

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

Monday, June 26, 2000

7:00 P.M. Regular Session

**AGENDA**

**Proration of Property Taxes on the First Union Building**

On March 3, 2000 the Board approved the purchase of the First Union Building located at 210 North Roxboro Street. Since that approval staff has been engaged in negotiations with American Real Estate Holding Limited Partnership for the purchase of the subject property. The purpose of purchasing this facility is an effort to facilitate the demands for additional space for the Superior and District Courts. During the initial negotiations the County and American Real Estate Holdings agreed to an acquisition cost of \$1,100,000 which is the appraised value of the property.

In the County's attempt to close the deal on the property, four issues surfaced which required additional negotiations. They were (1) a general warranty deed as opposed to a specific warranty deed (2) a request for \$50,000 in earnest money by the seller (3) Repairs to the facility and (4) notification to tenants currently using the facility. As of the June 12, 2000 board meeting these issues were all resolved and staff re-drafted the purchase contract and forwarded it to American Real Estate Holdings.

As of Tuesday, June 20, 2000 American Real Estate Holdings has requested that the County prorate the tax liability for the 2000 levy year. The total amount of taxes owed on the First Union Building for the 2000 levy year is \$26,185.69. A closing date has been set for September 1, 2000. Therefore taxes for September 1, 2000 through December 31, 2000 will not be the responsibility of the seller. This request is that the Board increase the purchase price of the First Union Building by \$8,728.56 bringing the total acquisition cost to \$1,108,728.56.

Resource Person(s): Wendell Davis, Deputy County Manager  
Glen Whisler, County Engineer  
Chuck Kitchen, County Attorney

County Manager's Recommendation: The Manager's recommendation is that the Board authorizes the County Managers to adjust the purchase price of the First Union Building from \$1,100,000 to \$1,108,728.56 in order to satisfy the tax obligation of the seller for the 2000 tax levy year.

1. **Opening of Regular Session**—Pledge of Allegiance
2. **Agenda Adjustments**

3. **Minutes**

- a. April 10, 2000 Regular Session
- b. April 24, 2000 Regular Session
- c. May 8, 2000 Regular Session
- d. May 17, 2000 BOCC/Durham Public Schools CIP Worksession
- e. May 22, 2000 Regular Session

4. **June Anchor Award Winner—Janet Whichard**

Janet Whichard, Administrative Assistant at The Durham Center, is the winner of the June Anchor Award.

The Access/Crisis Unit of Durham Mental Health has contracted with ALLTEL for the provision of cellular telephones for a number of years. About a year ago, Ms. Whichard discovered that significant savings could be achieved by consolidating ten usage phones at the Access/Crisis Unit into a Value Share Contract; the remaining four phones were assigned appropriate minute plans. This reduced billing to one invoice per month, thus realizing an approximate \$150-\$200 savings per month for the Unit. The annualized savings equaled approximately \$2,000.

In March, Ms. Whichard requested permission to survey other units of Mental Health to determine what type of contracts they had for cell telephone use. The investigation revealed that the entire agency had multiple small contracts with two vendors for 40 phones with varying minutes. She negotiated a single contract with Alltel for a corporate rate to include a block of time sufficient for the entire agency. This contract will run \$475 per month for the agency's cell phones. Because of her efforts, Ms. Whichard will save The Durham Center approximately \$10,800 per year.

**County Manager's Recommendation:**

Present the June Anchor Award to Janet Whichard, along with the sincere congratulations of the entire organization.

5. **Consent Agenda**

- a. Appointment—NCACC Annual Conference Voting Delegate (appoint a voting delegate and an alternate for the annual conference);
- b. Property Tax Releases and Refunds for Fiscal Year 99-00 (accept the property tax release and refund report as presented and authorize the Tax Administrator to adjust the tax records as outlined by the report for May 2000);

