



Durham County

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Budget Worksession Meeting Minutes

Board of County Commissioners

Michael D. Page, Chair
Brenda A. Howerton, Vice Chair
Fred Foster, Jr., Commissioner
Wendy Jacobs, Commissioner
Ellen W. Reckhow, Commissioner

Wednesday, June 1, 2016

Commissioners' Chambers

Durham Public Schools (DPS)

Heidi Carter, Chair of the Board of Education thanked Wendell Davis, County Manager for recommending the full funding of the request made by DPS. She stated that DPS was using about \$6 million dollars from the fund balance and would continue to cut expenses and be placed in the position to have a sustainable funding level. Ms. Carter asked staff to begin working with the Budget Advisory Committee to use more of a zero based budget approach. She advised the Board that the request for local funding would cover growth for student enrollment, fixed cost increases and the mentor program.

Bert L'Homme, DPS Superintendent shared a presentation titled *Budget FY 2016-17 – Durham Public Schools* and highlighted the following:

- Two Challenges
 - Accelerate student achievement
 - Place DPS on a sustainable financial footing
- Moving Forward
 - Make changes to help support the students
 - Reorganize central services for highest return
 - Better position DPS to vet and propose future expansion to narrow achievement gaps and accelerate student progress
- Durham County Student Growth (Data)
 - DPS School Enrollment (Data)
 - Charter School Enrollment
- Fund Balance (Data)
- Potential Budget Risk
 - Senate Bill 744, Utility Rate Increases; State legislated compensation

- State Employer benefit rate increases; 2016-17 Drivers Ed Training; Teachers Assistant funding changes
- Charter School funding changes
- Read to Achieve Camp costs beyond funding
- New Money Request
 - Growth – Charter Schools
 - Mentors
 - Fixed Cost – Benefits, Utilities, Contracts
- Budget FY 2016-17 Highlights
- Budget Increases and Fund Balance Dependency (Data)
- Budget Reductions and New Money/Revenue/Budget FY2016-17 (Data)
- Next Steps

Commissioner Jacobs questioned the Charter Schools and mentioned the need for State lobbying and local conversations to be held. Mr. L’Homme responded DPS recently began conversations to create solutions that addressed how Charters were funded locally and at the state level. Commissioner Jacobs stated the community needed to understand how this would impact local funding and hoped that DPS could pursue some of the advantages that the Charters were experiencing. She also inquired about the staff increases. Mr. L’Homme responded five (5) percent was built in for certified staff and three (3) percent for classified staff which was very close to all three proposals. Commissioner Jacobs stated she was glad to know that DPS would be supporting the recommended budget.

Vice Chair Howerton congratulated DPS on the grant for boys of color. Vice Chair Howerton suggested having a conversation on how to be sustainable and the need to discover other channels. Mr. L’Homme responded the foundation does not want to fund ongoing projects, they wanted to fund innovative, new ideas.

Commissioner Reckhow questioned the utility rate increases and decreases. Mr. L’Homme responded a written response was provided where there was a reduction in maintenance. He added the utility increase was across the board. Commissioner Reckhow asked about the salary supplement increases for staff and asked if it was built into the base budget. Mr. L’Homme stated the amount paid out for five (5) percent amounts were for the supplements. Commissioner Reckhow questioned the budgeted stipend request from FY15-16 for after school coaches. Mr. L’Homme responded there was no design plan and it was scheduled to go to a Worksession on June 2, 2016 to propose art supplements, not the entire stipend. Commissioner Reckhow interjected that the original request was for a stipend for athletics. Chair Carter stated social and emotional learning was equally critical to the academic needs of children. She added the teachers were devoted to the students which was why there was a request for the supplements. Ms. Carter continued to say DPS researched other counties and was learning from them. Commissioner Reckhow stated she supported the mentoring and discussed building a new budget that was clear and provided more information what could measure the effectiveness of the programs.

