

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

Monday, October 7, 2019

9:00 A.M. Worksession

MINUTES

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

Present: Chair Wendy Jacobs, Vice Chair James Hill and Commissioners Heidi Carter,
Brenda Howerton and Ellen Reckhow

Presider: Chair Wendy Jacobs

Citizen Comments

The Board of County Commissioners provided a 30-minute comment period to allow Durham County citizens an opportunity to speak. Citizens were requested to refrain from addressing issues related to personnel matters.

Elois Johnson spoke to the Board regarding the lack of high-quality healthcare at the Lincoln Community Health Center (LCHC). She described how the lack of supplies affected her dental treatment, their ability to test a culture, and diagnose her even though they billed Medicare for the culture test.

Ms. Johnson's agreed to have her phone number given to Commissioner Reckhow, Commissioner representative on the LCHC Board.

Betsy Stikeleather, chair of the 2020 bond committee for the Durham School of the Arts Parent Teacher Student Association, asked that the Board continue to support their efforts towards the 2020 bond. She highlighted the following issues and confirmed this information was shared with the Durham Public Schools Board of Education:

- The air conditioning unit in the Academy Building has failed each week since school started on August 26, 2019.
- Accessibility was limited in multiple ways in the Academy Building: the second floor was accessible via stairs only, there was no ramp nor railing to the auditorium entrance, and the sidewalk in front of the building was very uneven with many cracks in the pavement.

John Tarantino performed a cover of Train's "Drops of Jupiter" in memory of Omega Curtis Parker, former Durham Public Schools Board of Education member.

Consent Agenda

The Board was requested to review the following Consent Agenda items for the March Regular Session meetings.

19-0458 Contract Amendment for Evaluation Services with University of North Carolina at Chapel Hill

Directive: Gudrun Parmer, Criminal Justice Resource Center Director, to research the information provided during NACo's 84th Annual Conference & Exposition held in Clark County, Nevada on July 12-15, 2019 pertaining to best practices for handling issues of mental health and discharging detainees from jail with a "warm hand-off."

19-0470 Budget Ordinance Amendment No. 20BCC000016 - Budget Changes Related to Board of County Commissioner Policy on Capital Finance Program Dedicated Revenues, Transferring \$699,974 of General Fund Fund Balance to the Capital Financing Fund

Directive: David Ades to add an additional paragraph providing historical context in the AAF of this item.

19-0489 Approval of FY19-20 \$50,000 Contract for Reach Out and Read

Drew Cummings, Chief of Staff, discussed how would the small funding gap would be dealt with by Reach Out and Read of the Carolinas.

19-0490 Approval of Contract for DPS Central Kitchen Feasibility Study

Mr. Cummings believed the study had already began and confirmed the County had commitments from the other three partners.

Directive: Staff to ensure it was made as clear as possible that the County had commitments from the other three partners.

19-0492 Approval of the 2020 Board of County Commissioners' Meeting Schedule

Directive: Monica Toomer, Clerk to the Board, to make the following edits to the 2020 Board of County Commissioners' meeting schedule:

- Change the March Work Session on Monday, March 2, 2020.
- End the June 2, 2020 Budget Work Session at 2:30 p.m. (30 minutes earlier than suggested) and add 30 minutes to a different Budget Work Session.
- Ensure the June 22, 2020 meeting for elected and appointed officials evaluations started early enough to accommodate all evaluations.

There were no comments made for the items below:

19-0436 FY2018-2019 Encumbrance Rollover - Budget Ordinance Amendment No. 20BCC000015

19-0442 Capital Project Amendment No. 20CPA000004 - Appropriate \$750,000 of Collection System Rehabilitation Fund Fund Balance and Transfer to the Collection System Rehabilitation Capital Project (SE051) for a Total Project Budget of \$3,094,705.67

19-0445 Stormwater Utility Planning and Implementation Consultant Contract Amendment

19-0452 Approval to increase contractor hourly rate to reflect current job responsibilities

