

First Annual State of the County Address

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Good Evening. Fellow Commissioners, County Manager Ruffin, Durham County Staff, Invited Guests, and My Fellow Citizens:

I have the distinct honor of presenting the first annual State of the Durham County Address. I will report our achievements during 2006 and highlight some of the emerging issues and challenges that we face in 2007.

In April of 2006, we celebrated the County's 125th anniversary and unveiled a new County flag. The flag highlights that we are a **County of MERIT which stands for Medicine, Education, Research, Industry and Technology – the linchpins of the Durham economy.**

2006 was a year of great accomplishment for Durham County. I will highlight a few key areas, beginning with the financial health of our organization.

Financial Vitality

For many years, Durham County has been a member of a select group of local governments that hold the coveted Triple A bond ratings from both Standard and Poors and Moody's rating agencies. Some 44 counties across the nation, and 4 in the state of NC... Mecklenburg, Wake, Forsyth and Durham are in that listing. **That puts us in the top 1% of counties nationwide –** certainly an elite group.

During this past year, the Board was able to unanimously approve the FY 2006 -2007 budget without a tax increase, holding the countywide tax rate at \$80.9 cents. Durham County was also able to lower its tax ranking from fifth, to its current position of 19th according to a survey of the state's 100 counties. One reason that we were able to hold the line on the tax rate was the outstanding work of our Tax Office. Thanks to Tax Administrator Ken Joyner's leadership, **Durham County posted its highest tax collection rate to date.....98.5%, placing us 4th highest among the state's 100 counties.**

The tax office also made significant renovations to its website, making it more user friendly. Residents may now pay their tax bills online via check or credit card and add multiple bills to a "shopping cart" and pay them all at one time.

Economic Development

2006 was an outstanding year in the area of economic development. Late in the year, Quintiles Transnational Corporation announced the expansion of its global headquarters and drug

development operations in Durham County. Quintiles' decision to expand, doubling the current workforce by adding 1,000 more jobs over the next five years, represented the state's second largest economic development announcement last year.

In addition to Quintiles, a major expansion at Eisai, Inc. and Merck, along with new firms such as United Therapeutics, Parata Systems and Steifel Research Institute, have helped round out significant growth in the Biotechnology Cluster during the year. Durham County has over 40% of all the biotech jobs in the state.

The total number of new jobs announced during 2006 is 2,902 with \$415 Million in capital investment – making 2006 a banner year for economic growth.

These economic development accomplishments did not happen by accident. We have a winning team. I'd like to recognize and thank Carolyn Titus, Deputy County Manager, Libby Barnes and Ted Conner from the Greater Durham Chamber of Commerce, and Dr. Phail Wynn from Durham Technical Community College.

Safety

Durham County invested many resources and started new programs during 2006 to enhance safety in our community.

We provided significant local funding to the Court System...a function normally funded by state government. As an example, Durham County provided \$75,000 for audio/video recording equipment for our 7 district courtrooms. For the past 18 months, we funded a position in the Youth Treatment Court to assist with the growing caseloads. The County also funds a number of positions for the Clerk of Court, District Attorney, and Public Defender.

Durham County implemented a pretrial services program in January 2006. The goal of the program is to ease potential overcrowding in the county jail and to provide judges with better information. Now judges have information about inmate records, highlighting prior convictions and other charges, helping them in setting appropriate bonds. I would like to recognize Gudrun Parmer, Director of the Criminal Justice resource Center for her leadership in starting the Pretrial Services Program.

We thank Sheriff Worth Hill and his staff for implementing the "Truancy Hotline". This is a program that seeks the public's assistance in reporting children that should be attending school. Two phone numbers are publicized to allow citizens to call and speak directly to an officer. Durham Public Schools has placed special emphasis on attendance and works collaboratively with two of our full-time deputies assigned to investigate truanancies. The good news is that **school attendance improved during the last school year** and our goal is to continue the upward trajectory.

The Fingerprinting project included the addition of a modular facility to the Durham County Detention Center. This allows law enforcement agencies to fingerprint misdemeanants in addition to those persons charged with felonies. **The number of persons being fingerprinted since July has grown substantially**, as the slide indicates, and more crimes are being solved through better information.



We joined with the City of Durham in 2006 to authorize a study by two nationally recognized gang experts to develop a comprehensive gang strategy. The information will enable us to make informed decisions about how to most effectively address gangs and enhance safety. As the slide shows the number of verified gang members in the community is increasing. We have formed a Citizens Advisory Committee that will be co-chaired by Wendell Davis, Deputy County Manager, and Ted Voorhees, Deputy City Manager.

Environmental Stewardship

The protection of our environmental resources is a priority of our Board. In 2006, Durham County protected another 102 acres in northern Durham County through a farmland conservation easement working with Mr. Roger Tilley.

Durham County also received federal farmland grant funds of \$466,000 to go toward the first phase of preservation of the 918 acre Little Mountain farm in Rougemont.

