

January 5, 1998

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

Monday, January 5, 1998

9:10 A.M. Worksession

MINUTES

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

Present: Chairman MaryAnn E. Black and Commissioners William V. Bell, Joe W. Bowser, and Ellen W. Reckhow

Absent: Commissioner Becky M. Heron (excused)

Presider: Chairman Black

Update on Finances and Operations of the Alcoholic Beverage Control Board

Mr. Randy Mills, who has served as Durham County's ABC General Manager since September of this year, provided a brief status report to the Board of County Commissioners. Mr. Mills discussed the summary financial report and his view of the system's operations for the first five months of this fiscal year. Mr. Mills was prepared to answer any questions concerning the system.

Chairman Black requested that Commissioner Bell present an update on the finances and operations of the Alcoholic Beverage Control Board.

The three ABC Board members were introduced and invited to make comments following Mr. Mills' presentation.

Mr. Mills' remarks follow:

Profitability

Overall, the system is experiencing a solid pattern of profitable operations. For the first five months of the fiscal year (ended November 30, 1997), profits were greater than budgeted although sales were less than projected. Based on the annual budget and general statute requirements, the final distribution of profit for 1997 is expected to be at least \$360,000 to the County's general fund and \$40,000 to the City.

January 5, 1998

Except for some possible opportunities through more efficient staff utilization, not a great deal more may be done with major controllable expenses. The two newest stores, #12 on Guess Road and #14 on Farrington Road, are continuing to improve as to the increased volume levels needed and are doing much better than projected. These stores have higher fixed facility costs to overcome—mainly lease payments and depreciation on new equipment and leasehold improvements. Store #10 on Highway 55 and store #11 on Chapel Hill Boulevard, which were relocated and expanded, also have higher facility costs including payments for property taxes.

Compliance With General Statute Rules for Revenue Distribution

The ABC Board has been reviewing the laws to make sure that it complies with requirements as per the general statutes. The essential area of focus is the requirement for a quarterly distribution of a minimum amount to the County and City which is based solely on sales. ABC business is seasonal and, in quarters with lower sales volume, profits are often insufficient to meet the minimum distribution amounts as defined in the statutes. In addition, operation of a law enforcement division and outlays for alcoholism education also reduce the amount of profit available for general fund distribution. However, local governmental bodies have statutory authority to alter general fund distribution requirements and accept amounts less than the statute-defined minimum. Adoption of procedures in Durham County, to moderate profit distribution for feasibility and timing reasons, would simply formalize what is already being done. To make sure the ABC Board stays in full legal compliance, it must meet with the County Manager and County Attorney to determine how this might be accomplished. The matter has been reviewed with the General Counsel for the State ABC Commission who has agreed to assist in working out a process.

Inventory Management

Since early September, a primary focus has been on inventory levels and controls. Store and warehouse staffs have been required to pay a high degree of attention to detail in carrying out receiving and shipping functions and monthly stock counts. The results have been outstanding as evidenced by very low monthly variances in inventory counts for October through December. As a portion of ending inventory, monthly variances have been in the range of one-hundredth to three-hundredths of 1 percent (\$10-\$30 per \$100,000 of inventory).

Facility Repair and Maintenance Needs

Several of the 13 facilities have various problems requiring immediate attention. Evaluations conducted by the Durham County General Services Department confirmed that minimal and inadequate attention has been devoted to facility upkeep. This is especially true for the ABC Board's owned properties. The Board is now in discussion with Michael Palmer, Deputy County Manager, and Mike Turner, Director of General

January 5, 1998

Services, about how best to meet immediate and future needs from an operational and budgetary standpoint.

E. Peabody Lease and Sales Agreements

The Word of Deliverance Church of God In Christ is leasing the property from January 1998 to December 1998 and has executed an agreement to purchase at the end of the lease period.

The Commissioners asked several questions throughout the presentation to which Mr. Mills responded.

The Commissioners asked County Manager Thompson and County Attorney Kitchen to meet with Mr. Mills to discuss quarterly revenue distribution and to make sure that the distribution complies with North Carolina General Statutes.

The Commissioners also requested that County Attorney Kitchen review the store leases to determine if the leases are up to date.

Chairman Black expressed concern about increasing the number of ABC stores. Establishing new stores in the community should be seriously considered.

Halfway House Operation

Commissioner Joe Bowser requested time on the agenda for Mr. Burnie Bass to discuss the operation of the halfway house.

Burnie Bass, Executive Director, Durham Community Home of Recovery and Program Director for Thelma Y. Bass House, discussed the halfway house and program located at the Bass House.

The Thelma Y. Bass House is a North Carolina-licensed, six-bed facility for adult females with a history of substance abuse. Since the house opened in 1995, 17 women have completed the program and only one has relapsed.