- c. Cancellation of Board of County Commissioners' Meetings (cancel the July 3, 2000 Worksession and the July 24, 2000 Regular Session);
- d. Final Qualifying Bid to Purchase County Property (612 Bingham Street) (approve the offer of \$14,723.75 submitted for 612 Bingham Street by Mr. Dale M. Williams and prepare a non-warranty deed for the Chairman's signature);
- e. Final Qualifying Bid to Purchase County Property (110 Plantation Drive) (approve the offer of \$8,300 submitted for 110 Plantation Drive by Ms. Iris Wadsworth, and prepare a non-warranty deed for the Chairman's signature);
- f. Offer to Purchase County Property (118 Plantation Drive) (authorize the Manager to pursue the upset bid process at this time. A resolution to offer the property in an "upset bid" sale is included in this package. The Board will have the authority to accept or reject any offer at the conclusion of the upset bid process as it so desires);
- g. Final Qualifying Bid to Purchase County Property (900 Colfax Street) (approve the offer of \$3,744.07 submitted for 900 Colfax Street submitted by the Church of God of Prophecy, and prepare a non-warranty deed for the Chairman's signature);
- h. Establish AMS System and ES9000 Technology Upgrade Project (close the Data General Upgrade Project and Year 2000 Compliance Project and establish the AMS System and ES9000 Technology Upgrade Project in the amount of \$220,684 [CPA000016]);
- i. Recognition of City Contribution of \$75,000 for Merger-Related Expenses— Budget Ordinance Amendment No. 00BCC000059 (accept the \$75,000 contribution from the City for the purposes of funding activities associated with merger);
- j. FY 1999-2000 Budget Ordinance Amendment No. 00BCC000060—Social Services (recognize \$9,228,285 of additional revenue for direct payments for Medicaid services [pass-through dollars]);
- k. FY 1999-2000 Budget Ordinance Amendment No. 00BCC000061 (approve budget amendment to make a \$366,310 budget reduction in the debt service fund and a \$366,310 increase to the general fund for industrial payment agreements); and
- l. FY 1999-2000 Budget Ordinance Amendment No. 00BCC000062 (approve budget amendment in the amount of \$75,000 to increase The Durham Center budget to reflect this additional state allocation).

Note: The purpose of a consent agenda is to handle consensus items with one motion to save time on meeting agendas. Any item a Board member pulls for discussion should be placed at the end of the agenda so public hearings can be concluded as early as possible. This will provide for the least inconvenience to the general public attending the public hearings.

6. **Public Hearing for Durham County Ten-Year Solid Waste Management Plan**

North Carolina General Statute 130A-309.09A(b) requires each unit of local government, either individually or in cooperation with other local governments, to develop a ten-year comprehensive Solid Waste Management Plan (SWMP) and update the plan every three years. In addition, each unit of government is required to conduct a public hearing, adopt a resolution, and begin implementing its SWMP by July 1, 2000.

On June 23, 1997, the Board of Commissioners adopted the County's first ten-year comprehensive SWMP for 1997-2006. Durham County's initial waste reduction goal was 25 percent by 2001 and 40 percent by 2006. The current estimate for Durham City and County governments is 8 percent waste reduction ending in June 1999. As a result of low waste reduction percentages statewide, North Carolina has established a more realistic goal of 10 percent by the year 2010. The proposed three-year SWMP update includes current programs, intended actions, and financing methods for 2000-2010. The updated plan also reflects the State's revised waste reduction goal of 10 percent by the year 2010.

At its June 12, 2000 Regular Session, the Board of Commissioners set a public hearing for June 26, 2000 to receive public comment on the proposed plan. The appropriate public notice was advertised in the Durham Herald-Sun, Carolina Times, and Independent newspapers. Copies of the draft SWMP were available for public view beginning June 13, 2000 at the Clerk of Court's office, main branch of the Durham County Public Library, Office of the Clerk to the BOCC, and the Department of General Services.

Resource Person(s): Michael Turner, Director of General Services

County Manager's Recommendation: The Manager recommends that the Board hold the public hearing and receive public comment on the revised ten-year comprehensive SWMP. If indicated, adopt the Resolution as required by NCGS 130A-309.09A(b) to approve the Durham County Solid Waste Management Plan subject to the inclusion of public comment, and authorize the County Manager to implement the plan effective July 1, 2000.

7. **Ordinance Adopting the Schedules, Standards, and Rules for Appraisal of Property for 2001 (NCGS 105-317)**

The values, standards, and rules required by N.C.G.S. 105-317(b)(1) shall be reviewed and approved by the Board of County Commissioners before January 1 of the year they are applied (2001).

The Board of County Commissioners may approve the schedule of values, standards, and rules to be used in the appraising of real property at its true value and

at its present use value either separately or simultaneously.

