

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

Wednesday, May 24, 2000

9:20 A.M. Budget Worksession

MINUTES

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

Present: Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Interim County Manager Carolyn P. Titus said this worksession is an overview of the budget in terms of the factors we have been dealing with. Several department heads are here to talk about their individual issues and their recommendations to the Manager's office for funding. This session will give the Commissioners an opportunity to ask questions of those departments. When staff began the budget process, we were looking at serious revenue deficiencies such as the Medicaid match in excess of \$1 million. The jail contract with the North Carolina Department of Correction was terminated and the COPs grant in the amount of \$100,000 was expiring.

We wish to provide the Commissioners further details about the sales tax. In the recommended budget, we used a 5 percent increase in sales taxes based on year-end projections. There was flat growth this year in sales tax revenue. Property tax was budgeted at a 4 percent increase based on historical trends. Staff also utilized year-end accruals and fund balances in the recommended budget.

Our target this year was to look at a maintenance, no-growth budget. Our aim was to fund the departments within an approximate 3 percent growth rate. The range for the departments in the Manager's recommended budget was from a decrease in the departmental budget requests up to a 5 percent increase.

Ms. Titus described the process used in considering the departmental budgets and the nonprofit groups. Staff used a six-year trend analysis. We first looked at the base budgets of the various departments. The department managers were asked to look at the critical needs of their departments to determine necessary funding to operate the department beyond the base budget for next year. We also looked at the workforce. Several analyses were done relative to compensation and market place trends. The fourth thing was to look at all the requests that dealt with filling a mandate. The next area staff

considered was inflationary increases. We looked at what tools the department managers need to accomplish the County's goals.

Claudia Odom, Budget and Management Services Director, reviewed the revenue and expenditure highlights of the Manager's budget. The Manager's budget manual was redesigned to make the document user friendly. Putting the budget document together was much easier without the challenges of last year.

Ms. Odom explained to the Commissioners the General Fund revenues and the General Fund expenditures in the County Manager's recommended budget document.

The Commissioners asked questions, made comments, and asked about various figures in the proposed budget to which Ms. Odom responded.

The next item on the agenda was departmental budget discussions.

The following department presentations were made:

Sheriff's Department:

Ms. Odom presented the Commissioners an overview of the department's revenues and expenditures shown in the proposed budget.

Sheriff Worth Hill spoke about his budget request. He stated the original expansion request was \$1.8 million. His request was decreased to \$616,000 or an increase of 3 percent. The area of the budget cut the most was the automobile replacement line item. The department will get no new vehicles in next year's budget. The Sheriff Department's request for 12 detention officers was cut to zero at a cost savings of \$384,000. Sheriff Hill said his department could work within the budget that has been proposed for FY 2000-2001.

The Commissioners asked questions to which Sheriff Hill responded.

Mental Health

Ms. Odom gave the Commissioners an overview of the Mental Health Department's budget request. The Area Mental Health Board decided to use its fund reserves to handle the shortfall for this budget year.

Chairman Black introduced Tanya Tatum, Acting Mental Health Director, to make comments about the proposed Mental Health budget. Kathleen Yeager assisted with the presentation.

Ms. Tatum talked about the budget shortfall that occurred in this year's budget. Fund balance will be used to cover the shortfall, which came as a result of reduced funding

from the state and other funding sources. Since Mental Health was permitted by the state to use fund reserves, the reserves were used to restore programs in the amount of approximately \$500,000. The department cut \$300,000 in the administrative budget. Our financial picture has not changed. The department still needs \$1.2 to \$2 million for Fiscal Year 2000-01 budget.

The Commissioners asked questions to which staff responded.

Public Health

Ms. Odom said the Public Health budget request included several new positions, technology needs, and replacement furniture. Staff agreed to a 5 percent growth rate for the department looking at the revenues that they are able to offset with the positions because they had 11 positions funded by grant dollars.

Brian Letourneau, Public Health Director, shared his thoughts about the budget request and the recommendations put forth by the Budget and Management Services Department. He said that next year will be a challenging year for the Health Department. Our request was for program expansion in the area of school health, as well as inflationary and volume increases in medical services. The challenges are the huge increases in medical services to the jail population. This year, medical expenses for the jail population is above \$500,000. The request for FY 2000-01 in the amount of \$500,000 has been reduced to \$300,000, the same amount as this current year.

The department has been given a Smart Start grant to provide childcare consultant services with several nurses and home visits included. The Durham Innovative Nutrition Education project will be expanded from four to eight elementary schools. The TOP (Teenage Outreach Program) will be expanded.

The Environmental Health Session needs one support person to assist with the increased workload since more restaurants and hotels are being built. Fee increases could pay for salary expenditures. Staff will revisit this position.

Revaluation and Tax Administration

Ms. Odom commented that this department was given a larger growth percentage due to the revaluation efforts. The budget request included 10 new positions. We recommended four because they related to revaluation efforts. The proposed budget included three replacement cars and three new cars. The three new cars related to the residential appraiser positions. Operational costs increased due to the revaluation project.