19-0453 The Board is requested to approve an amendment of \$30,000 to an existing contract with Wicresoft vendor to include reporting, analysis and user training

19-0456 Capital Project Amendment No. 20CPA000005 - Appropriating \$84,000 of Public School Building Capital Fund Lottery Funds for a Durham Public School's (DPS) Capital Project

19-0459 Approval to use current Operating Funds for annual Microsoft Premier Support Agreement additional support hours payment of \$155,066

19-0462 Capital Project Amendment No. 20CPA000006 - Reallocating \$4,500 from the Wastewater Treatment Land Purchase Capital Project (SE052) to Stirrup Iron Creek Capital Project (SE056)

19-0472 Contract amendment to increase The Select Group contract amount to \$41,168

19-0482 Capital Project Amendment No. 20CPA000007 - Appropriating \$3,330,530 of Limited Obligation Bonds (LOBS) funding to the New EMS Station #1 Project and reclassing County Contribution Funding in the amount of \$1,081,340.31 to Limited Obligation Bonds (LOBS) for a total LOBS Funding of \$4,411,870.31 and Execution of a Construction Contract with Engineered Construction Company for the New EMS Station #1 Project No. 44103100DC132

19-0491 Budget Ordinance Amendment No.20BCC000018 to Recognize \$2,000 Grant for CJRC Local Reentry Council

19-0494 Award Contract Amendment for Security Access Control and Video Management Systems at Bragtown Library

Discussion Items

19-0457 300 and 500 Block East Main Street Redevelopment - Update and Discussion of Next Steps

The Board was requested to receive an update from staff and the University of North Carolina School of Government's Development Finance Initiative (DFI) on the 300 and 500 Block East Main Street Redevelopment.

A kickoff meeting with the development team, staff, DFI, and outside counsel was held on September 16, 2019. The purpose of this update was to brief the Board on the anticipated next steps, receive input, and update the public on the process.

Peri Manns, Deputy Director of Engineering and Environmental Services, went over the presentation. He noted that staff planned to address the Board's request to have a grocery store included in the development. Sarah Odio, DFI Project Manager, and Mr. Manns addressed the Board's questions.

Directives:

- **Staff to show which redevelopment partners were MWBE firms in the information going out to the community.**
- **Staff to provide the Board with the breakdown of affordable housing units. Not just total numbers, but 30% of the Area Median Income (AMI), 60% of the AMI, and 80% of the AMI.**

- **Staff to provide all the PAC meetings with flyers for the “Meet the Developer” community meeting to be held on November 2, 2019.**

19-0476 Work-Based Learning Updates from the City of Durham Office of Economic and Workforce Development, Made in Durham, and Durham Public Schools

The City, County, Durham Public Schools (DPS), Made in Durham (MID), Durham Technical Community College, Durham Workforce Development Board (DWDB) and other public and private partners were working with and through MID to continue to improve coordination between different parts of Durham’s workforce development system.

The City established the goal of expanding to 600 Durham YouthWork Internship Program (DYIP) internships in Summer 2020 and to 1,000 in Summer 2021. The County played an important role by continuing their direct funding support to:

- The DYIP
- The MID Durham Work-based Learning (WBL) Collaborative that was promoting and identifying additional partnership participation in the program (public and private),
- Durham Public Schools to accelerate the full integration of the 3-2-1 WBL system to all 9th-12th grade students by 2022.

The City actively worked to reach these goals by increasing the capacity of the program to support this scaled effort by reviewing options to outsource administrative functions and partnering with the MID Durham WBL Collaborative, and the DWDB Ambassadors to increase awareness and employer participation.

DPS aligned with these goals by adopting the new 3-2-1 WBL program that would culminate in ensuring all youth participated in a Work Experience—i.e. internship—before graduating.

Paul Grantham, DWDB Chair, discussed the emerging areas of focus in developing the Durham Youth Talent Pipeline as well as the DYIP 2019 highlights. Dr. Julie Pack, Executive Director of DPS Career & Technical Education (CTE), presented the 3-2-1 Work-Based Learning Initiative. Casey Steinbacher, MID Executive Director, discussed the Durham WBL Collaborative.