Notice of the receipt and adoption by the Board of County Commissioners and notice of the property owners' right to comment on and contest the schedules, standards, and rules are as follows:

- 1) The Assessor shall submit the schedules, standards, and rules not less than 21 days before the meeting in which the Board will consider them. On the same day they are submitted to the Board for consideration, the Assessor shall file a copy in his office where they shall remain available for public inspection.
- 2) Upon receipt of the schedules, standards, and rules, the Commissioners shall publish a statement in a newspaper having general circulation within the County stating:
  - a) That the proposed schedules, standards, and rules to be used in appraising real property in the County have been submitted to the Board of County Commissioners and are available for public inspection in the Assessor's office; and
  - b) The time and place of a public hearing on the proposed schedules, standards, and rules that shall be held by the Board of County Commissioners at least seven days before adopting the final schedules, standards, and rules.
- 3) When the Board of County Commissioners approves the final schedules, standards, and rules, it shall issue an order adopting them. Notice of this order shall be published once a week for four successive weeks in a newspaper having general circulation in the County, with the last publication being not less than seven days before the last day of challenging the validity of the schedules, standards, and rules by appeal to the Property Tax Commission. The notice shall state:
  - a) That the schedules, standards, and rules to be used in the next schedule reappraisal of real property in the County have been adopted and are open to examination at the office of the Assessor; and
  - b) That a property owner that asserts that the schedules, standards, and rules are invalid may except to the order and appeal therefrom to the Property Tax Commission within 30 days of the date when the notice of the order adopting the schedules, standards, and rules was first published.

Resource Person(s): Steve Crysel, Tax Administrator, and Jay Miller, Deputy Assessor

County Manager's Recommendation: That the Board adopt the Ordinance Accepting the Schedules, Standards, Values, and Rules to be used in appraising real property in Durham County for the 2001 Revaluation.

8. **Authorizing Establishment of an Ordinance Levying Tax On Gross Receipts Derived From Retail Short-Term Lease Or Rental Of Motor Vehicles**

Under N.C.G.S. 105-275, businesses that own vehicles that are rented or leased less than 365 days are excluded from the tax base. Included are minivans, vans, trailers, camper, trucks that weigh less than 26,000 pounds, trailers, and semi-trailers less than 6,000 pounds.

As a substitute for and in replacement of the ad valorem tax, which is excluded by N.C.G.S. 105-275, a County may levy a gross receipts tax on the gross receipts from the short-term lease or rental of vehicles at retail to the general public. The tax rate shall not exceed 1½ percent of the gross receipts from such short-term leases or rentals.

Businesses will be required to file the gross receipts to the Tax Administrator no later than the 15<sup>th</sup> of each month. Those that do not file or pay timely are subject to penalties. A late filing penalty of 10 percent will be applied to the amount of the tax due. A 5 percent penalty for non-payment will be applied to the amount of the tax due each month until paid. (Maximum penalty for non-payment—25 percent).

Based upon statewide estimates, counties will be revenue neutral. Durham County Tax Office has easily identified 48 businesses that will be affected by this new law. The Tax Department is presently working on public relations and educational information to assist the businesses in this transition.

Further study statewide is currently being conducted to assist in the implementation of this new legislation. The program is being compared to the current Sales and Use Tax, utilizing monthly filings and coupon type books. Adoption of the ordinance prohibits any revenue loss. The gross receipts tax may not be collected without the ordinance.

Resource Person(s): Steve Crysel, Tax Administrator, and Kimberly Simpson, Deputy Tax Administrator

County Manager's Recommendation: Authorize establishment of an Ordinance Levying Tax on Gross Receipts Derived From Retail Short-Term Lease or Rental of Motor Vehicles.

9. **Setting a Public Hearing on Coordinated Transportation: FY 2000-2001 Rural Operating Assistance Program (ROAP) Grant**

The Cooperative Extension Service is requesting that the Board set a public hearing for the Rural Operating Assistance Program (ROAP) grant to be submitted to the

North Carolina Department of Transportation (NCDOT). The ROAP consolidates the Elderly and Disabled Transportation Assistance Program (EDTAP) with the Work First/Employment Program into a single application package. EDTAP provides for assistance in the transportation of the elderly and disabled. Work First/Employment Program is intended to provide operating assistance for transitional Work First and general public employment transportation needs for Durham County residents.

NCDOT annually allocates funds for EDTAP and Work First. Durham County will receive \$99,281 for FY 2000-2001. NCDOT requests that this hearing be set to solicit citizen comments on effective uses of these funds.

Resource Person(s): Cheryl Lloyd, County Cooperative Extension Director, and Johnny Ford, Transportation Access Coordinator

County Manager's Recommendation: The Manager's recommendation is that the Board set a public hearing for the July 10, 2000 Board meeting. The purpose of the public hearing will be to receive public comment on the Department of Transportation Rural Operating Assistance Program (ROAP) application for Coordinated Transportation services to the Elderly and Disabled and Work First Transitional Employment.

10. **Adoption of Digital Zoning Map and Text**

The County of Durham began creating a GIS system in 1994 as a joint venture with the City of Durham. After investing substantial time and money, these efforts are reaching their full potential. The digital zoning represents the culmination of the Planning Department's efforts to streamline and update its most important geographic data.

