

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

Thursday, March 12, 2009

7:00 P.M. Regular Session

MINUTES

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

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

Absent: None

Presider: Chairman Page

Opening of Regular Session—Pledge of Allegiance

Agenda Adjustments

County Manager Mike Ruffin informed the Board that staff requested to defer until the March 23 Regular Session Consent Agenda Item No. c, Durham Cooperative Extension—Memorandum of Understanding between the Board of County Commissioners (BOCC), North Carolina Cooperative Extension Service (NCCES), North Carolina State University (NCSU), North Carolina Cooperative Extension Program (NCCEP), and North Carolina A&T State University (NCA&T); and Consent Agenda Item No. h, Budget Ordinance Amendment No. 09BCC000055 and Contract Amendment—Urban Ministries of Durham.

Chairman Page suggested moving Item No. 8, Public Hearing—Zoning Map Change—New Middle School—Treyburn (Z0800034), prior to Item No. 7, Public Comment—2010-2019 Capital Improvement Program (CIP), due to citizens' requests to speak on Item No. 8.

The Board consented to the agenda adjustments.

Announcement

Chairman Page announced that another “Conversations with Commissioners” would be held on Tuesday, March 24, from 7:00 to 9:00 p.m. in the Fellowship Hall at White Rock Missionary Baptist Church, 3400 Fayetteville Street.

Commissioner Heron communicated that she would not be able to attend “Conversations with Commissioners” on March 24 due to a meeting schedule conflict.

State of the County Address

Chairman Page asked the Commissioners to be seated in the first row of the meeting room.

Chairman Page delivered the County's Annual State of the County Address chronicling the accomplishments of County Government in 2008 as follows:

“Good evening, fellow Commissioners, County Manager Ruffin, Durham County staff, special guests, my fellow citizens, those who are in the chambers, and those who may be watching us on television or on the internet. I have the distinct honor of presenting my first annual State of Durham County Address. I am humbled to stand before you today, having been selected by my fellow commissioners to Chair our Board just this past December 1. I appreciate the confidence you have placed in me to lead this Board and our community forward.

Before I begin my brief remarks, I would be remiss if I didn't acknowledge the outstanding leadership of my predecessor Ellen W. Reckhow, who ably presided over this body as chairman for the past six years. Thank you, Ellen, for your great leadership and know that we are a greater community because of your tireless efforts.

To my fellow Board members, Commissioner Reckhow, Commissioner Bowser, Commissioner Heron, and Commissioner Howerton, our citizens have elected us to work on their behalf. I am confident that we will forge a productive and positive working relationship and mutually pursue policies that are in the best interest of our entire community. Thank you in advance for your efforts and willingness to work with me to service the citizens of Durham.

State of the County Address Summary

I plan to take just a few moments this evening reflecting on our remarkable achievements over the past year. It is also critical that you hear some of the unprecedented challenges that face us in our current economic climate and how our new Board will address County priorities going forward.

As this community has seen in the past, Durham County continues to be well managed financially and our employees are creative and productive. Permit me to touch on a few significant achievements.

Financial Vitality

Our Durham County Tax Office had another banner year in terms of collections and increased customer service opportunities. Durham County achieved a record setting tax collection rate of 98.87%, giving us the second highest collections rate among the state's 10 largest counties.

The Tax office also made significant upgrades in the area of customer service by adding a new Tax Kiosk at Northgate Mall that accepts cash, credit, and debit payments. This kiosk, the first of its kind in North Carolina, offers residents a convenient method to pay taxes and renew motor vehicle registration. A second kiosk is also located downstairs in the Tax Office.

Earlier in 2008, just before the economic downturn, Durham County helped to facilitate a \$300 million expansion of the Merck Pharmaceutical plant in northern Durham

County, as well as a new \$363 million IBM Data Services facility. Our Board approved \$750,000 in economic incentives for the data center. In the fall, Greenfire Development received the support of our Board for a public/private partnership to support a parking facility to go near the planned Justice Center to help spur downtown development.

As our County builds and expands, I am grateful for organizations like the Chamber of Commerce, Durham Technical Community College, and the Workforce Development Board that have made it possible for jobs and businesses to come to the Durham area. The Brownfields Initiative is one of many examples that have opened up job opportunities for our citizens. It is my hope that the stimulus package, signed by President Barack Obama, will yield funding that will provide greater job opportunities in this area.

Health and Human Services

To develop further the area of Health and Human Services for Durham's citizens, Durham County invested many resources and started new programs during 2008 to enhance health and safety in our community. We authorized funding of Project Access, a joint initiative with Duke Health Systems, the Durham Orange Medical Society, and Durham County to help uninsured Lincoln Community Health Center patients access much needed specialty care free of charge.

With the support of the Board of County Commissioners' initial investment of \$488,594, Project Access was launched this past July to help uninsured Lincoln Community Health Center patients gain access to specialty care. A broad network of specialty physicians, including cardiologists, oncologists, along with pharmacists and other health providers, volunteer their time to see patients in need of their services. The good news is that this program is working very well, and low-income, uninsured patients are getting help with managing debilitating chronic diseases.

The Durham Center opened a new, state-of-the-art, 16-bed healthcare facility in July to provide effective, community based treatment and services for our citizens in crisis. The Durham Center Access facility, located at 309 Crutchfield Street near Durham Regional Hospital, helps residents experiencing a mental health, developmental disability, or substance abuse crisis gain access to services to help achieve stabilization, ongoing treatment, and support. Patients with an emergency can take advantage of the walk-in crisis emergency unit available 24 hours a day.

Our Durham County Department of Social Services (DSS) received a Ketner Award for the Guardianship Assistance Program by the North Carolina Association of County Commissioners and a Best Practice Award from the NC Association of County Directors of Social Services for the same program.

Capital Improvement Projects

Several major bond projects for Durham Public Schools were completed during the period. The \$8.3 million renovation of Fayetteville Street School was completed with funds from the 2003 bond vote. It includes a new media center, art room, a computer and music room, and extensive classroom changes.

Lowes Grove Middle School received \$10 million in extensive renovations including new ceilings, solid wall room dividers, major athletic field upgrades, and other site improvements.