Chairman Page thanked the school board for their presentation. He stated the goal would be to figure out how to not compete with Charter schools but to enhance public schools. Chairman Page continued to say there was a need to market DPS and parents needed help understanding the greatness of DPS. He suggested diversifying the committee, changing the leadership of the Board, the addition of a Latino representative and bringing the budget back to the table. Chairman Page stated he was a firm believer in the teacher-coach mentor model and asked how the program would work. Mr. L'Homme responded those involved in the teacher-coach mentor program were teachers who would get paid the same amount of money. Chairman Page asked if \$1.1 million dollars would pay for 18 full release mentors and a principal coach. Mr. L'Homme responded yes. Commissioner Reckhow interjected and asked were the teachers being taken out of the classroom. Mr. L'Homme concurred.

Commissioner Jacobs asked was DPS planning to track the 54 positions mentioned on page 43 and how would it impact the positions. Mr. L'Homme stated DPS was expecting other staff to pick up their responsibilities. Commissioner Jacobs inquired about the literacy grants related to the reading program and asked how DPS would focus on literacy over the summer if the grant was cut. Mr. L'Homme responded the Read to Achieve program was being offered during the summer.

Capital Project Conversation

Heidi Carter, Chair of the Board of Education stated the school system could not go any lower than \$110 million dollars. She stated this amount included a new elementary school, renovation of Northern High School and basic maintenance needs.

Chairman Page stated he had concerns about why a new school would be built when there was a school in Southern Durham that was under capacity. He asked if DPS had looked at redistricting. Bert L'Homme, DPS Superintendent responded yes, however, the redistricting process would take up to two (2) years.

Commissioner Reckhow discussed the capacity concerns and mentioned providing options for families such as a year-round school that serviced East Durham.

Commissioner Jacobs stated Northern High School needed to be addressed. She added if the elementary school was dropped, Northern was renovated and the other projects were addressed, it would reduce the amount being requested.

Commissioner Reckhow stated she appreciated the suggestion made by Commissioner Jacobs. She stated another alternative would be to give DPS \$90 million dollars now and later look at doing another bond in two (2) years after more information was provided.

Chairman Page stated there would be additional discussion regarding this topic at a later time.

Durham Technical Community College

Bill Ingram, President of Durham Technical Community College (DTCC) stated the operating budget requested funds for inflationary expenses and a three (3) percent increase in salaries. Mr. Ingram added that DTCC was interested in executing a lease on a N. Duke Street location for their nursing lab which was currently housed in the basement at Northgate Mall. He added the lease would be over a ten (10) year period and the space would be used for entry level Allied Health Programs, Medical Assisting, Culinary Programs and Made in Durham. Mr. Ingram continued to say the cost for FY 2016-17 would be \$50,000 which could be absorbed and recouped; the additional cost over the next nine (9) years would be \$325,000 and by 2027 when the lease approached expiration, the cost would increase.

Commissioner Reckhow expressed her concern about how the long term lease would eat at operating cost each year. Mr. Ingram responded he thought it was a good solution and the timing would be right for the lease agreement. He added phase two (2) of the DTCC master plan would house those facilities once completed in approximately eight (8) or nine (9) years. Tom Jaynes, DTCC, interjected that they were able to negotiate a ten (10) year lease at the cost of an eight (8) year lease. Commissioner Reckhow inquired about the City of Medicine Academy and asked if it could be used for the DTCC programs when the students leave. Mr. Ingram responded it would be of some help but the lab was heavily used during the day. Commissioner Reckhow asked was there additional space at the Northern Durham location. Mr. Ingram stated there was no additional space at the Northern Durham location for the Allied Health Programs.

Commissioner Jacobs asked for the location of the building and if it was located near public transportation. Mr. Ingram stated the programs would be housed on the 1st floor of the Summit Building located on N. Duke Street and it was located near a bus line for easy access. Commissioner Jacobs stated she was happy to hear they were staying in the Northern Durham area and that these two growing programs were on the employment tracks to help strengthen the education to employment pipeline.

Commissioner Reckhow asked would there be additional information at the upcoming meeting. Mr. Ingram concurred. Commissioner Reckhow inquired about creating more flexibility for students to have a gap between high school and college. Mr. Ingram responded there were some concerns about the year gap, adding that studies had shown that the chance of success decreased if there was a year gap.

