will call members with last names J-Y. Sarah will call members with last names B-H.

5) Reports and discussion were heard:

- a) Sarah gave verbal report on cultural affairs: library and Triangle Opera
- b) Mike Royster reported on Public Health



- c) Terry McCabe reported on Mental Health
- d) Janette Warsaw reported on DSS
- e) Norman Brown reported on Housing
- f) Terry McCabe reported on Human Relations

6) FOR THE NEXT MEETING:

- a) all written reports need to be completed; DUE BY Wednesday OCT. 27 TO MARCIA MARGOTTA (560-0017)
- b) continue to give brief summaries of reports and vote on issues If there are problems typing in to the templates, please send to Sharon Murphy at:  
fax: 713-622-7879  
voice mail: 713-622-7666  
pager: 800-618-4396

7) If there are any questions regarding information and assignments, these should be communicated and discussed in group before finalizing template.

Please put the names of fact-finding members on the template, with phone number.

Non-agreement or minority reports are requested for the final resolution.

8:29 pm: meeting adjourned

**Human & Community Services**  
**Durham City/County Merger Citizen Subcommittee Meeting**

**Minutes**  
**Wednesday – November 3, 1999**  
**7:00 PM**

Attendance: Sharon Murphy, Marcia Margotta, Sarah Heinemeier, Norman Brown, Evelyn Glatt, Terry McCabe, Trudy Wagoner, Luther Holman Jr., Wanda Garrett, Corky Camin, Mike Royster, Larry Holt, Cynthia Brown, Jow Bowser

Known to be Absent: Wayne Cash, Janette Warsaw

Handouts: agenda, minutes from 10-20-99, guidelines for preparing resolutions, reports: civic center, planning and zoning, inspections, department of social services, housing and community development, open space (revised), human relations commission

Terry brought additional report "Durham Center, MH/DD/SA" and distributed copies

7:13 pm: meeting called to order

- 1) Minutes cannot be voted in; no quorum
- 2) Review of Bob Melville's meeting with Chairs. No representation from our committee due to timing (meeting was held at 11:30 am, when neither Janette nor Sarah could attend due to work demands); each subcommittee should provide resolutions to Sharon, who will pass on to Bob;
  - All resolutions and minutes are due by 11/16/99
  - First Draft report-available to chair and vice-chair (Janette and Sarah, respectively) on 11/30/99 (Tuesday)
  - Second Draft report-available to all members Monday, 12/6/99; copies available via Marcia @ County Building
  - Task forces can elect to have additional meetings between 12/6/99 and 12/15/99 to review reports/resolution and provide additional comments
  - Chairs to re-submit second draft report, with comments and suggestions by 12/15/99
  - Chairs will meet 12/17/99 to discuss second draft report with Bob Melville, DMG
  - Final report issued Wednesday by 12/22/99
  - NOTE: all task force "assignment" reports will be given to city and county representatives to review

*\*NOTE: All dates listed are tentative\**

- 3) Minutes were voted into record, all in favor, 0 opposed
- 4) Reports still missing: Parks and Recreation; will be available for the next meeting
- 5) In reviewing the above listed reports, the following flags/comments were raised and are being officially entered into the minutes:
  - DSS/MH issues:
    - a) Every DSS/Mental Health employee is a county employee; EXCEPT: Area Director is on special contract, pending board approval. Employees administer federal money.
    - b) Are grants/funding to be changed to DSS ico (in case of) merger? Concern was raised over overlap with housing re: housing grants that both offices might receive.
    - c) similar to #b, are there grants available to the county, even though the service is city oriented? What will happen ico merger, if there is no dedicated service for funds? (still DSS/MH issue)

Human Relations issues:

- a) Clarify any authority the county might have re: HUD and EEOC
- b) County to add Latino advisory committee
- c) Could a merged department handle city/county employee complaints as well, instead of a separate department?
- d) What will be the impact on RTP of expanding EEOC/HUD into county?
- e) Review the possibility of the county obtaining local legislation and then ordinance to pick up EEOC/HUD complaints. Note: without ordinance, complaints go to Greensboro
- f) Stress lack of EEOC function in Durham if no ordinance

DSS issues:

- a) Has housing grant...potential overlap of services with Housing and Community Development; will merger centralize services without overlap?
- b) If there is nothing to merge with on the city side, how can funding, services be increased? What is being merged and how would it affect a service that is already solely county or city? Request clarification from Janette regarding this issue in her report
- c) concern raised that there has not been enough time for committee members to gain a true enough impression re: merger. Write reports so that outside readers will readily understand
- d) Reports make a major assumption that merger will bring total cooperation between departments; need to clarify coordination necessary for merged groups to operate smoothly

Civic Center: no flags

Open Space issues:

- a) County is primarily volunteer staffed...will this need to change ico merger?
- b) County might acquire 300 acres, near Orange County border...will this be affected?  
\*\*other flags raised as questions within report

Durham Center

\*\*flags raised as questions within report

Once you've read the reports, report back any questions to Marcia by Friday, 11/5/99; Monday, 11/8/99 at the latest. Put Monday's date on the top and at the end of the report, list all participants in the process.

Our committee's name will be changed to Human and Community Services (all in favor, 0 opposed)

We will prepare one resolution, with red flags and comments/suggestions included within. Terry, Sarah (and later added, Janette) will help write the first draft, via conference call Sunday, 11/7/99 at 5:00 pm. Larry Holt requests fax copy and will provide comments/suggestions (fax: 477-9663).

9:06 pm: meeting adjourned

**Human & Community Services  
Durham City/County Merger Citizen Subcommittee Meeting**

**Minutes  
Wednesday – November 10, 1999  
7:00 PM**

Attendance: Sharon Murphy, Marcia Margotta, Sarah Heinemeier, Janette Warsaw, Bob Melville, Norman Black, Evelyn Glatt, Mike Royster, Trudy Wagoner, Terry McCabe, Clay Swenson, Wanda Garrett, Denise Hester, Kate Young

Known to be Absent: Larry Holt, Corky Camin

7:06 pm: meeting called to order

1) minutes from 11/3/99 approved

2) Bob Melville in attendance to take any questions concerning regarding the remaining process of drafting resolutions and presentation to steering committee. Resolutions will appear verbatim in final report; will attempt to represent the spirit of the committee's work as well; will include minutes and reports in final report, but will add additional information (ie., legal issues, survey information...)

Timeline:

- 11/22/99: rough (1st) draft to review team (chairs); meet with Bob Melville 11/30/99 to discuss
- 12/6/99: second draft available to all participants; participants to forward all comments and questions to chair; if necessary one final meeting of committees will be held (TBD)
- 12/17/99: chairs to meet with Bob Melville to discuss final comments
- 12/22/99: final report to steering committee
  
- 12/3/99: TENTATIVE interim meeting with steering committee; outgoing and incoming members of city council should be briefed on progress; open, public meeting

3) Look at reports individually

NOTE: no changes to any previously submitted reports

RE: Parks and Recreation report: several questions/flags arose.

- 1) how could there be a conclusion that operations would not be improved in light of merger, given the positive nature of the report? (question regarding wording in report)
- 2) in county, parks/rec. is a private association. The current city policy is to provide medical benefits for parks/rec. employees. In case of (ico) merger, county finances might need to be evaluated to include costs of benefits...include in the phase II analysis.
- 3) Was there county land that has been incorporated into the city, through Parks/Rec.? Also, will the city continue to develop its interests regardless of merger?

Other notes concerning reports:

\*Cultural Affairs to include Library, Civic Center and Triangle Opera. Other programs contacted for information (phone calls and emails) did not respond. These three will be representative of cultural affairs.

Motion to accept reports as written: all in favor, 0 opposed

4) Resolution finalized. Marcia will make sure copies of resolutions are sent out; Janette and Sarah to sign.

Resolution passed: all in favor (11 total members), 0 opposed

Members will need to pick up copies of final report on 12/6/99 from 200 E. Main Street, County Manager's Office, 2<sup>nd</sup> Floor. Please read and convey any additional comments to Janette and/or Sarah and/or Marcia (fax: 560-0020). Please call Marcia (560-0017) if you will not be able to pick up copies before 5 pm.

8:43 pm: meeting adjourned

Governmental Structure – Citizen Subcommittee on Merger

Meeting Notes – from July 14, 1999 meeting:

Attendees from Governmental Structure Subcommittee:

F.V. Allison, Jr.; T.E. Austin; William Brian; Patrick Byker; Will Daland; Harry Dawley; Stephen Griffin; Jarvis Martin; Leon Meyers; Lee Mortimer; Artis Plummer; Marcus Robison; David Smith; David Talley; Dock Terrell; Ralph Whitfield III; Buddy Whitfield; and,

Attendees from Merger Steering Committee:

William Bell, Liaison to Governmental Structure Subcommittee;  
Joe Bowser, County Co-Chair  
Floyd McKissick  
Howard Clement

Other Attendees:

Jake Wicker, Institute of Government  
Marcia Margotta, County Manager's Intern  
Brandon Poole, concerned citizen  
Ed Harrison, Elected Official – Durham Soil & Water Conservation District

Also in attendance were 4 applicants who applied after Governmental Structure Subcommittee reached 27:

Anne Guyton  
Lori Jones Gibbs  
Tommy Hunt  
Finesse Couch

MINUTES:

- Meeting began at 7:00pm
- Steering Cmt. Member, Bill Bell, made welcoming statement and opening remarks about the Merger Steering Committee.
- Introductions by attendees
- Jake Wicker of the Institute of Government presented an overview of merger studies and information regarding public meeting protocol
- **CONCERN RAISED:** The subcommittee requested staff to verify participation intent of those members not present at this meeting. **RESPONSE:** William Bell stated that we will make a note of the request.
- **CONCERN RAISED:** The subcommittee expressed concern about having staff support to record minutes throughout duration of their involvement and a budget for their activities. **RESPONSE:** Mr. Bowser stated that there's enough staff on both the City and County to take minutes and provide support for the citizen subcommittees.
- **CONCERN RAISED:** the subcommittee wants staff to notify each subcommittee member of the next scheduled Merger Steering Committee meeting. **RESPONSE:** William Bell stated that we will make a note of the request.

- **CONCERN RAISED:** The subcommittee discussed issue of more than 27 applicants to be on the Governmental Subcommittee and will present proposal at next Merger Steering Committee meeting.  
**RESPONSE:** William Bell stated that we will make a note of the request.

- **MOTION:** Appropriately made to have 2 Co-chairs instead of a single Chair for the Governmental Structure Subcommittee. Motion was appropriately seconded.

The motion carried unanimously.

- Mr. Bill Brian nominated Harry Dawley and Jarvis Martin as Co-Chairs; nomination was seconded by Lee Mortimer.
- Mr. Dawley and Mr. Martin both accepted the nomination as Co-chairs for the Governmental Structure Subcommittee.
- **MOTION:** appropriately made to elect Mr. Dawley and Mr. Martin as Co-chairs for the Governmental Structure Subcommittee. Motion was seconded.

The motion carried unanimously.

- **MOTION:** appropriately made for future meetings of the subcommittee to be 90 minutes in duration. Motion was seconded.

The motion carried unanimously.

- **MOTION:** appropriately made for future meetings of the subcommittee to commence at 6:30 PM and conclude at 8:00 PM. Motion was seconded.

The motion carried unanimously.

- **MOTION:** appropriately made for future meetings of the subcommittee to take place at the Auditorium of the Main Library on Roxboro St. Motion was seconded.

The motion carried unanimously.

- **MOTION:** appropriately made to establish the meeting days as the 2<sup>nd</sup> and 4<sup>th</sup> Thursdays of each month. **Friendly Amendment:** to have next meeting set as Thursday, July 29<sup>th</sup> with the recognition that July 29<sup>th</sup> is the 5<sup>th</sup> Thursday in the month of July and that the meeting schedule will be established as the 2<sup>nd</sup> and 4<sup>th</sup> Thursdays of each month thereafter. Motion and Friendly Amendment were seconded.

The motion carried with the majority in favor.

- **CONCERN RAISED:** The subcommittee expressed an interest in receiving reports from other cities that have merged and would like staff to deliver this information prior to their next meeting scheduled for 6:30PM July 29<sup>th</sup> at the Auditorium of the main Library. In addition, the subcommittee requested that staff provide these reports to those members unable to attend this meeting. The cities they are interested in seeing reports from are:

- Indianapolis/Marion County, IN
- Lexington, KY
- Jacksonville/Duval County, FL
- Others were mentioned but were inaudible

**RESPONSE:** William Bell stated that we will make a note of the request.

*Making Note @ 12:00 PM*

- MOTION: appropriately made to establish a rule in which any member who has two (2) unexcused absences from subcommittee meetings will then lose the privilege of voting in the remaining subcommittee meetings. Any member who has his/her voting privileges revoked can appeal to the subcommittee for reinstatement of voting privileges. Motion was seconded.

The motion carried by a majority in favor.

- Howard Clement thanked the citizens for their participation in the process of studying merger.
- Co-chairs Mr. Dawley and Mr. Martin adjourned the meeting at approximately 8:45 PM.

Respectfully submitted by:

Marcia Margotta, County Manager's Intern



## GOVERNMENTAL STRUCTURE Action Plan

< After reviewing suggestions from several sub-committee members, your Co-chairs propose the following plan for your consideration. This is presented as a plan to guide our deliberations of the various issues that will impact the sub-committees' final recommendations on the structure and form of a merged City/County government. The key issues have been collected into 4 groups with A, B, and D groups assigned to separate meeting nights and C group allotted two meetings.

Time will be allotted this evening for you to have an opportunity to add, delete, or modify the issues or the schedule.

- A) August 12th
  - Chief elected officer (CEO):
  - Elected at-large or selected by the Board
  - Voting rights on the Board
  - Enhanced powers for the CEO
  - Compensation - rationale not specific \$
  
- B) August 26th
  - Terms:
  - Staggered, non-staggered
  - Length of term
  - Term limits
  
- C) Sep 9th & 23rd - Elections:
  - Partisan, non-partisan
  - Primary, no primary
  - Even year, odd year
  - Preference voting or other variation
  
- D) October 14th
  - Representation:
  - Number of Board members
  - How elected - at-large, residency districts, pure districts or a combination

The October 28th and the November 11th meetings will be scheduled to wrap up deliberations and to prepare the written recommendations that will be presented to the Steering Committee. >>

Governmental Structure – Citizen Subcommittee on Merger

Meeting Notes – from July 29, 1999 meeting:

Attendees from Governmental Structure Subcommittee:

Harry Dawley, Co-Chair; Anne Guyton; Lee Mortimer; Gerry Emison; T.E. Austin; Will Daland; Artis Plummer, Jr.; William Brian; Dan Hill III; Thomas Stith; David Talley; David Smith; John Morgan; Dock Terrell; Jarvis Martin, Co-Chair; Leon Meyers; and,

Other Attendees:

James Brandon Poole

Lori Jones Gibbs

Finesse Couch

Marcia Margotta, County Manager's Intern

Gregory Bethea, Assistant City Manager

Carolyn Titus

Notes of Major Motions and Points of Discussion:

- Meeting began at 6:40pm
- Introductions by attendees
- Minutes from July 14, 1999 meeting were approved unanimously.
- ANNOUNCEMENT: Next two meetings scheduled for Aug. 12 and Aug. 26 will meet at the Main Library on Roxboro St. in the Auditorium.
- MOTION: Nomination of Secretary for Governmental Structure Citizen Subcommittee on Merger.
  - Will Daland was nominate, but declined
  - Anne Guyton volunteered and was appropriately appointed
- MOTION: To accept "Rules of Procedure" (handout provided by Jake Wicker from Institute of Government; See Co-Chairs to get copy)
  - No opposes'
  - Passed unanimously
- DISCUSSION: Membership issue that more than 27 applicants applied for the Governmental Structure Citizen Subcommittee; the subcommittee agreed to recommend that the Merger Steering Committee allow the limit to be increased to 32.
- MOTION: To send resolution to Steering Committee for clarification that members of the Governmental Structure Citizen Subcommittee will proceed with the assumption that a City/County merger will occur.
  - No opposes
  - Passed unanimously
- DISCUSSION: Regarding the 1995 Report on Durham City/County Government Merger; several members expressed an interest in having a set of "Guiding Principles" (see attached).

Meeting adjourned at 8:40pm.

## Governmental Structure - Citizen Subcommittee on Merger

### Minutes of the August 12, 1999 meeting

Present: T. E. Austin, Bill Brian, Patrick Byker, Finesse Couch, Harry Dawley, Gerry Emison, Stephen Griffin, Dan Hill, Jarvis Martin, John Morgan, Lee Mortimer, Artis Plummer, Marcus Robinson, David Smith, Thomas Stith, Ralph Whitfield, FV Allison, George Quick, Merritt Mullman, Julia Linehan, Rick Adams, Larry Hester.

Excused: Lori Jones Gibbs, Leon Meyers, Brandon Poole, Will Deland.

Also Attending: Bill Bell

Jarvis Martin chaired this meeting.

Announcements: The Steering Committee increased our membership to 32 to include all who had applied.

The Steering Committee also decided that requests for information and staff support could only be made by our committee chairs. The staff will copy and mail out minutes that the committee secretary prepares.

Our chairs, Jarvis Martin and Harry Dawley, will attend the Steering Committee meetings and any other members are welcome too.

- 
- Discussion of the July 29, 1999 minutes.

Amendment to the July 29 minutes - This motion was passed: Council/manager form of government is approved in concept with the details to be worked out in the future.

Amended minutes - No opposes, passes unanimously.

- Discussion on the guiding principles which were enclosed with the meeting agenda.

Motion - go through the principals one by one and vote on each. No opposes, passes unanimously.

1. Motion to accept. No opposes, passes unanimously.
2. Discussion. Motion to accept. 13 for, 6 opposed - passed.
3. Motion for this one to apply to the merged board and this committee. No opposes, passes unanimously.
4. Motion to accept. No opposes, passes unanimously.
5. Motion that this one does not apply to this group. No opposes, passes unanimously.
6. Motion that this one does not apply to this group. No opposes, passes unanimously.
7. Motion to accept. No opposes, passes unanimously.
8. Motion that this is not applicable to our group but we will pass it on to the Steering Committee. No opposes, passes unanimously.

- Request for the Steering Committee schedule.

- Discussion of what to call the head of the merged government. Chief elected officer or mayor.

Motion that for the purposes of our discussion we will use the term mayor. No opposes, passes unanimously.

- Discussion on the role, responsibilities, duties, and expectations of the mayor presently and in a merged government as well as on increasing the authority of the mayor in the merged government over what is currently enjoyed. Lee Mortimer's enhanced mayor proposal thoroughly debated.

Motion that the mayor be elected at large with powers 1 and 2 from the enhanced mayor proposal.

More discussion.

Substitute motion that the mayor be elected at large and keeping the powers presently enjoyed by the city mayor. (No increase in authority.)

Call the Question - 17 for, 7 opposed the substitute motion passes.

- Patrick Byker, who's with the Chamber of Commerce, is asked what information the Chamber has on other merged governments. He agrees to provide the synopses they have as well as information on the Lexington, KY merger since they match us most closely in population.

Interest is also expressed in finding out more on the Athens, GA merger since they have the same form of government we do.

- George Quick and the Renaissance group are going to visit Lexington, KY to see the outcome of their merger. George will make a report on his visit at the August 26th meeting.

Meeting Adjourned.

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### **Guiding Principles for Governmental Structure - Citizen Subcommittee on Merger**

1. Work toward the most representative, responsive and effective local government to serve all of Durham's residents.
2. Establish superior customer service as the goal for all government departments and activities.
3. Conduct meetings in an open, honest and inclusive way.
4. Study and incorporate the best features of merger successes throughout the county. Pay special attention to Durham's merger history and the work of previous citizen groups on merger issues.
5. Encourage healthy and vigorous debate, but let the final decision on merging governments be decided by a county-wide referendum by November 2000.

# Governmental Structure - Citizen Subcommittee on Merger

## Email Addresses

Last Name	First Name	Address
Adams	Rick	rdadams@wheatfirst.com
Austin	T. E.	teaustin@pagesz.net
Bell	William	billbellaudiedc.org
Brian	Bill	bbrian@WCSR.com
Couch	Finesse	AttyCouch@hotmail.com
Daland	Will	wdaland@mindspring.com
Dawley	Harry	HFDRDD@aol.com
Emison	Gerry	emison@pps.duke.edu
Gibbs	Lori Jones	Lori_Gibbs@Mortgage.GE.com
Griffin	Steve	Steve@InsPeople of nc.com
Guyton	Anne	amguyton@aol.com
Hill	Dan	email@hillches.com
Linehan	Julie	3437dix@bellsouth.net
Martin	Jarvis	NCCU74@aol.com
Meyers	Leon	Lmeyers@intrex.net
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Stith	Thomas	TASYKS7@aol.com
Talley	David	dstalley@yahoo.com
Terrell	Dock	cdock@mindspring.com
Whitfield	Ralph	rfinley3@mindspring.com

Fax: 680-8122

**Agenda changes.**

Add - Limited public financing for campaigns - if a candidate agrees to spending limits they would receive public funds.

Swap - Term lengths and staggered.

Motion to accept changes - passes unanimously.

**Term lengths.**

Motion to accept 4 years term lengths.

Discussion of various terms lengths, 2, 3 and 4 particularly in view of the need to campaign as well as providing stability and change.

Call the question. Passes, 2 opposed.

Discussion on the mayor's term length 2, 4 or 6 years and the effect on leadership.

Motion for 4 year term. Passes unanimously.

**Staggered, non-staggered terms.**

Motion to accept staggered terms with how (specific details) left until after the number of board members is agreed to. Passes unanimously.