The historic Durham School of the Arts received a \$6 million upgrade including a new classroom structure to house two grade levels formerly located in the old Carr building, along with a beautiful, new, common area that connects the existing lobby of the Weaver Auditorium and the media center.

The new Spring Valley Elementary School was opened in January to relieve overcrowding at the Oak Grove Elementary School. The school features a natural wooded setting and the structure is LEED certified in keeping with our sustainability goals in Durham County.

Our Library system continued its planned expansion. The Southwest Branch closed for renovations and will be reopened as an expanded, full service library with 25,000 sq ft. A groundbreaking was held in November for the new South Regional Library which is located diagonally across from Lowe's Grove Middle School.

Progress continues on many other previously approved projects around the county.

Sustainability

Durham County's first energy fair was held for employees and the public featuring displays from local businesses and organizations on how energy can be used. Durham's Sustainability Manager continues to make real progress in implementing initiatives to support our comprehensive plan and to reduce greenhouse gas.

In another initiative, over 1,700 compact florescent light bulbs (CFLs) were distributed to both City and County employees as part of our Energy Pledge drive to help increase awareness of energy reduction beyond the workplace.

Durham County Commissioners also approved increased funding for employee bus passes to help encourage the use of mass transit, in keeping with the Sustainability Plan.

As part of a regional collaborative, Durham County purchased the Hollow Rock access area—a 41-acre tract—from Duke University. More than 105 acres of permanent open space has been protected as part of this project located in Durham and Orange Counties. Other partners include the City of Durham, Town of Chapel Hill, Triangle Land Conservancy, Erwin Area Neighborhood Group, and the Clean Water Management Trust fund.

Finally, in October 2008, County Commissioners adopted a High Performance Building Policy to mandate that new County buildings be constructed to meet LEED (Leadership in Energy and Environmental Design) certifications.

Thank you to Durham County Employees

While these accomplishments are impressive, I must give credit where credit is due. Durham County employees are to be congratulated for their professionalism, skills, and

dedication to ensuring the success of programs and services that meet the needs of our residents.

In these tight times, I recognize the critical role our employees play in bringing together the pieces of our government's puzzle. Thank you to our very own Durham County Deputy Sheriffs Leon Wright and Jacob Cash. Earlier this year, the two Deputy Sheriffs helped to save the life of a suicidal man who was distraught over his mother being placed in an assisted living home. By gaining the man's trust, they were able to persuade him to lower the gun, at which point Deputy Sheriff Wright was able to remove the gun. Additionally, Deputy Sheriffs Wright and Cash have been given credit for securing the scene for EMS and Durham Police officers who also were responders to the scene. Thank you, Deputy Sheriff Wright. Thank you, Deputy Sheriff Cash.

I am also thankful for employees like Eddie Culberson, Director of Durham Soil and Water Conservation District. He is another one of our many employees who has exhibited outstanding work and significant contributions to our community. In January 2009, Eddie was named Outstanding Employee of the Year by the North Carolina Association of Soil and Water. Eddie's overall promotion of soil and water conservation in North Carolina causes him to stand out among others in his field. Thank you, Eddie, for what you do for our community and environment.

Last, but not least, I wish to mention great employees like those on our Budget staff. Their commitment to budget excellence allowed them to secure the Distinguished Budget Presentation Award from the Government Finance Officers Association for the fifth consecutive year. This award reflects our budget employees' possession of the highest principles of governmental budgeting.

I am so grateful to our entire employee family for their daily engagement, development of award winning initiatives, and for their energy and enthusiasm in helping our local government to be a leader across this state. To all of our remarkable Durham County employees, I say "thank you" for what you do on behalf of this organization. Your expertise helps our organization to operate effectively and efficiently.

Economic Downturn Impacts Durham County Government

As we all know, all levels of government are going through unprecedented economic difficulty as a result of our nation's financial setback. The news is filled with headlines of "decreased revenues" or "growing unemployment" and other terms that were rarely heard just 12 months ago. While I would love to stand here and announce that Durham County has not been impacted by this news, that is simply not the case.

Certainly our community has weathered past downturns because of our strong mix of resilient businesses, but we must acknowledge that our economic engine has stalled. We know that President Obama and Congress are trying to jump start the national economy, and we indeed are hopeful that those efforts will have a positive impact. But even the rosier projections look for little improvement over at least the next two years.

In these uncertain times, we will work collaboratively with elected leaders at the federal and state level to ensure that we are taking advantage of funding opportunities for the

programs that we are responsible for providing to this community. As the stimulus package is being rolled out, we have already identified programs that may be funded and have assigned a senior administrator the task of coordinating our response to the federal stimulus package so that indeed the right hand knows what the left hand is doing.

County Manager Michael Ruffin, along with his senior managers and department heads, have already begun the work to adjust our current budget and to prepare our upcoming budget in light of an ever-changing financial landscape. I have every confidence that they will do their best to recommend to us a responsible spending package that serves the needs of this community and maintains priorities of this Board.

Just a few weeks ago, our new Board of Commissioners met in a daylong session to begin to draw out our priorities in the face of current economic conditions.

Mission of Durham County Government

I will tell you that our Board remains dedicated to the core mission and responsibilities of Durham County Government—to enhance the quality of life for its citizens by providing education, safety and security, health and human services, economic development, and cultural and recreational resources. As we worked together to set a course of priorities for this new group of Commissioners, several common goals emerged:

- We must and will continue to provide quality services while maintaining fiscal responsibility.
- We will maintain a focus on our youth by making investments in quality education, school improvements, and programs that prepare them for success.
- We will maintain a focus on economic development by helping recover lost jobs, support job training, and pursue relevant partnerships. We will help reduce the poverty rate by promoting financial literacy and home ownership.
- Finally, we will take all steps possible to avoid a tax increase in the next fiscal year.

While we have not concluded all of our work on this Board's priorities, I look forward to our continued dialogue as we work on behalf of our citizens. Over the next few months, you will hear more about our efforts to finalize our goals.