Capital Improvement Plan

Wendell Davis, County Manager introduced the item and mentioned based on previous feedback, adjustments were made. He discussed long-term planning and suggested the City along with the County work with a Development Finance Institute (DFI), to help facilitate a long-term planning matters to determine properties under consideration.

Claudia Hager, General Manager of Financial Affairs, Process Improvement and Government Efficiency assisted in sharing the presentation titled *Capital Improvement Plan BOCC Update* which highlighted the following:

- Capital Finance Plan Overview

- Capital Improvement Plan Debt Funding FY 2016-2017 (Data)
- Preliminary CIP Recommendation
 - Pay as You Go Projects: FY 2017- FY 2020 (Data)
- Bond Referendum Process Update

She added the focus this year would be on immediate projects that needed to occur in fiscal year 2016-17. Ms. Hager referenced the *BOCC Capital Improvement Plan Update: County Funded Projects Handout – Pay as You Go Projects* on page 4.

Jay Gibson, General Manager of Environmental Stewardship and Community Prosperity discussed the Judicial Annex Refurbishment Planning and the Administration Building Renovations Planning, explaining the cost and construction plans.

Motiryo Keambiroiro, Director of General Services discussed the Ongoing County Building Support and also explained the total cost and recommended updates needed. Commissioner Reckhow asked was the money requested for the upcoming year. Ms. Keambiroiro responded it was over a four (4) year period.

New Elections Equipment

Commissioner Foster asked if there were grant funds available for the elections equipment purchase. Ms. Hager responded when the equipment was purchased in 2005, the County did not allocate those funds. She added the staff would check to see if grant funds were available.

Commissioner Reckhow stated during a previous election, Durham County joined a joint venture with Wake County to purchase digital scans. She suggested conducting a survey with the Association of County Commissioners to see if other counties were looking to purchase equipment.

IT – Four (4) Year Replacement Schedule/Telecommunications System

Commissioner Reckhow asked if the County had to remain on a four (4) year cycle. Ms. Hager responded it was once a three (3) year cycle that was later pushed back to four (4). She added that Greg Marrow, Chief Information Officer always ensured that the County was pushed before those technology investments were made. Ms. Hager continued to say that she would speak with Mr. Marrow to discuss if he had comparisons on what other jurisdictions were doing.

Commissioner Jacobs stated that Drew Cummings, Chief of Staff was great with working with organizations to repurpose recycled equipment. She asked if the County continued to recycle old equipment. Mr. Cummings responded the County continued to work with organizations and rotate equipment between them. Commissioner Jacobs asked if the County was ensuring that our computers were being placed in good hands. Mr. Cummings concurred.

EMS Cardiac Monitors and Defib. Replacement

Keith Lane, Senior Budget Analyst stated they wanted to standardize the equipment with a replacement year of 2019-2020. Commissioner Reckhow inquired about the date of the previous replacement. Ms. Hager responded they were replaced about three (3) years ago but would follow-up with an exact date.

Commissioner Jacobs inquired about what would happen to the old monitors. Ms. Hager stated that she would provide follow-up. Commissioner Jacobs asked would there be trade in credit or if the County would still continue to use them.

Open Space and Farmland Protection

Commissioner Reckhow stated Jane Korest warned the County that some of the grant funds would not be available. Commissioner Jacobs interjected that the County resubmitted several projects every year and now the County was likely to have three (3) or four (4) projects funded.

County Stadium Upgrades

Commissioner Reckhow asked was there a need to replace the synthetic turf. Ms. Keambiroiro responded that the Stadium Authority was waiting on the EPA to complete their study before making replacements to the turf. Commissioner Reckhow suggested the Stadium Authority conduct a best practice survey from field participants.

Commissioner Jacobs stated that Reco Chavis, Stadium Manager was asked to complete a best practice study and report the results back to the Authority. She also stated that with the new scoreboard, the Stadium Authority would have the opportunity to sell advertisements.