Durham County has continued to make progress in the New Hope Creek Corridor preservation effort. An Interlocal Agreement was signed this fall by Durham County, Orange County, the City of Durham and the Town of Chapel Hill, who have worked together to acquire and preserve the Duke University property at the corner of Erwin and Pickett Roads. I would like to thank Wendy Jacobs and the Erwin Area Neighborhood Group for their vision and dedication to this project.

Durham County has worked with Wade and Carolyn Penny to place another 29 acres under permanent conservation easement adjacent to this future park and the New Hope Creek corridor. We will honor Mr. and Mrs. Penny later in this meeting for their generosity.

With this additional donated easement, Durham County has reached an important milestone – we have protected **over 1000 acres** of open space through acquisition or with permanent conservation easements. I'd like to recognize Jane Korest from our Durham County Engineering staff for her leadership in coordinating these efforts.

The Durham Comprehensive Bicycle Plan, which was recently approved by both the City and County, is part of an effort to address transportation alternatives. The goal is to provide improved transportation and recreational opportunities throughout Durham County. Thanks to the members of the Pedestrian and Bicycle Commission for their dedication and hard work.

System of Care

System of Care is a coordinated and comprehensive program that helps improve outcomes for children and their families. It provides wrap-around services and case management to help families access the services they need for their children. I'd like to recognize Ellen Holliman,

Brian Letourneau, Sammy Hitchcock, Carl Harris, Martha Kauffman, Adele Spitz Roth, Judge Elaine Bushfan, and Judge Marsha Morey for their leadership on this effort.

Public and private agencies and organizations work together in Durham's System of Care, decreasing duplication and ultimately reducing costs. The good news is that Durham County has saved close to \$2 million per year by virtually eliminating court-ordered out of home placements for youth, and has reinvested resources into the development of community-based services

The Durham County Community Collaborative announced the launch of the *Durham System of Care Web site*: (durhamsystemofcare.org) during 2006. The Web site includes the Network of Care - a community service and resource listing that is an invaluable resource for our citizens.

System of Care has received a bevy of awards in 2006 including national and state recognition.

Durham System of Care continues to expand its reach to more children and their families. We are **now serving over 1200 children and families – triple the number two years ago.**

Capital Improvements

It takes a great deal of long range planning to bring new structures online. As we develop capital projects, **we are working to design environmentally friendly structures or “green” buildings** meeting Leadership in Energy and Environmental Design (LEED) certification requirements. This reduces operational costs for our buildings and helps reduce greenhouse gas emissions.

Durham County significantly expanded our library system during 2006. In June, the first 25,000 square foot regional library was opened just off Highway 98. We have developed this East Branch, and several other facilities to come, using a prototype design that will allow future expansions. Next week, we will celebrate the grand opening of the North Regional Branch on Milton Road.

The historic Stanford L. Warren Branch Library was reopened in September following a substantial renovation and expansion. This branch houses a significant African American collection, along with new computers, self checkout for patrons, and additional facilities for hosting community meetings.

The Durham Center for Senior Life, which opened in the spring of 2006, is a 35,180 square foot facility. It is home to the Durham Council for Senior Citizens, the Senior PharmASSIST program, Meals on Wheels and an Adult Daycare Program. Programming at the Center continues to expand.

Plans for our future Human Services Complex, which will house our Social Services, Public Health and Mental Health Center took shape this fall. Our Board approved the design for the facility that will be located on East Main Street. This \$78 million project will consolidate our human services in one building and greatly improve overall service delivery.

My special thanks to our County Engineer Glen Whisler for his strong efforts keeping our capital projects moving forward.

Two bond projects for Durham Public Schools were completed in 2006. The new W. G. Pearson Elementary School opened in August replacing the old school that was built in 1928.



Hillside High School's new Band Suite provides more adequate space for that school's award winning band program.

Progress continues on other school projects around the county.

The Museum of Life and Science continued its expansion with exciting new outdoor exhibits that opened thanks to Durham County's \$11 million in bond support.

In May, the Museum opened "*Explore the Wild*", a six-acre woodland and wetland site. This spring we can look forward to "Catch the Wind", a new four-acre outdoor experience.

Results Based Accountability

For several years, the city and county have engaged in a process known as Results Based Accountability which recognizes that no one entity can make progress alone, but instead broad and coordinated action across the community is required. In 2006, we published our second annual progress report with results in 8 outcome areas.

The full report can be found on our website, but I'll quickly touch on just two of the outcomes: **All Children are ready for and succeeding in school** - The 2006 report of this committee included a focus on Quality child care - star ratings and 8th grade end of grade scores as indicators of progress towards Children Ready for and Succeeding in school. There has been steady progress in both areas.

The second report is **Durham Enjoys a Prosperous Economy**. Indicator 1 shows a healthy increase in our tax base from 1999-2006, clearly supporting the strong economic growth numbers mentioned earlier. Indicator 2 which tracks poverty shows mixed results with movement both up and down indicating that more work is needed to address this issue.

If you are not already serving on one of our 8 Results Based Accountability Committees, please consider joining us.

Future Challenges

As we move forward in this New Year, I would like to briefly touch on five challenges that lie ahead.

