

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

Tuesday, September 6, 2016

9:00 A.M. Worksession

MINUTES

Place: Commissioners' Chambers, second floor, Durham County Government
Administrative Complex, 200 E. Main Street, Durham, NC

Present: Vice Chair Brenda Howerton and Commissioners Fred Foster, Jr., Wendy Jacobs
and Ellen Reckhow

Absent: Chairman Michael D. Page

Presider: Vice Chair Brenda Howerton

Citizen Comments

Sharon Hirsch, member of First Presbyterian Church and Durham CAN (Congregations Associations and Neighborhoods), requested that the surface parking lots on East Main Street, associated with the Human Services Complex, be developed with both parking and affordable housing. She noted that 34% of County employees made less than \$30,000, 53% made less than \$40,000, and 71% of the County workforce—1793 people—made less than \$50,000. These employees would be eligible for affordable housing. She encouraged the Board to enter into a joint planning process with other community stakeholders during the development of the deck(s) to ensure the desired vision was achieved.

Helen Webb requested relief on her property taxes as they had gone up considerably and she did not believe that the amount owed was representative of her home or neighborhood's value.

Vice Chair Howerton and Commissioner Reckhow referred Ms. Webb to Kim Simpson, Tax Administrator.

James Chavis spoke on missing census data reports for Durham County.

Jim Svava spoke on housing stabilization grant options that would help offset the unexpected tax increase for low income families that had a disproportionate increase in their property assessment. He was glad that the Tax Office would accept late applications from citizens. He also looked forward to see how the matter would be addressed at the Joint City-County Committee meeting, which was to meet on September 13, 2016.

Commissioner Jacobs inquired whether staff was working on preliminary data that would be discussed at the Joint City-County Committee meeting. Manager Davis stated that the Board was previously given options regarding the nonprofit approach, but they were still in exploratory phases and would continue to analyze the situation.

Regarding applications for exemptions, Commissioner Reckhow informed the public that although the application period was technically over, the Board of Equalization and Review could still hear the rationale and grant extensions if necessary, but they would only be available for about another three (3) weeks.

Discussion Items:

16-1249 Adoption of NC457 Plan

The Board was requested to consider closing the Nationwide Retirement System and the ICMA-RC 457 Plans by freezing new enrollments and any further contributions from existing participants, and adopting the State of North Carolina's 457 Plan effective December 1, 2016. The request was due to Durham County Government having fiduciary responsibilities—and possible legal liability—for the Nationwide Retirement System and the ICMA-RC 457 Plans offered to its employees. Fulfilling these responsibilities required investment and financial expertise that County employees did not possess. Adopting the State of North Carolina's 457 Plan would transfer the fiduciary responsibilities for Plan audits, investment reviews and due diligence on the NC State Treasurer.

Employees would be able to access information about both the NC457 Plan and their existing NC401k Plan via a combined statement, a combined website, and an all-inclusive Annual Benefits Statement that included information about both Plans, their Social Security benefits and their Local Governmental Employees Retirement System (LGERS) pension. The State of North Carolina had a Board of Trustees that met quarterly to review both the NC401k and the NC457 Plans to ensure the funds' cost was as low as possible.

Tripp Madden, Regional Retirement Education Manager for North Carolina Total Retirement Plans, gave an overview of the NC457 Plan.

Commissioner Foster inquired about the cost of the Plan. Mr. Madden informed him that the administrative fee paid to Prudential for each Plan was \$7.75 per quarter and the expense ratios were extremely low considering that the board that set them had a fiduciary responsibility to keep them as low as possible. Commissioner Reckhow asked if that was the only admin fee. Mr. Madden confirmed it was. Commissioner Reckhow wondered about the range of the expense ratios within the funds. Mr. Madden stated that they could be as low as .10 or .15 and go up to .80 or .90.

Commissioner Jacobs questioned whether existing funds from other plans, such as those by Nationwide or ICMA-RC, could be rolled over to the NC457. Diane Pearson, Benefits Manager, clarified that the current 457 Plans that employees had with the Nationwide Retirement System or the ICMA-RC could be rolled over into the NC457 or actually kept where they were. However, going forward, new contributions from the County or employees would only be able to be put into either the NC401K or the NC457 plan.

