

Second Annual State of the County Address

**Ellen W. Reckhow, Chairman
Durham County Board of Commissioners
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On behalf of the Durham County Board of Commissioners, County Manager, and staff, it is my pleasure to welcome you to the 2nd Annual State of Durham County Address. This is an opportunity to review our accomplishments during the past year and outline some of the challenges as we enter 2008.

We are fortunate to live in a dynamic, progressive, well managed county. As I mentioned in last year's address, we continue to be one of only 44 counties in the country with a Triple A bond rating placing us in the top 1% of counties nationwide. Durham County is a leader in the state and nation in a number of key areas. During 2007, according to the Durham Convention and Visitors Bureau website, the community received many national accolades including recognition in the areas of business, workforce, lifestyle, green community, best communities for young people and more.

2007 Accomplishments

2007 was filled with positive news and some outstanding accomplishments.

Durham County's Tax Department once again achieved a record setting collection rate of 98.74%, the second highest rate among the state's ten largest counties. The Tax Office received an award from the North Carolina Association of Assessing Officers in recognition of outstanding achievement.

We owe great thanks to Ken Joyner, our former Tax Administrator, who recently joined the faculty at the UNC School of Government.

New tax values were determined for real property in the county effective January 1st. The tax office has scheduled 3,806 informal appeals compared to over 14,000 in 2001, the last time revaluation occurred. These appeals will be heard the next few months, and, if not resolved, will move to the Board of Equalization and Review in April. I commend the Tax Office for their focus on customer service which has kept calls to the Commissioners to a minimum.

Capital Improvement Plan

Voters approved the largest bond package in the County's history in November - \$207 Million. The lion's share of the money was for the Durham Public Schools with smaller amounts for Durham Technical Community College and the Museum of Life and Science. The overwhelming support for the bonds was a tribute to the community's commitment to support life long learning. The county thanks the bond co-chairs Mary Ann Black and Steve Toler for their leadership and the citizens of Durham for their support.

Last spring, the Board approved a 10 year Capital Improvements Program (CIP) that included 37 projects at a cost of over \$1.2 billion dollars. Within that package there are three major projects:

- New County Courthouse \$110 Million
- Human Services Complex \$103 Million
- Durham Public Schools \$590 Million

The Courthouse and Human Service projects will help to shape and improve the downtown streetscape since we are planning landmark, LEED certified buildings with major plazas and community areas.

Completed Capital Projects

During the past year we have also completed three capital projects.

A new North Durham Branch Library located on Milton Road adjacent to Carrington Middle School and near Eno Valley Elementary and Northern High schools opened in January. It features 30 Internet access work stations, a wireless environment, a large community meeting room, and an extensive collection for all ages. The library has reached out to the surrounding schools to offer cooperative programming.

EMS Station Number Two replaced a smaller station located on the Lincoln Community Health Center Campus. The new station, located near Hayti Heritage Center, is a state-of-the art facility which allows us to keep pace with the growing number of emergency calls.

"Catch the Wind", one of the last components of the Bioquest master plan, at the Museum of Life and Science opened in 2007. The exhibit helped the Museum achieve a record year in attendance with over 319,000 visitors.

Durham County successfully negotiated for the Oakleigh Facility on the Durham Regional Hospital campus to be returned to the County as a home for our Crisis Access Center. We also obtained an adjoining vacant parcel which will become the home of a new City of

Medicine Academy. We thank the Duke Health System for working with us to accommodate these important community needs.

Revenue Options

After many years of trying, the North Carolina Association of Counties, which is celebrating its centennial year, successfully negotiated a Medicaid swap and provision of two new revenue options for counties – a land transfer tax, and a sales tax. The Medicaid swap which takes away a half cent sales tax but relieves us of a large Medicaid match will transition over the next couple of years. As we evaluate the impact, we will also begin a community discussion of whether either of these two new revenue options should be used to reduce pressure on the property tax as we build new infrastructure.

Economy

While we did not have the large economic development announcements of 2006, Durham County's economic base continued to grow at a healthy clip adding over 3,100 jobs. Several organizations such as Research Triangle Institute and Blue Cross Blue Shield announced large expansions and the life sciences cluster continued to flourish with several smaller expansions. Our unemployment rate went down during the year to 3.7%, and we had more people working in Durham County than ever before.