**Term Limits.**

Discussion of the history of incumbents being re-elected and support for term limits where it has been on the ballot.

Motion that term limits be 3 consecutive terms on council, or 3 consecutive terms as mayor.

Substitute motion that there be no term limits. Fails 11 for, 11 opposed.

Call the original motion. Fails 8 for, 14 opposed.

**Public Campaign Financing.**

Motion for limited public financing be available for candidates who agree to a spending cap, the cap to be determined later. Fails 2 yes, all others opposed.

**Meeting Adjourned.**

members on  
9/20/99  
m/r

# Governmental Structure - Citizen Subcommittee on Merger

## Minutes of the September 9, 1999 meeting

Present: Rick Adams, FV Allison, TE Austin, Bill Bell, William Brian, Patrick Byker, Finesse Couch, Gerry Emison, Stephen Griffin, Anne Guyton, Dan Hill, Tommy Hunt, Anna Jones, Julia M. Linehan, Jarvis Martin, Leon Meyers, John Morgan, Lee Mortimer, Artis Plummer, Brandon Poole, George Quick, David Smith, Thomas Stith, David Talley, Dock Terrell, Buddy Whitfield, Ralph Whitfield

Excused: Harry Dawley

Jarvis Martin chaired this meeting.

Announcements: Handout from the facilitator breaking down the issues each committee should handle.

- Discussion of the August 12, 1999 minutes.
  - Amendments to the August 12 minutes - John Morgan was excused and the vote on 4 year terms should read passed (there was some opposition).
  - Amended minutes - Passed.
- **Agenda for this meeting** - Partisan or non partisan elections, primary or no primary, election in even or odd years, preference voting.
  - Presently the city elections are non-partisan with primaries and held in odd years. County elections are partisan with primaries and held in even years.
- **Even or Odd Year Elections**
  - Discussion focusing primarily on voter turnout, which is larger in even years, and keeping the election focused on local issues by having odd year elections.
  - Motion to recommend odd year local elections. Passed - 16 for, 3 against.
- **Partisan versus Non-Partisan Elections**
  - Lots of discussion on this issue. The main points:
    - ◆ Local issues are non-partisan
    - ◆ The more seats in a race the greater the chance for minority representation. The more districts Durham is divided into the less chance for minority representation.
    - ◆ Partisan elections in Durham equals one party - Democratic.
    - ◆ Non-partisan equals 2 or more parties which equals more participation.
    - ◆ Non-partisan keeps the focus on local issues.
    - ◆ Non-partisan will be seen as a disadvantage to minority representation and may undermine our efforts, especially since odd year elections have been passed.
    - ◆ There are two decisions to be made to ensure fair representation. (at-large elections versus districts and partisan versus non-partisan) this in only one piece of the puzzle.

Motion to support non-partisan elections.

Suggestion to table until districts and at-large are discussed since this is only one piece of fair representation.

Proposal to keep both boards as is and just compel them to act together - this allows elections all the time and in all manners.

Motion to table vote on the motion on the floor, original maker agrees.

- **Primary elections**

Motion to have primary elections. Passed, unanimous.

- **Preference voting**

Motion to keep current voting system, non-preferential voting.

Substitute motion to reject proportional voting (accepted by the maker of the original motion). Passed.

- **Partisan versus Non-Partisan Elections**

Vote on tabled motion (Motion to support non-partisan elections). Passed, 16 for and 9 against.

General consensus that this issue will/can be revisited at the end within the total picture.

- **Information Requests**

Menu of different combinations: at-large, single member districts, what the various systems mean, what are the options.

What has worked to provide fair representation elsewhere?

Need some kind of demographics and history of voting in Durham.

- **Question to Bill Bell** - What is the steering committee looking for? The steering committee is looking for a plan with details.

- **Meeting Adjourned.**

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*Please correct Julie Linehan's e-mail address: [dixonroad@mindspring.com](mailto:dixonroad@mindspring.com)*



## Governmental Structure - Citizen Subcommittee on Merger

### Minutes of the September 23, 1999 meeting

Present: Rick Adams, FV Allison, TE Austin, William Brian, Harry Dawley, Garry Emison, Lori Jones Gibbs, Stephen Griffin, Anne Guyton, Dan Hill, Julia M. Linehan, Jarvis Martin, Leon Meyers, Lee Mortimer, Arlis Plummer, Brandon Poole, George Quick, David Smith, Dock Terrell, Buddy Whitfield, Ralph Whitfield

Excused: Bill Bell, Finesse Couch, Tommy Hunt, John Morgan, Thomas Stith, *Patrick Byker*

Also Attending: Bob Melville

Harry Dawley chaired this meeting.

Announcements: None

- Discussion of the September 9, 1999 minutes.  
  
Amendment to the September 9 minutes - Under Partisan versus Non-Partisan Elections delete Non-partisan equals 2 or more parties which equals more participation.  
  
Amended minutes - No opposes, passes unanimously.
- Agenda for this meeting - Representation: number of board members, elected at-large and/or what type of districts.
- Number of Board Members  
  
Discussion of the number of board members presently (both city and county).  
  
Motion to approve 9 members as a guideline. Passes, one opposed.
- How to Elect  
  
Discussion on the types of various types of districts, what population would be represented by districts, what the legal restrictions on districts and at-large are and the number of districts that are easiest to draw in Durham.  
  
Motion to have 6 members required to live in a district but elected at-large, 2 members elected at-large, and the mayor elected at-large. Passed, two opposed - TE Austin and Pete Allison.
- Information Request  
  
Bob Melville will draw possible districts. The guiding principles/criteria are: one district be the present non-incorporated county residents, five from the city with 3 districts being minority and two districts non-minority populations, geographically compact and contiguous. Keep precincts together.
- Meeting Adjourned.

**Governmental Structure - Citizen Subcommittee on Merger**

**Minutes of the October 14, 1999 meeting**

Present: Rick Adams, FV Allison, TE Austin, Bill Bell, William Brian, Patrick Byker, Finesse Couch, Will Daland, Harry Dawley, Gerry Emison, Lori Jones Gibbs, Stephen Griffin, Anne Guyton, Larry Hester, Dan Hill, Tommy Hunt, Julia M. Linehan, Jarvis Martin, Leon Meyers, John Morgan, Lee Mortimer, Brandon Poole, George Quick, David Smith, Thomas Stith, David Talley, Dock Terrell, Buddy Whitfield, Ralph Whitfield

Excused: FV Allison, TE Austin, Bill Bell, Julie Linehan, John Morgan, Brandon Poole, George Quick

Also Attending: Bob Melville

Jarvis Martin chaired this meeting.

Announcements: None

Discussion of the September 23, 1999 minutes.

Minutes - No opposes, passes unanimously.

District Plans:

Bob Mulnick outlined the three district plans he drew up. He used registered voter data to draw the lines.

Discussion which focused on the type, kind, accuracy and importance of data available for population. Another component of the discussion was how much effort to put into the plan when the 2000 census will change the precinct lines, etc.

Oversight Committee Meeting:

Discussion of the Herald-Sun article reporting on the recent oversight committee meeting and the comments made by some county commissioners.

Nominating Districts:

Lee presented his idea for 8 nominating districts which was followed by questions and discussion. Lee will provide written material detailing his proposal which will be sent out at before the next meeting.

Suggestions:

Anyone with suggestions should get them to Marcia in time to be mailed out for our next meeting on October 28, 1999.

Meeting Adjourned.

\*Please note that we will meet in the Library in the Conference Room for the October 28, 1999 meeting.

## Governmental Structure - Citizen Subcommittee on Merger

### Minutes of the October 28, 1999 meeting

Present: FV Allison, TE Austin, William Brian, Patrick Byker, Will Daland, Harry Dawley, Gerry Emison, Anne Guyton, Larry Hester, Dan Hill, Tommy Hunt, Julia M. Linehan, Jarvis Martin, Leon Meyers, John Morgan, Lee Mortimer, Artis Plummer, Brandon Poole, David Smith, David Talley, Dock Terrell, Buddy Whitfield, Ralph Whitfield

Excused: Finesse Couch, Lori Jones Gibbs, Stephen Griffin, John Morgan, George Quick, Thomas Stith

Also Attending: Bob Melville, Marcia Magotta

Harry Dawley chaired this meeting.

Announcements: Next meeting on November 11 will be in the Conference room of the downtown YMCA.

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- Discussion of the October 14, 1999 minutes.

Amended minutes - No opposes, passes unanimously.

- **Report Timetable.**

Bob Melville reviewed the time line for completing the report. By November 15 he will do a draft report using the resolutions from all the committees minutes as a guide. Then a conference committee composed of two members from each committee will review and suggest changes to the first draft. The second draft will be sent all members of every committee. Then the individual committees will meet to comment on the second draft. The conference committee will meet to do the final report which will come out right before Christmas.

- **Electing a Merged Government**

Lee Mortimer presented the three module proposal.

#### Module 1 - Nominating Districts

This is used in Carteret County with the additional requirement that nominees live in the district. Discussion. One option suggested - in the general at-large election vote for one of the two candidates from each district so that there could not be more than one person from each district on the board.

Module 2 - Partisan/Non-Partisan discussion.

Module 3 - Cumulative voting was not discussed.

- **In-Place Merger**

Bill Bryan presented the in-place proposal which was followed by discussion. One suggestion was to hold the election in May with the school board since this puts all local elections together. More discussion on this and whether there should be 2 or 4 year terms.

- **Comment**

Bob Melville - Successful mergers have kept all groups at the table which sometimes caused very large governing boards to be created. These mergers did not attempt political reform but focused on making the merger happen.

- **Meeting Adjourned.**

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**Tentative meeting date to review the second draft of the report is:**

***Tuesday, December 14, 1999***

## Governmental Structure - Citizen Subcommittee on Merger

### Resolutions

1. Council Manager form of government approved in concept w/ details to be worked out later. (7/29/99)
2. Guiding Principles (8/12/99)
  1. Work toward the most representative, responsive and effective local government to serve all of Durham's residents.
  2. Establish superior customer service as the goal for all government departments and activities.
  3. Conduct meetings in an open, honest and inclusive way.
  4. Study and incorporate the best features of mergers successes throughout the county. Pay special attention to Durham's merger history and the work of previous citizen groups on merger issues.
  5. Encourage healthy and vigorous debate, but let the final decision on merging governments be decided by a county-wide referendum by November 2000.
3. Mayor be elected at large and have the powers of the present city mayor. (8/12/99)
4. 4 year terms for the board and the mayor. (8/26/99)
5. Staggered terms w/ the details to be worked out after the number on the board is decided. (8/26/99)
6. Odd year elections. (9/9/99)
7. Primary elections (9/9/99)
8. Non-partisan elections, to be revisited within the total picture. (9/9/99)
9. 9 members on the board. (9/23/99)
10. Six members will live in districts but be elected at-large, 2 members elected at-large, mayor elected at-large.

**Governmental Structure - Citizen Subcommittee on Merger**

**<<Corrected>>**

**Minutes of the November 11, 1999 meeting**

**Present:** Rick Adams, FV Allison, TE Austin, William Brian, Patrick Byker, Will Daland, Harry Dawley, Lori Jones Gibbs, Stephen Griffin, Anne Guyton, Larry Hester, Dan Hill, Julia M. Linehan, Jarvis Martin, Leon Meyers, Lee Mortimer, Artis Plummer, Brandon Poole, George Quick, Marcus Robison, David Smith, Thomas Stith, David Talley, Dock Terrell, Buddy Whitfield, Ralph Whitfield

**Excused:** John Morgan, Tommy Hunt and Gerry Emison,

**Also Attending:** Marcia Margotta, Bob Melville

Harry Dawley chaired this meeting until Jarvis Martin arrived to take over.

**Announcements:** None

**Discussion of the October 28, 1999 minutes.**

No opposes, passes

This meeting focused on arriving at an overall plan that the vast majority of the committee could endorse and support. To that end six separate proposals were presented and discussed.

1. FV (Pete) Allison presented an overview of his plan contained in his handout.
  - Partisan, even year elections.
  - 7 members elected at-large to two-year terms.
  - 5 members elected to four-year terms from pure wards. The wards would be drawn so that there would be 2 majority black and 2 majority white wards and 1 ward w/ no majority.
  - Mayor elected at-large to a two-year term.

Discussion with questions and answers followed the presentation.

2. TE Austin presented the plan contained in his handout.
  - Council/manager form of government with the 9 member council called the "County Council".
  - Elections would be at-large, partisan and held in even years.
  - 8 council members elected to 4 year staggered terms.
  - Mayor elected to a 2 year term and able to appoint all sub-committee chairs and the Mayor Pro Tem.

Discussion followed.

3. Bill Brian offered his in-place merger again but downsized to a mayor and 9 members.

- Four members elected at-large in a non-partisan race.
- Mayor elected at-large in a non-partisan race.
- Four members elected at-large in a partisan race. As an alternative these four members elected from residency wards in partisan races.

4. Patrick Byker presented a handout with the "Dock Doctrine" that he and Dock Terrell had worked out.

- Eight council members and the mayor elected in even years to four-year terms.
- Elections held either in May or November.
- All council members serve staggered terms.
- Four council members elected at-large in a partisan race.
- Four council members from residency wards elected at-large in a non-partisan race.
- Mayor elected at-large in a non-partisan race.

5. Harry Dawley presented his plan and statistics.

- Eight council members elected in even years to four-year terms.
- Four members elected at-large in a partisan race.
- Four members from residency wards elected at-large in a non-partisan race.
- Two wards being having majority black and two majority white populations.
- Mayor elected to two-year term at-large in a non-partisan race.
- Election to be held in May to coincide with the school board.

Dawley pointed out that this proposal closely mirrors the percentages of partisan, non-partisan elections that will be in place at the time of the proposed merger.

#### Extensive Discussion

6. Lee Mortimer presented the latest version of his plan.

- People could run as Democrats, Republicans or non-partisan in the same race.
- Four-year staggered terms.
- Nominating districts equal to the number of council members.
- 9 to 11 members, including a mayor.

*Discussion in general of all the proposals.* With particular attention to May vs. November even year elections. May elections being offered by those who advocated odd year elections as a compromise to those advocating even year elections. The end result of this debate was consensus on Lee Mortimer's suggestion of 3-year terms.

*Motion by David Smith* (which was discussed and had many friendly amendments accepted along the way).

- Nine member board serving three year concurrent terms.
- Four members and the mayor elected at-large in a non-partisan race.
- Four members elected from residency wards at-large in a partisan race.
- Elections held in November.
- The mayor would appoint all sub-committee chairs and the Mayor Pro Tem.

- A 'constitutional convention' to be held in five years to fine tune the governmental structure.

Decision by the chair that each proposal be voted up or down.

*Motion* that the it be done in alpha order by sponsors name.

Passed unanimously.

1. Allison's plan: 2 yes, 17 no, 5 abstain
2. Austin's plan: 1 yes, 17 no, 6 abstain
3. Brian's plan: withdrawn
4. Byker/Terrell's plan: withdrawn
5. Dawley's plan - Now known as the Dawley/Smith/Byker/Terrell/Mortimer plan: 20 yes, 1 no, 3 abstain
6. Mortimer's plan: withdrawn

Discussion on minority reports with consensus that the minority views would be reflected within the main report.

Meeting Adjourned.

Please note that the next meeting is scheduled for Tuesday December 14, 1999 at 6:30 pm at the downtown YMCA's meeting room. We will discuss the draft report.



# **Public Protection**

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
July 20, 1999**

The meeting was called to order at 7 PM in the Auditorium of the Durham County Main Branch of the Public Library. Once introductions and preliminary directions were given to those present, the large group consisting of three subcommittee's were split up into their individual subcommittees. These are the minutes for the Public Protection Citizen Subcommittee on City of Durham / Durham County Government Merger.

The first meeting of the Public Protection Citizen Subcommittee on City of Durham / Durham County Government Merger was called to order by consent at 7:50 PM in the Auditorium of the Durham County Main Branch of the Public Library.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Anthony Dowling, Joseph Haenn, Barry Hastings, GE Lee, John Munsie, Allen Needham, and Thomas Stark.

Those excused: Thomas Atchison

Those absent: Ron Cheatham, George Conklin, David Neill and Gia Wilkerson.

Elections were held. By consent of the subcommittee, Thomas Stark was elected Chair, Cecil Brown Vice Chair, and Anthony Dowling Secretary.

Names and email information was collected for use in distribution of minutes.

Officer Reports  
None

Old Business  
None

New Business

The committee discussed the fact that we must consider the merging of the police, sheriff's Dept, and all the fire Departments plus EMS. The group discussed having representative on the subcommittee or call reps in to answer questions at the appropriate time, or have members of the subcommittee liason with the respective departments. No firm decision was made at this first meeting. It was felt that having a member of those departments as a permanent member on the subcommittee was unlikely.

As soon as there is a Project Facilitator available, and level of support determined, the Secretary will inform the members of the subcommittee.

After lengthy discussion, the next meeting for the Public Protection Citizen Subcommittee on City of Durham / Durham County Government Merger was set for August 10<sup>th</sup>, Tuesday at 7 Pm in the City Hall 2<sup>nd</sup> Floor Committee Room (if available). A flip chart should be available for the members of the subcommittee to sketch out the pros and cons of merging. If merger is advisable, then a plan of action will be developed at this meeting so that the subcommittee will meet the November 15<sup>th</sup>, 1999 deadline for our repc.t.

At 8:35 PM, Chair Stark adjourned the meeting.

Submitted by:  
Anthony Dowling  
Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
August 10, 1999**

The meeting was called to order at 7:10 PM in the Conference Room of the Durham City Hall. Once again introductions were made by those present.

The second meeting of the Public Protection Citizen Subcommittee on City of Durham / Durham County Government Merger was called to order by consent at 7:10 PM in the in the Conference Room of the Durham City Hall.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Anthony Dowling, Joseph Haenn, Barry Hastings, Allen Needham, Thomas Stark, Steve Crooks, Thomas Atchison, Dave Neill

Excused: John Munsie

The minutes from the last meeting were read and approved.

Officer Reports  
None

**Old Business**

The group decided to meet on the 1<sup>st</sup> and 3<sup>rd</sup> Tuesday of each month from 5:30 PM to 7:00 PM in the Courthouse Conference Room.

**New Business**

The committee accepted the copies of budgets from our facilitator. It was decided that the committee should look at the difference between merging and consolidation of services even without a government merger. The group also thought that it was unlikely that there will be any monetary savings in a merger in the beginning.

At this time, the group utilized the flip chart and outlined several ideas that can be used to further explore our mission. They are outlined as follows:

Police/Sheriff Options

Status Quo

Total Merge Police part of Sheriff's Dept.

Police as Civil Servants

Sheriff Elected – Chief appointed

Police separate from Sheriff

Sheriff Patrol Separate discarded

Fire Dept. Organization

10 tax districts

06 separate rates

Durham

Paid

Parkwood volunteer

Redwood

Bethesda

Lebanon

Bahama

Butner

State Public Safety

Paid

New Hope Orange Co.

Eno Orange Co.

Mariah Person Co.

No tax

State Regional Response Team

Fire Marshall Office

City

County

State Forestry Rangers

1 State

1 County

Options

Status Quo

Freeze existing fire districts

Merge into 1 large department

Optimize coverage among depts – very much like status quo

Contract-all-out

Two fire depts

Urban and Rural

EMS Structure

Ever Fire Dept. has 1<sup>st</sup> Response

Volunteer Dept. have Paramedics from 7 AM to 7 PM

Durham EMS provides all EMS except 1 unit for Parkwood

EMS Options

Status Quo

Merge with Fire Dept. or Police Dept.

Privitize

Separate EMS Dept.

The group decided to bring in speakers to fill out each of these pictures prior to choosing an option we support for each service.

At 9:07 PM, Chair Stark adjourned the meeting.

Submitted by:

Anthony Dowling

Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
August 17, 1999**

The meeting was called to order at 5:41 PM in the Conference Room of the Durham Judicial Building.

The third meeting of the Public Protection Citizen Subcommittee on City of Durham / Durham County Government Merger was called to order by consent at 5:41 PM in the in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Anthony Dowling, Joseph Haenn, Barry Hastings, Allen Needham, Thomas Stark, Steve Crooks, John Munsie, and Lucy Zastrow

Excused: Dave Neill

The minutes from the last meeting were read and approved.

Officer Reports  
None

Old Business  
None

New Business

Lucy V. Zastrow presented the Police/Sheriff Merger History from other Counties.

Duval County / Jacksonville, FL	Did Merge	Almost went broke
Leon County / Tallahassee, FL	Did Not	
Clark County / Athens, GA	Did Merge	Went broke
Mecklenburg County / Charlotte, NC	Did Merge	Still costing
Gaston County / Gastonia, NC	Did Not	

List of Concerns

- We should develop a plan about pay structure / scale
- There could be less higher positions to be promoted to than present situation
- If we merge we will be Rank Heavy for a while
- \$ Disparity between salary of City Police and Sheriff Office must be addressed
- Home Fleet Issue
- Send more people to Civil after merger
- Sheriff's Office is below standard in Officers per population

### List of Benefits

- Probably more officers per population equals better response time
- Both are now "full service agencies"
- City is above standard in Officers per Population
- 

### Minimum Recommend

- Equalize rate of pay between Sheriff's Office and City Police in like jobs
- 

Standard for officers per person in population is 2 per person.

### Duplicate services between City and Sheriff:

- Communications
- Records
- Special Operations
- School Resource
- DARE
- Community Service
- Patrol
- Training
- Vice
- Investigations
- Data Systems
- Quartermaster
- Budget
- Planning and Development

There is a difference between the philosophy of the Sheriff's Office and the philosophy of the City Police. Sheriff's Office is more willing to appease public where the city police are a bit more "by the book" "hard core" "Just the facts, Lady!"