It is my hope that next year during the presentation of the annual State of the County Address, the Board will be able to reflect on how we survived this economic challenge and celebrate a steady recovery filled with a new prosperity.

I have great faith in Durham County Government and its capabilities. It is essential for our Board, employees, and citizens to remain connected. Since my chairmanship, I have met with and will continue to work with neighborhood leaders, various community organizations, and volunteer associations to maintain open lines of communication. One of the best things we have going on in our community is a wonderful group of organizations engaged in a broad range of community services. Day in and day out, a network of citizens work as partners to Durham County Government, providing services

to our youth, our unemployed, our senior citizens, our financially challenged citizens, our homeless citizens, and those in need of health care. These groups collaborate with Durham County Government to broaden services provided throughout the community.

Commissioners Community Circle Award

This evening, I would like to announce a new initiative designed to recognize the work of these organizations. This initiative, the Commissioners Community Circle Award, will highlight community groups and County departments that are going above and beyond to promote positive achievements in our community. The Commissioners Community Circle Award is based on a simple nomination process. At the beginning of Durham County Regular Sessions, we will highlight the work of a specified group and present their leadership with this award.

With this new initiative, one of our goals is to encourage our citizens to participate on boards, commissions, and committees that will enhance the overall well being of our community. This initiative will showcase programs that are working well in our community and hopefully encourage others to get involved.

Conclusion

As I conclude, I call upon all citizens to share their ideas with us as we manage this fiscal crisis. If I know anything, it is that no one group has all the answers. Durham County is a community that values diversity of thought and collaboration. It will take the energies of all of us working together to move forward in this environment.

At the end of the day, we must work together to bring the best strategies to bear as we prepare to reshape our government to respond to these economic challenges which are unlike any we have seen for years. I will pledge to you that we will be transparent in our deliberations during these times. It is more important than ever that we are prudent with our County financial resources.

Like other governments, we will go through a transition, but I have every confidence that we will emerge a stronger Durham County Government.

Thank you for your time this evening.”

Minutes

Commissioner Heron moved, seconded by Commissioner Howerton, to approve as submitted the February 9, 2009 Regular Session and March 3, 2009 “Conversations with Commissioners” Meeting Minutes of the Board.

The motion carried unanimously.

Consent Agenda

Commissioner Bowser moved, seconded by Vice-Chairman Reckhow, to approve the following consent agenda items:

- a. Amendment of Contract with Tax Management Associates Inc. (amend the contract to include Department Outsourcing and Discovery Services; the contract amount is not to exceed \$75,000);
- c. Deferred until March 23
- d. Durham Public Schools—Approve the Acquisition of Real Property for Hamlin Road Central Services Facility;
- e. Approval of the Cultural Master Plan project funding proposals for new projects;
- f. Durham Public Schools—Utility Easements—Creekside and Mangum Elementary (approve the two Right-of-Way Agreements and authorize the Manager to execute the agreements);
- g. Durham Public Schools Design Contract for Club Boulevard Elementary School Renovation (approve that the Board exempt itself from the requirements N.C.G.S. Chapter 143 Article 3D for the architectural/engineering services of BJAC, P.A. for work at Club Boulevard Elementary School; approve the Design Consultant contract with BJAC, P.A. for design work related to the renovation of the school in an amount not to exceed \$317,499; and authorize the Manager to execute the contracts); and
- h. Deferred until March 23.

The motion carried unanimously.

Consent Agenda Items Removed for Discussion

Consent Agenda Item No. b. Approve the Grant Application from the Criminal Justice Resource Center to the NC Department of Correction, Division of Community Corrections, for Criminal Justice Partnership Program Funds (this is a recurring grant application and approval process the County participates in each year).

Dr. E. Lavonia Allison, representing Durham Citizens for the Affairs of Black People, PO Box 428, Durham 27707, signed up to speak on this item.

Gudrun Parmer, Director, Criminal Justice Resource Center, addressed questions posed by Dr. Allison. Ms. Parmer explained that the application for continuation of implementation funding is submitted online, and CJRC does not have the option to make changes. A follow-up report on the CJPP grant is presented to the Criminal Justice Partnership Advisory Board and then presented to the State the following year. Ms. Parmer agreed to forward a copy of the report to Dr. Allison.

Consent Agenda Item No. i. Durham Public Schools Gym Addition at Lakeview School (that the Board exempt itself from the requirements N.C.G.S. Chapter 143 Article 3D for the design services of FANNING/HOWEY Associates for work at Lakeview School; approve the Design Consultant contract with FANNING/HOWEY Associates for design work at

Lakeview School in an amount not to exceed \$154,950; and authorize the County Manager to execute the contract).

Dr. E. Lavonia Allison, representing Durham Citizens for the Affairs of Black People, PO Box 428, Durham 27707, signed up to speak on this item. She cautioned the Board not to invest money in a school that has a poor graduation rate.

Vice-Chairman Reckhow mentioned that the Board no longer receives current data from Durham Public Schools (DPS). She asked the County Manager to review the most recent Memorandum of Understanding (MOU) with DPS, request all of the reports for the past year mentioned in the agreement, and consider reactivating the MOU.

County Manager Ruffin agreed to honor Vice-Chairman Reckhow's request and offered to forward the most recent copy of the MOU to the Board.

Commissioner Heron noted that the MOU also calls for periodic meetings with DPS, which have not been occurring.

Chairman Page stated that to his knowledge, the Board had agreed to suspend those meetings with DPS for a brief period.

Vice-Chairman Reckhow responded in the affirmative; however, she explained that the Board and DPS agreed to meet twice a year.

County Manager Ruffin stated that he would also copy the Board on his communication with DPS.

Chairman Page requested that a joint meeting with DPS be scheduled prior to an upcoming regular session.

Commissioner Howerton inquired about Board liaisons with DPS.

Vice-Chairman Reckhow responded that she is the liaison; she and the County Commission chair meet monthly with DPS leaders.

Commissioner Howerton inquired about the lack of a joint BOCC-DPS committee.

Chairman Page explained that prior to Commissioner Howerton joining the Board of County Commissioners, the Board meet regularly with DPS.