Manager Davis announced that the item would be added to the consent agenda for the Regular Session on Monday September 12, 2016.

Vice Chair Howerton noted that County employees would not be educated on the changes until after the Board took action on it. Ms. Pearson stated that that was correct. Manager Davis added that Ms. Pearson was working on an extensive educational campaign and the changes would not be in effect until early December.

Commissioner Jacobs thanked staff for their work and appreciated their responsiveness to the issues surrounding NC retirement plans.

Vice Chair Howerton asked whether the Nationwide representatives would continue to serve County employees. Ms. Pearson stated that new employees would not be offered those plans, and thus the representatives would not participate in New Employee Orientation, but the people who did have the plan and intended on keeping it would continue to be served by their representative.

16-1236 Discussion of County-Owned Former DCVB Headquarters at 101 E. Morgan Street

The Board was requested to discuss the level and form of compensation the Durham Convention and Visitors Bureau (DCVB) might receive for the building located at 101 E. Morgan Street. The County purchased the building in August 1994 for \$536,500 using certificates of participation that were paid down over a 20-year time period—the County purchased it for DCVB's use because it was unclear if DCVB's legal status enabled it to own real property.

DCVB entered into a long-term lease arrangement with the County, and lease payments from DCVB amounted to what 20 years' worth of mortgage payments (principal and interest) would have been on the building. DCVB also paid for all of the maintenance required over the 22 years they occupied the building. On November 14, 2011, the Board agreed to convey ownership of the building to DCVB since they had essentially completed paying for it. Due to ongoing legal questions, however, that conveyance was never finalized.

Though official Board action was never taken in this regard, there was informal discussion and general agreement that because DCVB never received the benefit of building ownership (i.e. the money they would have received upon selling it when they moved), the County would compensate them in some other way.

Shelly Green, President and CEO of the DCVB, stated that there were three (3) proposals that the DCVB believed would result in fair compensation. They were the following:

1. Reimburse DCVB the appraised value of the building. (This could be done in FY 2017 assuming time is needed to make appropriate arrangements).
2. Establish a plan whereby the current appraised value would be paid to DCVB in smaller increments over a period of several years.
3. Agree to a time period by which the County would sell the building, then pay DCVB the proceeds of the sale minus any costs incurred. (This assumed the County would sell the building in 3-5 years once the Library renovations were completed.)

Commissioner Jacobs inquired whether the County had any plans for the building after the library renovation was complete—the building would be temporarily used to help with the

transition during the Main Library's renovation. Manager Davis stated that there were not, but there were a few parties that had expressed interest in the building. Commissioner Jacobs noted that the City had shown interest in using the building, but wondered whether they would still be interested in the future. Manager Davis stated that the City had expressed a strong interest in the building, but the discussions had not gone beyond what would happen after the Main Library's renovation.

Commissioner Reckhow believed that the County had a moral and legal obligation to provide reimbursement for the building to the DCVB. Of the proposed solutions, she preferred the third option because it did not reduce the current fund balance and it contained the possibility of the property value appreciating in the future. She suggested that the DCVB discuss how the proceeds would be used and return to the Board with a plan—for public transparency purposes rather than Commissioners' approval.

Commissioner Foster adamantly believed that the County ought to reimburse DCVB for the market value of the building or however much DCVB invested into it. He did not believe that DCVB needed to come back with a plan on how they intended to use the money.

Vice Chair Howerton concurred with Commissioner Reckhow and believed that DCVB should return within two (2) months with an expenditure plan; she wanted to be as transparent as possible in order to ensure that the community understood the reasons behind the transaction.

Commissioner Jacobs stated that according the Tax Office, the current appraised value of the building was \$1,021,641 and that was a fair reimbursement amount. She was in support of option one (1) or two (2), but not in support of option three (3).

Commissioner Reckhow elaborated on her support for option three (3). She added that her suggestion of the DCVB providing a report of how they planned on spending the funds was not a requirement on the funds being reimbursed. The rationale behind requesting the report was that public monies would be used to pay for a public building.

Commissioner Foster was in support of option one (1) or two (2), but not in support of option three (3). He urged the Board to put this matter on the consent agenda in order to prevent prolonging it.

