

State of the County
Remarks for Chairman Michael D. Page
4th Annual State of the County Address
February 22, 2010

Good Evening Fellow Commissioners, County Manager Mike Ruffin who is unable to join us tonight, Durham County Administrative Staff, Department Heads and employees, special guests, my fellow citizens, those who are in the chambers and those who may be watching us on television, or on the Internet. Before I begin my remarks, I would like to recognize my fellow County Commissioners...

- Vice Chairman Ellen W. Reckhow
- Commissioner Brenda Howerton
- Commissioner Becky Heron
- And Commissioner Joe Bowser.

I want to thank these remarkable elected officials who serve with me on the Board for their time, talent, energy and for the tremendous skills, knowledge and compassion that they bring to the task. Also, my heartfelt thanks for re-electing me as Chairman for another year. I know we will continue to work together in a positive manner as we confront the challenges that are before us in the coming year.

My goal is to spend a few moments this evening reviewing our successes and achievements during the past year. Yes, even though we've experienced some fiscal challenges since last year, we do indeed have achievements in which we can take pride.

I will remind you that when I spoke to you last year, we were just witnessing the unprecedented financial challenges that were before us, primarily due to the

economic climate that our nation was experiencing. As I ended my remarks last year, I assured this community that Durham County government would go through a transition during the slowdown and would eventually emerge a stronger Durham County Government. I can say today that, while we are still in an economic transition like the rest of the nation, Durham County is strong and moving in a positive direction.

Following my review of our past year, I will spend a few minutes addressing where I hope we will go in the near future.

First of all, I am pleased to note that your Board of County Commissioners was unified in the response to the 2009 budget concerns. We endured revenue losses in Sales Taxes, Register of Deeds Revenue and Interest income for example. Midyear cuts averaging 3% in funding for our schools, non profits and nearly 6% reductions in our departments were implemented.

But thanks to the dynamic work of our County Manager Mike Ruffin and his Senior Management team, along with sacrifice and adjustments on the part of our departments, non profits and our schools, our Board unanimously approved a budget that did not raise taxes, did not cut services or cut any employees. Thanks to all of our employees for working with us.

We recognize that while our economic challenges remain, we nevertheless are faring better than many other local governments across this state and nation.

On the state level, economic challenges included a \$5 billion dollar budget shortfall that impacted all counties including Durham. State legislators who crafted the budget were forced to increase the state's sales tax and to make substantial cuts in funding levels in many areas such as education, human services, corrections and more. Clearly decisions in Raleigh drove some of the choices that we had to make in passing our own local budget.

Durham County continues to be a financially well managed county. Despite the economic downturn, we remain one of a small group of counties nationwide with a Triple A bond rating from the three rating agencies, S & P, Moody's and Fitch, placing us in the top 1% of counties nationwide.

As you can imagine economic difficulties have made financing major projects more of a challenge for the public sector, just as it has become for the average business or consumer.

Traditionally economic recovery following a downturn is government driven. Durham County is proceeding with building several major capital projects and we believe this will benefit our taxpayers in the long run. Such projects create an opportunity for many local jobs to be created and are good for the health of our economy.

Our Board engaged in a deliberative process to decide if it was indeed in our best interest to move forward with construction of two major projects. They are the Health and Human Services building and the proposed Courthouse. Because of the overall decline in the number of major construction projects in the region, contractors reduced costs and bid proposals in this competitive environment. The net effect to Durham County was a \$20 million dollar saving over the original estimate for the Human Services project, and slightly less than a \$25 million dollar saving over the projected cost of the new courthouse project.

In this economic downturn, Durham County Finance officials sought different tools for borrowing and financing capital projects as the market tightened. Our Finance Director George Quick negotiated the use of Bond Anticipation Notes or BANS for financing projects. What this does is allow for drawing down funds on an as-needed basis, rather than borrowing the full cost of the projects and paying interest on unused funds for many years. The net is a very low interest rate, and an overall net savings during the construction process. This innovative financing plan will save us millions of dollars in interest as we continue to finance schools, the courthouse and other capital projects in our program.