Commissioner Howerton expressed concern that information from the DPS meetings with the Board chair and vice chair is not shared with the other Commissioners.

Chairman Page asked Vice-Chairman Reckhow to report back to the Board after the monthly DPS meetings.

Commissioner Bowser asked Hugh Osteen, Assistant Superintendent of Operational Services, DPS, to address an issue raised by Dr. Allison regarding the closing of schools with low academic performance.

Mr. Osteen replied that he is unaware of such circumstances, but he would relay Commissioner Bowser's concern to the DPS Superintendent.

Commissioner Bowser expressed concern with funding a school that could potentially be closed due to low performance. He articulated that he would vote against this request, since he did not receive an answer to his question.

Vice-Chairman Reckhow suggested deferring action on this item until the Board receives a response to the question raised by Commissioner Bowser.

Chairman Page echoed Vice-Chairman Reckhow's suggestion.

Commissioner Heron remarked that students who attend Lakeview are "special" and some may have been court-ordered to attend. She asked Gudrun Parmer, Director, Criminal Justice Resource Center, to provide additional comments.

Ms. Parmer stated that she is not qualified to give insight on Lakeview School, as she had not been closely affiliated with the school in several years.

Vice-Chairman Reckhow added that the Criminal Justice Partnership Program was removed from Lakeview several years prior.

Mr. Osteen commented that a one-cycle delay would not impose any problems.

The Board consented to defer Consent Agenda Item No. i until the March 23 Regular Session.

Vice-Chairman Reckhow moved, seconded by Commissioner Heron, to approve Consent Agenda Item No. b.

The motion carried unanimously.

Public Hearing—Zoning Map Change—New Middle School—Treyburn (Z0800034)

Steven L. Medlin, AICP, City-County Planning Director, requested on behalf of the Planning staff that the Board continue the public hearing for a zoning map change for approximately 117 acres of a 150.25-acre site located north of Snow Hill Road, west of Vintage Hill Parkway (the remaining area is in the City's jurisdiction). Request: PDR 2.240; F/J-B (partial) and M/LR-A (partial) to RR; F/J-B (partial) and M/LR-A (partial). He stated that a proprietor had requested a one-cycle continuance to allow ongoing issues between the applicant and adjacent property owners to be resolved; Planning staff agreed with the request.

Vice-Chairman Reckhow asked if Planning and Transportation staffs are involved in the negotiations between the applicant and adjacent property owners.

Mr. Medlin responded in the negative; however, he stated staff's intention to meet with both parties to ascertain what the concerns are and to report back to the Board in two weeks.

Vice-Chairman Reckhow noted that the zoning map change request is not accompanied by a site plan. She asked what would be provided to solidify committed items, as well as grant comfort to citizens.

Mr. Medlin stated that the request would require a minor special use permit, a site plan approval, and, ultimately, a major transportation special use permit, which would require coming back before the Board for the site plan approval and the major special use permit associated with the Transit Impact Analysis (TIA). Citizens would be notified of the items to be presented to the Board and would be given the opportunity to address any outstanding issues.

Vice-Chairman Reckhow encouraged parties involved to submit a letter to the Board, indicating the agreements between the applicant and the property owners.

Commissioner Heron asked if the deed would be attached to the development plan.

Mr. Medlin reiterated that a development plan is not associated with the zoning request.

Chairman Page opened the public hearing that was properly advertised. He called the following signed speakers forward for comments:

Jim Slaughter, 816 Snowhill Road, Durham 27712, briefly noted changes to access points, which were discussed during a meeting with the applicant and property owners.

Dr. E. Lavonia Allison, representing Durham Citizens for the Affairs of Black People, PO Box 428, Durham 27707, expressed concern with school capacity.

Commissioner Heron moved, seconded by Commissioner Bowser, to continue the public hearing until the March 23 Regular Session.

The motion carried unanimously.

Public Comment—2010-2019 Capital Improvement Program (CIP)

County Manager Mike Ruffin stated that the Board of County Commissioners completed its review of proposed revisions to the ten-year capital improvement program for Durham County; \$789.6 million in projects were proposed. Based on the revised plan, one referendum will be held in November 2010 for \$174.1 million to fund projects for Durham Public Schools, the Main Library, Open Space and Farmland Protection, and the North Carolina Museum of Life and Science.

County Manager Ruffin briefly highlighted the following presentation:

Durham County
2010-2019
Revised Recommended Capital Improvement Program (CIP)

Original Recommendation vs. Revised Recommendation

Original	\$1,093,558,051
Revised	\$ 789,625,855
Difference	\$ 303,932,196

What Questions/Concerns Were Raised

- County Storage Facility
- Detention Center Annex
- NC Museum of Life and Science Projects
- Durham Public Schools Projects
- Open Space & Farmland Acquisition
- Revenue from Property Sales
- Financial concerns related to 10-year recommended CIP

How have we responded?

- County Storage Facility:
 - Alternative sites are being investigated.
 - Project has dropped from \$5.8 million to \$3.1 million.
- Detention Center Annex:
 - Now looking at remote site away from downtown.
 - Project estimate has dropped from \$154.2 million to \$75.2 million in first ten years. Potential of an additional \$25 million in FY 2020.
- NC Museum of Life and Science:
 - Projects are now renovations to existing facilities only.
 - Project estimates have dropped from \$20.4 million to \$13.8 million.
 - (4 projects in all)
- Durham Public Schools:
 - Moved 2015 Bond Referendum out beyond Fiscal Year 2019.
 - This lowers DPS CIP amount by \$245 million over the next 10 years.
- Open Space & Farmland Acquisition:
 - Increased 2011 Bond Referendum to \$20 million, an increase of \$10 million.
- Lowe's Grove Property:
 - Proceeds from sale of property, \$1.8 million, added to Capital Finance Plan as revenue.
- Carmichael Building:
 - Estimated proceeds from sale of property, \$6.3 million, added to Capital Finance Plan as revenue.
- Financial Information:
 - Changes to the Recommended CIP have improved per capita debt calculations.
 - Durham County compares closer to AAA-rated peer counties.