Clark County / Athens, GA      Law suits over salary / merge busted county coffers

Meck County / Charlotte, NC      Law enforcement Merger only. County Police merged into City Police. Sheriff's Dept. unaffected. Early retirement went well. Each time someone retired, the structure of the organization was readjusted a bit.

Gaston County / Gastonia, NC      County Police and City Police and Sheriff's Office plus town depts. Did not merge.



Remember that the Sheriff's Office does not report to anyone. Sheriff is an elected official. County Commissioners do regulate the budget only.

Overall Concerns for the Committee

1. Organizational Chart
2. Salary Issue
3. Cost – more effective for citizens
4. What are the citizen benefits resulting from our recommendations

Next meeting is Tuesday September 7<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. The meeting will be on the Fire Departments.

At 7:14 PM, Chair Stark adjourned the meeting.

Submitted by;  
Anthony Dowling  
Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
September 7, 1999**

The fourth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:45 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Kenneth Caviston, Joseph Haenn, Barry Hastings, Eddie Lee, Allen Needham, Thomas Stark, Steve Crooks, John Munsie, and Lucy Zastrow.

Excused: Preston Burgess, Anthony Dowling and Dave Neill.

Other persons present included the City of Durham Police and Fire Chiefs, Chief Teresa Chambers and Chief Otis Cooper, and John House from the consulting firm of DMG-MAXIMUS.

The minutes from the last meeting were read and approved as amended by a change on page 2 to read that the "Standard for (police) officers per person in population is 2 per 1,000 persons."

Officer Reports  
None

Old Business  
None

New Business

John House was introduced as a consultant hired by the City and County to assist the subcommittee in its efforts to obtain the necessary information to provide the basis for committee decision making and recommendations and to assist with facilitation of committee meetings. John House provided a handout listing Task Force decision issues and Task Force assessment criteria and factors. Thomas Stark noted that the structure provided by the handout would be helpful and that he was pleased that the subcommittee had already been addressing many of the issues listed in the handout.

Kenneth Caviston made a presentation providing an overview of fire protection services provided in the City of Durham and in Durham County. The following points were made:

- The City of Durham Fire Department has the primary responsibility for fire protection within the city limits and five volunteer fire departments have the

primary responsibility for fire protection in each of five fire districts in unincorporated areas.

- Their are no overlaps in area responsibilities except when the city lines are extended. In this case, the volunteer fire departments by agreement retain primary responsibility for a period of five years.
- The volunteer fire departments have a combination of paid and volunteer firefighters with the numbers of paid firefighters varying by district.
- All departments respond to EMS calls. Some have their own paid paramedics, others do not.
- The county departments have agreements with surrounding counties and with each other for fire protection services as well as an agreement with the City of Durham Fire Department to provide mutual assistance.
- The City of Durham Fire Department is funded by City taxes.
- The County volunteer fire departments are private non-profit corporations. They are funded primarily by fire district taxes with rates set for each district by the County Commissioners based on the budgets submitted by each district department and the recommendation of the County Fire Marshal. District fire departments also receive contributions from citizens primarily from fund raisers. The contributions, however, only constitute a minor portion of their total funding.
- The County Fire Marshal serves as the Durham County point of contact for the five volunteer fire districts. He has the primary responsibility for coordinating training, conducting inspections and performing arson investigations.
- The tax rates, levels of service, and resulting ISO ratings for commercial and residential fire insurance vary between districts.
- Paid firefighters for the City of Durham Fire Department have a higher minimum training requirement than is the case for volunteer firefighters from the Durham County fire district departments. There is a difference in training of volunteer firefighters in accordance with their needs.

#### List of Consolidation Concerns

- The City of Durham will take over the volunteer fire departments.

- The volunteer firefighter culture will be destroyed and the independence and identity of the departments will be lost.
- Citizens in the unincorporated area of Durham County will experience tax increases for fire protection services.
- Problem of blending paid and volunteer firefighters will be intensified with consolidation.

#### Potential Benefits of Consolidation

- If City of Durham annexation continues, it will decrease the tax base for the Durham County fire districts and thereby cause an increase in taxes for citizens within the districts in order to maintain the current levels of service. This problem could be diminished with consolidation.
- Better use of equipment.
- Better deployment of firefighters.
- Enhanced training of volunteer firefighters.
- Enhanced teamwork between City and County departments.

#### Tasks to be Accomplished Prior to Next Meeting.

- John House plans followup interviews with the Sheriff, City of Durham Police and Fire Chiefs, County Fire Marshal and EMS Director.
- John House was asked to make a determination of the cost of replacing all volunteer firefighters with paid firefighters, and to determine the fire tax rates and property valuations in the Durham County fire districts.

The next meeting is scheduled for September 21<sup>st</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. The meeting will include a continuation of the discussion of fire protection consolidation.

The meeting was adjourned by Chair Thomas Stark at 7:08 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
September 21, 1999**

The fifth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:35 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Joseph Haenn, Barry Hastings, Eddie Lee, Allen Needham, John Munsie, and Lucy Zastrow.

Absent: Preston Burgess, Kenneth Caviston, Steve Crooks, Anthony Dowling and Dave Neill and Thomas Stark.

Other persons present included the City of Durham Police Chief, Chief Teresa Chambers, and John House from the consulting firm of DMG-MAXIMUS.

The minutes from the last meeting were read and approved as amended.

Officer Reports  
None

Old Business  
None

New Business

John House provided the following handouts:

- A Preliminary Profile of Public Protective Services for the City of Durham and Durham County listing those services by functional area for both governmental entities and listing the total full time equivalent budgeted positions and costs for each functional area.
- A FY 1999-00 Revenue Projection listing Fire Taxing District projected valuations, tax rates and tax levies.
- A listing of Chief Functions and Services Authorized for City and County Governments in North Carolina.
- The Cost of a Paid County Fire Protective Staff assuming staff availability for each apparatus listed for each station on a 24 hour a day basis.

The assumption with regard to determining the cost of a fully paid Durham County Fire Department was that the cost would be assessed for the current level of service. This means that the same types and numbers of vehicles would be standing by to respond with a fully paid department as is currently the case. The question was raised as to whether each station currently had the capability of deploying all listed equipment simultaneously 24 hours a day. The two district chiefs present at the meeting stated that all their equipment could be deployed in response to a fire at night, but that sufficient staff could not be counted on to guarantee simultaneous deployment during the day. They provided an estimate of vehicles which they could be reasonably expected to deploy during the day. John House stated that he would call the other chiefs an get assessments of their deployment capabilities.

The question arose as to whether the current fire taxing district debt service obligations should be considered in the decision to establish a consolidated countywide fire department. John House stated that he would also ask for this information from the district chiefs.

Eddie Lee suggested that the Committee should also consider the cost of salary increases that would be required for the Sheriff's Department if a consolidated countywide law enforcement department were established. John House stated that he would try to provide a rough estimate of this cost.

Based on the preliminary assessment of the cost of a fully paid countywide fire department and the issues regarding the loss of identity and investments made by citizens in the fire districts, it was the consensus of the Committee that it would not be in the best interest of the citizens of Durham County to eliminate the fire districts and establish a paid countywide fire department. Those present agreed that some type of consolidation of efforts could possibly have merit if the fire tax districts and volunteer firefighters were maintained. The Committee also agreed that the best organizational structure to achieve a consolidation of fire suppression efforts on a countywide basis might be to establish a Fire Commission with representation from the City of Durham and the fire taxing districts to establish policy and ensure that equity is achieved for all citizens of Durham County. Some members of the Committee stated the establishment of a Fire Commission for this purpose might have merit even if there is no overall consolidation of the governmental structures of the City of Durham and Durham County.

The Committee consensus was that operational efficiencies could be achieved by dissolving City/District boundaries for fire suppression services with the nearest available appropriate vehicles responding to all calls regardless of whether they come from City or the County Fire Districts. There was also some discussion as to whether training and the deployment of equipment could also be enhanced by a modified consolidation under a Fire Commission. Most present felt that re-deployment of equipment from the fire tax districts would have to be on a volunteer basis and would probably entail some type of financial compensation for equipment re-deployed.

The next meeting is scheduled for October 5<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. The meeting will include a continuation of the discussion of fire protection consolidation.

The meeting was adjourned by Vice Chair Cecil Brown at 7:10 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
October 5, 1999**

The sixth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:30 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Preston Burgess, Steve Crooks, Joseph Haenn, Barry Hastings, Allen Needham, Dave Neill, Tom Stark and Lucy Zastrow.

Excused: Cecil Brown, Kenneth Caviston, Anthony Dowling, Eddie Lee and John Munsie.

Other persons present included the City of Durham Police Chief, Chief Teresa Chambers, Deputy Police Chief Kent Fletcher and John House from the consulting firm of DMG-MAXIMUS.

The minutes from the last meeting were read and approved.

**Officer Reports**

None

**Old Business**

John House provided a handout with a revised costing of establishing a countywide paid fire department.

**New Business**

John House provided a handout reflecting a rough estimate of the cost of increasing the salaries of the Durham County Sheriff's Department staff to achieve parity with the City of Durham Police Department staff. Tom Stark asked that John House provide the Subcommittee the assumptions on which both the countywide paid fire department and the equalization of pay of the Sheriff Department with the Police Department costs were based.

Lucy Zastrow provided handouts reflecting the number of sworn officers per 1,000 population served, the number of sworn officers per 1,000 population answering calls for service, and a listing of Sheriff Department vehicles by date of purchase. She stated that the department has approximately 160 vehicles and while it is the department's intent to rotate vehicles every five years or every 100,000 miles, whichever occurs sooner, the department has not been able to do so due to funding limitations.

Chief Chambers provided handouts reflecting the number of sworn officers per 1,000 population served, the number of sworn officers per 1,000 population answering



calls for service, and a listing Police Department vehicles by date of purchase. She stated that the Police Department had approximately 426 vehicles and that approximately 46 new vehicles are purchased each year for front line patrol officers. The vehicles driven by the front line officers are refurbished and turned over to other officers in the department whose vehicles are then retired.

Possible organizational alternatives and potential savings from the consolidation of the two law enforcement organizations were discussed. Some felt that significant staff saving should be achieved by consolidation; while others felt that the marginal savings that could be achieved would not offset the cost of necessary salary increases for the Sheriff's Department. Lucy Zastrow stated that any organizational changes that are made should be made slowly so as to minimize the impact on the officers involved. Tom Stark questioned the ongoing problems with communications between the law enforcement departments and whether those problems could not be better addressed with consolidation. John House suggested that the City-County Emergency Medical Services Director be asked to make presentation regarding his organization and operation. Tom Stark asked that:

- John House invite EMS Director Mickey Tezai to attend the next meeting and make a presentation.
- The Sheriff and Chief of Police provide separate organization charts for the next meeting reflecting their plan for the consolidation of countywide law enforcement operations for Subcommittee members to review prior to their next meeting. (That is, the meeting after the next meeting, at which time law enforcement consolidation will be discussed.)
- John House contact the City of Durham Fire Chief and Durham County Fire Marshal and ask them to attend the next meeting and present their concepts of a consolidation of fire protection operations within Durham County.

The next meeting is scheduled for October 19<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. The meeting will include a briefing on EMS operations and a discussion on the consolidation of fire protection operations. Tom Stark stated that it appears necessary to conduct subsequent meetings on a weekly basis in order to finalize Subcommittee findings and recommendations by November 15.

The meeting was adjourned by Chair Tom Stark at 7:00 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
October 19, 1999**

The seventh meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:30 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Preston Burgess, Kenneth Caviston, Steve Crooks, Joseph Haenn, Barry Hastings, Eddie Lee, John Munsie, Allen Needham, Dave Neill, and Tom Stark.

Excused: Cecil Brown and Lucy Zastrow.

Other persons present included the City of Durham Fire Chief Otis Cooper, Durham County EMS Director Mickey Tesai, Durham County Fire Marshal Jeff Batten and John House from the consulting firm of DMG-MAXIMUS.

The minutes from the last meeting were read and approved.

**Officer Reports**

None

**Old Business**

John House provided a handout listing the assumptions made in costing of a fully paid countywide fire department and the costing of the equalization of pay of the staff of the Sheriff's Department with that of the Durham Police Department.

**New Business**

Mickey Tesai provided an overview of the EMS organization and operations in Durham County to include the following:

- EMS vehicles are deployed from four stations within the City limits and from each of the volunteer fire stations.
- 24 hour a day EMT-P services and non-emergency transport services are provided from the stations within the City limits.
- Parkwood provides EMT-P services 24 hours a day.

- One County EMS EMT trained staff member is provided at the other volunteer stations from 7 AM until 7 PM. The volunteer fire departments provide the vehicle and a driver 24 hours a day and provide first responder services from 7 PM until 7 AM. Emergency transport services are provided in the volunteer districts from 7 PM until 7 AM by EMS vehicles dispatched from within the City limits.
- The areas covered by the volunteer fire districts for EMS response include portions of the City of Durham within the City limits.
- One franchisee provides some non-emergency transport service although the majority of these calls are being answered by the County EMS Department.

Mickey Tesai stated that there are significant communications problems within Durham County to include:

- The Sheriff Department operating on a different communications system from the system used by the County EMS, City and volunteer fire departments and City Police Department.
- Excessive routine administrative traffic processed through the 911 system.
- Still some areas in the County where communication is difficult.

Mickey Tesai stated that he felt that EMS services are well coordinated within and between the City and County and that the only benefit that he could think of with regard to the merger impact on EMS would be the potential financial savings.

Chief Cooper provided his concept of organizing countywide fire protection services. This entailed a centralized approach similar to that currently in place with Columbia and Richland County, South Carolina, where one paid firefighter (driver) is stationed in each rural volunteer station 24 hours a day and the overall fire suppression and training efforts are directed by the City of Columbia Fire Chief.

Fire Marshal Jeff Batten provided his concept of countywide fire protection which included enhanced coordination and cooperation while retaining the autonomy and identity of the volunteer fire departments.

Tom Stark summarized where he thought the Subcommittee stood on the major issues to include:

- For EMS:

- ◆ No organizational change since EMS operations have already been merged into a single system.
  - ◆ The need to improve communications between the Sheriff's Department and other public protection agencies and to improve 911 operations regardless of whether the City and County governments merge.
- For Fire Protection:
    - ◆ Problems exist with response areas and the creeping City limits drying up the tax base for the volunteer districts which should be resolved regardless of the outcome on merger.
    - ◆ Some type of consolidation of operational control should be considered with the volunteer fire departments retaining their identity and a degree of autonomy. Otherwise, it would be extremely difficult to recruit volunteers and the cost of a fully paid countywide fire department is prohibitive.
    - ◆ A couple of models need to be considered further before a recommendation can be made in this area.
  - For Law Enforcement:
    - ◆ The communication issues need to be resolved.
    - ◆ Consolidation of law enforcement efforts merit further review in a number of different configurations. Follow-up discussions need to be held with the Sheriff and Police Chief in order to address all issues in this area.

Subcommittee members concurred in Tom Stark's assessment of the situation.

Eddie Lee asked about addressing all costs with regard to a consolidated paid countywide fire department to include the costs of the County buying out all fixed assets of the Fire Taxing Districts. Jeff Batten stated that he would try to obtain the current value of fixed assets from the Fire Taxing Districts.

The next meeting is scheduled for October 26<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room.

The meeting was adjourned by Chair Tom Stark at 7:00 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
October 26, 1999**

The seventh meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:30 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Steve Crooks, Joseph Haenn, Barry Hastings, Eddie Lee, Allen Needham, and Tom Stark and Lucy Zastrow.

Excused: Anthony Dowling, John Munsie, Dave Neill.

Other persons present included Chuck Kitchen, Durham County Attorney, George Conklin, and John House from the consulting firm of DMG-MAXIMUS.

The minutes from the last meeting were read and approved as amended.

Chuck Kitchen discussed the differences in the maximum amount of liability from litigation for the Durham County Sheriff's Office compared with that of the City of Durham Police Department, explaining that the Sheriff's Office liability is limited to \$25,000 per incident while the liability of the Police Department is unlimited. Cecil Brown stated that the amount paid out by the City of Durham for settlement of suits against the Police Department was over \$2,000,000 for the past two years. Tom Stark asked John House to ask Marcia Margotta to request from the City of Durham the amount paid out per year for the Police Department for settlement of suits over the past five years.

Tom Stark stated that he felt that the best way to address the public protection issues before the subcommittee would be to:

- Identify issues that should be addressed regardless of whether or not merger occurs.
- Identify whether or not merger could take place and, if so, in what form, and what issues should be addressed.
- Make a determination if merger is desirable and how it would be best implemented.

The subcommittee agreed with the approach recommended by Tom Stark.

Tom Stark moderated a discussion addressing the fire protective services. He stated he felt that the problems of the existing system were:

- The need to optimize response capabilities with current assets.
- The need to provide equity in funding for all fire districts.
- The need to raise the levels of service in existing areas.

Tom Stark further stated that these same problems would have to be addressed with merger. The subcommittee agreed with Tom Stark's analysis.

The subcommittee agreed to finalize its findings and recommendations on fire protection and move on to law enforcement at the next meeting.

The next meeting is scheduled for November 2<sup>nd</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. A meeting is also scheduled for November 9<sup>th</sup> and a meeting is to be scheduled for November the 16<sup>th</sup> if required.

The meeting was adjourned by Chair Tom Stark at 7:00 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
November 2, 1999**

The eighth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:30 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Kenneth Caviston, Steve Crooks, Joseph Haenn, Barry Hastings, Eddie Lee, John Munsie, Allen Needham, and Tom Stark and Lucy Zastrow.

Excused: Cecil Brown, Preston Burgess, Anthony Dowling, and Dave Neill.

Other persons present included George Conklin and John House.

The minutes from the last meeting were read and approved as amended.

The subcommittee passed the following resolutions unanimously:

1. The volunteer fire departments and City of Durham Fire Department should optimize their countywide fire protection response capabilities using current assets and should optimize the equity of funding so that funding is commensurate with services provided with consolidation. These measures should take place regardless of whether the city/county merger occurs.
2. The current capabilities of fire departments in the county are comparable with respect to responding to calls for service and services provided although response times vary due to distances involved.
3. The volunteer fire departments should maintain their identity and independent status to include funding and equipment ownership even though operational capabilities should be coordinated and optimized with the consolidation of efforts.
4. A governing fire commission should be formed consisting of the Durham County Fire Marshal and the city and county fire chiefs to establish operational policy guidance for all fire protection services provided in Durham County. The County Fire Marshal should chair the commission. Such a commission should be formed regardless of whether the city/county merger occurs.

There was a discussion regarding the desirability of merger followed by a motion by Tom Stark that the subcommittee pass a resolution to state that it is desirable for a city/county merger to occur with respect to the impact such a merger could have on fire protective services. The motion was not passed. There was a 4-4 vote split with Tom Stark abstaining since he did not believe the vote had the type consensus that the subcommittee



had previously agreed to achieve. The discussion on this subject continued. Those who voted against the motion indicated that while they agreed that it would be desirable to better consolidate the operational capabilities of the fire protection services in the county, there was a general distrust of the political process and the way politicians would treat the volunteer fire departments following merger. Tom Stark questioned whether it might be worthy of consideration to split the issues so that the subcommittee could vote on consolidating fire protective services as a separate issue for voting on city/county merger. The subcommittee was asked to give this some thought before the next meeting.

The next meeting is scheduled for November 9<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room. Law enforcement consolidation will be the primary focus of that meeting. John House provided handouts to assist in preparation for developing findings and recommendations with regard to law enforcement consolidation.

The meeting was adjourned by Chair Tom Stark at 7:00 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
November 9, 1999**

The ninth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:30 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Barry Hastings, Eddie Lee, John Munsie, Allen Needham, Tom Stark and Lucy Zastrow.

Excused: Steve Crooks, Anthony Dowling, Joseph Haenn, and Dave Neill.

Other persons present included George Conklin, Kent Fletcher, George Hare, Chuck Johnson and John House.

The minutes from the last meeting were read and approved as amended.

Chuck Johnson, the Durham County Communications Manager, provided a presentation on the Durham County 911 System. The Communications Manager reports to the City Manager and the Deputy County Manager. The 911 Center consists of 52 employees and is funded 70% by the City of Durham and 30% by Durham County. It receives calls for service and provides dispatch services for the City of Durham Police and Fire Departments, the Durham County Fire Marshal, Emergency Management and EMS departments and the volunteer fire departments. It receives calls for service for the Sheriff's Office and transfers those calls to the Sheriff's Office, which provides their own dispatch services. Chuck Johnson stated that his department has problems with administrative calls at night from other City and County departments, which have left telephonic instructions for individuals to call his department if they need help. He said the Department of Social Services, Street Maintenance and Animal Control were departments referring a substantial number of calls. He stated that in his opinion approximately 80% of these calls could be eliminated and that such calls often delay the answering of emergency calls.

The Subcommittee passed the following resolutions:

- With regard to fire protection, it makes no difference whether or not the City and County merge as long as the organizational structure for fire protection is as outlined by the resolutions passed at the November 2<sup>nd</sup> meeting.

- The following communications problems should be resolved regardless of whether or not the City and County merge:
  - There should be a compatible radio network to allow direct car to car radio communications between the Sheriff's patrol deputies and other public safety departments in the City and County.
  - The City of Durham Police Department computer software needs to be improved.
  - The City of Durham Police Department computer communications capability for patrol officers needs to be improved.

Lucy Zastrow stated that there would definitely be a problem in bringing the Sheriff's patrol officers into the already overloaded 911 dispatch system when their current operating system is able to accommodate their dispatches without interference from other department calls. Tom Stark indicated that this fact should be incorporated into the overall report. Cecil Brown added that other departments already in the system could make the same statement. That is, the system problems need to be fixed regardless of whether the Sheriff's Office is in the system.