Andre Pettigrew, Office of Economic and Workforce Development Director, addressed the Board’s concerns regarding the level of disconnectedness of the youth being served. He stated the NextGen program targeted youth aged between 16-24 who were justice-involved and not enrolled in school. Ms. Steinbacher acknowledged the equity lens used by MID in the projects they participated in.

Dr. Pack, Ms. Steinbacher, and Mr. Grantham discussed efforts made to help the youth interns develop soft skills and the participation of employers in the WBL collaborative. For the 3-2-1 WBL Initiative, Dr. Pack discussed what it would require to fully accommodate all DPS students in internships. Ms. Steinbacher confirmed the landscape analysis included aggregating all the existing work and learning opportunities in Durham. Commissioner Reckhow encouraged them to consider that many students were already connected to WBL somehow through nonprofits.

The Board advocated for starting the WBL awareness in middle school as opposed to high school. It would benefit students to know which classes and/or certifications were necessary to get to their chosen career.

Staff was encouraged to include parental involvement as a part of the WBL Initiative. Chair Jacobs felt every high school student should have the experience of visiting at least one employer site.

The Board was asked to direct any further questions to Mr. Cummings.

Directives:

- **Andre Pettigrew to provide the Board with more information and data for the NextGen program regarding the number of youths who participated, their job placements, and the training they received.**
- **Dr. Julie Pack to provide the Board with information regarding systems documents for the 3-2-1 WBL Initiative.**
- **Casey Steinbacher to provide the Board with information regarding corporate engagement in the WBL Initiative.**
- **Casey Steinbacher to connect with new North Carolina Association of County Commissioners (NCACC) President and Governor Roy Cooper.**
- **Drew Cummings to compile the Board's questions and send them to Dr. Pack, Ms. Steinbacher, and Mr. Grantham.**

19-0485 Update on the Minority and Women Business Enterprise (MWBE) Program

The Board received an update on the operation of the County's Minority and Women Business Enterprise (MWBE) Program.

On November 28, 2016, the Board of County Commissioners adopted a new MWBE Ordinance. The MWBE Program was also included in the County's Managing for Results (MFR) approach as a best practice management model used to improve efficiencies and effectiveness to address some of the County's social and economic challenges. The County partnered with The Institute to assist with increasing the utilization of diverse business enterprises through resources, programs, policies and events.

Commissioner Howerton left the meeting at 10:47 a.m. to attend the memorial service for Omega Curtis Parker.

Angela Perry, Interim Procurement Manager, confirmed the next disparity study would be performed in 2020. Farad Ali, The Institute CEO, provided the Board with an overview of the County's 2019 MWBE Program End of Year Report.

Keisha Davis, MWBE Coordinator, discussed the work being done within the County to increase the County's use of MWBEs in a sustainable way.

Directives:

- **Staff to provide the Board with information regarding how the usage numbers compared to the County's target numbers. The data should include a breakdown according to construction, procurement, and the categories the County targets.**
- **Staff to provide the Board with information regarding how many MWBE Certified companies there were under different categories and how many were from Durham.**
- **Staff to provide the Board with information regarding whether the category of "women" was only white women or women of color too.**

19-0478 Discussion of a Proposal for Development of a Durham Early Childhood Action Plan

Durham County and the community worked together to strengthen early childhood systems. The County's investment in Universal Pre-K was unusual in the level of funding committed, the system-wide level of coordination, and the system-wide focus on high quality. The work launched from the State of Durham's Young Children report was significant, especially around issues of childhood trauma. The County was also investing in a new position focused on early childhood systems coordination.

The State of North Carolina completed its Early Childhood Action Plan (ECAP) in early 2019 and provided a helpful template of action areas and common metrics that local governments could use to create their own ECAP. The State was interested in local governments creating their own ECAP due to the belief that local focus on these same areas helped strengthen early childhood work across the state. Staff also believed that having an ECAP for Durham County provided clarity in the pursuit of national grants and funding to help with implementation of early childhood initiatives.