2011 Bond Referendum

Durham Public Schools	\$132,308,364
Main Library Renovations	\$ 14,751,126
Open Space & Farmland Acquisition	\$ 20,000,000
NCMLS Deferred Maintenance, Renovations, & Refurbishments	\$ 5,666,967
NCMLS Exhibit & Classroom Refurbishment	\$ 1,443,478
<i>Total</i>	<i>\$174,169,935</i>

Capital Finance Model (2010-2014)

Description	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Current Debt Service Payments	\$41,307,850	\$38,748,768	\$36,395,928	\$35,224,796	\$32,410,853
Total New Debt	\$9,270,052	\$16,278,240	\$26,584,162	\$35,580,673	\$40,933,526
Total County Contribution	\$3,940,000	\$3,800,000	\$2,050,000	\$2,355,000	\$8,308,297
Total Current/New Debt & County Contrb.	\$54,517,703	\$58,827,008	\$65,030,090	\$73,160,469	\$81,652,676
Total Reductions	\$3,005,042	\$2,961,242	\$2,194,778	\$2,156,814	\$2,111,115
Net General Fund (CFP) Debt Obligations	\$51,512,661	\$55,865,765	\$62,835,313	\$71,003,655	\$79,541,562
Revenues					
1/2 cent Sales 1	\$8,549,451	\$8,805,935	\$9,202,202	\$9,616,301	\$10,049,034
1/2 cent Sales 2	\$10,598,383	\$10,914,254	\$11,405,395	\$11,918,638	\$12,454,978
Occupancy Taxes	\$2,467,296	\$2,516,642	\$2,617,307	\$2,721,999	\$2,830,879
Occupancy Taxes (dedicated for NCMLS debt)	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000
Interest Earned	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Capital Fund (125) Fund Balance Appropriated	\$1,500,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000
American Tobacco South Parking Deck	\$391,257	\$382,745	\$387,550	\$392,218	\$423,929
Carmichael Lease (CF)	\$502,061	\$492,204	\$481,885	\$471,081	\$459,769
Debt Service & Bond Funds Interest Earned	\$2,100,000	\$1,000,000	\$500,000	\$250,000	\$250,000
Reserved County Contribution (Property Sales)	\$1,800,000	\$0	\$0	\$0	\$6,300,000
Community Health Trust Fund Contribution	\$6,200,000	\$0	\$0	\$3,800,000	\$0
Fund 103 Swap Savings	\$550,000	\$150,000	\$150,000	\$150,000	\$150,000
New Justice Center Parking Deck Revenue	\$0	\$0	\$0	\$1,213,980	\$1,213,980
Lottery Funds	\$2,700,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
PSBF Funds	\$0	\$1,000,000	\$1,500,000	\$2,000,000	\$2,000,000
Debt Service Fund Fund Balance Appropriated	\$100,000	\$25,000	\$25,000	\$25,000	\$25,000
Net Revenue Available for Debt Payment	\$37,76,427	\$28,936,779	\$29,919,339	\$36,709,217	\$40,307,569
Additional Revenue Requested - Property Tax	\$13,936,234	\$26,928,986	\$32,915,974	\$34,294,439	\$39,233,993
1 CENT Value	\$2,862,429	\$2,948,302	\$3,036,751	\$3,127,853	\$3,518,835
Total Cents Dedicated to Capital Financing	4.87	9.13	10.84	10.96	11.15

Capital Finance Model (2015-2019)

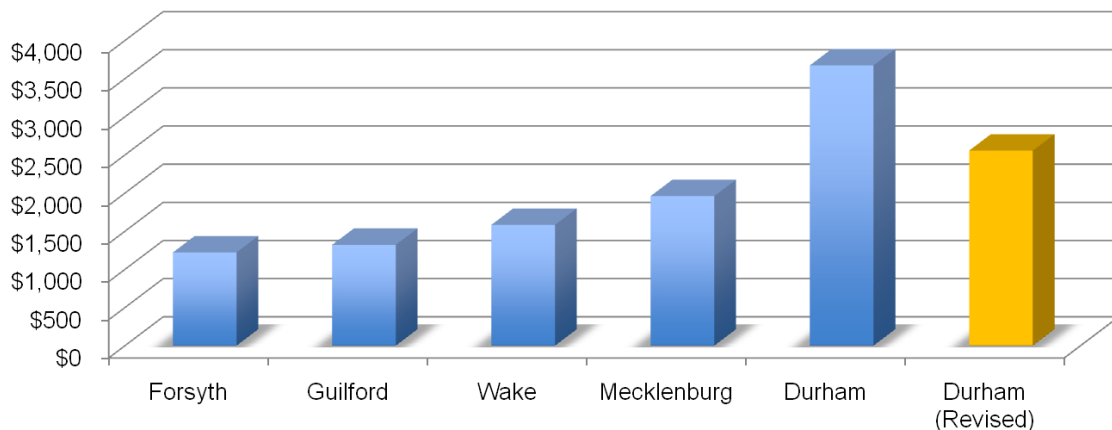
Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Current Debt Service Payments	\$28,149,578	\$26,498,234	\$25,028,379	\$24,162,917	\$22,437,921
Total New Debt	\$49,751,706	\$54,364,908	\$58,293,716	\$61,000,173	\$60,330,110
Total County Contribution	\$2,083,187	\$3,947,492	\$2,400,000	\$2,400,000	\$2,000,000
Total Current/New Debt & County Contrb.	\$79,984,471	\$84,810,635	\$85,722,096	\$87,563,089	\$84,768,031
Total Reductions	\$2,070,363	\$1,931,772	\$1,346,130	\$1,263,500	\$1,264,250
Net General Fund (CFP) Debt Obligations	\$77,914,108	\$82,878,863	\$84,375,966	\$86,299,589	\$83,503,781
Revenues					
1/2 cent Sales 1	\$10,501,241	\$10,973,797	\$11,467,617	\$11,989,660	\$12,522,925
1/2 cent Sales 2	\$13,015,450	\$13,601,146	\$14,213,197	\$14,852,791	\$15,521,167
Occupancy Taxes	\$2,944,115	\$3,061,879	\$3,184,354	\$3,311,729	\$3,444,198
Occupancy Taxes (dedicated for NCMLS debt)	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Interest Earned	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Capital Fund (125) Fund Balance Appropriated	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
American Tobacco South Parking Deck	\$423,929	\$423,929	\$423,929	\$423,929	\$423,929
Carmichael Lease (GF)	\$447,927	\$0	\$0	\$0	\$0
Debt Service & Bond Funds Interest Earned	\$200,000	\$0	\$0	\$0	\$0
Reserved County Contribution (Property Sales)	\$0	\$0	\$0	\$0	\$0
Community Health Trust Fund Contribution	\$0	\$0	\$0	\$0	\$0
Fund 103 Swap Savings	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
New Justice Center Parking Deck Revenue	\$1,213,980	\$1,213,980	\$1,213,980	\$1,213,980	\$0
Lottery Funds	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
PSBF Funds	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Debt Service Fund Fund Balance Appropriated	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Net Revenue Available for Debt Payment	\$35,096,642	\$35,624,731	\$36,853,078	\$38,136,089	\$38,262,219
Additional Revenue Requested - Property Tax	\$42,817,465	\$47,254,132	\$47,522,887	\$48,163,500	\$45,241,562
1 CENT Value	\$3,624,400	\$3,733,132	\$3,845,126	\$4,325,767	\$4,455,540
Total Cents Dedicated to Capital Financing	11.81	12.66	12.38	11.13	10.15