In November 1997, the Board of Directors discussed and decided to approach the County of Durham concerning funds (\$60,000) to operate through June 1998.

Commissioner Bowser asked Mr. Bass to discuss the history of problems at the facility and to share how the problems were corrected.

Mr. Bass responded that the problems were related to an employee of the Bass House charged with drug trafficking and subsequently released from employment.

January 5, 1998

Commissioner Bowser asked several questions about the finances and operations of the halfway house.

Vice-Chairman Reckhow said a detailed budget should be provided the Commissioners before entertaining a financial request. The best time to make a budget request is during the budget process. This request should be reviewed by the Mental Health Department and the Commissioners under the direction of the Area Mental Health Board.

Commissioner Bell concurred with Vice-Chairman Reckhow's remarks. He also commented, "I think we should try to do all we can to continue the program with every support we can offer."

Chairman Black discussed the program and requested the accreditation process continue. She asked that the County Manager and staff examine the program and provide a report to the Commissioners. Chairman Black wanted to know how much money the County puts into substance abuse programs and how many programs the Board is supporting. A budget and financial information are needed to support the program beyond June 30, 1998.

Dr. Ashby, Area Mental Health Director, spoke about the program and financial request.

Commissioner Bell asked Dr. Ashby to report to the Commissioners the role of his department relative to the program.

No official action was taken on this agenda item.

Set Public Hearing to Approve Durham County's Work First Plan

Staff requested that the Board of County Commissioners set a public hearing for the January 12, 1998 Regular Session to receive public comment and to approve the County's Work First Plan.

Every county is required by North Carolina law to prepare a Work First Plan for the next two years. After preparing a draft of the plan, each county must allow for public comment. The law does not specify how to receive public comment and allows each county to determine its own process. To date, the Work First Planning Committee, appointed by the Board on October 13, 1997, invited Work First participants and various religious, civic, and non-profit organizations to discuss the most pressing needs of the population to be served and to review and assist the Department of Social Services (DSS) in developing a plan to respond to those needs. In addition, the Durham Housing Authority has held community forums for the Fayetteville Street, Few Gardens, and Cornwallis housing communities to discuss needs and to review the plan. The Housing Authority has other community forums scheduled in the upcoming weeks. The DSS Board also held a public hearing on December 18, 1997 to receive public comment on the

January 5, 1998

plan. The planning committee was scheduled to meet on January 6, 1998 to provide comments on the remaining sections which are incomplete in the draft.

David Powell, County Manager's Office, and Arnold Dennis, Department of Social Services, was available to answer questions.

The Commissioners asked several questions to which Mr. Powell and Mr. Dennis responded.

Chairman Black requested that Durham County's program with the Chamber of Commerce be included in the "innovative county strategies" of the Work First Plan.

Chairman Black stated the Commissioners must discuss the status of the Planning Committee and whether to extend its existence. Meetings are already being held to discuss centralizing emergency assistance.

No official action was taken on this agenda item.

School Generation Rates

On August 4, 1997, Planning staff presented a report to the Board of County Commissioners regarding the number of school children generated by new residential construction. While the overall report was well received by the Commissioners, staff was asked to reexamine the generation rates for multi-family projects.

The table of multipliers presented to and approved by the Commissioners at the August 4 Worksession has been revised to reflect the results of the more recent data analysis of multi-family development. By comparison, the generation rates remain comparable to Orange County and Chapel Hill-Carrboro models, and fall between the upper and lower limits of the models developed by the University of North Carolina and the Census Bureau.

County Manager's Recommendation: Recommend that the Board of County Commissioners approve the use of the revised data, "SCHOOL CHILDREN GENERATED PER DWELLING BY HOUSING TYPE AND COST" for planning purposes.

Dwight Yarborough, Planning Department, said staff reexamined the generation rates for multi-family projects. He explained the processes that were used and the results.

Vice-Chairman Reckhow requested that staff move this agenda item forward to the January 12, 1998 Regular Session.

Presentation on the Zoning Ordinance, Rezonings, Site Plans, and Subdivisions

January 5, 1998

The County Commissioners regularly receive a large number of development-related agenda items that they are required to evaluate and act on. The information received and processes followed on these items are established by requirements of the Durham Zoning Ordinance and by past requests of elected officials. A review of Ordinance provisions, the review process, and staff report format would be helpful in having a common understanding about the underlying basis for the issues and reports that end up in Board agenda packets.

Members of the City-County Planning Department made this presentation and responded to questions. Bonnie Estes reviewed the Zoning Ordinance, Sheila Stains-Ramp reviewed rezoning reports and procedures, and Steve Medlin reviewed reports and procedures for site plans and subdivisions.

Paul Norby, City-County Planning Director, made introductory remarks. Staff would also demonstrate relevant portions of the Planning Department's WEB site.