The East Durham Children's Initiative (EDCI) created a high-functioning pipeline of community partners serving young children in East Durham. In recent years, they expressed interest in leading community-wide efforts to deepen and improve the early childhood service continuum. EDCI and County staff discussed this possibility which would result in a Durham ECAP.

The ECAP would include prioritized service changes and enhancements across the early childhood continuum. EDCI was excited about this possibility, especially since their organization would become the Durham Children's Initiative during the upcoming year.

Staff were supportive of the proposal for a three-year process led by EDCI to create a Durham County ECAP. If the Board was in favor of providing financial support for this project, staff would return to the Board with a firmer project proposal and a 2.5-year budget proposal.

Staff believed the timing was right to launch this effort due to the hiring of an early childhood systems coordinator, the \$4 million SAMHSA grant, the County's invitation to apply for a Pritzker Foundation grant, the County's growing Pre-K investments, and the possible launching of Boston Basics later in the year. The opportunity and need to understand and coordinate all these related efforts were critical—the County did not have the internal capacity to do so while EDCI had both the energy and capacity.

Mr. Cummings intended on returning with a detailed draft scope of work (which would include timelines, etc.) and draft contract (with an appropriate funding structure) sometime before the Monday, December 2nd Work Session.

The Board was in support of the proposal as it contributed to the cradle-to-career model. The Board felt it was good for Durham to be the first to implement a local ECAP.

Directive: Staff to add “child welfare reform” to the list on the PowerPoint slide titled “Why Should EDCI Lead this Effort.”

Meeting Recess

The Board recessed the meeting at 11:35 a.m.

Reconvene from Recess

The Board reconvened the meeting at 1:45 p.m.

19-0444 Stormwater Utility Planning and Implementation Update

Ryan D. Eaves, PE, Stormwater and Erosion Control Division Manager, provided the Board with an update on the development of a County Stormwater Utility. In FY2018, the Stormwater and Erosion Control Division contracted WK Dickson to complete a stormwater utility feasibility study. This study included an overview of the history of the Falls Lake and Jordan Lake nutrient management rules, an assessment of the current legislative climate, and an analysis of the projected cost estimates to meet the requirements of the rules. The cost estimate analysis included a forecast of the costs as well as a timeline of how funding may be spent over time. The results of Phase I of this study were presented to Commissioners in one-on-one meetings in February 2018.

County staff and officials from the North Carolina Department of Environmental Quality worked together to refine the County’s nutrient loading targets for Falls Lake and with the Jordan Lake One Water Association to better understand the requirements in that watershed. Over the next twenty-plus years, the County would be required to complete certain activities to comply with the Falls and Jordan Lake Rules at significant cost. In April, the Board of Commissioners approved a contract with WK Dickson for Phase II of the utility project including planning and implementation.

The consultant team gathered information including cost estimates, impervious surface data, rules compliance updates, level of service evaluations, and more for its financial model in order to develop preliminary rate structures. County staff provided additional input through meetings with involved County Departments, and the one-on-one discussions with Commissioners in September.

Following this update, County staff and its consultant team scheduled and hosted public information sessions to educate property owners and citizens on the Falls and Jordan Rules requirements, the necessity of a County Stormwater Utility, anticipated costs, and expected outcomes. These sessions provided an opportunity for questions and feedback that could be used to further refine the Utility.

Keith Readling, Raftelis Executive Vice President, discussed the draft rate structure: a flat rate residential rate structure. It was based on impervious area only and all single-family residential properties would be charged a single flat rate for one unit of Equivalent Residential Unit (ERU), which would be about 5,000 square feet of impervious area in Durham’s case. All non-single-family residential properties would be measured and charged based on the number of ERUs on the property.

Commissioner Reckhow believed flattening the rates would help reduce the “price sticker” shock to residents.

The Board was concerned about equity, preferred a tiered plan rather than a flat rate residential rate structure, and were favorable to giving credits to residents who left a certain amount of their lot natural/wooded. They wanted to be sensitive to the farms, churches, low-income residents, and schools. Chair Jacobs stated offering credits could encourage owners to have better land management practices in the future.