Capital Finance Model (2010-2011)

Description	FY 2010	FY 2011
Current Debt Service Payments	\$41,307,850	\$38,748,768
Total New Debt	\$9,270,052	\$16,278,240
Total County Contribution	\$3,940,000	\$3,800,000
Total Current/New Debt & County Contrib.	\$54,517,703	\$58,827,008
Total Reductions	\$3,005,042	\$2,961,242
Net General Fund (CFP) Debt Obligations	\$51,512,661	\$55,865,765
Revenues		
1/2 cent Sales 1	\$8,549,451	\$8,805,935
1/2 cent Sales 2	\$10,596,363	\$10,914,254
Occupancy Taxes	\$2,467,296	\$2,516,642
Occupancy Taxes (dedicated for NCMLS debt)	\$20,000	\$50,000
Interest Earned	\$100,000	\$100,000
Capital Fund (125) Fund Balance Appropriated	\$1,500,000	\$500,000
American Tobacco South Parking Deck	\$391,257	\$382,745
Carmichael Lease (GF)	\$502,061	\$492,204
Debt Service & Bond Funds Interest Earned	\$2,100,000	\$1,000,000
Reserved County Contribution (Property Sales)	\$1,800,000	\$0
Community Health Trust Fund Contribution	\$6,200,000	\$0
Fund 103 Swap Savings	\$550,000	\$150,000
Lottery Funds	\$2,700,000	\$3,000,000
PSBF Funds	\$0	\$1,000,000
Debt Service Fund Fund Balance Appropriated	\$100,000	\$25,000
Net Revenue Available for Debt Payment	\$37,76,427	\$28,936,779
Additional Revenue Requested - Property Tax	\$13,936,234	\$26,928,986
1 CENT Value	\$2,862,429	\$2,948,302
Total Cents Dedicated to Capital Financing	4.87	9.13

Per Capita Debt by Category for Ten Year Capital Budget

	Durham	Durham Revised	Forsyth	Guilford	Mecklenburg	Wake
General Government	\$1,711	\$1,458	\$597		\$644	\$655
Education	\$1,961	\$1,097	\$623		\$1,282	\$927
Totals:	\$3,672	\$2,555	\$1,220	\$1,329	\$1,926	\$1582
2019 Population Estimates	309,000	309,000	400,000	530,000	1,170,000	1,200,000



Effect of Changes

“This revised plan goes a long way toward blending the capital needs with future outstanding levels of debt at acceptable and affordable levels. Timing of project start and completion also plays a major role in the levels of funding needed and the adjustments made to the 2010-2019 plan should continue to be studied and amended, as appropriate, for future capital plans. A strategy of bringing more pay-as-you-go sources into the capital plan should be followed as a means to balance properly the combined sources for capital investment. The revised capital plan provides the basis to continue to closely monitor the County's future financial and debt statistics and to remain in line with the sound financial policies of the County.”—Douglas Carter, President and Managing Director

Next Steps

- Finalize the recommended CIP and have public comment
- Add to the March 23, 2009 Regular Session agenda for approval

County Manager Ruffin requested that the 2010-2019 Capital Improvement Program (CIP) be placed on the March 23, 2009 agenda for adoption.

Vice-Chairman Reckhow suggested compiling a more comprehensive CIP document in the future.

Chairman Page opened the public hearing that was properly advertised. As no one signed up to speak, he closed the public hearing and referred the matter back to the Board.

The Board consented to place the 2010-2019 Capital Improvement Program (CIP) on the March 23, 2009 Regular Session agenda.

Public Hearing on Health & Human Services Financing

County Attorney Chuck Kitchen stated that the County is attempting to secure financing for the construction of the Health and Human Services Complex, along with other projects. The financing would be in an amount not to exceed \$117,835,000. This request is for the Board to adopt the final resolution and approve the documents for this transaction.

George K. Quick, Finance Director, added that the Local Government Commission approved on Tuesday, March 3, the health and human services financing; the County has received documentation substantiating the approval.

Vice-Chairman Reckhow moved, seconded by Commissioner Howerton, to adopt the resolution and the authorization to execute the required documents.

Commissioner Heron inquired about the construction start date.

County Manager Ruffin anticipated construction to begin mid to late spring.

The motion carried unanimously.