Leased Convenience Site Upgrades and Owned

Commissioner Reckhow stated she agreed with combining the sites because it would save money on the operational cost.

Owned Convenience Site Upgrades

Commissioner Foster inquired about the total cost. Ms. Keambiroiro responded \$214,910. Commissioner Reckhow asked was that payment for the two sites currently owned. Ms. Keambiroiro concurred. **Commissioner Reckhow requested utilization for both sites and asked staff to look at future annexations in other districts.**

Commissioner Jacobs asked for a visual of the replacements that were recommended. Ms. Keambiroiro responded that sketches would be provided.

Storm Water Retrofit Enhancements

Commissioner Reckhow inquired about the timeframe within the four (4) year cycle was this schedule to be completed. Mr. Gibson responded the second year. Commissioner Reckhow stated at a recent Upper Neuse River Basin Association meeting the monitoring data presented appeared to be positive. She recommended this project get pushed back a couple of years.

Bragtown Branch Library Upgrade

Commissioner Foster asked was there land available to expand. Tammy Baggett, Director of Library Services responded there was some land owned by the County but not quite an acre. She continued there was also land available to the left of the building.

Commissioner Reckhow inquired about cost of the feasibility study. Mr. Lane responded the study would cost about \$55,000-\$60,000 which included estimated construction cost.

Commissioner Reckhow asked if the feasibility study could be approved alone without the \$1.7 million dollar amount being requested. She mentioned while approving all the branch libraries, she thought the goal from earlier plans was to close the Bragtown Library. Ms. Baggett responded she was not in agreement with that decision because the library was considered a “walking library” due to its close proximity to neighborhoods. She added that families with less than \$15,000 income was at 16.64% in that area. Commissioner Reckhow asked were there sidewalks located around or near the library. Ms. Baggett responded no.

Stanford L. Warren Library Parking Upgrade

Commissioner Reckhow asked if the County could meet with the Planning Department to request a zoning change to expand the parking lot. Peri Manns, Senior Project Manager stated the issue was the small size of the property. He added it would limit the amount of parking available for vehicles.

Public Safety

Commissioner Reckhow asked if a discussion took place with the school district to see if they had land available for use. Mr. Gibson responded he was not aware of any discussions. Commissioner Reckhow stated before we purchase land, could the County check with other partners such as Durham Technical Community College (DTCC). Commissioner Jacobs also suggested speaking with the City to see if they had land available. Mr. Gibson stated he would check; he added that finding land would not be the issue, the issue was the structures already on the land.

School Board Conversation

Commissioner Reckhow stated when the plan was completed in 2013, there was a drop in elementary school enrollment. She added despite the drop and a small increase, it was assumed a triple increase would occur for the upcoming year. Commissioner Reckhow continued to say 16,272 students were predicted in 2013-2014 and it was never achieved. Commissioner Reckhow added that the County could compromise on a new school if there was student growth to support it.

Wendell Davis, County Manager stated \$110 million dollars was requested and \$90 million dollars was the recommendation, he asked for the Board’s suggestions on the dollar amount. Commissioner Reckhow stated if the new elementary school (estimated to cost \$21 million dollars) was removed and W.G. Pearson was added, it would reduce the dollar amount to around \$91-\$93 million dollars. She continued to say the new elementary school and other essential projects could come back with a bond referendum.

Chairman Page asked if the school system was not in support of the Boards suggestion, could they get the money elsewhere. County Manager responded they would have until 2019 to expend the funds.

Commissioner Jacobs stated that Northern High School was a priority and so were the improvements to W. G. Pearson.

County Manager Davis suggested the Board stick with the \$90 million dollars recommended, remove the elementary school, suggest DPS use \$51 million dollars to rebuild Northern and the other portion be used towards W. G. Pearson. He stated he would have a conversation with the School Superintendent about the Board's recommendations.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Monica Toomer". The signature is written in black ink and is positioned below the text "Respectfully Submitted,".

Monica W. Toomer
Deputy Clerk to the Board