Mr. Readling informed the Board that the creation of an adjustable rate required measuring residential lots, which would cost around \$100,000.

Mr. Eaves described the outreach efforts and methods staff planned to employ to gain keyholder and public input.

The Board and Mr. Readling discussed whether adjustable rates would apply to land covers (based on quality) or percent impervious area. Commissioner Reckhow suggested calculating a ratio of impervious and pervious area by determining an average impervious area percentage on a typical lot size. Extrapolating instances in which residents were preserving more natural, pervious area could provide a way to give them “brownie points” for having a lower ratio of impervious area.

Directives:

- **Staff to provide the Board with several options for adjustable rates for the Stormwater Utility.**
- **Staff to provide the Board with information regarding how other counties dealt with adjustable rates for different uses.**

19-0460 DSS Main Street - Kickoff Discussion

General Manager Jay Gibson discussed the history of the Department of Social Services (DSS) building located on 220 East Main Street and the key issues with the building—those issues were noncompliance with the Fire and Life Safety Codes, ADA issues, bathroom counts/locations, asbestos, and shared utilities. He provided the following staff recommendations:

1. The Board to authorize the County Manager to negotiate a contract for DSS program support with the University of North Carolina at Chapel Hill School of Government via the Development Finance Initiative (DFI), with a final contract ready for presentation in Jan/Feb 2020 with a projected timeline of 12-18 months from Board-approval of the final contract.
2. The Board to begin consideration and determination of key Guiding Principles for use by DFI and staff in evaluating proposals and potential uses, disposal, and partnerships.

Staff believed this approach would allow for community engagement and input which, coupled with robust financial analytics, would be used to provide well-founded recommendations to the Board to determine a path forward.

Chair Jacobs proposed this discussion be continued during the Board's retreat.

Staff was encouraged to consider putting together a team with a representative from the City-County Planning Department and other appropriate departments to lead a process before contracting with DFI. Mr. Gibson discussed how staff came to choose the recommendation based on DFI's demonstrated interest and capabilities as well as the County staff's overstretched work load at the time.

Directive: The Board to consider the issues and email Jay Gibson their thoughts. Mr. Gibson to use the responses to guide the structure of the agenda for the Board retreat.

19-0486 2019 Resolution Amending Economic Development Policy

Economic Development Policy revisions being considered were intended to further effectuate the County goals as informed by the County's Strategic Plan, the best practice of our North Carolina peers and work within Federal and State legal parameters all while maintaining our economic competitive and comparative advantage. Over the course of the last 18 months, the Board received several presentations and engagements to help shape and inform what a revised policy might look like and include the following:

1. Review of Current Policy - Board Feedback and Revision Goals (Spring Retreat, 2018)
2. School of Government Presentation - ED Fundamentals and Legal Parameters (June Work Session, 2018)
3. Policy Benchmarking of NC Peers - Identify Strategies to Revise Policy (Fall Retreat, 2018)
4. Policy Revision Phase I - Contract Strengthening, Criteria & Threshold Refinement (June Work Session, 2019)

Policy revisions were presented at the June Work Session. Feedback from the Work Session was incorporated into the working draft. Staff sought additional input before potentially adding the policy to the first Regular Session in September for adoption. Additionally, integrating proposed policy strategies into recent project considerations helped further refine the policy document.

Andrew Miracle, Economic Development Officer, clarified that the new policy increased the threshold for existing (expanding) companies seeking an incentive.

Discussion was held regarding the possibility of linking the WBL Collaborative with the Economic Development Policy via internships.

The Board believed that section 12 (p 5) should read "Agreement summaries will be shared with the Board of County Commissioners for their ~~review~~ approval prior to the execution of the Agreement" as it would allow them to ensure the contract included what companies had already agreed to. Mr. Gibson and Miracle discussed whether this would change the process and, subsequently, the Economic Development policy in terms of adding a renegotiation after the Public Hearing.