We were pleased to have Southern Research Institute (SRI) locate its Carbon To Liquids Development Center in Durham. The new research center will meet the growing need for research and testing services in the energy and transportation fields to help advance alternative fuels. SRI is located in close proximity to Cormetech, the leading producer of devices for air pollution control. These two companies position Durham County to attract other environmentally oriented companies and develop a green industry cluster.

Environmental Stewardship

Environmental stewardship is a core value for Durham County. A few months ago, we joined with the City of Durham to adopt the first Greenhouse Gas Action Plan in the state. It is a comprehensive plan with the goal to reduce greenhouse gas emissions by 30% in the community and by 50% in government operations by 2030. We are now hiring our first City-County Sustainability Manager to help implement the plan.

A key goal is for local government to set an example for the rest of the community by using resources more efficiently and reducing energy costs. Through systematic energy audits of our buildings over the past 15 years, we have saved \$850,000 in energy costs. I am proud to say that Durham County government is working actively with the National Association of Counties Energy Star Program.

This year our two new regional library facilities earned Leadership in Energy and Environmental Design (LEED) certification through the U.S. Green Building Council with the North Regional Library earning Silver designation. As we plan our new capital projects, we are committed to use high performance design to reduce the energy costs and greenhouse gas emissions.

Our Triangle Wastewater Treatment Plant, which is also a LEED Certified Building, received a national award for our Plant's 100% compliance with its Pollutant Discharge Elimination permit.

Farmland and Open Space Preservation

Preserving the environment for future generation continues to be a priority. Durham County was awarded \$927,108 in 2007 Federal Farm and Ranchlands funds to be used towards the 918-acre Little Mountain Farm conservation project on the Flat River in northern Durham. This award, the largest grant in the state to date, will go towards 50 percent of the estimated cost for a conservation easement to protect the farm.

In addition, Durham County received three grants totaling about \$2 Million from the State of North Carolina Clean Water Management Trust Fund. Two of the grants will be used to preserve 293 acres of critical open space along the Little River for water quality protection, and the third grant will be used for the Little Mountain Farm project.

Drought Response

In the second half of the year, the word "drought" became embedded in our conversations. I'm proud to say that Durham County Government, as a large water user, took a proactive approach to help conserve water. The General Services Department initially conducted a water audit on twenty-six county facilities to establish base line data. Six County buildings including the jail and homeless shelter were identified with the highest volume usage for initial installation of low flow devices.

Other steps have been taken with the goal of reducing county water usage by 30-50%. In addition, more than 1000 County employees received aerators and low flow showerheads for home use just before the holidays.

Safety

AWARD. The Durham County Sheriff's Office was designated as a "2007 Flagship Agency", by the Commission on Accreditation of Law Enforcement Agencies. The Flagship Program acknowledges the achievement and expertise of some of the most

successful accredited public safety entities. The Durham County Sheriff's Office becomes the 7th North Carolina agency and the only Sheriff's Office in our state to receive this designation.

GANG ASSESSMENT. The City Council and Board of Commissioners received a Comprehensive Gang Assessment conducted by two outside consultants. We adopted the report in concept and directed staff to employ the three tier strategy of suppression, intervention and prevention as identified in the Comprehensive Gang Model. A project coordinator has been hired by the City to spearhead the effort and work with a Steering Committee and Intervention Team to implement the 46 recommendations for prevention, intervention, and suppression in the report. Implementation of these recommendations will be critical to stem the tide of gang activity.

CODE RED SYSTEM. City and County governments substantially enhanced the ability to warn residents of critical situations by implementing "Code Red", a high-speed community alert notification system. Using this technology, the 911 Center is able to inform the community by delivering a recorded message. This system substantially improves our ability to communicate in emergencies and can be targeted to specific geographic areas. It can be used to warn residents of an increase in robberies or burglaries in a neighborhood such as the recent experience around the Duke Campus and provide recommended precautions.

OPERATION BULLS EYE. The County has agreed to be an active partner with the City to make the 2 square mile Operation Bulls Eye area safer. The Office of the Sheriff is assisting with safety initiatives and the County will provide other support including mental health and social services. By taking a comprehensive approach, we hope to make a real difference in area.

Results Based Accountability (RBA)

Our Results Based Accountability program – a city/county initiative continues to positively impact the quality of life in our community. This year we published our third Community Report Card along with progress in 8 program areas... Safety, Health, Education, Housing, Prosperous Economy, Vibrant Community, Healthy Environment, and Sustainable Neighborhoods.

The full report can be viewed on our website. We encourage new members to join these ongoing committees. If you are interested, please contact program coordinator Bill Stout at 560-0032.