The purpose of adopting the digital zoning is to:

1. Enable staff, boards, commissions, and the public to integrate disparate data sources on one screen or map and increase availability of data through the Internet.
2. Maintain consistency with other agencies that use zoning information.
3. Increase staff productivity.
4. Create high quality, full color zoning maps.
5. Track zoning changes, denials, and withdrawals as part of data update process.

Adoption of the digital zoning represents the final phases of the implementation of Geographic Information Systems (GIS) in the Planning Department. No changes in zoning are part of this adoption, only the medium on which the map is kept. The associated text change to the Zoning Ordinance reflects the change in the nature of the medium.

Resource Person(s): Paul Black, Senior Planner

County Manager's Recommendation: That the Board receive the presentation and adopt the Digital Zoning Map and text.

11. **D00-112--Major Site Plan--Triad Marine**

The John R. McAdams Company Inc., on behalf of Triad Marine, has submitted a site plan for a 39,000-square-foot commercial building on a 5.516-acre tract. Triad Marine is proposing to construct a retail marine facility on the site for the sale of marine equipment and related repair. The applicant is proposing 65 parking spaces, which includes 4 handicap spaces.

The plan meets all of the ordinance requirements and addresses the environmental concerns as a result of the applicant acquiring a 404 permit. This permit provides buffering by way of grading and re-vegetation. The Development Review Board recommended approval of this plan (with technical corrections) at the March 24, 2000 meeting.

Resource Person(s): Clay Shepherd, Senior Planner, and Steve Medlin, Senior Planner, will present the item.

County Manager's Recommendation: The Manager's recommendation is that the Board receive the presentation of this site plan and approve, if appropriate, based upon comment from Board members. The plan meets all of the necessary technical requirements for approval.

12. **Expansion and Renovation of the Shelter for H.O.P.E. Project Update**

This agenda item is an update on the status of the Community Shelter for H.O.P.E. expansion and renovation project.

The Board of County Commissioners awarded an architectural contract to DTW Architects and Planners, Ltd. on February 28, 2000 for design of the renovations and expansion of the Homeless Shelter building. At that meeting, concerns of nearby residents were discussed. Since that time, there have been several meetings with the project team, Shelter Board, neighborhood organization representatives, adjacent property owners, and the architectural firm to receive input and provide comments on design issues. The architect will present schematic designs for the site and building.

Following this meeting, design will continue with the development of construction drawings and specifications for bidding.



Resource Person(s): Wendell Davis, Deputy County Manager  
Glen Whisler, County Engineer  
Jack Preiss, Project Coordinator  
Hap Johnson, Shelter Board, Chairman  
Spencer Bradford, Shelter Executive Director

County Manager's Recommendation: That the Board receive the project update and provide comments to the project team.

13. **Integrated Server to Replace IBM ES9000 Mainframe and Upgrade the Financial System Software**

The Board is requested to authorize the County Manager to enter into two contracts. The first contract is with PSR Incorporated in the amount of \$147,334 for the purchase, delivery, and installation of an IBM Integrated Server 3006-B010 and VM/VSE/CICS operating system. The second contract is with American Management Systems (AMS) in an amount not to exceed \$73,350. The purpose of these acquisitions is to replace the IBM ES9000 mainframe (PSR Inc. contract) and upgrade the financial system software (AMS contract) which includes modules used by Finance, Budget, Human Resources, Payroll, and Purchasing. Funding for these acquisitions is available in the CIP.

These acquisitions are made necessary at this time due to recent resolutions by the Governmental Accounting Standards Board (GASB) which drastically changed the required financial reporting structure for government entities. The County must comply with these new requirements by the end of June 2001. Although GASB changes only affect the finance modules of the software, the other modules must also be upgraded to ensure compatibility. IBM software and AMS software must be upgraded at the same time since both systems need to be at the most current level to be compatible with one another. The ES9000 cannot be practically or economically upgraded to handle the workload to allow installation of the new IBM operating system and the upgraded AMS financial system while still supporting the daily operation of the production systems.

Invitation for Bid #00-026 was publicly advertised and mailed to eight companies on May 26, 2000 with bids due on June 9, 2000. AMS is the sole provider of an upgrade to the County's financial system software. The County's standard contracts will be used for these acquisitions.

Resource Person(s): Perry Dixon, Director of Information Technology; Sandra W. Phillips; Director of Purchasing; Susan Fox-Kirk, Interim Director of Finance; and Claudia Odom, Director of Budget, will present this recommendation and answer questions.

County Manager's Recommendation: Authorize the County Manager to enter into two contracts--one with PSR Inc. for \$147,334 and one with AMS in an amount not to exceed \$73,350.