RESOLUTION APPROVING THE PROPOSED SALE BY DURHAM CAPITAL FINANCING CORPORATION OF CERTIFICATES OF PARTICIPATION IN CERTAIN INSTALLMENT PAYMENTS TO BE MADE BY THE COUNTY OF DURHAM, NORTH CAROLINA AND A PROPOSED INSTALLMENT FINANCING AGREEMENT TO FINANCE A PORTION OF THE COST OF VARIOUS PROJECTS, APPROVING CERTAIN OTHER DOCUMENTS AND ACTIONS RELATING THERETO AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the County of Durham, North Carolina (the "County") has determined to finance a portion of the cost of (a) constructing a Health and Human Services Complex, including the construction of a building to house facilities for the provision of public health services, mental health services and social services, the construction of a related parking lot and the acquisition of any necessary land, furnishings and equipment, (b) clearing land for the construction of a new Justice Center and related facilities, (c) improving, renovating and repairing the Durham Civic Center, including the conversion of an exhibit hall to a ballroom, the construction of improvements to facilitate its use by disabled persons, the construction of partitions in the ballroom, the improvement of the pre-function corridor, the repair of the heating, ventilating and air-conditioning systems and the design of additional improvements, renovations and repairs, (d) renovating the County Stadium, including the replacement of the press box, the construction of improvements to the locker rooms and public restrooms, the installation of a regulation high school track, the installation of artificial field turf and the replacement of stadium seating covers, (e) constructing a new branch library and related parking facilities, (f) expanding and improving the existing Southwest Branch Library to accommodate additional material collections, provide additional or expanded public computing facilities, meeting rooms, quiet rooms and study spaces and facilitate better operations, (g) acquiring and renovating the property known as the Lakewood YMCA to house a YMCA facility and a secondary school, (h) renovating EMS Station #1 to house

additional emergency medical services staff and vehicles and constructing related parking facilities and (i) constructing an addition to Creekside Elementary School, related parking facilities and a related driveway (collectively the “Project”); and

WHEREAS, to effectuate such plan to finance a portion of the cost of the Project, the County and Durham Capital Financing Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina (the “Corporation”), have been negotiating certain financing documents and arranging for the negotiated sale of certificates of participation in certain installment payments to be made by the County pursuant to an Installment Financing Agreement (hereinafter defined) to be entered into by and between the County and the Corporation, pursuant to the authority granted to the County under Section 160A-20 of the General Statutes of North Carolina; and

WHEREAS, the County has determined that it is in the best interests of the County that the County and the Corporation enter into the Installment Financing Agreement to make available to the County funds with which to finance a portion of the cost of the Project; and

WHEREAS, the County and the Corporation have retained underwriters for the purpose of underwriting such certificates of participation; and

WHEREAS, such certificates of participation are expected to be marketed in two series with one series to bear interest at fixed rates and the other series to bear interest initially at a variable rate in the expectation of executing contracts of purchase with respect thereto and delivering such certificates of participation on or about April 15, 2009; and

WHEREAS, in connection with such financing, it is necessary for the County to approve the sale of such certificates of participation by the Corporation and the Installment Financing Agreement, to approve certain other documents and actions relating thereto and to authorize certain actions in connection therewith;

WHEREAS, there have been presented at this meeting copies of the following documents relating to the delivery of such certificates of participation:

(a) a draft of a Contract of Purchase for such certificates of participation bearing interest at fixed rates (the "2009A Contract of Purchase"), between the Corporation and RBC Capital Markets Corporation and the other underwriters named therein (collectively the "2009A Underwriters"), relating to the underwriting by the 2009A Underwriters of the 2009A Certificates (hereinafter defined), which 2009A Contract of Purchase includes a Letter of Representation (the "2009A Letter of Representation") to be executed by the County;

(b) a draft of a Contract of Purchase for such certificates of participation bearing interest initially at a variable rate (the "2009B Contract of Purchase"), between the Corporation and SunTrust Robinson Humphrey, Inc. (the "2009B Underwriter"), relating to the underwriting by the 2009B Underwriter of the 2009B Certificates (hereinafter defined), which 2009B Contract of Purchase includes a Letter of Representation (the "2009B Letter of Representation") to be executed by the County;

(c) a draft of an Installment Financing Agreement (the "Installment Financing Agreement"), between the County and the Corporation, under which the Corporation would make available to the County funds to be derived from the sale of the 2009A Certificates and the 2009B Certificates with which to finance a portion of the cost of the Project and the County would be obligated to make Installment Payments (as defined in the Installment Financing Agreement) and certain other payments, among other requirements;

(d) a draft of a Trust Agreement (the "2009A Trust Agreement"), between First-Citizens Bank & Trust Company, as trustee (the "Trustee"), and the Corporation, under which the Corporation would assign its right to receive the Installment Payments, any

Prepayments (as defined in the Installment Financing Agreement), certain additional payments and certain other rights to the Trustee and the Trustee would make available to the County a portion of the proceeds of not exceeding \$61,850,000 of Certificates of Participation (2009A Durham County) evidencing proportionate undivided interests in the Installment Payments to be made by the County under the Installment Financing Agreement (the “2009A Certificates”) to pay a portion of the cost of the Project;

(e) a draft of a Trust Agreement (the “2009B Trust Agreement”), between First-Citizens Bank & Trust Company, as trustee (the “Trustee”), and the Corporation, under which the Corporation would assign its right to receive the Installment Payments, any Prepayments, certain additional payments and certain other rights to the Trustee and the Trustee would make available to the County a portion of the proceeds of not exceeding \$55,985,000 of Certificates of Participation (2009B Durham County) evidencing proportionate undivided interests in the Installment Payments to be made by the County under the Installment Financing Agreement (the “2009B Certificates”) to pay a portion of the cost of the Project;

(f) a draft of a Deed of Trust (the “Deed of Trust”), from the County to a Deed of Trust trustee for the benefit of the Corporation, by which the County would secure its obligations to the Corporation under the Installment Financing Agreement;

(g) a draft of a Standby Certificate Purchase Agreement (the “Standby Agreement”), among the County, the Trustee and SunTrust Bank, which constitutes a liquidity facility with respect to the 2009B Certificates;

(h) a draft of a Remarketing Agreement (the “Remarketing Agreement”), between the County and SunTrust Robinson Humphrey, Inc., as remarketing agent, which relates to the remarketing of the 2009B Certificates;

(i) a draft of a Preliminary Official Statement relating to the public offering of the 2009A Certificates (the “2009A Preliminary Official Statement”); and

(j) a draft of a Preliminary Official Statement relating to the public offering of the 2009B Certificates (the “2009B Preliminary Official Statement”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County as follows:

Section 1. The Board of Commissioners for the County (the “Board”) hereby approves the sale of the 2009A Certificates and the 2009B Certificates (collectively the “Certificates”) by the Corporation. The Certificates shall mature in such amounts at such times and shall bear interest at such rates as shall be determined by the President of the Corporation or provided in the 2009B Trust Agreement; provided, however, that the aggregate principal amounts of the 2009A Certificates and the 2009B Certificates shall not exceed \$61,850,000 and \$55,985,000, respectively, and the final maturities of the 2009A Certificates and the 2009B Certificates shall not extend beyond 2031 and 2034, respectively.