Several issues were discussed with regard to the merger of the Sheriff's Office and the Police Department to include the following:

- By stature there will be a Sheriff with civil process, court, and detention services regardless of whether other services are merged.
- Police officers would feel their job security threatened if they were placed under the Sheriff. This threat could be lessened if the Sheriff established a civil service system; but, without a change in state statutes, the next Sheriff could dispense with the civil service system if so inclined.
- Patrol efficiency could possibly be increased with merger.
- It would be less confusing to citizens to have only one law enforcement agency in the City.
- There would be problems in dealing with the cultures the two departments as well as the cultures of citizens of the City and County.
- Merger should enhance overall communications and the compatibility of communications systems.

- Equitable salaries and benefits should accompany merger, and, other benefits, such as the take home policy for vehicles, should be treated equitably.
- If merger occurs, the current levels of services should be maintained or improved in all areas of the county with no appreciable increase in costs to the taxpayers.
- The City of Durham and Durham County should not proceed directly with merger without a more detailed study carefully considering all issues involved and without an extensive program to educate all citizens on the issues, the manner in which merger will occur and how it will impact them.

The subcommittee approved a resolution by a 7-2 margin resolving that it is desirable to merge the City of Durham Police Department and Durham County Sheriff's Office only if the City and County governments merge.

The subcommittee voted that there are two basic merger alternatives that merit consideration. Those are:

➤ Alternative I:

- A sheriff's office that consists of a judicial division, which covers courts, service of process, and related functions, and may include school resource officers (SRO) and juvenile services, and
- A county police department that has all law enforcement functions.

- Alternative II: A sheriff's office that consists of three bureaus commanded by chief deputies to include bureaus for law enforcement, judicial services, and detention services.

The subcommittee was unable to achieve consensus as to which of these alternatives to recommend and voted to recommend the further consideration of these two basic alternatives in the subsequent in-depth study.

The subcommittee considered the impact of merger with regard to animal control and approved a motion that the issue of placing animal control under the sheriff should be given further consideration in the follow-on study effort.

The next meeting is scheduled for December 14 at 5:30 in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room.

The meeting was adjourned by Chair Tom Stark at 8:00 PM.

Submitted by:  
John House  
Acting Secretary

- Based on historical cases and the need to achieve Sheriff's Office pay parity with the Police Department, merger would most likely cost more money initially than it saves.
- Cost reductions could likely be achieved in the longer term.

Tom Stark stated that the next session would be the last session and that the subcommittee needs to:

- Make a decision on the desirability of law enforcement merger; and, if merger is desirable, which of the two basic organizational structures would be the most desirable.
- Address Animal Control and the impact of City/County merger on that organization.

The next meeting is scheduled for November 16<sup>th</sup> at 5:30 PM in the Durham Judicial Building 1<sup>st</sup> Floor Conference Room.

The meeting was adjourned by Chair Tom Stark at 7:00 PM.

Submitted by:  
John House  
Acting Secretary

**Public Protection Citizen Subcommittee on City of Durham / Durham  
County Government Merger  
November 16, 1999**

The tenth meeting of the Public Protection Citizen Subcommittee on the City of Durham / Durham County Government merger was called to order by consent at 5:40 PM in the Conference Room of the Durham Judicial Building.

Roll was taken. Those present: Cecil Brown, Preston Burgess, Kenneth Caviston, Steve Crooks, Joseph Haenn, Barry Hastings, Eddie Lee, Allen Needham, Tom Stark and Lucy Zastrow.

Excused: Anthony Dowling, Dave Neill and John Munsie.

Other persons present included Chief Deputy Sheriff Wes Crabtree, Deputy Police Chief Kent Fletcher, Council Liaison Virginia Englehard and John House from DMG-MAXIMUS.

The minutes from the last meeting were read and approved as amended.

Tom Stark provided a paper stating where he felt the subcommittee was on law enforcement issues, whether merger can take place, alternatives of how law enforcement merger could take place and merger issues that need to be addressed. Joseph Haenn provided a paper representing his position on law enforcement merger considerations since he was not at the last meeting to provide his input. John House provided handouts showing the payments made by the City of Durham over the past five years for law enforcement liability claims. John House also provided handouts listing his compilation of the advantages and disadvantages of law enforcement merger expressed by various subcommittee members during past meetings.

The subcommittee voted to eliminate the merger option of:

- A sheriff's office that includes detention, juvenile services and some law enforcement services such as some investigation, and perhaps some organized crime and vice units, and
- A county police department that includes law enforcement functions with or without duplication of sheriff functions.

The subcommittee approved the following law enforcement merger advantages:

- Less confusing to citizens to have one law enforcement agency.

- Should enhance overall law enforcement communications.
- Should enhance achieving compatible radio communications systems.
- Could possibly increase patrol efficiency.
- Could enhance the flow of communications for intelligence regarding criminal activities and trends.
- Could possibly achieve long term efficiencies.

The subcommittee approved the following law enforcement merger disadvantages:

- Initial costs for salary increases to bring sheriff deputies' salaries up to the level of police department officers.
- Difficulty of recruiting and retaining police officers due to perceptions about job security if placed under the sheriff.
- Loss of the ability of the two law enforcement agencies to compliment each other.
- The uncertainty that will accompany change.

The subcommittee agreed that the following issues would have to be dealt with if merger occurs:

- The problem of integrating the basic cultural differences between sheriff deputies and police officers.
- The problems associated with the cultural differences and different expectations of the City of Durham and Durham County citizens.
- Police officer concerns about job security if placed under the sheriff.

The subcommittee unanimously approved the following resolutions:

- Merger is feasible (that is, it can take place).
- Merger should be accompanied by adequate staffing to meet countywide law enforcement requirements.

**Durham City – County Merger Review Committee  
Public Works Subcommittee**

Date: July 26, 1999  
Issue: Inaugural Meeting  
Re: DMRC 0001

**1. Initial meeting:**

- A. A quorum was established and the meeting was allowed to proceed.
- B. Philip Vereen was nominated and accepted as the Chairman of this subcommittee.
- C. John Dagenhart was nominated and accepted as Vice-Chair.
- D. Bill Robbins was nominated and accepted as the Secretary.
- E. Wade Jackson volunteered and was accepted as a back up Secretary.

**2. Decisions:**

- A. Meetings will be held on the first and third Thursdays of each month, 7:00 PM to 8:30 PM.
- B. The locations will be as follows:
  - First Choice – Main Library
  - Second Choice – Southwest Library
  - Third Choice – Commissioners' Conference Room
- C. Ed Harrison asked Pamela Blythe to get clarification as to what "Public Works" meant. She did, and it means the physical infrastructure of the city and county.
- D. It was agreed that the "Rules of Procedure" as given were to be accepted as our rules.
- E. It was agreed that if any member has 2 unexcused absences they will be deemed to have vacated the committee.

**3. Action Items:**

- A. Phillip will contact the Librarian and see if this location is available for our meetings. If not available, he will proceed to the second and third choices.
- B. Phillip will invite Katie Kalb, City Engineer, and Glen Whistler, County Engineer, to our next meeting to define what is included in "Public Works". If they have any handouts, they are asked to mail these directly to the committee members. Due to time constraints, we may have a separate meeting with each engineer.
- C. Applications for membership to this subcommittee will close as of August 15.
- D. Minutes and contact list will go out to all members via email, or other as needed.



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**Durham City – County Merger Review Committee  
Public Works Subcommittee**

Date: August 5, 1999  
Issue: Bi-monthly Meeting  
Re: DMRC 0002

**1. Opening:**

A. A quorum was established and the meeting proceeded.

B. Minutes from the last meeting were approved and seconded.

C. Members present:

Pat Bocckino, John Dagenhart, William Robbins, Brian Van Horn, Phillip Vereen

D. Members absent with permission

Louise Blake-Sims, Ed Harrison, Wade Jackson, James Stroud, Joe Foster

**2. Presentations**

We had 2 guests, Kathryn Kalb, City Engineering, and Glen Whisler, County Engineering. They both gave a very good analysis of the current state of each department.

**Katie:**

First a breakdown of resources, \$37,000,000 dollar budget handled by an 8 person staff.

<u>Amount</u>	<u>Employees</u>	<u>Department</u>
3.5M	60	Engineering
5.1M	17	Storm Water
7.6M	6 + contracts	Transportation (Transit)
4.1M	45	Transportation (Planning, traffic, ...)
6.7M	122	Water and Sewer
5.2M	94	Street Maintenance
3.1M	47	Roadway appearance

1. ENGINEERING—includes: Engineering Design; Assessments; Water & Sewer Services; Development Review; Construction Inspection, Contract Management, Sewer Rehabilitation Project, GIS, CAD, Surveying

2. STORM WATER SERVICES—Includes: Storm Water Billing; Storm Water Education; Storm Water Pollution; Drainage Complaints

3. TRANSPORTATION—includes: Traffic Operations; Transportation Planning; Street Lights; Development Review; Taxicabs, Buses

4. WATER & SEWER MAINTENANCE—Includes: Water Meter Maintenance; Water Main Breaks; Sewer Problems, Backups and Overflows

5. STREET MAINTENANCE—Includes: Paved Street Maintenance; Dirt Street Maintenance; Paved Street Repair; Storm Water Maintenance and Repair; Sidewalk Maintenance; Alley Maintenance

6. ROADWAY APPEARANCE—Includes: Urban Forestry; Mowing; Impact Team (Non-hazardous materials); Street Cleaning

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An area of issue is Taxis where there is a duplication of effort as transportation has to interface with the police for Criminal Records Checks. This is located with the police elsewhere.

**Glen Whisler:**

There are 13 people in 3 Divisions.

<u>Amount</u>	<u>Employees</u>	<u>Department</u>
\$300,000	7	Sedimentation and Erosion Control
\$150,000	2	Project Management
\$12M	4 + W&C	Utilities Division

1. Sedimentation and Erosion Control  
County handles all county and city soil disturbance permits. Tree protection is handled from here. The permit fees run the program.

2. Project Management  
New construction, contracts, 52 buildings, county only.

3. Utilities Division  
Waste water where 4M of 6M gallon capacity is used. Plant is supervised by Woodard and Curran contract. The county employees review plans, inspect, approve connections, administer contracts, and design extensions of any water and sewer lines in the county.  
Of the 12M budget for Utilities:  
3M goes to Debt Service  
6M for Capital Improvements (Doubling the current capacity towards an expected 20M gallons total usage)  
.5M for Industrial Incentives  
2.5M are revenues

**Joint Discussion:**

No disadvantages to note of combining these two groups.

Advantages include:  
Better engineering support with larger size  
Combined billing (which is already being done.)  
Economy of scale (purchasing and resource power)

**3. Action Items:**

A. Check back with committee structure about the locating of Environmental and Solid Waste Departments. Phillip Vereen

**Durham City – County Merger Review Committee  
Public Works Subcommittee**

Minutes of August 19, 1999  
Location: DMRC 0003

AUG 31 1999  
DURHAM COUNTY RECORDS OFFICE

**1. Opening:**

A. A quorum was established and the meeting proceeded.

B. Minutes of August 5, 1999 were corrected as follows:

1. The term "bi-monthly meeting" should read "semi-monthly meeting."
2. The sentence " First a breakdown of resources, \$37,000,000 dollar budget handled by an-8 person staff." Should read ..... "by a 400 person staff."

The minutes were approved as corrected.

**C. Members present:**

Pat Bocckino, John Dagenhart, Brian Van Horn, Phillip Vereen, Joe Foster, James Stroud, Louise Blake-Sims, Ed Harrison

**D. Members absent with permission**  
William Robbins

E. It was noted that, due to a conflict, Wade Jackson would not be continuing on the committee.

**3. Items Covered**

- a. The question on whether Solid Waste and Environmental Resources would be covered by this committee has not yet been resolved.
- b. The facilitator has been hired and will be at the next meeting.
- c. Ed Harrison said we need to have an expanded discussion on formal transportation planning for the entire county and all service divisions (City, County, RTP). He indicated that Mark Ahrendsen would be in a good position to address this.
- d. Bill Van Horn indicated he had informal information that the situation in Nashville, Tennessee seems to be successful.

**4. Meeting Adjourned**

It was a consensus of the committee that, without the facilitator or other source person for guidance, that the meeting for this evening could not be more productive.

Joe Foster moved to adjourn, seconded by James Stroud.  
The motion was approved.

**5. Next Meeting**

Thursday, September 2, 1999.

**Public Works Subcommittee  
Contact Sheet**

Name	Address	Phone (H)	Phone (W)	Fax	Email
Louise B. Blake-Sims	1033 S. Plum St.	596-5019			
Pat Bocckino		544-1997			Ncbocck@mindspring.com
John Dagenhart	1409 Dollar Ave.	680-0318	782-7745	881-2147	Jdag@compuserve.com
Joe Foster		419-0433	317-7656		joseph.foster@telops.gte.com
Ed Harrison		490-1566	490-1566	Call ahead	Ed.harrison@sierraclub.org
Jeremy Rah		682-1710			
William Robbins		402-8545	541-8236	541-8321	Brobbins@sumitomoelectric.com
James Stroud			688-3381	682-4021	Ecocccs@webtv.net
Brian Van Horn		598-3952	851-1980	851-1982	Bvanhorn@bobbitt.com
Phillip Vereen		686-0046	682-2133	688-8351	Pvereen@durhamchamber.org
Pam Blythe			490-8939		Citytopam@aol.com
Marcia Margotta				560-0000	Mmargotta@co.durham.nc.us

**Durham City – County Merger Review Committee  
Public Works Subcommittee**

Minutes of September 2, 1999

Location: DMRC 0004

**1. Opening:**

A. The meeting was called to order by John Dagenhart. A quorum (a majority) was established and the meeting proceeded.

B. Minutes of August 19, 1999 were corrected as follows:

1. Under section 3.d. the name Bill Van Horn was corrected to Brian Van Horn.

Jeremy moved the minutes be approved as corrected. Seconded by Bill. Approved as corrected.

C. Members present:

Louise Blake-Sims, Pat Bocckino, John Dagenhart, Ed Harrison, Jeremy Rah, Bill Robbins, Brian Van Horn, Phillip Vereen

D. Members absent

Joe Foster, James Stroud

**2. Items Covered**

- a. The question on whether Solid Waste and Environmental Resources would be covered by this committee has not yet been resolved.
- b. Our facilitator, John House, was at the meeting.

c. Meeting as follows:

Floor was opened to John House. It was stated that the focus of tonight's meeting would be "Transportation." He stated his mission as he sees it is to accumulate information to facilitate the decision process. He reviewed our earlier minutes to verify project definitions. The open question of Solid Waste and Environmental Resources may be decided in the Sept. 3<sup>rd</sup>, directors meeting.

Our guest for this meeting was Mark Ahrendsen, Transportation Manager.

Phillip Vereen mentioned a road issue, i.e. city repairs streets and the county does not. If merged, who would be responsible for what? Legislation may be required if Durham City dissolves and it all becomes county. Available history of other areas is Winston-Salem and Mecklenburg Co. What this causes for us is the need to define (work with) the state regarding who does what.

Mark stated a formula to define "who pays for what" is in place at this time with respect to mileage. Jeremy Rah mentioned RTP as a potential issue that may nix the merger because of taxation fears.

John Dagenhart stated the state is pushing "some" to increase county bus transit service. If merged the "transit pool" of money would be more simply decided.

Bill Robbins asked John House if he could get this information in a flow chart to assist in defining the pieces of the puzzle. Bill offered a diagram of a possible design (see end for diagram\*). Phillip suggested using organizational charts with agreement from John Dagenhart. John House indicated that this definition should show cost versus benefit over change in each.

Brian cautioned that the organizational plan might not have been to expand services but to possibly even to reduce services.

**Durham City – County Merger Review Committee  
Public Works Subcommittee**

**Minutes of September 23, 1999  
Location: DMRC 0005**

**1. Opening:**

A. The meeting was called to order by Phillip Vereen. A quorum (a majority) was not established. The meeting proceeded as a general review.

B. Minutes of September 2, 1999 were not approved without a quorum.

**C. Members present:**

James Stroud, Bill Robbins, Brian Van Horn, Phillip Vereen

**D. Members absent**

Joe Foster, Louise Blake-Sims, Pat Bocckino, John Dagenhart, Ed Hamison, Jeremy Raw

**1. Items Covered**

A. Review of the Chairman's meeting by John House and Phillip Vereen. Solid Waste is ours.

B. Phillip and John went to a meeting with Terry Rowland to discuss Environmental Resources. John went to several additional locations. Handouts were provided.

C. John House recommended (and we agreed- informally) the org chart should be expanded to encompass reallocation of services. As a result the cost / benefit will be easier to settle per unit.

**2. Meeting Adjourned by acclimation**

**3. Next Meeting**

Thursday, October 21, 1999.

**Durham City – County Merger Review Committee  
Public Works Subcommittee**

Minutes of October 7, 1999  
Location: DMRC 0006

**1. Opening:**

A. The meeting was called to order by Phillip Vereen. A quorum of 6 was established.

B. Minutes of September 23, 1999 were approved with corrections.

C. Members present:

Ed Harrison, John Dagenhart, Pat Bocckino, James Stroud, Bill Robbins, Phillip Vereen

D. Members absent

Brian Van Horn, Louise Blake-Sims, Jeremy Raw

E. Visitors / Consultants:

John House

**1. Items Covered**

A. John House provided several additional documents to facilitate our design of a final draft. If anyone feels strongly about a specific topic or issue it should be separated out as a resolution. John stated that Bob Melville would be consolidating all the different committees' results.

B. Pat questioned if we could recommend a reorganization of the city / county organizational structure. John stated that Terry Rowland said this was the way things were when he came to the job, plus other pieces have been added over time due to availability of engineering services.

C. An optimization study of waste water resources is underway by CH2M Hill.

**2. Meeting Adjourned by acclimation**

**3. Next Meeting**

Thursday, October 20, 1999.

**Public Works Subcommittee****Contact Sheet**

<b>Name</b>	<b>Address</b>	<b>Phone (H)</b>	<b>Phone (W)</b>	<b>Fax</b>	<b>Email</b>
Louise B. Blake-Sims	1033 S. Plum St.	596-5019			
Pat Bocckino		544-1997			Ncbocck@mindspring.com
John Dagenhart	1409 Dollar Ave.	680-0318	782-7745	881-2147	Jdag@compuserve.com
Ed Harrison		490-1566	490-1566	Call ahead	Ed.harrison@sierraclub.org
Jeremy Rah		682-1710	Same	NA	Jraw@IGC.ORG
William Robbins		402-8545	541-8236	541-8321	Brobbins@sumitomoelectric.com
James Stroud			688-3381	682-4021	Ecocccs@webtv.net
Brian Van Horn		598-3952	851-1980	851-1982	Bvanhorn@bobbitt.com
Phillip Vereen		686-0046	682-2133	688-8351	Pvereen@durhamchamber.org
Pam Blythe			490-8939		Citytopam@aol.com
Marcia Margotta				560-0000	Mmargotta@co.durham.nc.us



**Durham City – County Merger Review Committee  
Public Works Subcommittee  
Minutes from October 20, 1999 meeting**

Attendance: Phillip Vereen, Patricia Buckono, John Daggenhart, Louise Blake-Sims, Brian Vanhorn

Absence: Jeremy Raw, Bill Robbins, James Stroud and Ed Harrison

The meeting was called to order by Mr. Phillip Vereen. Mr. Vereen dismissed the reading of the minutes because of the time constraints.

Mr. Vereen opened by giving members a report concerning the meeting of the merger chairs October 13, 1999. Although he did not attend, Mr. Vereen spoke with Bob Melville, the merger steering committee facilitator about the committee's progress. Mr. Vereen commented that he told Mr. Melville about the committee has begun to evaluate each function by providing recommendations, pros or cons concerning the delivery of functions. Mr. Vereen also said that he stated to Mr. Melville that committee members were given handouts to list their thoughts about the merger of public works functions and was asked to bring these comments to the October 20 meeting.

Mr. Vereen then turned the podium over to Mr. John House, facilitator for the committee. John House provided copies of additional handouts of the comments the committee members made on Water and Wastewater treatment and Solid Waste. The committee reviewed John's notes and agreed to move forward the remaining issues of Transportation, Engineering, Storm Water, Street Maintenance and et al. The committee covered a variety of issues related to all the public works functions. It was recommended by the committee to meet for the final time on November 4, 1999. Members agreed that one more meeting was necessary to give everyone an additional two more weeks to review any issues that were not brought forth at this meeting.

Meeting Adjourned by acclimation

Durham City – County Merger Review Committee  
Public Works Subcommittee

Minutes of November 4, 1999  
Location: DMRC 0008

1. Opening:

A. The meeting was called to order by Phillip Vereen. A quorum of 6 was established.

B. Minutes of October 20, 1999 were approved with corrections.

Absences should have included whether they were excused or not. Jeremy, James and Ed all were. Bill was not.

Paragraph 3, line 4: about changed to that

Paragraph 5, line 1: acclimation changed to acclamation

C. Members present:

Ed Harrison, John Dagenhart, Pat Bocckino, , Bill Robbins, Phillip Vereen, Brian Van Horn

D. Members absent (excused)

James Stroud, Louise Blake-Sims, Jeremy Raw

E. Visitors / Consultants:

John House

Bob Melville

1. Items Covered

A. The meeting was initiated by a quick review of the Public works Functional Areas (handout) with respect to any suggestions or problems with the current statements. See Attachment #1.