For several years, Durham County has been among the top counties in its tax collections. A few factors changed with the economic slowdown. Durham County has allowed citizens to use tax payment plans so long as property taxes are paid on time and not delinquent at the time of the request. In 2007 there were 307 such plans. Last year that number grew to 1531!

I will tell you that our Tax Administrator Kim Simpson and her staff are working very hard to ensure that our collection rate remains on target with our budget. But our tax base is only seeing marginal growth at this point.

Durham County has indeed weathered this downturn much better than many parts of our state and nation. Despite tough economic times in 2009, Durham County still ranked as one of the best places in America to ride out a recession. Our Board indeed provided an economic incentive contract of \$1.2 million dollars for EMC Corporation located in the Research Triangle Park. EMC which provides information infrastructure is investing \$280 million in its expansion project and will create nearly 400 new jobs.

Just last month, our board also voted to enter into an economic development incentive contract with Innovative Emergency Management, Inc. IEM is moving its headquarters from Baton Rouge Louisiana and creating 400 plus jobs in our county. Our economic development partners at the Chamber of Commerce continue to work tirelessly to seek companies that will provide much needed jobs and be good fit for Durham.

The Stimulus Package approved by Congress last year helped state and local governments maintain many services. Nearly \$21 million dollars have come directly to, or passed through Durham County to help provide public services and to jumpstart our economy. Most of Durham County Government's aid helps our most vulnerable citizens. Increased amounts of Food stamps, childcare subsidy

funding, Medicaid funding and funds to help reduce homelessness have allowed us to serve more clients.

Our Lincoln Community Health Center received nearly \$2 million dollars to improve operations and to construct more exam rooms and ultimately reduce waiting times for its patients. We are optimistically anticipating an additional infusion of stimulus funding for other programs for which we have applied during this year. A complete listing of what has been received is available on our website.

Providing human services is a primary role of county government in our state. I am sure I don't have to tell you that the economic downturn has put a strain on the human services that we provide. With greater numbers of vulnerable families, our human service workers try to stretch declining resources to meet the increasing needs. As I mentioned earlier, our Social Services Department was able to use additional stimulus dollars to help residents with Medicaid, child care for low income families, food stamps and more. With the leadership of our new Director, Ms. Geri Robinson, I am confident that the most vulnerable families in our community will receive the resources and services they need to move to self sufficiency.

Our Public Health Department responded to the H1N1 influenza pandemic that gripped our community and nation last summer. Through coordination with Duke University Health Systems, Durham Public Schools, businesses, health care practices and the state, our staff provided H1N1 vaccinations to thousands of

citizens at clinics throughout the community as well as at the local health department. Providing information and education about this new influenza was critical during the period. Our Public Health Director Gayle Harris became an instant TV star by appearing on various talk shows, our own In Touch with Durham County Show, even on YouTube webcasts to make sure everyone understood the importance of treatment and prevention related to H1N1. Gayle has become famous for her enthusiasm and her strong directive to us all.... “Wash your hands, sing the happy birthday song twice and make bubbles!!!”

Seriously, the overall health of our community must improve according to the recent State of the County Health Report. From this report we note that we urgently need to make progress on issues including reducing adult and childhood obesity, infant mortality rate, the rate of HIV/AIDS, along with teen pregnancy.

We must commit resources to improving funding in these areas, and we must energize those organizations with which we collaborate to seek ways to improve our community’s health status.

In addition, unemployment and layoffs contributed to the numbers of uninsured in our community. We must continue to work to reverse that trend and provide healthcare to our community.

Our Durham Center continued to meet the needs of our most vulnerable residents experiencing behavioral health and disability issues. Durham’s Mobile Crisis Team, made up of psychiatrists, nurses, counselors, addiction specialists and other

professionals responded to nearly 200 individuals in crisis. That work resulted in keeping all of those consumers out of an admission to a State hospital.

Also, the walk in clinic located at our local crisis facility, Durham Center Access, **located at 309 Crutchfield Street near Durham Regional Hospital**, provided intervention and stabilization and treatment for 213 persons, again diverting them from an admission to a State hospital. Durham Center continues to work with the goal of ensuring that limited and costly high-level services are reserved for consumers with the greatest need. Overall, Human Services are a core service of counties and we remain committed to providing the best care possible to our residents.