Health RBA Committee - Project Access

The Health Group is our most active, involving over 50 citizens on various committees. The Health Access committee has developed a proposal to expand access for the approximately 40,000 citizens who are uninsured in Durham.

Project Access, an award winning program piloted in Buncombe County, is a way to encourage and coordinate free care provided by physicians and hospitals. Physicians see patients in their own offices and make “fair share” commitments to serve the uninsured.

The plan is to enroll uninsured patients at Lincoln Community Health Center who need to see a specialist. The program should begin this summer with the goal of offering 2,400 specialty referrals per year. This has enormous potential for enhancing access to care. I want to thank Gail Harris and Gina Upchurch, the co-chairs of the committee, and Pam Silberman from the Institute of Medicine for their hard work on this project.

HOUSING RBA - ADULT SYSTEM of CARE

The Housing RBA Committee is working to implement the Ten Year Plan to End Homelessness. A multi-pronged effort is underway as evidenced by the Project Homeless Connect event held in October.

To help homeless adults with many problems, our award winning System of Care that serves children, is being broadened to serve adults as well. I am happy to report that the Adult System of Care will begin implementation on February 4th. Priority populations have been identified and a Care Review process developed to promote the wellness and recovery of vulnerable citizens.

Recognitions

These accomplishments were made possible by the excellent work of our staff led by our able County Manager Mike Ruffin. In addition, I want to thank our citizens who serve on boards and committees providing invaluable volunteer support. Many of our accomplishments would not be possible without the work of you here tonight and others across the community. Thanks for your service.

2008 CHALLENGES

While we have made excellent progress in many areas, we still face challenges as a community. At a recent County retreat, we spent several hours discussing three major challenges that we face in 2008 -- economic empowerment, reconnecting our youth, and sustainability. I must stress that these are community-wide issues not just county issues.

1. Economic Empowerment

Former County Commissioner Josephine Clement made an important observation about our community two decades ago. She stated, “There are two sides of Durham; an affluent, well educated side and a poor, less educated side.” Unfortunately, her comment is still true today.

The county’s poverty rate of 15.6% is slightly higher than the statewide rate of 14.7% and 20% of our children live in poverty. The number of Food Stamp and Medicaid recipients continues to rise. Fortunately, our Social Services Department is taking a holistic approach to this issue through their Investing in Human Capital initiative.

Recently, the Prosperous Economy RBA group formed an Economic Security Committee to focus on reducing poverty. The committee’s first project is to increase the number of families who file for the federal Earned Income Tax Credit (EITC). It is estimated that 3,000 to 6,000 households in Durham do not file a claim leaving \$3-\$5 million on the table. The goal of the 2008 EITC Campaign is to generate at least 1,500 more claims and \$1 million more in refunds. The Mayor and I recently wrote a letter to the 200 largest employers in the County asking them to assist in this effort.

Other strategies that the committee is considering are: enhancing financial literacy - including debt reduction, establishing checking accounts and saving plans, and other financial goals.

We also need to expand literacy programs, GED instruction, and workforce training and certification so our citizens are prepared to enter the workforce. At our retreat, we agreed that all stakeholders need to come together to provide a seamless continuum of services. The Workforce Development Board is positioned to pull the key players together to develop an action plan, including the use of the new Holton Career Center for adults in non-school hours. The County also plans to increase its efforts to work with companies receiving incentives to hire Durham citizens.

2. Reconnecting Our Youth

Tragically, half of the 30 homicide victims in the City last year and 14 of the named suspects were under 25. Unfortunately, many of our youth face a tough future, since they are disconnected. They are neither in school nor employed. Generally, to be disconnected is to be in danger. As the recent Durham Gang Assessment indicates, addressing disconnection should reduce the prevalence of gangs and juvenile crime. Prevention strategies are the best way to stem the tide of gang involvement and juvenile crime long term.

In Durham, for school year 2006-07, our high school graduation rate was 66.3%, a decrease from the preceding year, compared to 69.5% for the state. To increase the graduation rate, we need to assist the Durham Public Schools in the implementation of

their High School Completion Plan. Fortunately, last week we received two Drop Out Prevention grants from the state – one for the school system to establish a “twilight school” (after hours) and one for a consortium of non-profit programs including RIL and YO Durham and others.