B. Bob stated that our rough goals are to access:

The desirability of joining the 2 governments,  
and, what would be the look of the joint City/County.

C. Ed stated for clarification that:

Urban Services District #2 is what the city would become  
Urban Growth Boundary is the 20/20 plan.

D. A concern was noted that we observed mostly the positive aspects of the plan. We asked, and were turned down, that the City and County Managers visit to express any negatives.

Bob stated that we should feel free to express concerns, "flags", by resolution. The essence of whatever we state will be retained in the summarization report. Latitude will be exercised to coordinate sections and give the look and feel of one author.

Ed asked for a verbal description of a resolution. Bob discussed one from the aspect of law. Our resolution would be discussed first in the Core Review (Chairs and Co-chairmen) on November 22<sup>nd</sup>. A second draft would be available for review here at the Commissioners Building on December 6<sup>th</sup>. Our materials are to be given in by November 15<sup>th</sup>.

A general vote establishing consensus was called for and passed unanimously for a resolution based upon our stated goal. The stated goal was, "the desirability of combining the City and County governments regarding Public Works. With respect to Public Services, we wish to voice our concern that services not be rammed down the throats of those that do not want them, and for those that do, payment for the increased services would be expected."

After continued discussion, we completed the following resolution:

After study of the various public works departments and divisions, and assessing the compatibility and comparability of the current systems, we resolve:

- That it is feasible and desirable to consolidate Durham City and County governments relative to Public Works,
- That the Durham City and County Public Works departments be merged, whether or not the City and County governments are merged,
- Further, we recommend that current City and County levels of service be maintained, not expanded.

This was voted on and passed unanimously by this committee.

2. Meeting Adjourned by acclamation

3. Next Meeting

~~Thursday~~, December 8, 1999 at 7:00 PM.

### Public Works Subcommittee

### Contact Sheet

Name	Address	Phone (H)	Phone (W)	Fax	Email
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Ed Harrison		490-1566	490-1566	Call ahead	Ed.harrison@sierraclub.org
Jeremy Rah		682-1710	Same	NA	Jraw@IGC.ORG
William Robbins		402-8545	541-8236	541-8321	Brobbins@sumitomoelectric.com
James Stroud			688-3381	682-4021	Ecocccs@webtv.net
Brian Van Horn		598-3952	851-1980	851-1982	Bvanhorn@bobbitt.com
Phillip Vereen		686-0046	682-2133	688-8351	Pvereen@durhamchamber.org
Pam Blythe			490-8939		Citytopam@aol.com
Marcia Margotta				560-0000	Mmargotta@co.durham.nc.us

**Attachment #1:**

**PUBLIC WORKS FUNCTIONAL AREAS**

- **Water and Wastewater**
- **Solid Waste**
- **Transportation**
- **Engineering**
- **Storm Water**
- **Erosion Control**
- **Street Maintenance**
- **Roadway Appearance**

# WATER AND WASTEWATER

## Organizational Elements

- City Public Works Water and Sewer Maintenance Division maintains water and wastewater lines, meters and rights of way for the City. Also provides fire hydrant maintenance.
- City Environmental Resources Department operates and maintains two water treatment plants for most of the County as well as two wastewater treatment plants and booster stations and lift stations for the City.
- County Engineer provides wastewater treatment engineering and oversight of a contracted wastewater treatment plant for City and County lines. Reviews design work for County wastewater extension projects.
- City Engineering Department responsible for assessments.
- City Finance responsible for meter readings.

## Proposed Organizational Structure

- Place all wastewater treatment plants under the Environmental Resources Department.
- Transfer the City Public Works Water and Sewer Maintenance Division and County Engineering Department Utility Division to the Environmental Resources Department.
- Transfer the responsibility for the City water and wastewater assessments to the Environmental Resources Department.
- Leave the responsibility for meter reading and the meter readers with the Finance Department.

## Advantages of Consolidation

- Improved engineering capability with larger combined staff.
- Combined billing.
- Economy of scale for purchasing.
- Improved overall communications.
- Provide better opportunity for optimization of wastewater treatment resources.
- One single set of numbers would allow better planning for water quality issues.

## Disadvantages of Consolidation

- None.

## Findings

- The City and County wastewater treatment operations should be merged and City water and wastewater line maintenance responsibilities should be assigned to the department having responsibility for water and wastewater treatment.

## Recommendations

- Merge the City and County wastewater treatment operations and assign water and wastewater line maintenance responsibilities to the department having responsibility for water and wastewater treatment.

## Other Issues

- None.

# SOLID WASTE

## Organizational Elements

- City Sanitation Department collects residential garbage, yard waste and bulky waste as well as from stationary commercial containers in the City.
- City Environmental Resource Department operates a transfer station, rubble landfill and a yard waste composting facility for City and County solid waste and manages the recycling contract for City. Also administers the City Household Hazardous Waste Collection Program.
- County Solid Waste Management Division operates convenience centers in the unincorporated area to allow citizens to drop off solid waste.

## Proposed Organizational Structure

- Transfer the two County Solid Waste Management divisions from the County General Services Department to City Sanitation.
- Transfer the Transfer Station, Rubble Fill, household hazardous waste and recycling responsibilities from the City Environmental Resources Department to City Sanitation and place City Sanitation under the City Public Works Department thereby reducing City/County management span of control.

## Advantages of Consolidation

- Improved coordination of prevention of dumping and cleanup throughout the County.
- Organizational simplicity and reduced span of control for the City/County Manager.

## Disadvantages of Consolidation

- None.

## Findings

- Solid waste management efforts of the City and County should be consolidated.

## Recommendations

- Consolidate City and County solid waste management.

## Other Issues

- Retain City and County levels of service at current levels.

# TRANSPORTATION

## Organizational Elements

- The City Public Works Transportation Division provides staff for the area Metropolitan Planning Organization (MPO). It performs traffic engineering, development review and street light maintenance services for the City. It provides development review services for the County via the City/County Planning Department. In addition, it is responsible for public transit system operations, paratransit services, parking facility operations and parking facility maintenance. It also provide taxi cab inspection and permit services.
- No County organizational element except for the County Transportation Advisory Board.

## Proposed Organizational Structure

- No change—Just expand responsibilities to include the unincorporated area and move the responsibility for taxi inspections and permit to law enforcement.

## Advantages of Consolidation

- Simplify the coordination and oversight of paratransit services.
- Facilitate metropolitan transportation planning in the unincorporated area.
- Make transportation planning an integral part of the development review process.

## Disadvantages of Consolidation

- None.

## Findings

- The current City Public Transportation Division should assume all traffic engineering, transportation development review and planning responsibilities for the unincorporated area of the County.

## Recommendations

- Have the current City Public Transportation Division assume all traffic engineering, transportation development review and planning responsibilities for the unincorporated area of the County.

## Other Issues

- Concern by those with property in the unincorporated area and especially with RTP property owners about their status especially with regard to potential tax increases.
- What does the City really do with regard to street light maintenance? How many people are required to provide this service? Can the service be simplified?

# ENGINEERING

## Organizational Elements

- City Public Works Engineering Division provides engineering design, development review and construction inspections for City and County private development and City projects.
- County Engineer responsible for engineering design, development review and construction inspections for County infrastructure projects.

## Proposed Organizational Structure

- Merge the County Engineering Department Project Management Division with the City Project Management operations currently under Asset Management.

## Advantages of Consolidation

- Better functional alignment.
- Gain economy of scale.
- Enhance development review and engineering coordination.

## Disadvantages of Consolidation

- None.

## Findings

- City and County engineering operations should be merged.

## Recommendations

- Merge the City and County engineering operations.

## Other Issues

- Consider merging the County General Services Building and Grounds Maintenance Division with the Building and Grounds Maintenance operations currently under the City Asset Management Department.
- Consider placing City Asset Management under the City/County Public Works Department.



# STORM WATER

## Organizational Elements

- City Public Works Storm Water Services Division provides storm water billing, education and pollution control and responds to drainage complaints for the City.
- The County does not currently have a Storm Water Program or organizational element but must have a program in the near future.

## Proposed Organizational Structure

- Establish a countywide Stormwater Services Division including the current City Public Works Stormwater Division.

## Advantages of Consolidation

- Existing expertise could be used for expansion of stormwater operations into the unincorporated area.

## Disadvantages of Consolidation

- None.

## Findings

- A countywide Stormwater Services Division should be established, which would include the current City Public Works Stormwater Division and sufficient staff and resources to provide countywide stormwater services to meet state and federal requirements.

## Recommendations

- Establish a countywide Stormwater Services Division including the current City Public Works Stormwater Division and sufficient staff and resources to provide countywide stormwater services to meet state and federal requirements.

## Other Issues

- None.

# EROSION CONTROL

## Organizational Elements

- The Sedimentation and Erosion Control Division of County Engineering has the responsibility for erosion control throughout the County to include the City.
- City has no organizational element.

## Proposed Organizational Structure

- Place the Sedimentation and Erosion Control Division of County Engineering under the City/County Community Development Department.

## Advantages of Consolidation

- Would facilitate erosion control coordination with City departments.
- Simplify the overall organizational structure.

## Disadvantages of Consolidation

- None.

## Findings

- The Sedimentation and Erosion Control Division of County Engineering should be placed under the City/County Community Development Department.

## Recommendations

- Place the Sedimentation and Erosion Control Division of County Engineering under the City/County Community Development Department.

## Other Issues

- None.

# STREET MAINTENANCE

## Organizational Elements

- City Public Works Street Maintenance maintains streets, sidewalks and alleys and controls storm water run off and drainage in the City.
- County does not have a street maintenance program or organizational element. County roads are maintained by the State DOT.

## Proposed Organizational Structure

- None.

## Advantages of Consolidation

- City/County merger would facilitate the expansion of street maintenance services throughout the County as those services are needed and citizens are willing to pay for increased services.

## Disadvantages of Consolidation

- None.

## Findings

- City/County merger would facilitate the expansion of street maintenance services throughout the County as those services are needed and citizens are willing to pay for increased services.

## Recommendations

- None.

## Other Issues

- None.

# ROADWAY APPEARANCE

## Organizational Elements

- City Public Works Roadway Appearance Division provides street cleaning and right of way maintenance services for the City. Also provides urban forestry services.
- Roadway appearance services are not provided by the County.

## Proposed Organizational Structure

- None.

## Advantages of Consolidation

- City/County merger would facilitate the expansion of roadway appearance services throughout the County as those services are needed and citizens are willing to pay for increased services.

## Disadvantages of Consolidation

- None.

## Findings

- City/County merger would facilitate the expansion of roadway appearance services throughout the County as those services are needed and citizens are willing to pay for increased services.

## Recommendations

- None.

## Other Issues

- None.

# **Taxation & Finance**

**Taxation & Finance Citizen Subcommittee  
City of Durham / Durham County Merger  
Meeting Minutes  
July 26, 1999**

Attendees 7/26/99: Bob, Jim, Steve, Norm, Ken, Ellen, Becky, John, Mary.  
Absent: Carol, Haywood, Eric, Thomas, Joe, Daniel.

We met at Orientation Meeting at the Durham County Library. Opening remarks by Ellen Reckhow, and Jake Wicker gave an overview of Merger Studies and Public Meeting Protocol. Brief remark by Pam Blyth.

Overall group split into subcommittee groups. These notes constitute our understanding of discussion in the Taxation and Finance Subcommittee group. Elected body liaison persons for this subcommittee are Becky Heron and Ellen Reckhow. Each of them made general remarks about the tasks of the subcommittee, and results. Issues include equity, whether the sum of two governments will be greater or better than the constituent parts. Joe Bowser made brief remarks. Emphasized the importance of determining if merger is good for all citizens.

We solicited volunteers for officers. Stephen Gene Knopp will serve as Chair. Norman Krause will serve as Vice-Chair. Jim Edney will serve as Secretary.

We discussed time and place and frequency of meetings. We determined that we will schedule two meetings per month, with additional sessions as required to transact business. They will be the Second Wednesday and Fourth Wednesday of the Month. The meeting on the **Second Wednesday will be at 7:00 PM** at the Southwest Library Branch on Shannon Road. The meeting on the **Fourth Wednesday will be at 12:00 Noon** at the Southwest Library Branch on Shannon Road. Stephen Knopp will confirm the location.

Stephen Knopp will develop an agenda for our first meeting on August 11<sup>th</sup>. At that meeting, part of the discussion will be development of further agendas, structure of meeting, rules, et cetera.

Meeting dates and times will be as follows:

August 11<sup>th</sup> (evening); August 25<sup>th</sup> (noon); September 8<sup>th</sup> (evening); September 22<sup>nd</sup> (noon); October 13<sup>th</sup> (evening); October 27<sup>th</sup> (noon); November 10<sup>th</sup> (evening).

Other items we discussed include: we need complete copies of City and County Budgets; we do not have a technical staff person assigned to this subcommittee at this time; we may ask for presentation from City and County financial staff concerning budget and taxation issues; we may solicit outside technical assistance (Ellen); we should bring our own ideas and questions to the table for discussion; we may want a fiscal analysis that discusses the future "look" of a combined city/county government; previous merger discussions included at least two failed voter referenda; county voters were almost completely opposed to merger in the past; school merger was an issue that had significant impact on governmental merger discussion in the past.

The main business of the meeting being completed, we adjourned at approximately 8:30 PM.

Follow up 8/5/99 regarding location of the meeting. Steven Knopp found that the Shannon Road Library branch would not be available when we plan to meet. By timely intercession and help of Ms. Marcia Margatta, we have our August 11<sup>th</sup> meeting scheduled for the City Council Chambers in the Durham City Hall. This is only for this meeting. As part of our business in this meeting we will finalize a location for our remaining scheduled meetings. We have two tentative locations reserved for the next two meetings.

The first is the third floor conference room in the Main Branch Library. The Library staff (a message from the Director) will not reserve the third floor conference room or any conference or meeting room for any community group further out than 45 days. They specifically said that there is great demand for the space and they like to reserve the conference rooms for library functions. That leaves us the option of trying to continually reserve the room for the next meetings they will let us reserve. We, of course may not be the first in line.

The second tentative location for our meetings is the Community Outreach Partnership Center at 1003 West Chapel Hill Street, directly across from Ingold Tire, at the intersection of Buchanan Boulevard and West Chapel Hill Street. The Community Outreach Partnership Center hosts a number of programs administered jointly by UNC/Duke. The physical building has offices, a small kitchen, a computer laboratory, and a large meeting room used to host functions and programs connected with the Center. It also serves as a resource for the neighborhood. Gloria Beamon, the onsite director has offered to allow us to reserve the public meeting room for all of our scheduled meetings starting August 25<sup>th</sup> and ending in November per our program.

We have also several members in addition to the ones present and enrolled at our July 26<sup>th</sup> meeting. Please review the phone/contact list attached for any corrections that may need to be made to your name, phone, fax, or email address.

Thank you.

James W. Edney III

**Taxation & Finance Citizen Subcommittee  
City of Durham / Durham County Merger  
Meeting Minutes  
August 11, 1999**

Attendees 8/11/99: Bob Chase, Jim Edney, Steve Knopp, Norm Krause, Ken Gibbs, Ellen Reckhow, Becky Heron, John Cline, Mary Cline, Carol Anderson, Tom Niemann, Joe Owens, Tom Clark, Anson Gock, Robert Miller, Duncan Jefferson, Mark Wiggin, Marcia Margatta.  
Absent: Haywood Davis, Daniel Povia, Eric Harrington

Currently Scheduled Meeting dates and times will be as follows:

August 11<sup>th</sup> (evening); August 25<sup>th</sup> (noon); September 8<sup>th</sup> (evening); September 22<sup>nd</sup> (noon); October 13<sup>th</sup> (evening); October 27<sup>th</sup> (noon); November 10<sup>th</sup> (evening).

The location for all of our scheduled meetings (starting August 25<sup>th</sup>) is the Community Outreach Partnership Center at 1003 West Chapel Hill Street, directly across from Ingold Tire, at the intersection of Buchanan Boulevard and West Chapel Hill Street. The Community Outreach Partnership Center hosts a number of programs administered jointly by UNC/Duke. Gloria Beamon is the onsite director. She can be reached at : 919-683-1834; email [copcl@mindspring.com](mailto:copcl@mindspring.com).

Minutes of Meeting August 11, 1999. Please note that this was the first meeting with the majority of the committee present. We spent our time getting acquainted with each other, taking care of housekeeping matters, and discussing the charge of the committee and work to be accomplished in subsequent meetings. These notes will not attempt to provide verbatim transcript of comments made by any person. Comments, additions and corrections are solicited and encouraged.

We met at the City Council Chambers in Durham City Hall. We set up tables and chairs for those in attendance. Jim Edney passed around copies of July 26<sup>th</sup> meeting minutes, and a copy of roster to record attendance and update phone/fax/email contact numbers.

Stephen Knopp opened the meeting as Chair, and thanked everyone for agreeing to participate, emphasizing the significant amount of time and effort that will be required to fulfill our charge by the elected officials in the allotted time.

We discussed the location for meetings. After explanation of the library policy that no community group can schedule a meeting room more than 45 days out, and that library related functions always have precedence, we agreed that the offer by the Community Outreach Partnership Center to host our meetings through November would be accepted. We therefore will not have to have several reschedulings of meetings.

The first phase of this process will be concluded in November.

Steve Knopp presented the "Possible Rules of Procedure" (handed out at the first meeting) to the committee. After some discussion of the "blanks" in the discussion draft, we agreed to adopt the draft as our Rules of Procedure with the following language added:

1. A. Applicability: These rules apply to: "Taxation and Finance Citizen Subcommittee on City of Durham / Durham County Government Merger".
2. E. Attendance: Members of the Subcommittee who miss more than "three (3)" meetings.
3. F. Officers. The officers of the Subcommittee are: "Stephen Knopp – Chair; Norman Krause – Vice Chair; Jim Edney – Secretary".



We discussed some of the particulars of holding public meetings. No meeting of a majority of the committee can be held that is not public. Any person can attend, photograph, or record public meetings. We can designate subcommittees or working groups of the Subcommittee. Quorum is a majority of the Subcommittee. The membership currently stands at 18, therefore a quorum is 10. Roberts Rules of Order will be consulted for items not covered in the Rules of Procedure. Ken Gibbs made the motion to adopt the Rules with items noted, and the motion was properly seconded, and carried unanimously by voice vote.

We discussed attendance, and the situation that some of the members were not on the Subcommittee at the time of the first meeting, and some of the members may not have been notified about the second meeting. It was agreed that no unexcused absences would be charged for the first two meetings, but that the three members who have not attended either of the first two meetings absolutely need to attend the August 25<sup>th</sup> meeting, or examine whether they will be able to continue on the Subcommittee.

We discussed that the City of Durham and County of Durham budget directors will attend and make presentations at the next meeting. We spent some considerable time discussing exactly what information we need for them to present and how to go about setting our priorities for completing our charge.

Items brought up and discussed:

- Set up and designation of Taxation Service Districts.
- Cost of services and potential savings of merger.
- User fees.
- Equity (between the Taxation Service District constituencies).
- Status of incorporated or unincorporated towns. (Item that came up in Charlotte's study).
- How would merger affect flow of monies from state or federal programs. How would merger affect eligibility for state or federal programs.
- Differences between County and City bond rates, and differences between relative indebtedness of City and County.
- Consideration of a study similar to one completed for Sacramento.
- Decision to proceed with a formal cost/benefit analysis prepared by a outside consultant.
- City/County charges/charters.
- City/County differences in services (i.e. "hard" versus "soft").
- City/County differences in revenue sources. Differences in the amount of pass-thru.
- Consideration of setting up the School Board as a taxation entity. I.e. they would take (administrative and political) responsibility for raising the local money required in addition to state and federal monies.
- Need to understand the concepts and applicability of Taxation Service Districts.
- We discussed the procedure for development of Agenda for (subsequent) meetings. It was decided that, since the Budget Directors were already scheduled for the August 25<sup>th</sup> meeting, Stephen Knopp would consult with them and develop an agenda for that meeting. Subsequent meetings will have part of the meeting devoted to development of the next agenda.
- We discussed (at length) the charge of the Subcommittee, specifically whether we should spend more time "crunching numbers" or spend more time on "big picture" issues.
- We discussed the importance of joint services that are currently provided, and how separate services (i.e. police/sheriff) could reasonably be joined.
- We discussed that the budget documents presented to us had summary sections that would be more usable for our deliberations than the detailed breakdown sections.
- Ellen mentioned that a person who worked with Charlotte/Mecklenburg County on their study may be available to assist us in exploring Taxation / Finance issues.
- Tom Clark offered to develop a website that would be specific to the members of this subcommittee. His generous offer was accepted.

As noted above, these minutes do not attempt to provide a verbatim transcript. Intent is to provide a summary of the chief points and considerations of our meeting. This particular meeting was short on deliberation and long on discussion, therefore the summary of points discussed. Please contact the undersigned with any change, correction, or additions. Thank you. James W. Edney III

Taxation & Finance Member List and Phone Tree (Updated 8/23/99) No Order is Intentional.