Vice Chair Howerton asked Ms. Green if she had any comments to add. Ms. Green stated that she appreciated Commissioners Foster's comments regarding the DCVB being good stewards of all funds they receive and added that all three (3) options were viable. Vice Chair Howerton had no doubt that the DCVB was cautious and careful with their spending.

Commissioner Reckhow suggested that the second option would be the best compromise and they could pay in increments over a three (3) year period so as to reduce the impact on the fund balance. Ms. Green agreed to provide a report of the use of the funds.

Attorney Siler asked whether submitting the report affected DCVB's ability to receive the money. Commissioner Reckhow clarified that no, the report was not required for the Board to

approve reimbursement or even begin reimbursement payments, but rather the report should be presented before the fund expenditure began.

Manager Davis stated he would have staff prepare an agenda action opting for the second proposal with the added language—a payment period of three (3) years and that the report be submitted before expenditure of the funds. He would have a discussion with the Budget staff to determine if the payments would begin the current year or the next.

16-1227 Resolution Authorizing Workers' Compensation Coverage to Unpaid Appointed and Sworn Volunteer Deputies of the Sheriff's Office

The Board was requested to receive an overview on authorizing worker's compensation coverage to appointed and sworn volunteer deputies of the Sheriff's Office. Reserve deputies donated countless hours to supporting the Sheriff's Office, both as part of the regular operations of the Agency and during special events such as providing security at parades. The fact that these personnel volunteer their time to assist the Sheriff's Office, and the citizens of Durham County, was a very generous gift and it was only right that they should enjoy the same worker's compensation coverage of the Sheriff's regular employees should they be injured in the line of duty.

In accordance with the authority granted to the Board by N.C. General Statutes, §§97-2(3) and 160A-282, the Sheriff hereby requested that the Board of County Commissioners approve the attached Resolution which would extend workers' compensation coverage to these unpaid volunteers.

David English, Safety and Risk Manager, presented the item. Curtis Massey, Sheriff's Legal Advisor, described the various ways in which reserve deputies assisted the community, their duties, the benefits of having them available, why someone would want to be a reservist, and what was required to be a reservist.

Commissioner Foster inquired whether the reservists were provided with vehicles and what happened if they were injured. Mr. Massey stated that they were able to use vehicles while they were working and he only knew of one reservist who was allowed long-term usage of a vehicle. Mr. English stated that reservists would not be eligible to receive worker's compensation in the event of an injury, but they could sue the County in certain situations. Commissioner Foster asked if the additional insurance premium (which would result from adding the reservists to the existing policy) would be paid through the County budget or the Sheriff's budget. Mr. English clarified that the County Risk Management division paid for all worker's compensation claims and from a worker's compensation premium standpoint, the total added cost would amount to less than \$1,000 per year for all of the reservists.

Commissioner Jacobs admitted that she did not know that many of the security officers at community events were volunteers and agreed that they served an important service. She supported this resolution.

Commissioner Reckhow also supported the resolution and noted that one of the security officers for the County's Regular Sessions was a reservist.

Vice Chair Howerton supported it and thanked the panel for bringing the Resolution forward. She asked that the item be moved to the upcoming consent agenda on Monday, September 12, 2016.

16-1248 Discussion of Legislative Items for NCACC Legislative Goals Process

The Board was requested to discuss legislative proposals suggested for consideration to move forward as part of the 2017 NCACC Legislative Goals process. The North Carolina Association of County Commissioners had initiated its semiannual process for approving statewide legislative goals for the 2017 General Assembly Session. All proposals needed to be submitted to NCACC by September 23, 2016 and accompanied by either an adopted resolution of the Board, a letter from the Chairman or a letter from an affiliate organization.

Proposed goals would be referred to the appropriate steering committee for review and consideration. The complete process would culminate in January 2017 with the membership adopting final goals at the Legislative Conference. Staff requested that the Board review the attached proposals, discuss, and offer any additional proposals and instruct staff to finalize for adoption at the September 12, 2016 Regular Session.

Deborah Craig-Ray, General Manager of the Office of Strategic Management and Innovation, Public Affairs and Special Projects, presented the 2017 NCACC Proposed Legislative Statewide Goals list.

Commissioner Reckhow and Ms. Craig-Ray discussed how to make the language in the first Goal stronger.