Kimberly Simpson presented an overview of the total budget request including the increases relative to the revaluation project.

Staff responded to Commissioner questions and comments about the proposed budget and revaluation.

Lunch Break

The meeting reconvened at 12:30 p.m.

Emergency Medical Services

Interim County Manager Carolyn P. Titus introduced the Emergency Medical Services budget request.

Ms. Titus asked Ms. Odom to give the Commissioners an overview of the EMS proposed budget.

Ms. Odom said the budget request this year is similar to the current year's request. There are many capital requests for vehicle and supply replacement. The recommendation is to fund the majority of this request because of safety issues and the desire to be properly equipped with emergency services. The request to fund four paramedic positions to provide nighttime coverage in four volunteer fire departments will be funded later.

Mickey Tezai, EMS Director, said the proposed budget gets us closer to the point we need to be in terms of demand and response time issues and keeps us in line with the capital replacement schedule such as vehicles, radio equipment, and monitors. This budget recommendation will allow us to address the response time concern in the southern portion of the county as well as the increased volume in that area. This budget request will provide for a truck and crew 24 hours a day in the southern portion of the city. The proposed budget provides four replacement ambulances and a cargo van. The only line item that we cannot fund in this proposed budget is the four nighttime paramedics for the four volunteer fire departments. The total cost for the night coverage at the four volunteer fire departments is \$618,000.

Ms. Titus commented that the \$618,000 is not in her recommended budget to the Commissioners.

The Commissioners asked questions about the EMS budget to which Mr. Tezai responded.

Commissioner Heron requested information about fee collection for ambulance services and transport. The County's Legal Department is going to assist with the EMS collection of fees in FY 2000-01. The fees should be collected.

Commissioner Bowser said that Durham County should provide ambulance service to the citizens like it does fire and law enforcement services. The cost should be built into the overall tax structure.

Ms. Titus reviewed for the Commissioners the EMS expenditure to be funded out of the Community Health Trust Fund.

The expenditures follow:

| | |
|--|----------------|
| <u>Emergency Medical Services</u> | |
| .48 supply Clerk Position | \$ 16,133 |
| Supply Clerk Position | 30,157 |
| Education Coordinator | 41,722 |
| Four Replacement Ambulances and a Cargo Van (\$225,000, Lease Payment--\$85,737) | 85,737 |
| Wheelchair Replacement Van (\$37,500, Lease Payment--\$14,289) | 14,289 |
| 4 Cardiac Monitors, 2 Replacement Stretchers, 8 800 Mhz radios (97,960) | 24,277 |
| Pharmaceutical Supplies | 29,833 |
| Oxygen purchases | <u>19,833</u> |
| Subtotal | \$263,481 |
| <u>EMS & Fire District Reimbursement</u> | |
| EMS—Parkwood Contract | \$200,000 |
| Volunteer Fire Department | <u>399,728</u> |
| Subtotal | \$599,728 |
| <u>Public Health Department</u> | |
| 3 Health Educators | \$ 95,292 |
| Youth Coordinator | 38,053 |
| 2 School Health Nurses | <u>93,389</u> |
| Subtotal | \$226,734 |

The Commissioners asked several questions about the volunteer fire departments and their operations. A lengthy discussion followed.

The Commissioners discussed funds the Public Health Department is proposed to receive from the Community Health Trust Fund.

Interim County Manager Carolyn P. Titus commented that she is recommending that the following nonprofits receive Community Health Trust Fund dollars as follows:

| | |
|-------------------------------|----------|
| <u>Nonprofits</u> | |
| Promising Practices | \$15,000 |
| Bridges Housing Corporation-- | |

| | |
|-----------------------|---------------|
| one-time allocation | 4,000 |
| Health Choice--County | |
| co-payment | 25,000 |
| Senior PharmAssist | <u>30,000</u> |
| Total | \$74,000 |

Nonprofits

The County Commissioners discussed the nonprofit requests with the staff and Interim County Manager. The Commissioners were asked to decide the final appropriations for nonprofit organizations.

Community Trust Fund

Patricia J. Gravinese, Finance Director, said there is \$2½ million in the Community Trust Fund. In FY 1999, the County earned \$1,195,000 in interest. In the current fiscal year, we are projecting \$1,347,000. The fund is being invested in commercial paper at the present time.

The Community Trust Fund appropriation for FY 1999 has been \$837,736 for EMS and the Public Health Department. The principle is being kept in tact. There will be some growth in the fund. The proposed appropriation for FY 2000-01 is \$1,163,943.

Ms. Gravinese responded to questions about the trust fund.

The firm to invest the trust fund dollars will be selected at the June 26, 2000 Regular Session.

Official Action

No official action was taken at this worksession.

Adjournment

Chairman Black adjourned the meeting at 2:25 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board