Bob Chase	<a href="mailto:Bchase@rp-agro.com">Bchase@rp-agro.com</a>	H: 544-6986	Work: Ph:549-2266 Fx: 549-3961
Jim Edney	<a href="mailto:Jwe@redrhinocompany.com">Jwe@redrhinocompany.com</a>	H: 493-0350	Work: Ph:493-2369 Fx: 489-6735
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Mary Cline	8715 Bromley Hillsborough, NC 27278	H: 477-7749	Work: Ph: ? Fx: ?
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Haywood Davis		H: 929-9500	Work: Ph: 286-2121 Fx: ?
Eric Harrington	<a href="mailto:E9eric@aol.com">E9eric@aol.com</a>	H: 688-7861	Work: Ph: 688-7861 Fx: ?
Thomas Niemann	Tom Niemann on: <a href="http://www.bluedevilventures.com">www.bluedevilventures.com</a>	H: 402-0048	Work: Ph: 416-1650 Fx: 416-9670
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Duncan Jefferson	<u>Duncandi@nortelnetowrks.com</u>	H: 957-8344	Work: Ph: 991-7361 Fx:
Daniel Povia		H: 490-0080	Work: Ph: 474-2107 Fx: ?
Mark Wiggin	<u>Mcw7@duke.edu</u>	H: 687-4523	W: 687-4523

Please let me know if there are any corrections. Please double check email and fax numbers.  
James W. Edney III

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
August 25, 1999**

**Attendees:** Carol Anderson, Bob Chase, Tom Clark, John Cline, Mary Cline, Patty Garvinese, Laura Gill, Nav Gill, Anson Gock, Eric Harrington, Becky Heron, Duncan Jefferson, S. C. Kitchen, Steve Knopp, Norm Krause, Marcia Margotta, Bob Melville, Bob Miller, Tom Niemann, Claudia Odom, Joe J. Owens, Jr., Ellen Reckhow, David Thompson, Carolyn Titus, Mark Wiggin

**Absent:** Jim Edney, Ken Gibbs, Haywood Davis, Daniel Povia

The Committee met at the Community Outreach Partnership Center at 1003 West Chapel Hill Street. The meeting was called to order at 12:05 PM by Steve Knopp. An Agenda was distributed before the presentations began.

Presentations were made by the City of Durham personnel. Laura Gill, Budget & Management Director, presented an "Overview of City Budget Issues." She discussed the Budget's focus, preparation, and review by City Council. Major issues arising from the Fiscal Year 2000 Budget were examined, as well as future issues for the Fiscal Year 2001 Budget. Finally, the Capital Improvement Budget's priorities, revenue, and expenditures were reviewed.

The next speaker was Nav Gill, Finance Director, who explained the City's finances. City "Funds" are a separate set of accounts for a number of individual functions. There are several funds: the General Fund (used to account for all financial resources unless they are required to be in another fund); Special Revenue Fund (used to account for proceeds of specific revenue sources); Capital Project Fund, and Proprietary Funds (used to account for organizations and activities similar to those in the private sector). Mr. Gill presented financial analysis data on the General Fund and reviewed water and sewer operating results. He discussed investment of the City's liquid assets and various aspects of the City's bond and other indebtedness. He also explained the operation of the Finance Department.

Due to the lateness of the hour, the Subcommittee decided to postpone the County presentations until the next meeting. Some discussion ensued regarding intergovernmental transfers. It would be helpful to examine these transfers to see whether revenue would be lost and whether opportunities for new revenue might result if a City/County merger takes place. Members also asked for the analysis that was done to support merger of the Planning Department.

Robert Melville, a consultant who will work with the Subcommittee, was introduced. Ellen Reckhow explained some adjustments in the task of the Steering Committee. The consultant will work with the citizens' subcommittees. The subcommittees are to identify major issues for the consultant to examine in Phase 2, which will start in December 1999 and last into February 2000 and will involve detailed analysis of issues identified by the citizen subcommittees. This detailed work will be done by the consultant.

The Subcommittee's work product will be a report due in the November 15 - December 1 timeframe. The Subcommittee will examine issues raised in Item VI, B-H, of this meeting's agenda, as well as any others it can identify. Robert Melville pointed out that the major benefits of merger may be intangible and not related to financial cost/benefit analysis. He suggested that policy issues be examined first.

The meeting room in the Community Outreach Partnership Center is small, and another location should be obtained for the next meeting. Subcommittee members were encouraged to sign onto the new Web Page. The Minutes of the last meeting were accepted, and the meeting was adjourned at 2:03 PM.

Respectfully Submitted,

Norm Krause

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
September 8, 1999**

**Attendees:** Carol Anderson, Bob Chase, Tom Clark, John Cline, Mary Cline, Patty Gravinese, Anson Gock, Eric Harrington, Becky Heron, Duncan Jefferson, Steve Knopp, Norm Krause, Marcia Margatta, Bob Melville, Tom Niemann, Joe J. Owens, Jr., Ellen Reckhow, Carolyn Titus, Mark Wiggin, Keith Lane.  
There were one or two persons from City or County who did not sign in, so we did not get their names.

**Absent:** Bob Miller.

The Committee met at the third floor conference room at the Durham County Library Main Branch (downtown). The meeting was called to order at 7:00 PM by Steve Knopp. The first order of business was a vote to accept the Minutes of the Subcommittee Meeting held 25 August 1999. The Minutes were accepted by voice vote. There were no corrections or dissenting comments.

Presentations were made by the County of Durham personnel - Senior Budget Analyst Keith Lane and Finance Director Patty Gravinese.

The program was in the form of a "Powerpoint" presentation without the benefit of the overhead projector (technical problems). We were presented with a 57 page package that had the outline of the presentation screens with places to make notes. Some of the information was culled from the Durham County Budget, and some of it was prepared for this presentation.

The first part of the presentation was handled by Keith Lane. In it, he ushered us through the following sets of information:

- Governmental organization chart (Citizens at the top of the chart);
- Durham County Mission - enhancing quality of life by providing education, security, health and human services, economic development, and cultural and recreational resources;
- 1999-2000 Strategic Goals;
- Budget Process - timeline November to June;
- Budget Highlights -
  - General Government - technology, GIS, budget position;
  - Public Safety - Juvenile & Family Court, technology, substance abuse, EMS positions, vehicles, animal technician;
  - Environmental Protection - manned container sites / new containers;
  - Economic and Physical development - two new positions for resource conservation ordinance;
  - Human Services - consent / court ordered care \$2M, eight new positions in Public Health, decrease in Social Services \$4M and five new positions with no new costs, overall budget reduction for Mental Health Department due to changes in State and Federal policy, new initiatives for Youth Coordinating Board;
  - Culture and Recreation-technology for library, capital for Museum of Life and Science;
  - Education - budget increase of \$4+M, decrease in debt payments, more students, 7% State proposed teacher salary increase, new school initiatives, \$200K increase in funding to Durham Community College, total education spending \$81,205,762.
  - Review Budget Department Functions - monitor and plan budget process, maintain Capital Improvement Plan, manage nonprofit application process, performance reviews, management analysis, cost benefit analysis.
- A review (in the form of pie charts) of:
  - General Fund (96%) and Enterprise Fund (4%) Expenditures and Revenues (same division);
  - Breakdowns of sources of revenue and expenditure. Intergovernmental revenue is 46%/\$120M and not discretionary (i.e. entitlements). Property tax revenue is 31%. Charges for services 4%.
  - General fund expenditures includes 59% Human Services, 19% Education. Total (1999-2000) combined (General and Enterprise) revenue \$365+/-M. Total General Fund Expenditures \$350+/-M.

- A review (in the form of pie charts) of the individual categories of expenditure of the major budget categories:
  - General Government - \$19M (Tax Administration 17%, LT. 17% General Services 26%).
  - Public Safety - \$29M (66% Sheriff, 17% EMS).
  - Environmental Protection - \$1.8M.
  - Economic and Physical Development - \$3.9M (61% DCVB/Economic Development funded by occupancy tax on hotel rooms, 24% Planning and Zoning shared with City of Durham).
  - Human Services - \$205M (Social Services 82%, Mental Health 10%).
  - Education - \$67M plus \$16.8M debt service (96% Durham Public Schools).
  - Culture and Recreation - \$6.8M (80% Library).
- A comparison (bar charts) of:
  - Durham City and County Enterprise Funds - \$80M City (Water/sewer, Parking, Ballpark, Solid Waste, Transit, Parking Control); \$15M County (Storm Water, Civic Center). There is a large difference between the respective physical infrastructure responsibilities of the City and County.
  - General Funds - \$120M City. \$350M County. There is large difference in the Human Services and Education expenditures that are handled by the County and not the City. Much of the revenue for these expenditures comes from intergovernmental revenues. There are also differing mandates between the City and County regarding provision of services.
  - A comparison (pie charts) of the respective:
    - Expenditures - City is 61% General / 39% Enterprise. County is 96% General / 4% Enterprise.
    - Revenues - City is 30% property taxes, 32% service charges, 15% sales taxes, and 9% intergovernmental. County is 31% property taxes, 4% service charges, 11% sales taxes, and 46% intergovernmental.

Ms. Patty Gravinese then took over the presentation from Keith Lane, and her discussion continued the presentation with the following topics:

- Finance Department Mission Statement - gather, maintain, and disseminate financial information; ensure compliance with applicable legislation; maintain attitude of teamwork and customer service (internal and external); contribute to prosperity of County Government through investment management, debt management, and financial monitoring.
- Finance Department Functions & Structure - Financial planning, reporting, and control system; investment program; issue debt and refund debt as required; maintain daily and yearly (i.e. audit) financial operations; provide Comprehensive Annual Financial Report (CAFR), department structure divided into management, accounting/reporting, compliance, and investment/debt management divisions.
- General Fund revenue and expense history - 1994-1999. Revenues \$165M - \$228M. Expenditures \$171M-\$219M.
- Fund Balance History 1995-1999. \$37M-\$52M (reflecting higher debt service in 1995-1997).
- Financial Trends 1995-1999. As a percentage of Expenditures: 11%-15%.
- Comparison of:
  - Undesignated Fund Balance as a % of General Fund for large counties in North Carolina 1999. Durham 9.67%, Forsyth 9.45%, Mecklenburg 8.37%, Wake 9.81%, Buncombe 12.12%.
  - General Fund Balance per capita for five largest comparable counties in North Carolina. Durham \$220, Forsyth \$154, Wake \$248, Mecklenburg \$277.
  - Total Fund Balances for seven comparable counties in North Carolina 1998. Durham \$42.6M, Wake \$143.6M, Mecklenburg \$140.7M, Forsyth \$45.7M.
- Tax assessed values 1994-1998 Durham County. \$11B - \$12.2B. Difference is a result of aggressive (or more attentive) collections.
- Tax Levy and Collections 1994-1998 Durham County. 1994 - \$142M levy vs \$138M collected. 1998 \$178M levy vs \$170M collected. (note that the figures for these items and all items that are culled from the charts presented are writer's estimates from looking at the charts).

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
September 22, 1999**

**Attendees:**

Carol Anderson, Bob Chase, Tom Clark, John Cline, Mary Cline, Becky Heron, Duncan Jefferson, Steve Knopp, Norm Krause, Marcia Margotta, Bob Melville (DMG), Ellen Reckhow, Mark Wiggin, Jim Edney, Sharon Murphy (DMG).

**Absent:**

Bob Miller, Anson Gock, Eric Harrington (e), Tom Niemann, Joe J. Owens, Jr.(e), Ken Gibbs (e). Please let the writer know if you contacted someone to notify them of your absence and you were not noted as having an excuse.

**Note on Attendance:** As of 9/22/99, the Subcommittee has seventeen members. Quorum is majority, therefore we can vote on motions with nine members present. If you will be unable to attend, please call Jim Edney at 493-2369 and communicate to him in person or leave a message on the voice mail. We will use that as a procedure to take care of "excused/not excused" absences. (The voice mail is through the telephone company, so there should be a small chance of error or missed messages.)

The Committee met at the third floor conference room at the Durham County Library Main Branch (downtown). The meeting was called to order at 12:00 Noon by Steve Knopp. At 12:15 PM (after we had a quorum present) there was a vote to accept the Minutes of the Subcommittee Meeting held 8 September 1999. The Minutes were accepted by voice vote. There were no corrections or dissenting comments.

Bob Melville and Sharon Murphy of DMG produced a series of handouts for the Subcommittee members to provide discussion agenda and background for the meeting in accordance with the published Agenda. The summary of the handouts is:

1. **Outline of Possible Discussion Items for Taxation & Finance Task Force 9/22/99.** This handout included the following discussion items (in order): Legal Framework; Service District Alternatives (General Service District and Options for Urban Service Districts); Allocation of Services (between the various Service Districts); Other Service District Issues (RTP, Chapel Hill, Orange County); Fiscal Allocation(Revenues, Assets, Debts, Other Liabilities); Future Meetings (Risk, Grants, and Debt Management).
2. **Legal Framework Notes.** This handout is an abstract of relevant passages from the enabling legislation for: "City-County Consolidation-General" and "City-County Consolidation-Urban Service Districts".
3. **Matrix of Potential Service Districts.** This handout was prepared by DMG to serve as a departure point for our Subcommittee's evaluation of the application of Urban Service Districts to Durham in accordance with the City-County Consolidation enabling legislation. This handout lists a General Service District (the "default"), and six (6) potential Urban Service Districts. Adjacent to each service district is a column listing the geographic extent of the Service Area, and the existing Programs or Services that could be allocated to that particular Service Area. They also included comments regarding some of the Service Districts.
4. **Memo from Liz Rooks of Research Triangle Foundation entitled "Provision of Services in RTP".** This handout outlines the manner in which services are provided by Durham County, Durham City, Wake County, Town of Cary, Morrisville, Wendell. It also abstracts the 1986 legislation establishing the "Durham-Wake Counties Research and Production Service District".
5. **City of Durham and Durham County Preliminary Profiles of:**
  - General Government and Administrative Services
  - Economic and Financial Services
  - Health & Human Services
  - Planning and Development Services
  - Parks, Recreation & Cultural Services
  - Public Protection Services
  - Public Works & Transportation Services
  - Environmental Management Services.

In this multi-page handout DMG took each of the Service areas listed and outlined the relevant Program or Department, Key Service, Costs, and whether the service was provided by Durham City, Durham County, or Jointly. This handout was intended as background for us to use in our further discussion of allocation of services between the service districts. The information was extracted from the City and County budget documents presented in the two previous meetings. Under each Profile table, DMG listed a series of comments concerning specifics of the budgeted services.

The Chair, Stephen Knopp introduced Bob Melville, and yielded the floor to him to introduce the handouts, and initiate a discussion of the items listed in Item 1 above. Bob started the discussion with an acknowledgement that there was a great deal of information in the handouts for us to digest in this meeting. He said that the information was a result of discussions with Jake Wicker and David Griffiths of the Institute of Government, information from Research Triangle Institute, and DMG's analysis of the respective City and County Budget documents. He indicated that DMG's goal for this meeting was that the Subcommittee be able to pass a resolution adopting the concept of Urban Services Districts as a framework for continued deliberations.

We started the discussion with Item 2. This handout includes relevant language regarding City-County Consolidation in General, and outlines the requirements for establishment of Urban Service Districts. The General Assembly may authorize any city, town, or county to define services and levy taxes for differing levels of service. The effect of merger is that all municipalities in a County are abolished and the County survives as the combined City-County Government. This merged entity would have at the least one "General Service District". The governing board may define different service districts within the county to provide services or facilities to a greater extent than those that are provided in the General Service District. These "Urban Service Districts" would generally have specific geographic boundaries which would be smaller than the entire General Service District. The Urban Service Districts may or may not overlap. Any particular location will be part of the General Service District and may be part of any, all, or none of the designated Urban Service Districts. The intention of the Urban Service District is to distribute services and taxation for services to particular area. The designation of a framework for potential Urban Service Districts is critical to the Subcommittee's continued progress in its work.

After our discussion of this handout, and some questions to Bob Melville, Tom Clark asked that the Subcommittee entertain a motion to use Urban Service Districts as a framework for continuation of our deliberations. The language of the proposed motion was distributed, and after some further discussion, we agreed to table the motion until Bob Melville completed his presentation of Item 3 - Matrix of Potential Service Districts.

This part of the discussion led by Bob Melville focused on the handout listed. In the interests of preserving our record, these notes will include the substance of the handout, with some of our comments and discussion.

- General Services District. This District is the only one that is mandated by the legislation for consolidated city-county governments. This district would encompass the entire County, and would include services distributed to and received by all residents of the County. DMG's "first pass" on allocation of programs and services to this Service district includes:

Legislative and Public Affairs

Corporate Management

Economic Development (Regional)

Financial Management

Health & Human Services (including Human Relations)

Cooperative Extension Service

Durham Civic Center. *We would need to allocate debt.*

Durham Bulls Athletic Park. *We would need to allocate debt.*

Open Space & Forestry management

Cultural and Educational (Education & Community College allocated to GSD)

Medical Examiner

Emergency Medical Services, Emergency Communications & Emergency Management

Animal Control

Judicial Administration

Judicial Support (Sheriff)

Water Supply. *We would need to allocate service charges for self supporting enterprise funds.*

Wastewater Treatment. *We would need to allocate service charges for self supporting enterprise funds.*



- Urban Service District No. 1. Entire County except Town of Chapel Hill. This would exclude part of former City of Durham in Orange County, as it is covered by these services:  
 Planning & Zoning. *This is currently merged service.*  
 Building Inspections. *This is currently merged service.*  
 Solid Waste Disposal  
 Solid Waste Management

During this discussion, we had a digression concerning exactly how we (Durham County citizenry) got into a situation in which there were parts of Durham in Orange County, and parts of Chapel Hill in Durham County. No one present could explain how this happened. We finally allowed that it probably came from actions of the City of Durham. Our elected liaison persons, (Becky and Ellen) are County officials – they didn't know or couldn't remember (and none of the rest of us could remember). We asked Marcia Margotta to help us answer the questions.

As a result of this discussion, there was *another* digression. This one concerned the amount of discussion in our meetings between our elected officials and the technical consultant (DMG), and the (public or private) commitments of Subcommittee members or elected officials to the issue of merger. Words such as paranoia were bandied about. Members expressed concern about the pace of our deliberations to date relative to the scope the work we need to accomplish.

We finally agreed (I think) that, (in general):

1. We have a great deal of work to do in a short amount of time.
2. No one present wants anyone (resident of incorporated or unincorporated sections of the County) to pay for services that they do not receive.
3. Regardless of the pace we have moved to date - we *have* received a solid grounding in the substance of the City of Durham and County of Durham budgets, and in the relevant legislation. Both of which are necessary to our further deliberations.
4. We then agreed to continue.

- Urban Service District No. 2. Former City of Durham (the "incorporated" part of Durham County, excluding portion that is in the Town of Chapel Hill).  
 Economic Development (urban)  
 Housing & Community Development. *Questions include: are these services incorporated areas only?*  
 Parks & Recreation. *Questions concern extension of services to currently unincorporated areas.*  
 Law Enforcement (urban, i.e. the current Police Department). *Questions concern the differences between Police patrols and Sheriff's patrols, and the relative nature of services provided in incorporated and unincorporated areas.*  
 NECD Target Sweep Initiative  
 Fire Services (urban, i.e. Durham Fire Department)  
 Public Works (urban)  
 Transportation (urban, i.e. DATA)  
 Sanitation  
 Storm Water Management
- Urban Service District No. 3. Entire County except former City of Durham (in Orange County) and Town of Chapel Hill (in Durham County).  
 Law Enforcement (rural).  
 Fire Services (rural).
- Urban Service District No. 4. Part of former City of Durham in Orange County.  
 All services performed by former City of Durham allocated to GSD or USD No. 1.
- Urban Service District No. 5. Research Triangle Park.  
 To be determined. See memo from Liz Rooks of Research Triangle Institute (Item No. 4 listed above).
- Urban Service District No. 6. Town of Chapel Hill within Durham County.  
 To be determined.

After we finished discussing the six Urban Service Districts proposed by DMG for our consideration, we spent some time discussing a formal motion to adopt to serve as our framework for the continuation of our work. Bob suggested

that the motion should be specific about the structure we will use, but allow us to make modifications as we continue to examine the issues.

We then opened the meeting to discussion of the motion proffered by Tom Clark earlier in the meeting. Tom Clark agreed to amend the language of his original motion to the following:

### Resolution on Tax Service Districts

Taxation and Finance Subcommittee of the Durham City/County Merger Task Force

9/22/99

Whereas:

-Service Districts are an established, legal means by which to collect different tax rates and distribute different levels of government service.

Resolved:

-That the Taxation and Finance Subcommittee of the City-County Merger Task Force, for the purposes of further study, assume that a unified Durham will contain the following service districts:

1. General Service District – Encompassing the entire County.
2. Urban Service District No. 1. Entire County except Town of Chapel Hill.
3. Urban Service District No. 2. Former City of Durham.
4. Urban Service District No. 3. Entire County except former City of Durham.
5. Urban Service District No. 4. Part of former City of Durham in Orange County.
6. Urban Service District No. 5. Research Triangle Park.
7. Urban Service District No. 6. Town of Chapel Hill within Durham County.

The motion was seconded by Duncan Jefferson.

The Chairman asked for a voice vote, and it the motion was passed unanimously.

We asked if the County GIS Department could provide us with maps of the proposed Service Districts. Marcia Margotta said that she had not received a definite positive response, but it seemed as if they would not do that. It was proposed that we get some maps and then we could take some colored markers or "Exacto" knives to the maps to come up with our own maps that could help us to visualize the Service Districts. We agreed that markers would be fine, but that knives might not be necessary.

At this time, we were almost out of time: Bob Melville said that, in addition to the matters concerning Service Districts, we would need to discuss risk management, grants management, allocation of current debt, and structure of currently allocated but un-issued debt, and there may be other issues within the scope of the Subcommittee.

Stephen Knopp explained that he and Marcia Margotta have been working with the Police Department to secure their Community Room for our subsequent meetings, but they have not yet confirmed. The next meeting is on October 13<sup>th</sup>, 1999 at 7:00 p.m.

It was then moved and seconded that we adjourn the meeting.