Commissioner Jacobs requested that there be three (3) other items added to the list or incorporated into the existing Goals; they were items suggested by Robert (Bob) Wallace, Adult & Crisis Services Program Manager. They were 1) strengthen and fund North Carolina's Adult Protective Services program (APS) because there was no dedicated funding from the State for APS; 2) Home and Community Care Block Grant (HCCBG) funding—restore funding to 2012 level, funding has been static for years; and 3) preserve, or in some cases restore, Optional Medicaid Services such as eye care, glasses, dental care, physical therapy, speech therapy, etc. because they were quality of life services that could make a significant difference in a person's life. Vice Chair Howerton recommended making the items more simple and the incorporate the third item into the fourth Goal on the list. Commissioner Reckhow suggested focusing on the second item since the first item would be difficult because the State did not fund APS even when the majority in office were democrats.

Skip Kirkwood, Director of Emergency Medical Services, provided more information on the third Goal. Ms. Craig-Ray clarified that firefighters and paramedics could retire at 55 with 20 credible years of service, but law enforcement could retire at 55 with only 5 years of service. Vice Chair Howerton suggested more details and better wording in the Goal to ensure the request was fully conveyed. Commissioner Jacobs suggested that the Goal also be advanced through other groups—such as the State firefighter groups and State paramedic groups—so as to increase the push in the legislature. Commissioner Reckhow noted that this goal had been included on a

past list and wondered why it did not get to the NCACC. Ms. Craig-Ray stated she would investigate what happened and why the Goal did not make it far in prior years.

Commissioner Reckhow suggested that the Social Services Directors' group also advocate to increase the payment rate for foster parents (the last Goal on the list). She recommended beefing up the rationale portion of the Goal to make it more compelling for other NC counties to support it.

Commissioner Jacobs felt that statistical and empirical data was needed in the Goals to demonstrate the level of need for each in all NC counties, especially the Goals that focused on the wellbeing of a community's most vulnerable populations.

Ms. Craig-Ray asked the Board if there were other Goals they would like to add to the list. Vice Chair Howerton requested a Goal addressing incarcerated youth (16 and 17 year olds) that were tried as adults in the criminal justice system. Commissioner Reckhow requested a Goal calling for increased funding of the State court system.

Commissioner Reckhow's Conference Report

Commissioner Reckhow discussed her conference report of the National Association of Counties (NACo) Annual Meeting and focused on the breakout session titled Community Paramedicine/Mobile Integrated Healthcare: Addressing Tomorrow's Needs. The session presenters described how providing paramedicine for non-emergency 911 calls and "frequent flyers," i.e. citizens who called 911 many times throughout the year, helped reduce the number of 911 calls for EMS that were non-emergency as well as their emergency room visits. The methods applied also greatly improved the stability and quality of life for the people involved by connecting them to community resources and specific organizations (such as social services or mental health treatment centers).

Manager Davis stated that Mr. Kirkwood had put forth a similar proposal for Durham County, but it was not realized due to competing priorities and available resources. Vice Chair inquired whether the entire program had to be done at one time or if it was possible to use certain parts of it separately. Mr. Kirkwood stated that they did not have to do it at one time, but there was a critical mass of people and resources needed to get the ball rolling. The program was an investment that paid itself out over a long period of time.

Commissioner Reckhow wondered how many nonemergency calls Durham County received. Mr. Kirkwood stated that they did not have that data compiled. Commissioner Reckhow encouraged the collection of data regarding nonemergency calls and unnecessary ER visits so that the County could discuss the results and make informed decisions. Commissioner Jacobs requested additional data and a cost-benefit analysis for the program.

Directive: Commissioner Reckhow wondered how many nonemergency calls Durham County received. Mr. Kirkwood stated that they did not have that data compiled. Commissioner Reckhow encouraged the collection of data regarding nonemergency calls and unnecessary ER visits so that the County could discuss the results and make informed decisions. Commissioner Jacobs requested additional data and a cost-benefit analysis for

the program.

Adjournment

Commissioner Jacobs moved, seconded by Commissioner Reckhow, that the meeting be adjourned.

The motion carried unanimously.

Respectfully submitted,

Tania De Los Santos
Administrative Assistant