

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

Tuesday, March 24, 2009  
“Conversations with Commissioners”  
7:00 P.M.

**MINUTES**

Place: White Rock Missionary Baptist Church Fellowship Hall, 3400 Fayetteville Street, Durham, NC 27707

Present: Chairman Michael D. Page, Vice-Chairman Ellen W. Reckhow, and Commissioners Becky M. Heron, Brenda A. Howerton, and Joe Bowser

Absent: None

Staff: County Manager Michael Ruffin; Deputy County Managers Wendell Davis and Carolyn Titus; Assistant County Managers Deborah Craig-Ray and Drew Cummings; Assistant to the County Manager Laura Jensen; County Attorney Chuck Kitchen; Finance Director George Quick; Public Information Specialist Dawn Dudley; Director of Budget and Management Services Pam Meyer; Senior Budget Analyst Keith Lane; Budget Analysts Kevin Ethridge and Minora Sharpe; Public Health Director Gayle Harris; Director of Nursing Sue Guphill; Library Director Skip Auld; and Clerk to the Board Vonda Sessoms

Presider: Chairman Page

**Welcome**

Chairman Page welcomed citizens and staff to “Conversations with Commissioners”, a community meeting to allow citizens the opportunity to give input on the FY 2009-2010 County Budget. He thanked the citizens for their attendance and thanked White Rock Baptist Church and Pastor Stephens for providing space for the meeting. Chairman Page called on County Manager Mike Ruffin for introductions.

**Introductions**

County Manager Ruffin introduced the County Commissioners, County staff, and three Library Board members. He announced that Budget Director Pam Meyer would provide a summary of preliminary budget projections for FY 2009-10.

**Durham County Current Budget/Financial Overview**

Budget Director Pam Meyer gave the following presentation:

DURHAM COUNTY FY 2009-2010 BUDGET FORECAST

Revenue Assumptions

- 3 - 4% property tax growth over last few fiscal years
- FY 2009-10 estimated 2% property value growth from FY 2008-09
- Prior years taxes have been declining due to continued high collection rates; FY 2009-10 will see a decline of (\$500,000)
- New tax money anticipated for FY 2009-10 - \$3.4 million
- FY 2009-10 preliminary sales tax estimates (\$5.8m) lower
- Register of Deeds fee revenue at 35% of budget through January; estimating (\$2.0m) decrease next year
- Declining Interest Income (\$1.3m) - 40% decrease
- Loss of one-time revenues and reduction of fund balance appropriation (\$10.8m)
- Overall estimated decrease in revenue of (\$16.5m) for FY 2009-10

Expenditure Assumptions

- Assumptions include no operational increases for County departments or outside agencies
- (\$7.43m) expenditure savings from loss of Medicaid match (offset by increases in other required matches)
- (\$1.37m) one-time reductions from base operating budgets
- \$1.87m expenditure increase for Mental Health
- \$6.59m expenditure increase for annualized salary cost, performance increases, and 2.9% increase for health benefits (employees & retirees)
- Overall estimated decrease in base expenditures (\$340,000)

CURRENT ESTIMATED DEFICIT FOR FY 2009-10 = \$16 MILLION

<i>Revenue</i>	<b>Net Change From FY 2008-09 Budget</b>
Property Tax	\$3,900,000
Prior Year Property Tax	(\$500,000)
Sales Tax	(\$5,800,000)
Register of Deeds Fees	(\$2,000,000)
Investment Revenue	(\$1,300,000)
One Time Revenue & Fund Balance	(\$10,800,000)
<b><i>Total Revenue Decrease</i></b>	<b>(\$16,500,000)</b>
<i>Expenditures</i>	<b>Net Change From FY 2008-09 Budget</b>
DSS (Medicaid & Other)	(\$7,430,000)
Base Operating Budgets	(\$1,370,000)
Mental Health	\$1,870,000
Salary & Benefits	\$6,590,000
<b><i>Total Expenditure Savings</i></b>	<b>(\$340,000)</b>

<i><b>Total Estimated Deficit</b></i>	<i><b>\$16,160,000</b></i>
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#### FY 2009-10 POTENTIAL BUDGET IMPACTS

- Opening of South Regional and Southwest Libraries in spring 2009
- Jail Health contract costs anticipated to increase - \$400,000+
- Changes at the State level could impact local revenues
- Reducing operational expenditures will likely produce higher spending averages
- Continued decline in economy may result in lower over-collected revenues (resulting in less revenue to offset fund balance appropriated)

Ms. Meyer concluded her presentation by stating that the County Manager has requested that each department decrease its FY 2009-10 Budget by 10 percent; however, this is just a recommendation. The County Commissioners will ultimately decide the priorities.