The Certificates shall be issued in fully registered form in such denominations as set forth in the 2009A Trust Agreement and the 2009B Trust Agreement (collectively the “Trust Agreements”) and payments of principal and interest with respect to the Certificates shall be made by the Trustee to the registered owners of the Certificates at such times and in such manner as is set forth in the Trust Agreements.

Section 2. The Certificates shall be subject to prepayment at the times, upon the terms and conditions, and at the prices set forth in the Trust Agreements.

Section 3. The proceeds of the Certificates shall be applied as provided in the Trust Agreements.

Section 4. The forms, terms and provisions of the Installment Financing Agreement, the Deed of Trust, the 2009A Letter of Representation, the 2009B Letter of Representation, the Standby Agreement and the Remarketing Agreement are hereby approved in all respects and, insofar as they are applicable to the County, the terms and provisions of the Trust Agreements and the information concerning the County in the 2009A Preliminary Official Statement and the 2009B Preliminary Official Statement (collectively the "Preliminary Official Statements") are hereby approved in all respects. The Chairman of the Board, the Vice-Chairman of the Board, the County Manager, the Finance Director of the County, the Clerk to the Board and the County Attorney are hereby authorized and directed to execute and deliver the Installment Financing Agreement, the Deed of Trust, the 2009A Letter of Representation, the 2009B Letter of Representation, the Standby Agreement and the Remarketing Agreement in substantially the forms presented, together with such additions, changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate, including, but not limited to, additions, changes, modifications and deletions necessary to incorporate the final terms of the Certificates as shall be set forth in the 2009A Contract of Purchase and the 2009B Contract of Purchase (collectively the "Contracts of Purchase"), and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Board and the County.

Section 5. The Board hereby approves the award of the 2009A Certificates to the 2009A Underwriters pursuant to the 2009A Contract of Purchase, provided that the effective interest cost shall not exceed 5.50% per annum, and the award of the 2009B Certificates to the 2009B Underwriter, provided that the maximum interest rate as to Liquidity Provider Certificates (as defined in the 2009B Trust Agreement) shall not exceed 22% per annum and as to all other 2009B Certificates shall not exceed 12% per annum.

Section 6. The Board hereby approves the Preliminary Official Statements in substantially the forms presented, together with such additions, changes, modifications and deletions as the Chairman of the Board, the County Manager and the Finance Director of the County, with the advice of counsel, may deem necessary or appropriate, and approves and authorizes the distribution and use of the Preliminary Official Statements by the Corporation, the 2009A Underwriters and the 2009B Underwriter in connection with the public offering of the Certificates. The Board hereby also approves and authorizes the preparation of official statements, in substantially the forms of the Preliminary Official Statements, with such changes as are necessary to reflect the maturities and interest rates of the Certificates and other information required by Rule 15c2-12 of the Securities and Exchange Commission (the "Official Statements"); and the Chairman of the Board, the County Manager and the Finance Director of the County are hereby authorized to execute, on behalf of the County, the Official Statements in substantially such form, together with such additions, changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate. Such execution shall be conclusive evidence of the approval thereof by the Board and the County, and the Board hereby approves and authorizes the distribution and use of copies of the Official Statements by the Corporation, the 2009A Underwriters and the 2009B Underwriter in connection with the public offering of the Certificates.

Section 7. The Board hereby approves, ratifies and confirms the actions of the County Manager, the Finance Director of the County and the County Attorney in connection with this matter and approves and authorizes the distribution and use of copies of the Installment Financing Agreement, the Trust Agreements, the Deed of Trust, the Standby Agreement, the Remarketing Agreement and the Purchase Agreements by the Corporation,

the 2009A Underwriters and the 2009B Underwriter in connection with the public offering of the Certificates.

Section 8. The officers and employees of the County are authorized and directed (without limitation except as may be expressly set forth herein) to take such other actions and to execute and deliver any other documents, certificates, undertakings, agreements or the instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the documents approved hereby.

Section 9. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended, as applicable to the Installment Financing Agreement except to the extent that the County obtains an opinion of bond counsel to the effect that noncompliance would not result in interest with respect to the Certificates being includable in the gross income of the owners of the Certificates for purposes of federal income taxation.

Section 10. This resolution shall take effect immediately upon its passage.

Other Business

Commissioner Bowser recognized Ebony, a senior student from North Carolina Central University (NCCU) who had been shadowing him throughout the day.

Deputy County Manager Wendell Davis recognized Chris Headen, Executive Director of Meals on Wheels, who is enrolled in the Executive Masters in Public Administration program at NCCU. Mr. Headen had been shadowing Mr. Davis for the past few weeks.

Chairman Page welcomed both students to the meeting.

Chairman Page urged the Commissioners to respond to an email from Vonda Sessoms, Clerk to the Board, regarding upcoming budget meeting dates.

Commissioner Heron thanked Vice-Chairman Reckhow for the printed report from the National Association of Counties Legislative Conference in Washington, D.C., which was held March 7-11.

Chairman Page indicated that Commissioners Bowser and Howerton attended the conference as well and would be presenting additional reports.

Commissioner Bowser added that Vice-Chairman Reckhow returned from the conference on Monday; he and Commissioner Howerton returned last night; their reports are forthcoming.

Adjournment

There being no further business, Chairman Page adjourned the meeting at 8:10 p.m.

Respectfully submitted,

Yvonne R. Jones
Deputy Clerk to the Board