Durham County was pleased to join with the Durham Public Schools, the City of Durham and Duke University Health Systems in support of the new, Holton Career and Resource Center which opened in August. This facility provides vocational and technical education courses offered by Durham Public Schools, a Duke Health community clinic, recreation center and other resources to support the surrounding neighborhood. This is a wonderful example of adaptive reuse of the former Holton Middle School.

The best way to provide services in these challenges times is to look for every opportunity to collaborate with others in serving our community. One new program, Computers 4 Kids was launched in 2009 as a partnership between Durham County Government, Durham Public Schools, the United Way of the Greater Triangle, and the Volunteer Center of Durham. County surplus desktop computers are refurbished and provided free of charge to students who've been

referred by Durham County Social Services, DPS social workers, DPS teachers, DPS tutors or the Juvenile Crime Prevention Council. To date almost 100 kids have received computers through this program. This is a great program to begin to bridge the digital divide.

Our own Durham County employees understand the importance of giving back to this community and working with other groups to make a difference. Last May for two days during County Government week, 15 Durham County employees volunteered to help build an eco-friendly home located at Fairview Road just off West Morehead Street. Pictured here are Ravi Kotthuru, Cathy Simmons, Michael Perry, Wil Sutton and Drewlyn Chessa. Thanks to all of the employees for your hard work and for helping to provide a new home for a deserving Durham family.

In 2009 work continued on some key approved bond projects. The Museum of Life and Science's BioQuest expansion project was completed with the July opening of its new dinosaur trail. The project was another example of a successful public-private partnership - half funded by County bond funds and half by private donors. Features include an improved walking trail with life-size model replicas, footprints, and a fossil remains dig site. Thanks to the Museum for welcoming a record 400,000 visitors and for creating a major economic impact for Durham of nearly \$13 million dollars!

The groundbreaking for our new \$70 million dollar state of the art Human Services Complex was conducted in May. At this point a parking area has been completed

and the unique building project remains on track. It is being constructed in phases, with the first phase set for completion at the end of the year.

Currently, work on the wing that will house the Health Department is underway. Once that is completed and the Health department moves in, the present health department will be torn down to allow the rest of the building to be constructed. This client-friendly structure will bring together public health, social services and mental health/substance abuse service making our Human Service delivery system more effective and efficient.

Our new Animal Control Office Building was opened early last year. In keeping with our Sustainability Policy, a Silver LEED Certification for the new facility was applied for and awarded.

In addition, two projects for our Durham County Library system are nearing completion. The South Regional library, located on the corner of Highway 54 and South Alston Avenue is on schedule and we expect it to open early this summer. The expansion and renovation of our Southwest Regional Library, on Shannon Road, has been underway since last March. You will recall that we are actually expanding that location to a full service 25,000 square feet building in line with our other regional library branches. It, too, is on target for opening later this year.

Renovations at Lincoln Community Health Center were completed last fall. Durham County renovated the lower level area formerly occupied by our Emergency Medical Services that was vacated when the new EMS facility was opened near Hayti Heritage Center on Old Fayetteville Street.

Finally, major renovations continued at our historic Durham County Stadium. The construction for this \$8 million dollar project began last April, and the focus of the renovations includes the addition of a new running track and collaterals. Many other capital projects are in process around the county and we look forward to showing them in a future report.

This county maintained its strong reputation as a leader in many areas of public administration. Sometimes in the face of adversity, we are challenged to think outside the box and the results can be quite positive as demonstrated by these honors.

Durham County received five National Association of Counties Achievement Awards. This annual program recognizes innovative county government programs across our nation and our Library received awards for four programs:

GenText Book Club, a program for residents in their 20's and 30's.

Get Set, Get Ready, Let's Read! An early literacy program where library personnel visit 15 in-home childcare centers.

Poetry for Everyone that includes events held at various library facilities with local celebrities, elected officials, and poets reading their favorite poems

Write On! which is a writing workshop for teens that helps them become better writers and readers.

The 5th NACo Achievement Award was given to our Department of Social Services for its Guardianship Assistance Program. This program is the State's first child welfare kinship care program and won a state award in 2008.