Ms. Meyer announced that the County Manager would present his recommended budget at the Tuesday, May 26 Regular Session of the Board; the public hearing for the budget would be held at the Monday, June 9 Regular Session; budget adoption is scheduled for the Monday, June 26 Regular Session.

#### **Budget Conversations**

Chairman Page requested input from the citizens. The citizens, their comments, and staff's comments follow:

Chris Tiffany expressed concerns regarding funding cuts in the Public Health Department, particularly concerning the community nursing program. He stated that elimination of the program would result in higher long-term costs.

Public Health Director Gayle Harris stated that the Health Department budget is approximately \$23 million annually, with the County providing about \$17 to \$18 million; therefore, she must present a budget request with a \$1,860,000 reduction. The community nursing staff (Neighborhood Nurse Services) is a very small portion of the budget. She will request that it be eliminated because, although it is a valuable service, it is not essential or mandated. To keep all the staff employed, she will recommend transferring the community nursing staff to disaster readiness and the Lincoln Community Health Center pregnancy clinic where the pregnancy rate has recently increased by 17 percent. The budget cuts are recommended; the Commissioners will make the final decisions.

James Chavis Jr. spoke about the reduction in property taxes for the homes on Parrish Street.

Thelma White stated that she was opposed to the Jordan Lake survey and to the fact that most of the Raleigh-Durham Airport taxes go to Wake County. She voiced concern that no new traffic lights had been installed and no road widening had taken place at the entrances to Hillside High and Pearson Elementary Schools.

Pat Worley was against the Health Department eliminating the community health nurse. She stated the many benefits of the nurse to the community, especially in providing prenatal care.

Joanne Nelson also opposed the elimination of the community health nurse position. She spoke about how the nurse has helped the grandmothers' support group who are raising their grandchildren.

Jennifer Naylor, representing Independent Animal Rescue Inc. of Durham, offered support for waiving animal license fees.

Donald Barringer, President, Durham Association of Educators, requested that the Commissioners avoid cutting the Durham Public Schools budget too deeply; the funding should not drop 10 percent below the funding for FY 2006-07 in order for the Schools to be eligible for the \$14 million in federal stimulus funds. Mr. Barringer also requested that the Commissioners provide funding for the Schools' staff at the current level.

Lorraine Williams, also with the grandmothers' support group, cited the reasons that the community health nurse is needed. She stated that a nurse is someone the citizens in the community can trust.

David Krabbe stated that new developments cost taxpayers more money in the long run. He asked if the number of jobs in Durham County is increasing.

Chris Green stated that he was a proponent of the Jordan Lake survey. "The County's principle objective should be that Jordan Lake's water be as clean as possible."

Emily James stated her support of the community nurse position. She commented that the nurse has provided imperative information about issues such as heart attacks, AIDS, and diabetes.

Helen Featherson supported alternative sentencing services which offer options that may keep low-level felons out of prison.

Vice-Chairman Reckhow informed Ms. Featherson that the continuation of the service is not included in the governor's proposed budget; however, the General Assembly will be reviewing the budget. Vice-Chairman Reckhow recommended that Ms. Featherson communicate with members of the General Assembly to voice her support for the alternative sentencing services.

Commissioner Heron asked Mr. Featherson why she felt that felons should have alternative punishment.

Ms. Featherson responded that "felons deserve a second chance".

Vice-Chairman Reckhow explained that the alternative punishment may be in addition to time served. It does not always involve loosening the punishment but understanding the situations of offenders and applying the appropriate punishment.

Wanda Wilkins asked for information about financing for the new Human Services Complex.