1. A major challenge is to increase our **high school graduation rate**. At a time when we are celebrating the wealth of new jobs coming into our county, it is vital that we make sure that our students complete high school and attain skills that will allow them to be more competitive in this global economy. In our Durham County Legislative Agenda, we have asked for support to phase in an increase of the compulsory school attendance age from 16 to 18. The City Council and School Board have joined us in this legislative initiative.

As the slide shows, in 2004 -2005, the last year that we have comparative data for the counties in the state, Durham has the highest dropout rate among the major urban districts. The good news is that the data for this past school year, which were just released a few days ago, indicate a reduction from 2005. While that is positive and is a credit to the many efforts underway, we are still above the state average with **over 500 students dropping out per year**. More work and focus on this area is essential, if we are to make progress in substantially reducing poverty, gang involvement, and crime in our community.

Durham Public Schools has engaged the community to coalesce around this issue with its *“High School Completion Plan for Durham*. This plan calls for, among other things: aligning vocational/technical programming with workforce development; and creating more business partnerships to expand mentoring, internships, summer employment, and service learning. I challenge the community to come together and help the school system implement the strategies in the Plan.

Last year both the Mayor and I urged expansion of tutoring and mentoring support. At the beginning of the 2006 school year, we announced a partnership between the City, the County, and Durham Public Schools to allow local government employees to have paid leave to volunteer in the schools. We felt it was important for government to lead the way.

Now, we hope to involve a large number of private individuals and businesses. I would like our business community to consider adopting a school and encouraging their employees to mentor a student.

The Durham Chamber of Commerce and the Volunteer Center of Durham have come together to coordinate efforts to ensure that the mentoring needs of Durham youth are met. A summer program called RIL spearheaded by the Mayor and Judge Bushfan had a successful inauguration last summer. In 2007, new initiatives for summer programs are underway, along with expansion of mentoring support.

I'd like to recognize Dr. Carl Harris, School Board Chair Minnie Forte Brown, the Mayor, Judge Bushfan, Kathy Hoffmeier, Steven Reyburn and Barker French and many others for their efforts to engage our community in meeting the challenge of increasing the high school graduation rate and look forward to more progress in the upcoming year.

2. A second challenge involves expanding our **workforce development efforts** and aligning training with new jobs opportunities. To realize our full potential, we must close the circle and enable more of our residents to benefit from the great jobs coming to Durham County. This will require a retooling of our schools so that more students complete their education and are prepared for today's economy. More apprenticeships and internships with businesses and cooperative programming with Durham Technical Community College and the Workforce Development Board are also critical.

3. The County is currently working on an update of our **Capital Improvement Plan (CIP)**, incorporating the long range facilities plan recently adopted by the Durham Public Schools. The staff is reviewing project requests that amount to \$931 Million over the next 10 years. Of that total, the Durham Public Schools have requested \$551 Million with a short term need for approximately \$176 Million. Our Board will consider the updated CIP this Spring and consider a



bond referendum for school and other projects for the Fall of 2007 that could approach \$200 Million.

4. **Revenue flexibility** continues to pose a challenge for Durham County. As with most counties in our state, we need to fund the ever increasing cost of services and new facilities. We continue to seek alternative sources of revenues to reduce the pressure on the property tax rate. In the AAA report cited earlier, one common trait for most “triple A” counties is the ability to generate alternative revenues. It has been our Board’s goal to seek a menu of revenue options. While it may be an uphill battle, we plan to work closely with the members of our local delegation to the General Assembly on this initiative. The 1 % restaurant meals tax that we are pursuing would fund: implementation of the Cultural Arts Master Plan; improvement and expansion of visitor attractions and community amenities; marketing; workforce development; community cleanup and appearance; and health and human services including funds for Lincoln Community Health Center, child care subsidies and after school programs. **40% of the tax would be paid by visitors to the community.**

5. There have been growing calls across the community to **broaden the Durham System of Care** best practice approach to benefit more of Durham’s citizens. Efforts to expand System of Care to benefit adults, as well as children, are now underway. The Ten Year Plan to End Homelessness already incorporates System of Care as a key strategy. Partners across the community are currently working together to form a broad-ranging Adult System of Care to assist individuals with complex needs. This is an exciting initiative that should lead to more effective care of our most vulnerable adults.

Closing

As we look ahead, we will continue to have both opportunities and challenges in Durham County. I assure you that your Board of County Commissioners is committed to working in effective partnerships with community leaders and organizations to meet the current and future needs of our residents. When we focus on an issue as a priority and bring resources to bear, we can make significant progress.

We are also blessed with an excellent staff in County government led by our able County Manager, Mike Ruffin. In addition, I want to recognize and thank our citizens who serve on boards and commissions providing invaluable volunteer support. Durham is indeed a very participatory democracy – and that is a good thing. Many of our accomplishments would not be possible without the work of you here tonight and many others across this community.

The Durham Convention and Visitors Bureau adopted a slogan this year for **Durham – Where Great Things Happen. 2006 was indeed a great year for Durham County Government.**

On behalf of the Board of County Commissioners, thank you for allowing us to serve and for all that you do for Durham County.