In another area of innovation, DSS partnered with the North Carolina Latino Coalition to launch a Spanish-language website which translates all English-language on the DSS website to Spanish. By simply clicking on the "Español" button on the website, visitors can access more than 100 documents translated into Spanish and dozens of bilingual educational materials for families.

I believe award winning programs begin in the minds of award winning employees. Durham County employees were recognized for accomplishments in various areas.

Ms. Lee Lichtenwalter, of our Public Health Department was honored by Glaxo Smith Kline with the 2009 Child Health Recognition Award.

Eddie Culberson, director of Soil and Water Conservation received the Technical Employee of the Year Award from the N. C. Association of Soil and Water Conservation Districts.

Skip Auld, Durham County Library Director was named the 2009 Distinguished Alumnus of the School of Information and Library Science at UNC Chapel Hill. This award is the highest honor bestowed on an alumni.

Our Durham County Register of Deeds office completed a major technological enhancement to their recordkeeping in 2009. Residents now have the ability to view all of Durham County real estate transactions from 1881 to the present time. That includes deeds, maps, plats and documents.

Durham County continued to inform citizens through the use of cable TV. The new “In Touch With Durham County” TV show was launched in August and airs daily on Cable Channel 8. This show has featured interviews with our County Commissioners, community partners and various department heads. Timely topics have included H1N1 response, winter storm safety, citizen engagement, treating holiday depression, and Grandparents Raising Grandchildren to name a few. In addition, all County Commissioners evening meetings are webcast on our Granicus site and broadcast several times a week on Cable Channel 8.

In an effort to engage our younger residents in the work of their local government, Durham County now “Tweets” and has “Facebook” friends and fans. The use of Twitter and Facebook has greatly enhanced our ability to get important messaging out very quickly. Durham County was recently featured in “AIM”, the monthly magazine for Local Government Employees Credit Union members statewide for our use of these new social media tools.

Durham County has also turned to podcasting to get immediate messages out the community. Such issues as the new smoking ban in restaurants, train safety and H1NI immunization information have been placed on the county's YouTube site on our website.

During last year's State of the County address, I announced a new awards program....The Commissioners Community Circle Award. It was developed help our Board to identify and recognize various organizations for the outstanding services provided to the citizens of Durham. It is given for excellence in the areas of productivity, creativity and commitment to improving the lives of our citizens. Our entire community wins when ordinary citizens take it upon themselves to produce extraordinary acts of kindness and service to their neighbors.

Congratulations again to our 2009 winners:

- Durham County Health Department's Nutrition Division
- Salvation Army Boys and Girls Club
- Durham City-County CrimeStoppers Inc.
- Legacy Center
- Alliance of AIDS Services – Carolina
- New Beginnings Outreach CDC
- Hold Your Head Up

We have done much in this past year that we can take pride in. Despite the economy, we have tackled many challenges and succeeded. Let us take a look at where we go from here. There is no question that we must continue to be fiscally conservative in the management of our resources for the coming year.

Until a full recovery is evident, we will do everything within our power to continue to deliver the services most critical to our residents.

We are beginning to see some glimmers of an upturn in some economic indicators. Those who study these trends note that a real recovery will be steady, but slow. What that tells us is that the revenues that we depend on from various sources will continue to lag yet another budget cycle.

As our General Assembly prepares to return to Raleigh in May for a short session, we are waiting to learn where state revenues will be and what cost shifting from state to local government we will have bear this time.

Just last week our Board met with staff to begin to crystallize our strategy for moving through this year. The news was sobering, but we will take the steps necessary to provide a budget that serves this county's needs. Our departments are preparing for this budget season and have already been tasked with developing a spending plan that is less than the one they currently operate under.

Know that we will tighten our belts, roll up our sleeves and work to provide the best service level possible for our citizens. We will meet our challenges with the leadership, experience and vision of those you in this room.

In the weeks to come, we will conduct several community meetings to hear from our citizens about their priorities, and where our county will move forward.

At the end of the day, I remain confident that we will stay true to the mission and values that keep Durham County a wonderful place to live, work and do business.
Thank you.