14. **Authorization to Hire Investment Managers for Community Health Trust Funds**

At the meeting of January 6, 2000, the Board of County Commissioners approved the Request for Proposal for investment managers to manage the investment activity of the Community Health Trust Funds in compliance with State statutes and County policies.

The RFP was issued and an advertisement was printed in the Herald Sun and the Carolina Times on May 1, 2000. The RFP was mailed to a total of 20 vendors. Eighteen responses were received.

Once the responses were received, staff utilized the services of the County's financial advisors Davenport & Co. LLP in addition to Patricia J. Gravinese, Finance Director; Susan Fox-Kirk, Deputy Finance Director; and Jessica Linton, Investment Manager, to review the responses. A separate memorandum was delivered to the Interim County Manager detailing the RFP process and ultimate recommendation.

Staff is requesting that the Board authorize the Interim County Manager to execute a General Services Contract with each firm recommended to provide investment services. The firms follow:

Fixed Income Managers:  
MDL Capital Management  
Brown Brothers Harriman

Equity Managers:

Wedge Capital Management  
Sovereign Asset Management

Resource Person(s): Patricia J. Gravinese, Finance Director  
Susan Fox-Kirk, Deputy Finance Director  
Jessica Linton, Investment Manager  
James Traudt, Davenport L.L.C.  
Sean Ekiert, Davenport L.L.C.

County Manager's Recommendation: That the Board approve the Investment Manager's recommendations as presented.

15. **Lease Agreement for 705 S. Mangum Street (Tom Lane Complex) for The Durham Center's Child, Youth, and Family Services**

The Board is requested to authorize the execution of a lease extension and amendment between the County of Durham and JBW TriDurham Properties Inc. for the premises at 705 S. Mangum Street (Tom Lane Complex) for The Durham Center's Child, Youth, and Family Services. This is a three-year lease for the time period July 1, 2000 through June 30, 2003. This lease was originally entered into on March 25, 1988 and has been extended and amended by letters dated January 19, 1993, April 11, 1994, and April 13, 1995. These premises include three office buildings containing approximately 12,443 square feet of space. The rate to be charged is \$8,813.79 per month, annualized to \$105,765.50. This equates to a charge of \$8.50/square foot. This rate has remained constant since the origination of the lease in 1988.

The Landlord shall be responsible for all taxes and assessments, HVAC replacement, and maintaining and keeping in good repair the roof and all structural portions of the building. The Landlord shall also make such interior repairs and replacements made necessary as a result of damage or destruction by fire, the elements, or Landlord's negligence, default, or failure to make repairs. Further, the Landlord shall be responsible for building insurance coverage.

The County shall be responsible for all utilities, normal maintenance and repairs to the HVAC system, non-structural repairs, and replacements to the premises, including replacement of glass, maintenance of electrical and plumbing systems, doors, gutters, and down spouts. The County shall also be responsible for all parking lots, landscaping, fence, sidewalk, and other similar exterior maintenance. The County will be responsible for maintaining insurance coverage on the contents of the property.

With the clarifications made during negotiations and the resulting modifications in this amendment, the County Attorney has approved this lease amendment as to form.

Resource Person(s): Sandra W. Phillips, Director of Purchasing, and Carolyn Davis, Deputy Director, The Durham Center

County Manager's Recommendation: The Manager recommends that the lease for 705 S. Mangum Street be approved for a three-year term at the rate noted for the Durham Center. Funds have been budgeted in the FY 00-01 budget to cover the cost of the lease.

16. **FY 2000-01 Budget Adoption**

The Durham County Interim Manager will formally present the adopted budget for FY 2000-01 to the Durham County Board of Commissioners. This submission is in accordance with the Local Government Budget and Fiscal Control Act, which requires adoption of the budget no later than July 1.

17. **FY 2001-06 Capital Improvement Plan Adoption**

The Durham County Interim Manager will formally present the Capital Improvement Plan for FY 2001-2006 to the Durham County Board of Commissioners. Although the Board of County Commissioners will adopt the Capital Improvement Plan, additional staff and community involvement will occur over the next several months to address the proposed bond referendums and financing options as it relates to Capital Improvement Program implementation.

18. **Board and Commission Appointments**

Garry E. Umstead, Clerk to the Board, will distribute ballots to make appointments to the following boards and commissions:

- Boxing and Wrestling Commission
- Board of Adjustment
- Durham Technical Community College Board of Trustees
- Hospital Corporation Board of Trustees
- Durham Planning Commission
- Region J Emergency Medical Services Council
- Women's Commission