Please note that there is a great deal of information in the handouts given to us in this meeting. I could not include them with these notes because of their length and the fact they were not forwarded in electronic form. All Subcommittee members need to retain the copies they were given in the meeting, and those persons who were absent:

Bob Miller, Anson Gock, Eric Harrington (e), Tom Niemann, Joe J. Owens, Jr. (e), Ken Gibbs (e). Need to get hard copies as soon as possible. If you call me at 493-2369, I can fax them to you. Or Marcial Margotta can mail you a copy.

Please review these notes, and let the writer know of any additions or corrections required.

Respectfully Submitted,

James W. Edney III

Ph: 919-493-2369 Fx: 919-489-6735 [jwe@redrhinocompany.com](mailto:jwe@redrhinocompany.com)

Post Script: We have confirmed with the Police Department that our next scheduled meeting, and the two subsequent meetings (October 13, 27, & November 10<sup>th</sup>) will be in the Community Room on the first floor of the Police Department. The next meeting will be at 7:00 PM on Wednesday, October 13<sup>th</sup>. We may schedule this room for additional meetings if they are scheduled in advance. An Agenda for the October 13<sup>th</sup> meeting will follow by separate email. Please note that any corrections, amplifications, additions to these notes will be greatly appreciated. If you get the time, send them to me by fax or email prior to the meeting and I will incorporate them into copies for distribution at that time.

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Special Meeting Minutes  
October 1, 1999**

**Attendees:**

Bob Chase, Tom Clark, John Cline, Mary Cline, Steve Knopp, Norm Krause, Bob Melville (DMG), Ellen Reckhow, Anson Gock, Tom Niemann, Mark Wiggin, Ken Gibbs, Jim Edney,

**Absent:**

Duncan Jefferson (e), Bob Miller (e), Eric Harrington (e), Joe J. Owens, Jr. (e), Carol Anderson (e). Note: Because this was a Special Meeting, and because it was cancelled due to conflicts with notice requirements, we are listing all those not in attendance as "excused".

**Note on Attendance:** As of 9/22/99, the Subcommittee has seventeen members. Quorum is majority, therefore we can vote on motions with nine members present. If you will be unable to attend, please call Jim Edney at 493-2369 and communicate to him in person or leave a message on the voice mail. We will use that as a procedure to take care of "excused/not excused" absences. (The voice mail is through the telephone company, so there should be a small chance of error or missed messages.)

The Committee met at the Community conference room at the Durham Police Department Main Branch (downtown). The meeting was called to order at 2:00 p.m. by Steve Knopp. The purpose of this meeting was to review the agenda and work plans for the remaining scheduled meetings, add one "wrap-up" meeting, and delegate presentation and review assignments for the agenda topics to the Subcommittee members.

We discussed the suggested agenda topics below. A motion was made by Ken Gibbs, and seconded by Tom Clark that we adopt the agenda outline as presented with discussion leaders as listed. Changes of discussion leaders between groups can be made without need for additional motions. Motion also included the provision of one additional "wrap up" meeting on November 17th at 7:00 p.m. at the Community room in the Police Department headquarters downtown. Motion was passed unanimously by voice vote of the attendees.

**Agenda Topics for Remaining Meetings**

**Meeting Date: October 13<sup>th</sup>**

**Discussion Issue / Discussion Leader Steve Knopp/Bob Melville:**

How should service districts be structured?

How should future revenues be allocated to the recommended service districts?

How should outstanding debt be allocated to the recommended service districts?

What other fiscal issues will be addressed & which members will assume responsibility?

**Possible Resolution:**

Recommended service district structure

Recommended revenue allocation strategy or matrix

Recommended debt allocation strategy or matrix

**Meeting Date: October 27<sup>th</sup>**

**Discussion Study Issue #1 / Discussion Leaders Mark Wiggin, Tom Niemann, Anson Gock:**

Under the recommended service district structure, how will tax rates & other revenues be impacted by consolidation?

How will the respective grants management programs be impacted by consolidation?

How will financial & budget management practices be impacted by consolidation?

**Study Issue #1: Revenue structure**

**Potential Analytical Questions:**

Will merger result in any material changes to tax rates, user fees or other revenues in the former city or unincorporated county?

For example, what would be the impact of changing the sales tax allocation formula?

Will merger result in any tax inequities in tax the former city or unincorporated county?

Will merger jeopardize any current revenues or offer opportunities for enhancing revenues?

Will merger result in a more diverse & stable revenue structure? If not, why not?

Can tax and revenue collections be more effectively coordinated under a merged entity?

**Potential Information Sources:**

Budget & CAFR reports (detailed revenue schedules)  
City Finance or Budget Director  
County Finance or Budget Director  
Tax Collector/Assessor  
Summary of current revenue sources (City & County)

**Study Issue #1: Grants**

**Potential Analytical Questions:**

Will any major intergovernmental revenues be threatened or enhanced by merger?  
For example, will any formula-based grants received by the City be adversely affected?  
Could grant proposals be better coordinated by a merged city-county entity?  
How should grants be managed under a merged city-county entity (e.g., centralized)?

**Potential Information Sources:**

Single audit reports  
Budget & CAFR reports  
City Grants Manager  
County Budget Director  
Key grantor representatives

**Study Issue #1 (October 27th): Financial & budget**

**Potential Analytical Questions:**

To what extent will merger offer opportunities for streamlining financial & budget management practices, processes, systems & staffing?  
How will accounting & financial reporting practices & systems be affected?  
Should the fund structure be modified?  
How will customer service billing be affected?  
How will treasury management be affected?  
Will there be any advantages to having a larger pool of cash to invest?

**Potential Information Sources:**

CAFR reports  
External auditor  
Internal auditors  
City Finance or Budget Director  
County Finance or Budget Director  
Investment advisor

**Possible Resolution Issue #1:**

Revenue impact finding  
Grants management impact finding & merger strategy  
Financial & budget process impact finding & merger strategy

**Discussion Study Issue #2 / Discussion Leaders Norm Krause, Joe Owens, Carol Anderson, Bob Miller:**

How will the respective risk management programs be impacted by consolidation?

**Study Issue #2 (October 27th): Risk**

**Potential Analytical Questions:**

How different are the risk management plans of the two entities (e.g., self-insured v. commercial insurance)?  
How about their safety programs?  
Does either entity have any material contingent liabilities?  
If so, how should those be handled?  
How will (or should) the City's risk retention fund be structured under the new entity?  
Would there be any potential insurance cost savings associated with merger?  
Should the Durham Risk Management Corporation (DRM) be retained?  
How difficult will it be merge or modify the commercial insurance plans of the 2 entities?

**Potential Information Sources:**

CAFR reports  
City Finance Director  
County Finance Director  
Risk managers  
Insurance advisors  
Safety program reports  
Insurance plans

**Possible Resolution Issue #2:**

Risk management impact finding & merger strategy

**Meeting Date: November 10<sup>th</sup>**

**Discussion Issue #3 / Discussion Leaders Tom Clark, Bob Chase, Duncan Jefferson.:**

To what extent will merger affect the debt capacity & financial condition of the new entity?

**Study Issue #3 (November 10th): Financial condition**

**Potential Analytical Questions:**

Does either entity have any financial liabilities or risks that could undermine merger?  
How will the combined debt capacity of the new entity compare to that of the City & County?  
What should be the new entity's fund balance policy?  
How should the City's authorized, but unissued bonds be handled?  
Will there be any significant debt refinancing opportunities?  
Will the overall financial condition of the 2 entities be stronger or weaker after merger?  
Will rating agencies be receptive to merger?

**Potential Information Sources:**

CAFR reports  
City Finance Director  
County Finance Director  
Local Government Commission  
Rating agency representative

**Possible Resolution:**

Finding as to debt capacity & financial condition

**Discussion Issue #4 / Discussion Leaders Ken Gibbs, John Cline, Mary Cline, Jim Ednev, Eric Harrison:**

To what extent will merger affect the cost structure of the new entity?

**Study Issue#4 (November 10th): Cost structure**

**Potential Analytical Questions:**

Will the recommended service districts & service alignment materially increase or decrease costs?  
Are there any major cost reduction opportunities associated with merger (e.g., police patrol, utilities, administration)?  
Are there any major cost increases that could accompany merger (e.g., pay plans, fire protection districts)?  
Will merger enable the new entity to avoid any major planned capital costs (e.g., facilities, equipment or systems)?  
Are there any significant transition costs associated with merger?

**Potential Information Sources:**

Budget reports  
Service profiles  
Capital budget & CIP reports  
City Budget Director  
County Budget Director  
Summary of other city-county consolidation efforts

**Possible Resolution:**

Finding as to debt capacity & financial condition  
Finding as to cost impact

Meeting Date: November 17<sup>th</sup>

**Discussion Issue / Discussion Leader(s) Stephen Knopp/Bob Melville:**

Is merger desirable from the perspective of the financial issues studied by the task force?

Does merger offer sufficient potential benefits to justify a more detailed cost-benefit study?

**Possible Resolution:**

Finding as to overall fiscal desirability of merger

Other relevant findings & recommendations

End of Agenda Description.

We spent some time discussing the work of preparing discussion topics, gathering information, presenting the issues to the Subcommittee. We agreed that the City and County Finance Directors would be invited to the next meeting on October 13<sup>th</sup> to be available to answer questions, related to the service district structure, and allocation of revenue and debt to the respective service districts. We agreed that Bob Melville would be designated as the point person for information gathering and dissemination for the respective discussion leader groups.

The meeting was adjourned at approximately 2:45 p.m. Please review these notes, and let the writer know of any additions or corrections required.

Respectfully Submitted,

James W. Edney III

Ph: 919-493-2369 Fx: 919-489-6735 [jwe@redrhinocompanv.com](mailto:jwe@redrhinocompanv.com)

Please note that any corrections, amplifications, additions to these notes will be greatly appreciated. If you get the time, send them to me by fax or email prior to the meeting and I will incorporate them into copies for distribution at that time.

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
October 13, 1999**

**Attendees:**

Tom Clark, John Cline, Mary Cline, Duncan Jefferson, Steve Knopp, Norm Krause, Bob Melville (DMG), Ellen Reckhow, Becky Heron, Tom Niemann, Mark Wiggin, Ken Gibbs, Eric Harrington, Jim Edney, Patty Gravinese – Finance Director/County, Nav Gill – Finance Director/City,

**Absent:**

Bob Chase(e), Bob Miller (e), Joe J. Owens, Jr.(e), Carol Anderson (e). Please let the writer know if you contacted someone to notify them of your absence and you were not noted as having an excuse.

**Note on Attendance:** As of 9/22/99, the Subcommittee has seventeen members. Quorum is majority, therefore we can vote on motions with nine members present. If you will be unable to attend, please call Jim Edney at 493-2369 and communicate to him in person or leave a message on the voice mail. We will use that as a procedure to take care of "excused/not excused" absences. (The voice mail is through the telephone company, so there should be a small chance of error or missed messages.)

The Committee met at the Community conference room at the Durham Police Department Main Branch (downtown). The meeting was called to order at 7:00 p.m. by Steve Knopp. The agenda for this meeting was adopted at our meeting on October 1<sup>st</sup>:

**Discussion Issue / Discussion Leader Steve Knopp/Bob Melville:**

How should service districts be structured?

How should future revenues be allocated to the recommended service districts?

How should outstanding debt be allocated to the recommended service districts?

What other fiscal issues will be addressed & which members will assume responsibility?

**Possible Resolution:**

Recommended service district structure

Recommended revenue allocation strategy or matrix

Recommended debt allocation strategy or matrix.

However, the Merger Steering Committee (governing bodies) called a meeting for 7:30 p.m. in the Commissioner's Chambers, and Bob Melville, Steve Knopp, Ellen Reckhow, and Becky Heron were required to attend that meeting. As Norm Krause, Joe Owen, Carol Anderson, and Bob Miller were prepared to lead a discussion on the Issue of Risk Management, we agreed to start the October 13<sup>th</sup> meeting with Norm's presentation, and continue with the original discussion issue when Bob and Steve return from the Steering Committee meeting. Thus the agenda for the October 13<sup>th</sup> meeting was changed to the following:

**Discussion Study Issue #2 / Discussion Leaders Norm Krause, Joe Owens, Carol Anderson, Bob Miller:**

How will the respective risk management programs be impacted by consolidation?

**Study Issue #2 (October 27th): Risk**

**Potential Analytical Questions:**

How different are the risk management plans of the two entities (e.g., self-insured v. commercial insurance)?

How about their safety programs?

Does either entity have any material contingent liabilities?

If so, how should those be handled?

How will (or should) the City's risk retention fund be structured under the new entity?

Would there be any potential insurance cost savings associated with merger?

Should the Durham Risk Management Corporation (DRM) be retained?

How difficult will it be merge or modify the commercial insurance plans of the 2 entities?

**Potential Information Sources:**

CAFR reports  
City Finance Director  
County Finance Director  
Risk managers  
Insurance advisors  
Safety program reports  
Insurance plans

**Possible Resolution Issue #2:**

Risk management impact finding & merger strategy

**Risk Management Presentation by Norm Krause 10/13/99**

Norm Krause presented a "Powerpoint" presentation in paper form (i.e. w/out the projector – we learned this from the County Finance/Budget staff). The following notes includes the main points Norm brought out in his presentation, along with some discussion items the subcommittee brought out.

**Comparisons of Risk Management program between City and County**

1. City program is managed in Finance Department. County is managed by County Attorney.
2. City is self insured for General Liability and Auto. County is largely self insured for G.L. & Auto.
3. City has pending claims of \$10.4 Million (6/30/98). County has pending claims of \$71,000.
4. City risk retention fund is negative \$10.7 Million. County has \$2.8 Million risk reserve.
5. City has larger risk management staff & uses outside counsel. County has smaller staff & in-house counsel.
6. City does a case-by-case review of claims. County has uniform standards for claims.
7. City is self-insured for health and dental. County purchases health insurance and self insures dental.
8. City has safety program centralized and coordinated in Finance Department. County decentralized/limited program.

**Key Differences Between City and County Programs**

1. City Functions (i.e. fee for services/enterprise fund activities) tend to generate more claims (esp. Workers Comp.).
2. City has a more generous Worker's Compensation reimbursement policy. There is an income supplement that is in addition to the statutory reimbursement.
3. City has a more formal safety program.
4. City enjoys "Governmental Immunity" for some activities, especially law enforcement, but not for "Enterprise Fund" or "fee-for-service" activities. County is part of state government, thus enjoys "Sovereign Immunity".
5. County generally takes a harder line on claims, invokes "Sovereign Immunity", and limits claims against the Sheriff to \$25,000. This harder line on claims is perhaps a result of the policy of uniform standards for claims evaluation, unlike the City's "case-by-case" review of claims.
6. The City has a deficit in the risk retention fund, and County has a positive balance.
7. There is no precedent in North Carolina for City County Merger. Therefore the Sovereign Immunity of the Merged Entity would be subject to interpretation of the language of the enabling legislation for the Charter. As there is no case law, there are some questions of the effects on risk management policies and procedures as outlined above (i.e. use of immunity to limit claims and lawsuits). The practical effect cannot be judged absent legal precedent.

**Suggestions of Discussion Leaders**

1. Merged entity should establish uniform policy on claims and insure adequate level of immunity at the time the charter is drafted.
2. Deficit in City's Risk Retention Fund should be financed by the Urban Service District.
3. Worker's Compensation policies should be uniform throughout merged entity.
4. Pooling of insurance programs and risk retention funds should generate savings.
5. Merged entity should adopt an uniform, formal, safety program.

After Norm presented the above items, along with a draft of resolution regarding Risk Management, the Subcommittee members spent the remainder of the meeting discussing the key points, and the wording of a resolution. We had valuable input from Patty Gravinese and Nav Gill in response to Subcommittee members' questions about particular aspects of City and County risk management programs. Some items questioned and brought out:

1. Durham City "Pending Claims" of \$10.4 Million is an actuarial estimate 6/30/98, and has been lowered to \$6+ Million for 1999. The majority of claims pending involve Worker's Compensation. Much of the difference between the City and County on this regard involves the composition of the workforce and the type of work



done. I.e., more of the County workforce is desk-bound which involves much less risk to life and limb, and therefore fewer on the job injuries.

2. There are some cases that involve the Durham Police Department and Durham Parks & Recreation Department. The Governing Body has chosen to pay some claims for particular incidents, rather than invoking Governmental Immunity. Those decisions are ultimately judgement calls, and the same situation could just as easily happen to the County, and the County Governing Board could make a decision to honor a pending or future claim, regardless of Sovereign Immunity.
3. We spent a lot of time discussing the issue of Immunity of the merged entity. The final resolution reflects our judgement about the proper way to handle it at this time, and in this forum.

At the conclusion of our discussion, Norm Krause made the following Resolution:

**Resolution on Risk Management**  
**Taxation and Finance Subcommittee of the Durham City/County Merger Task Force**  
**10/13/99**

Whereas

- The Subcommittee has reviewed the area of risk management,

Be it Resolved

- That merger of the risk management functions of the City and County is feasible and justifies further study,
- Provided that uniform policies are established by the Merged Entity regarding claims management, Worker's Compensation, and safety programs,
- Provided that the extent of immunity enjoyed by the Merged Entity be subjected to a cost-benefit and legal review.

End of Motion.

The motion was seconded by Tom Clark. The Chairman called for a voice vote, and the Motion passed unanimously. Because of the changes to Agenda and the time we spend discussing Risk Management, we are left with the following planned agenda for the remaining meetings. The Chairman will issue a specific agenda for the October 27<sup>th</sup> meeting to adjust for the changes.

**Agenda Topics for Remaining Meetings**

**Meeting Date: October 27<sup>th</sup>**

**Discussion Study Issue #1 / Discussion Leaders Mark Wiggin, Tom Niemann, Anson Gock:**

Under the recommended service district structure, how will tax rates & other revenues be impacted by consolidation?

How will the respective grants management programs be impacted by consolidation?

How will financial & budget management practices be impacted by consolidation?

**Study Issue #1: Revenue structure**

**Potential Analytical Questions:**

Will merger result in any material changes to tax rates, user fees or other revenues in the former city or unincorporated county?

For example, what would be the impact of changing the sales tax allocation formula?

Will merger result in any tax inequities in tax the former city or unincorporated county?

Will merger jeopardize any current revenues or offer opportunities for enhancing revenues?

Will merger result in a more diverse & stable revenue structure? If not, why not?

Can tax and revenue collections be more effectively coordinated under a merged entity?

**Potential Information Sources:**

Budget & CAFR reports (detailed revenue schedules)

City Finance or Budget Director

County Finance or Budget Director

Tax Collector/Assessor

Summary of current revenue sources (City & County)

Study Issue #1: Grants

**Potential Analytical Questions:**

Will any major intergovernmental revenues be threatened or enhanced by merger?

For example, will any formula-based grants received by the City be adversely affected?

Could grant proposals be better coordinated by a merged city-county entity?

How should grants be managed under a merged city-county entity (e.g., centralized)?

**Potential Information Sources:**

Single audit reports

Budget & CAFR reports

City Grants Manager

County Budget Director

Key grantor representatives

Study Issue #1 (October 27th): Financial & budget

**Potential Analytical Questions:**

To what extent will merger offer opportunities for streamlining financial & budget management practices, processes, systems & staffing?

How will accounting & financial reporting practices & systems be affected?

Should the fund structure be modified?

How will customer service billing be affected?

How will treasury management be affected?

Will there be any advantages to having a larger pool of cash to invest?

**Potential Information Sources:**

CAFR reports

External auditor

Internal auditors

City Finance or Budget Director

County Finance or Budget Director

Investment advisor

**Possible Resolution Issue #1:**

Revenue impact finding

Grants management impact finding & merger strategy

Financial & budget process impact finding & merger strategy

**Meeting Date: November 10<sup>th</sup>**

**Discussion Issue #3 / Discussion Leaders Tom Clark, Bob Chase, Duncan Jefferson.:**

To what extent will merger affect the debt capacity & financial condition of the new entity?

Study Issue #3 (November 10th): Financial condition

**Potential Analytical Questions:**

Does either entity have any financial liabilities or risks that could undermine merger?

How will the combined debt capacity of the new entity compare to that of the City & County?

What should be the new entity's fund balance policy?

How should the City's authorized, but unissued bonds be handled?

Will there be any significant debt refinancing opportunities?

Will the overall financial condition of the 2 entities be stronger or weaker after merger?

Will rating agencies be receptive to merger?

**Potential Information Sources:**

CAFR reports

City Finance Director

County Finance Director

Local Government Commission

Rating agency representative

**Possible Resolution:**

Finding as to debt capacity & financial condition

**Discussion Issue #4 / Discussion Leaders Ken Gibbs, John Cline, Marv Cline, Jim Ednev, Eric Harrison:**

To what extent will merger affect the cost structure of the new entity?

**Study Issue#4 (November 10th):** Cost structure

**Potential Analytical Questions:**

Will the recommended service districts & service alignment materially increase or decrease costs?

Are there any major cost reduction opportunities associated with merger (e.g., police patrol, utilities, administration)?

Are there any major cost increases that could accompany merger (e.g., pay plans, fire protection districts)?

Will merger enable the new entity to avoid any major planned capital costs (e.g., facilities, equipment or systems)?

Are there any significant transition costs associated with merger?

**Potential Information Sources:**

Budget reports

Service profiles

Capital budget & CIP reports

City Budget Director

County Budget Director

Summary of other city-county consolidation efforts

**Possible Resolution:**

Finding as to debt capacity & financial condition

Finding as to cost impact

**Meeting Date: November 17<sup>th</sup>**

**Discussion Issue / Discussion Leader(s) Stephen Knopp/Bob Melville:**

Is merger desirable from the perspective of the financial issues studied by the task force?

Does merger offer sufficient potential benefits to justify a more detailed cost-benefit study?