Commissioners expressed concerns regarding the possibility of the Board forgetting discussions/agreements held in Closed Session due to long hiatuses in the process.

In terms of the process, the Board suggested creating a memo to specify any commitments a company made that were important elements which needed to be followed up on and included in the contract. This memo would be provided to the Board and added to the item of the public hearing of the respective company. Mr. Miracle noted he included a list in the agenda item text of the commitments a company agreed to for all 2019 incentives.

The Board agreed to have staff add the Economic Development Policy to the consent agenda for the Monday, October 14th Regular Session once the requested edits and additions to the policy were made (noted in the directives below).

Mr. Gibson announced that the Economic Development website soft launch would be later this year.

Directives:

- **Andy Miracle to make the following edits to the Economic Development Policy:**
 - **“a company fails to make” and “a developer closes the facility” on bullet number 14 (p 6).**
 - **“Durham County’s Criminal Justice Resource Center” in section B (p 3).**
 - **Add a reference to the required time period to section 8(i) (p 4).**
- **Andy Miracle to add to the Economic Development Policy that the factors in section 6 (a, b, and c) would be shared at the public hearing. Specifically, the agenda item text would have language similar to “they’ve committed as part of their Base Factors/Company Policies and Project Attributes/Workforce Partnership Engagement Plan to do the following:”**

19-0475 Approval of Interlocal Agreement with the City of Durham for Additional Funding for the Whitted Project and Approval of Budget Ordinance Amendment No. 20BCC000017 to Appropriate Fund Balance in the Amount of \$1,301,000 and Recognize the Funding Source of \$681,000 in the Debt Service Fund and the Transfer of \$1,982,000 from the Debt Service Fund to the Pay As You Go (PAYGO) Fund and Approval of the Capital Project Amendment No. 20CPA000008 Increasing the Whitted Project by the Additional Funding of \$1,982,000 with the Funding Source of a Transfer In

The Board was requested to review the proposed interlocal, suspend the rules, and approve the interlocal so it could be operative by the October 15th final closing for the Whitted School project.

Integral LLC, the developer in charge of the redevelopment of the Whitted School, experienced significant cost overruns without properly informing the County or other stakeholders in the project. Though both the affordable housing and Pre-K classrooms in the facility were functioning properly since 2017, the construction liens on the property prevented the project from reaching “final endorsement” with HUD. City and County staff negotiated with Integral to ensure the smallest possible City and County contributions necessary to affect removal of the liens and prevent either the holder of the construction liens (CT Wilson) or HUD from

foreclosing on the project—this would have likely resulted in the loss of all the affordable housing or a much higher price for preserving that affordable housing necessitated by a purchase at foreclosure auction.

The final contributions from the City and County to this project were \$681,000 from the City and \$1,301,000 from the County. An associated budget amendment and capital project amendment were included in this item.

Upon some inquiry, Mr. Cummings clarified that the total amount of \$1,982,000 needed to flow through the County as an additional equity contribution to the project, so this interlocal was being approved to allow for the City funds to flow to and through Durham County.

19-0474 Review of BOCC Directives

Board directives from previous meetings and staff follow-up were reviewed.

Chair Jacobs informed Mr. Cummings that she was awaiting a response from Patrick Young, City-County Planning Department Director, regarding the next steps for expanding housing choice.

Closed Session

The Board was requested to adjourn into Closed Session to:

1. Discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations pursuant to G.S. 143-318.11(a)(4); and
2. Consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to G.S 143-318.11(a)(3).

Commissioner Reckhow moved, seconded by Vice Chair Hill, to go into Closed Session

The motion carried unanimously.

Reconvene from Closed Session

The Chair announced that the Board adjourned from Closed Session and direction was given to staff.

Adjournment

Commissioner Reckhow moved, seconded by Commissioner Howerton, to adjourn the meeting.

The motion carried unanimously.

The meeting adjourned at 4:06 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tania De Los Santos", with a long horizontal flourish extending to the right.

Tania De Los Santos
Administrative Assistant