It is critical that we begin our efforts earlier than high school. Too many of our young people are not ready for high school when they enter ninth grade or are already disconnected. There are a number of initiatives underway and others that we need to ramp up to help more of our youth succeed:

- Smart Start. We need to give more children a good start in life by expanding Smart Start, Head Start, and More at Four. Investment in quality pre-K programs yields large dividends.
- Help for Parents. Parents and caregivers are a child’s first teachers and they need to know how to parent. Led by the Child and Family Policy Center at Duke, we will support new parents through home visits by nurses and development of a Grandparents Network, building on our Welcome Baby Program.
- Reading is Fundamental. The Durham County Library plans to develop a strong community reading program to promote the importance of parents reading with young children.
- Tutoring and Mentoring. The County and City are working with the Volunteer Center to expand tutoring and mentoring since we know that all children need a caring adult in their lives. If you have an extra hour a week, I encourage you to contact them.
- After School Programs. We need to increase after-school and summer enrichment programs. This can help develop an attachment to school by allowing more youth to be involved in clubs, sports and other activities. Piloting an extended day program at one school is a concept that I have discussed with the Superintendent.
- Alternative Learning Programs. Alternative programs like the Performance Learning Center are needed to accommodate different educational needs and learning styles.
- Business Partnerships and Employment Experience. Marketable skills are essential so students can move into careers after high school. Business partnerships, service learning, and more summer jobs can help to bridge the gap between school and work and make school more relevant.

- Workforce Preparedness. For the students who have dropped out, we need expanded GED and workforce training, internships, and apprenticeship programs based in the new Holton Career Center. A proposal to create a Green Durham Job Corps as a pathway out of poverty for young adults is an exciting initiative.

According to the Gang Assessment, we have a tendency to create many initiatives that go in disparate directions. This can result in young people falling through the cracks. To create real systemic change, we need to work together and break down the silos. The County has asked the Education RBA group to lead the effort on the initiatives related to younger youth. We will form a separate task force including the Chamber of Commerce, Durham Technical Community College, the School System, and the Workforce Development Board for the older youth. With focus and collaboration over time, we can reconnect our youth, provide hope for the future, and give them a greater chance for success.

3. Sustainability

The recent drought and the convincing evidence regarding climate change have heightened our awareness of the importance of resource conservation and environmental stewardship. Efficient use of water and water conservation should become the norm. As the Planning Commission stated in a recent resolution, our goal should be to become a “drought resistant” community.

A focus on sustainability to provide our children a community as good or better than the one we have is clearly critical to our future. The good news is that we have a strong foundation of “Green” initiatives to work from. Now, I challenge the community to do more.

I suggest consideration of the following new sustainability measures.

- Expedite the wastewater reuse project at the Triangle Wastewater Treatment Plant. We can make 2 million gallons of treated wastewater available for irrigation and cooling tower use reducing the demand for potable water.
- Work with our neighbors to develop a 50 year regional water supply and demand plan.
- Request the state to update the rules regarding use of gray water.
- Assess the short and long term carrying capacity for new development based on future water supply projections. We will receive a report on this next week.
- Consider an update of our storm water ordinances to encourage low impact design and water reuse including rainwater harvesting.

- Discourage mass grading and clear cutting associated with residential development and encourage the retention of more existing vegetation with all development.
- Encourage the use of drought resistant landscaping. The Durham Cooperative Extension Service has scheduled three sustainable landscape workshops in February.
- Work with the state to update well rules to assure long term water supplies.
- Set a target of Gold LEED certification for all new County facilities. While we have several LEED buildings, it is appropriate to strive for a higher level to meet the targets in our Greenhouse Gas Action Plan.
- Encourage green building by private developers. I attended a press conference this morning about the expansion of the Home Builders Association Green Building Program across the Triangle. Their slogan is “We’re bringing green to mainstream.”
- Adopt a new transit plan for the region using the recommendations from the Special Transit Advisory Commission.
- Develop a farm and forest preservation plan for Durham County to guide our future conservation efforts.

I expect that the new Sustainability Manager, along with the joint City County Planning Committee and Environmental Affairs Board, will provide direction on these and other measures. We can and should become a model “Green” county.

Conclusion

I am confident that we can make progress in addressing these community challenges if we work together. Partnerships and collaboration will be essential. During the recent Martin Luther King celebration, I was reminded of the following statement by Dr. King: “I call upon you not to be detached spectators but involved participants...”

Durham County is blessed with talented, interested, and involved citizens. If we focus on an issue, we can make a difference. I assure you that this Board of Commissioners is committed to working with you in effective partnerships to tackle the issues facing us.

Thank you for working to make Durham a better place to live and work.