Ms. Estes started the presentation with a review of the Zoning and Subdivision Ordinances and explained how they link into the WEB site.

Ms. Stains-Ramp reviewed the rezoning reports and procedures.

Mr. Medlin reviewed reports and procedures for site plans and subdivisions.

County Attorney Kitchen make remarks relative to comprehensive plan legal requirements and special use permit requirements.

The Commissioners asked questions and made comments to which Mr. Norby and Planning staff responded.

No official action was taken on this agenda item.

Adoption of Guiding Principles for Durham Regional Hospital Deliberations

On December 15, 1997, County Commission members received a Draft of Guiding Principles created by Durham County consultants based on previous statements by Board members. Commissioners were requested to submit any proposed revisions to the County Manager's office by the end of December to be compiled and brought forward to this Worksession for deliberation. Chairman Black also requested that prior to the Board meeting, Commissioners rank these principles in priority order as a beginning point for deliberations. After Commissioner deliberation at this meeting, the adopted guiding principles would be sent out on the following day to the proposers for use in their presentations to the Commissioners on January 13, 1998.

January 5, 1998

Mr. Thompson distributed comments he received regarding the draft.

Chairman Black stated she had problems ranking the guiding principles in priority order; therefore, she left all the guiding principles as priorities.

Commissioner Bell said he had the same problem as Chairman Black; however, he questioned whether all items on the list should be considered guiding principles.

The Board of County Commissioners, the County Manager, and the County Attorney had a general discussion about the guiding principles.

The Commissioners agreed to change guiding principle Nos. 3, 8, and 10 to read as follows:

3. To ensure that citizens of Durham County have a choice of health care providers through retention and expansion of Durham Regional Hospital as a full-service community hospital.
8. To ensure that citizens of Durham County have access to health care services related to DCHC, regardless of ability to pay or insurance coverage.
10. To require DCHC proposers to demonstrate how additional community health care needs will be met.

County Attorney Chuck Kitchen said a tax issue has arisen that he was unaware of relative to the hospital renovation financed through tax exempt Certificates of Participation (COP). It has been less than five years. This brings up a fee issue that must be settled.

No official action was taken on this agenda item.

Reduction of Sheriff's Salary

The Board was requested to adopt a resolution to reduce the sheriff's salary effective when a newly-elected sheriff takes office.

County Manager's Recommendation: Approve the resolution reducing the salary of the sheriff so if a new person is elected, the person would not be paid the same amount as the sitting sheriff. The salary of the sheriff may be reset next December if the current sheriff is reelected to the position.

Commissioner Bell moved, seconded by Vice-Chairman Reckhow, to approve the resolution relative to the salary of Sheriff of Durham County.

The motion carried unanimously.

January 5, 1998

The resolution follows:

RESOLUTION GIVING NOTICE TO REDUCE
THE SALARY OF THE OFFICE OF SHERIFF

WHEREAS, pursuant to G.S. 153A-92, the Board of Commissioners has the authority to set the salary of the Sheriff of Durham County; and

WHEREAS, an election for the Office of Sheriff is scheduled to take place in 1998; and

WHEREAS, in order to avoid the possibility that a person could be elected to office and paid a salary greater than that commensurate with the experience of the person, it is necessary to give notice of the Board's intention to reduce the salary of the Sheriff of Durham County:

NOW, THEREFORE, THE BOARD OF COMMISSIONERS FOR THE COUNTY OF DURHAM DO TH RESOLVE that:

1. The salary of the Sheriff of Durham County is hereby reduced to the amount of \$60,000 with a like reduction in benefits as provided by law and County policy.
2. This resolution shall take effect on the 7th day of December, 1998.

This the 5th day of January, 1998.

Santee Road Water Project

The Commissioners discussed the water project because of the number of letters they recently received.

County Manager Thompson told the Board the Santee Road water project would be included in the Capital Improvement Project (CIP) for consideration during the budget process.

Residents should request to appear at a BOCC worksession to discuss the Santee Road water project. Citizens wanted to be heard at the January 12, 1998 Regular Session, but the item was not placed on that agenda.

The Commissioners held a general discussion about water projects.

No official action was taken on this agenda item.

Discuss in Closed Session, Pursuant to N.C.G.S. 143.318.11(3), the Case of Robert Truelove et al. v. Durham County

January 5, 1998

To review and discuss the case and give directions to attorneys.

Commissioner Bell moved, seconded by Vice-Chairman Reckhow, to go into Closed Session to consider and give instructions to the County Attorney concerning the handling or settlement of claims pursuant to N.C.G.S. 143-318.11(3) in the Case of Robert Truelove et al. v. Durham County.

The motion carried unanimously.

Reconvene Into Open Session

Chairman Black called the meeting to order. No action was required as a result of the Closed Session.

Adjournment

Chairman Black adjourned the meeting.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board

GEU:VCS