**Possible Resolution:**

Finding as to overall fiscal desirability of merger

Other relevant findings & recommendations

The meeting was adjourned at approximately 9:00 p.m. Please review these notes, and let the writer know of any additions or corrections required.

Respectfully Submitted,

James W. Edney III

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The next meeting of the Subcommittee will be at 12:00 Noon October 27<sup>th</sup> in the Community Room of the Police Department.

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
November 10, 1999**

**Attendees:**

John Cline, Mary Cline, Steve Knopp, Norm Krause, Bob Melville (DMG), Ellen Reckhow, Becky Heron, Tom Clark(e) Ken Gibbs, , Jim Edney, Carol Anderson, Anson Gock.

**Absent:**

Duncan Jefferson (ue), Mark Wiggin(ue), Joe J. Owens, Jr.(ue), Bob Miller (ue), Bob Chase(ue), , Eric Harrington(e), Tom Niemann(e). Please let the writer know if you contacted someone to notify them of your absence and you were not noted as having an excuse.

**Note on Attendance:** As of 9/22/99, the Subcommittee has sixteen (note correction!) members. Quorum is majority, therefore we can vote on motions with nine members present. If you will be unable to attend, please call Jim Edney at 493-2369 and communicate to him in person or leave a message on the voice mail. We will use that as a procedure to take care of "excused/not excused" absences. (The voice mail is through the telephone company, so there should be a small chance of error or missed messages.)

The Committee met at the Community conference room at the Durham Police Department Main Branch (downtown). The meeting was called to order at 7:00 p.m. by Steve Knopp. We had a quorum at approximately 7:20 p.m. The first item of business was review of the meeting minutes for the October 27<sup>th</sup> meeting. There was one correction - Anson Gock Was left out of the roster. He was absent from that meeting. The minutes were approved with no other corrections by a voice vote. Ken Gibbs made the motion. John Cline seconded the motion. The agenda for this meeting was adopted at our meeting on October 1<sup>st</sup>.

Adopted agenda:

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**Agenda: Meeting Date November 10, 1999**

**Discussion Issue #4 / Discussion Leaders Ken Gibbs, John Cline, Mary Cline, Jim Edney, Eric Harrison:**

To what extent will merger affect the cost structure of the new entity?

**Study Issue#4 (November 10th):** Cost structure

**Potential Analytical Questions:**

Will the recommended service districts & service alignment materially increase or decrease costs?

Are there any major cost reduction opportunities associated with merger (e.g., police patrol, utilities, administration)?

Are there any major cost increases that could accompany merger (e.g., pay plans, fire protection districts)?

Will merger enable the new entity to avoid any major planned capital costs (e.g., facilities, equipment or systems)?

Are there any significant transition costs associated with merger?

**Potential Information Sources:**

Budget reports

Service profiles

Capital budget & CIP reports

City Budget Director

County Budget Director

Summary of other city-county consolidation efforts

**Possible Resolution:**

Finding as to cost impact

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The chair turned the meeting over to the study group on cost structure. The four members of the group presented the following material:

I. Jim Edney's Discussion:

Issues/Analytical Questions

- Will the recommended service districts & service alignment increase or decrease costs?
- Are there any cost reduction opportunities associated with merger?
- Are there any major cost increases that could accompany merger?
- How will merger affect major planned or future capital cost expenditures?
- Are there any significant transition costs associated with merger?

Some Definitions

- For the purpose of our discussion on cost structure, we assume Durham / Durham County and the Research Triangle Region will continue to experience growth in population, economic base, business employment, and other key indicators for a foreseeable planning horizon.
- By this definition, government services will likely need to increase *in the aggregate* to serve a growing population of citizens in Durham County.
- Therefore discussion of higher or lower cost structure is *relative*. The total expenditure for governmental services, the total employment in government, the total value of material, equipment, and services purchased for the citizens through their government will, in all likelihood, be greater in five or ten years than it is in 1999-2000.
- We examine the possibility that merger of Durham City and Durham County governments will result in a higher or lower cost relative to the costs today.
- We use the term "*unit cost*" to put a name on a concept that can only be quantified in the adopted tax rate.
- By "*unit cost*" we mean simply that a given set of cost inputs (labor, materials, rent, overhead, supervision, equipment) presently required to provide a service is likely to be more or less if the Durham City and Durham County governments merge and the merged entity provides the same service.

Will the recommended service districts & service alignment materially increase or decrease costs?

- General Services District – Entire County
- We expect costs would increase to the extent urban services are extended to the former unincorporated areas. We expect extension of services will be included in enabling legislation, and cost effects of extensions will be evaluated as part of the decision to pursue merger. We do not expect that establishment of a General Services District *in itself* (apart from other costs associated with merger) will materially increase or decrease costs.
- Urban Service District #1 – Entire County except Town of Chapel Hill
- We do not expect that designation of this Service District will materially increase costs.
- Urban Service District #2 – Former City of Durham
- We do not expect that designation of this Service District will materially increase or decrease costs.
- Urban Service District #3 – Entire County except former City of Durham
- We do not expect that designation of this Service District will materially increase or decrease costs.
- Urban Service District #4 - Part of former City of Durham in Orange County
- We do not expect that designation of this Service District will materially increase or decrease costs.
- Urban Service District #5 – Research Triangle Park
- We do not expect that designation of this Service District will materially increase costs. It may have the effect of helping to increase revenues and decrease costs by centralizing the provision of merged services to RTP.
- Urban Service District #6 – Town of Chapel Hill within Durham County
- We do not expect that designation of this Service District will materially increase costs.

## II. John Cline's Discussion:

### Are there cost reduction opportunities associated with merger? Part 1

- Policy Making & Oversight (i.e. elected officials), Legislative, Public Affairs
  - We believe a merged entity may effect cost reductions, primarily in:
    - Staff and support functions (including public meetings);
    - Legal Support;
    - Records Management (City and County Clerk)
    - The merged entity would be more likely to be efficient and effective (therefore less costly) in part due to the reduction of "transmission loss" between the current two bodies of elected officials and associated duplicate staffs/departments.
    - These potential cost reductions may be effected *regardless* of the size of the governing body.
    - Register of Deeds and Board of Elections would function with little change through merger.
- General Administration
  - We believe a merged entity could effect cost reductions in many areas of general administration.
  - A merged entity could eventually *lower unit costs* in any current "back office" function (such as: human resources, purchasing, procurement, information technology, facility management, fleet management, asset management, internal audit).
- Economic Development
  - We believe Durham and Durham County could - over the long term - reduce costs, and provide enhanced services in Economic Development in a merged entity.
  - The current two governments now cooperate and share costs between some the various departmental and other entities engaged in Economic Development, tourism, and regional promotion.
  - Merger may offer opportunities to enhance cooperation with regional governments and institutions.
  - This may benefit both Durham and the region.
- Financial Management
  - We believe we may find cost reductions with merged financial management.

### Are there cost reduction opportunities associated with merger? Part 2

- Health & Human Services
  - This is an example of a set of services primarily provided through the County. The merged entity could expand services now provided by the City and not provided by the County to the General Services District (I.e. EEO, Human Relations, Diversity, Civil Rights Education, Anti Discrimination Law Enforcement). Any cost increases may be mitigated by revenue enhancement from fees and grants.
- Planning, Zoning, & Inspections
  - These departments are currently merged. A merged governmental entity may allow improved effectiveness of operations rather than reduction in costs per se, due to the elimination of aforementioned "transmission loss" and duplication of efforts in responding to two governing boards (i.e. Durham City Council and Durham County Commissioners).
- Law Enforcement Uniform Patrol & Investigations
  - To the extent that there may *eventually* be a merger of Uniform Patrol functions, there *could* be cost reductions in a range of administrative, equipment, purchasing, personnel, and back office functions (i.e., common technology, enhanced purchasing power, fleet management, back office functions, and reduction of jurisdictional issues). We can not address those items absent a definition of how, when, if any sort of merger of Uniform Patrol functions is effected.
- Emergency Management Services and Animal Control
  - Emergency Services now are shared, therefore many of the opportunities for cost reduction are incorporated into the present system.
- Utilities Operations & Administration
  - We believe we may effect cost savings in combining Solid Waste Management and Wastewater Treatment especially as the systems continue to grow and require further upgrades, expansions, and replacement of outdated equipment and systems. We believe there is potential for greater efficiency with combined operations even though there is no significant overlap or duplication of services.

### III. Mary Cline's Discussion:

#### Are there any major cost increases that could accompany merger? Part 1

- Law enforcement uniform patrol & Investigations
  - Costs could increase to align the services provided by the Urban Services district to the General Service District. The level of service, level of equipment, pay, benefits, and a host of other issues could raise costs of Uniform Patrol in a merged entity. The costs could also reflect greater level of service. We can not address those items absent a definition of how, when, if any sort of merger of Uniform Patrol functions is effected.
- Fire Department & EMS Service
  - Should the merged entity decide to extend the current Durham City level of Fire services (especially fully staffed rural fire stations) to the General Service District the cost increase would be dramatic. This is an area where cost / benefit analysis could uncover reasonable direction for policy makers. The current service level provided through the volunteer fire departments in the unincorporated areas may be adequate and not require the extension of salaried and fully staffed Fire services to the entire County (at this time). Some increase in service level may be desirable. We would expect any increase in cost to accompany an increase in service.
- Parks & Recreation
  - This service area could increase in cost because of the possibility that the merged entity would choose to extend some range of Parks & Recreation services to the General Services District. This enhanced service could be more expensive on a unit cost basis because of the larger geographic area of the County. However, there will be a variety of choices to make to get the most "bang for the buck" from enhanced service.
- Housing & Community Development
  - These services could potentially benefit all of the citizens of the County, not just those living in the Urban Services District. Because many of the services of Housing and Community Development Department are funded by grants, the potential for cost increases may be mitigated by the potential for enhanced revenue due to expansion of service area.

#### Are there any major cost increases that could accompany merger? Part 2

- Transportation (Traffic, Roads, & Streets) & Transit Services
  - Most of these services are provided through the City of Durham (proposed USD #2). Growth of the Urban Services District #2 may result in increased costs in expansion of services to contiguous areas, and expansion of services in response to better County wide identification of needs for services. We believe the higher costs would not be a direct result of City/County Merger.
- Public Works
  - As in the matter of Transportation Services, we believe costs in this area are likely to increase because of the expansion of services to contiguous areas, and because of better County wide identification of needs for Public Works services. To the extent that the increased costs benefits the Urban Services District #2, these costs could reasonably be borne by the citizens of that district. To the extent that improvements to infrastructure benefits all citizens of the County (i.e. through enhanced economic base, industrial expansion, et cetera), the costs could be shared County wide.
- Solid Waste Disposal & Management
  - The likelihood of expansion of these services and costs may be mitigated by fees for the services.
- Water & Wastewater
  - The likelihood of expansion of these services and costs may be mitigated by fees for the services. We would expect that expansion of these services throughout the General Services District would not be warranted or required by merger.

Ken Gibbs's Discussion:

How will merger affect planned or future capital cost expenditures?

- Solid Waste
  - Merger would affect capital cost expenditures only if services are extended to new areas not likely to receive services under the current structure.
- Water & Wastewater
  - Merger would affect capital cost expenditures only if services are extended to new areas not likely to receive services under the current structure.
- Office Space
  - Capital expenditures for office space would likely have a different character under a merged entity than with the current separate entities.
- Parks & Recreation
  - Capital expenditures would likely increase due to a merger, and not decrease.
- Library & Cultural Resources
  - Capital Expenditures would be unlikely to change due to merger.
- Information Technology, Radio Systems, Fleet Purchases
  - Capital expenditures would likely increase initially due to a merger, with efficiencies of scale (and opportunity for better system-wide planning) eventually lowering the total capital cost outlay.
- Roads, Streets, Curb & Gutter
  - Merger would not increase planned or future capital cost expenditure. One result may be that the merger transition costs will cause (temporary) deferral of (future) capital cost expenditure for infrastructure improvements to pay for costs of merger.
- Schools
  - Merger should not affect capital cost expenditure. One result may be that the merger transition costs will cause (temporary) deferral of (future) capital cost expenditure for school improvements to pay for costs of merger.

Are there any significant transition costs associated with merger?

- Legal Costs
  - Planning
  - Implementation
  - Litigation
- Human Resources
  - Pay Plans
  - Insurance / Benefits / Workers Compensation
  - Pay Equity/Employee Retention
  - Loss of Efficiency During Transition
- Information Technology
  - Legacy Systems
  - New Systems Requirements
  - Training/Implementation of New Systems
- Implementation Planning
  - Reduction of Efficiency Due to Planning Task Requirements
  - Costs of Additional Personnel to Plan & Execute Details
- Costs of Physically Moving/Combining Resources
  - Building/Renovation of Offices to Accommodate Revised Departments
- Consultant Costs
  - Feasibility, Planning, Implementation
- Public Information (Communication, Signage, Relocation of Offices/Personnel)
- Consumables (i.e. stationery, business cards, software, business processes)
- Maintenance of Quality of Customer Service



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Resolution

- *Whereas:*
  - 1 The Tax & Finance Subcommittee of the Durham City / County Merger Task Force has reviewed the cost structure of the existing entities and the effects of the proposed merger on the potential cost structure of a merged entity;
- *Be it resolved:*
  - 1 The merging of city and county governments is feasible and justifies further study;
- *Provided that:*
  - 1 The provisions for merger include adequate estimates of transition costs;
  - 1 The merger plan provides a timetable for implementation of all facets of merger to reduce to the extent possible short term and long term costs of merger;
  - 1 All departmental functions of existing entities be analyzed for the possibilities of inclusion in new and/or merged departments;
  - 1 Each statutory function of the existing entities be retained in the merged entity with no diminution of authority to the new entity;
  - 1 The provisions for merger include detailed cost / benefit analysis of merger using information available from existing sources (including documented experience of other merged entities), and using prudent long-term cost/benefit projections based on historical information available on Durham County and Durham City cost structures.

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After our presentation, members of the committee asked questions and we discussed various of the points. It was the sense of the committee, that it would be appropriate to add wording in the "Whereas" section of the resolution to help develop a sense of the process by which we attained the resolution. Ken Gibbs agreed to take the resolution and add some wording that we could vote on in our meeting November 17<sup>th</sup>, rather than try to cobble together something during this meeting. We agreed that the previous two presentations should be revisited to make sure that the resolutions adequately described the sense of the Subcommittee regarding the information we gathered to make our resolutions.

We also agreed that Norm Krause, Jim Edney, and Steve Knopp would get together on Friday November 12<sup>th</sup> to draft a resolution to incorporate the Matrix of Potential Service Districts, Matrix of Revenue by Source and Profile, and Matrix of Long-Term Debt and Obligation into our findings. That potential resolution and the revision of our resolution will be forwarded under separate cover.

We confirmed our last meeting is November 17<sup>th</sup> at 7:00 p.m. at the Community Room of the Police Department, and we will hear the following presentation, and finalize our other resolutions.

**ALL ACTIVE MEMBERS SHOULD PLAN TO ATTEND NOVEMBER 17<sup>TH</sup>**  
**MEETING - OR CALL CHAIRMAN, VICE CHAIRMAN, OR SECRETARY. WE**  
**NEED A QUORUM AND WE NEED TO CONCLUDE OUR BUSINESS.**

Meeting Date: November 17<sup>th</sup>

Meeting Date (Revised): November 17<sup>th</sup>

**Discussion Issue #3 / Discussion Leaders Tom Clark, Bob Chase, Duncan Jefferson:**

To what extent will merger affect the debt capacity & financial condition of the new entity?

**Study Issue #3 (November 10th): Financial condition**

**Potential Analytical Questions:**

Does either entity have any financial liabilities or risks that could undermine merger?

How will the combined debt capacity of the new entity compare to that of the City & County?

What should be the new entity's fund balance policy?

How should the City's authorized, but unissued bonds be handled?

Will there be any significant debt refinancing opportunities?

Will the overall financial condition of the 2 entities be stronger or weaker after merger?

Will rating agencies be receptive to merger?

**Potential Information Sources:**

CAFR reports

City Finance Director

County Finance Director

Local Government Commission

Rating agency representative

**Possible Resolution:**

Finding as to debt capacity & financial condition

**Discussion Issue / Discussion Leader(s) Stephen Knopp/Bob Melville:**

Is merger desirable from the perspective of the financial issues studied by the task force?

Does merger offer sufficient potential benefits to justify a more detailed cost-benefit study?

**Possible Resolution:**

Finding as to overall fiscal desirability of merger

Other relevant findings & recommendations

The meeting was adjourned at approximately 9:00 p.m. Please review these notes, and let the writer know of any additions or corrections required. Respectfully Submitted. James W. Edney III

Ph: 919-493-2369 Fx: 919-489-6735 [jwe@redrhinocompany.com](mailto:jwe@redrhinocompany.com)

The next meeting of the Subcommittee will be at 12:00 Noon October 27<sup>th</sup> in the Community Room of the Police Department.

**Taxation & Finance Citizen Subcommittee  
City of Durham/Durham County Merger  
Meeting Minutes  
November 17, 1999**

**Attendees:**

Carol Anderson , Tom Clark, Bob Chase, John Cline, Mary Cline, Duncan Jefferson, Steve Knopp, Norm Krause, Bob Melville (DMG), Tom Niemann, Mark Wiggin, Ken Gibbs, Jim Edney, Ronnie Glossberg.

**Absent:**

Bob Miller (ue), Joe J. Owens, Jr.(ue), Eric Harrington (e), Anson Gock(e). Ellen Reckhow & Becky Heron had a Triangle J Council of Government meeting that conflicted with this meeting. Please let the writer know if you contacted someone to notify them of your absence and you were not noted as having an excuse.

**Note on Attendance:** As of 9/22/99, the Subcommittee has sixteen members. Quorum is majority, therefore we can vote on motions with nine members present. If you will be unable to attend, please call Jim Edney at 493-2369 and communicate to him in person or leave a message on the voice mail. We will use that as a procedure to take care of "excused/not excused" absences. (The voice mail is through the telephone company, so there should be a small chance of error or missed messages.)

The Committee met at the Community conference room at the Durham Police Department Main Branch (downtown). The meeting was called to order at 7:00 p.m. by Steve Knopp.

At the last meeting (November 10<sup>th</sup>) the Subcommittee requested that the cost study group and the risk management study group revisit the resolutions previously presented to "beef up" the whereas section of the resolution to better reflect the findings of the Subcommittee regarding the respective issues. Norm Krause presented the following (revision) to the previously adopted resolution on Risk Management. After some discussion the motion was made to adopt the revised resolution by Ken Gibbs and seconded by Carol Anderson. It passed unanimously by voice vote. (Please note that the revisions to the motion were incorporated into the form of the previous motion for consistency).

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**Revised Resolution on Risk Management**

**Taxation and Finance Subcommittee of the Durham City/County Merger Task Force  
11/17/99**

**Whereas**

- The Subcommittee has reviewed the area of risk management;
- The City's and the County's operations and policies regarding risk management differ significantly;  
and
- Pooling of insurance purchases of the City and County would result in cost savings;

**Be it Resolved**

- That merger of the risk management functions of the City and County is feasible and justifies further study,
- Provided that uniform policies are established by the Merged Entity regarding claims management, Worker's Compensation, and safety programs,
- Provided that the extent of immunity enjoyed by the Merged Entity be subjected to a cost-benefit and legal review.

**End of Motion.**

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The next item discussed in the meeting was the presentation by the study group examining: "To what extent will merger affect the debt capacity & financial condition of the new entity?"

Duncan Jefferson started the presentation with a discussion of his findings about the attitudes and experience of Moody's Investors Services regarding bond ratings of merged governments. We reviewed a report from Moody's on Athens-Clarke County (Unified Government) Water and Sewerage Revenue Bonds. The conclusion is that there should be no impediment to retaining our very high bond ratings should Durham City and Durham County merge. The ratings on our debt should be no higher than the lower of the two existing bond ratings, which will not be significantly different than now. Duncan received a favorable impression from Moody's regarding attitudes to the Unified Government concept.

In the next part of the presentation Carol Anderson , Tom Clark, and Duncan Jefferson examined the following issues:

- Financial health of Durham City/Durham County & Bond Ratings;
- Debt capacity of a merged entity;
- Fund Balance policy;
- Authorized but unissued debt instruments;
- Refinancing of bond debt.

After discussion of the issues raised, the following motion was presented by the study group:

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**Resolution on Debt Management**  
**Taxation and Finance Subcommittee of the Durham City/County Merger Task Force**  
**11/17/99**

Whereas:

- Both Governments have excellent bond ratings;

Therefore:

- A unified Durham would likely maintain the higher of the two ratings and no worse than the marginally lower rating of the City.

Whereas:

- The statutory debt limits for counties and cities are set by state law; and
- Counties are allowed an 8% limit to provide for schools; and
- Cities are allowed 8% separate from the schools allowance;
- The combined statutory debt limit for a unified Durham should not be adversely affected.

Therefore:

- The operating debt policy can be set at the highest possible level for maintaining the top bond rating.
- The operating debt policy should be decided by the Governing Body.
- The Governing Body should determine an appropriate fund balance policy for the merged government.

Whereas:

- The City of Durham has authorized, but as yet unissued bonds.
- A merged government would have the options (for all or any part of these bonds) to:
  1. Let them 'age away' and not ever be used;
  2. Agree to issue them as part of the USD #2 debt.

Therefore:

- We recommend that the authorized, but unissued bonds be issued as part of the USD #2 debt.

Resolved:

- There are no objective financial liabilities or risks that would undermine the effectiveness of merger.

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Ken Gibbs made the motion to adopt the Resolution on Debt Management. Mary Cline seconded the motion. The motion passed unanimously by voice vote.