Finance Director George Quick gave an overview of the financing plan for the Health and Human Services Complex (\$117,835,000). The financing plan is expected to cover a period of forty-eight months. The plan will include public offerings of a fixed rate and a variable rate. The fixed rate will be for a term of 22 years. The first two years will be interest only, with repayment to be in equal principal payments over the remaining 20 years. Staff expects that the rate will be in the 4% range. The variable rate will be for a term not to exceed 25 years, with repayment to begin at the completion of the project (4 to 5 years). Interest only will be paid during the first five years. Staff expects that the interest rate will average in the 3% range during this period. At the completion of the project, the variable rate will be converted to a fixed rate and termed out.

Al Roberts requested that the Commissioners take a long, hard look at the Library budget and continue funding at the current level.

Kindra Presley referenced the new Human Services Complex and the new Justice Center. She had questions regarding the image of Downtown Durham and about types of developments that are planned in the downtown area. She also asked about the bus pass program for employees and the increase in funding for the program.

Chairman Page responded that the downtown area is growing and Durham is being revitalized. The new Human Services Complex will put energy and money into downtown. He expressed a desire to build a downtown that the citizens can be proud of. The new trend is to build communities in downtown areas. Chairman Page stated that the bus pass program would meet some of the transit needs of Durham County employees and would also address sustainability issues.

Vice-Chairman Reckhow added that the County provides free parking for employees. The bus passes will eliminate some of the future parking needs and save County dollars (for parking decks, etc.) In addition, the bus passes are a part of the Durham Greenhouse Gas Emissions Inventory and Local Action Plan implementation. Vice-Chairman Reckhow informed Ms. Presley that the program is to begin on April 1; therefore, no data exists concerning the program. The annual cost is \$20,000, and the amount has not increased.

Vivian McCoy had questions regarding the old Public Health building.

County Manager Mike Ruffin informed her that the building was sold about 18 months ago to a gentleman in California for \$325,000. The plans for the building are to remodel it for office space and a restaurant.

Vice-Chairman Reckhow interjected that she has seen signs of work beginning at the site.

Ms. McCoy strongly urged that the building be inspected by the code inspector; it contains asbestos.

James Chavis Jr. stated his concerns about mold in the building.

County Manager Ruffin stated that the City provides the code inspectors. The removal of asbestos requires a remediation plan and is regulated by State law and policed by the City of Durham.

Marcia Owen, Outreach Coordinator, Religious Coalition for a Nonviolent Durham, stated that the Criminal Justice Resource Center is a great asset to the County. The Coalition collaborates with the Center to work with released inmates to help them reenter society.

Kathryn Spann, Soil and Water Conservation District representative on the Farmland Protection Advisory Board, supported the preservation of farmland. She supported the Jordan Lake survey, stating that the Lake should be preserved for those who bought land and built homes under the current zoning.

### **Closing Remarks**

Chairman Page thanked the citizens for sharing their concerns and ensured them that the Commissioners will be sensitive to the issues expressed at tonight's meeting.

Commissioner Heron also thanked the citizens and stated that the Commissioners do not plan to raise taxes this year. Answers must be found as to how to meet the needs in the communities to keep the citizens "healthy and happy." She mentioned that the budget cuts will adversely affect the senior citizens, because they have fewer resources. Commissioner Heron complimented the County Manager and staff for the work done so far on "the toughest budget ever".

Commissioner Bowser echoed the remarks of Commissioner Heron, emphasizing that a balanced budget must be presented prior to July 1 and must address the \$16 million deficit. The Commissioners would be mindful of the comments made at tonight's meeting. He expressed interest in preserving the community nursing position.

Commissioner Heron spoke about the challenge in getting Durham's Legislative Delegation to consent to other sources of county revenue in addition to property and sales taxes. She mentioned that the foods tax failed on the November ballot and requested that citizens support additional sources of revenue in the future.

Commissioner Bowser presented his reasons for his opposition to the meals tax, stating that the tax is "regressive".

Commissioner Howerton thanked the citizens for sharing their concerns. As a member of the Public Health Board, she stated that the board does not wish to cut any programs that will negatively affect the citizens.

Vice-Chairman Reckhow added her thanks to the citizens. She stated that the Commissioners listened carefully and appreciated hearing about valuable programs. They will attempt to work with the budget in a way that will minimize the impact on citizens and retain valued programs.

### **Adjournment**

Chairman Page adjourned the meeting by again thanking White Rock Baptist Church for providing a meeting room.

There being no further business, the meeting adjourned at 8:05 p.m.

Respectfully submitted,

Vonda Sessoms, CMC  
Clerk to the Board