

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

Wednesday, June 21, 2000

4:30 P.M. Worksession

MINUTES

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

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

Absent: Chairman MaryAnn E. Black

Presider: Vice-Chairman Reckhow

Commissioner to Be Excused

Commissioner Heron moved, seconded by Commissioner
Bell, to excuse Chairman Black from this worksession.

The motion carried unanimously.

Durham Public Schools Budget

Interim County Manager Carolyn P. Titus said the purpose of this meeting is to
concentrate on four primary areas of the budget.

The first discussion concerns options for funding the Durham Public Schools budget.
She welcomed Dr. Denlinger, Superintendent, and Kathryn Meyers, School Board
Chairman, to the worksession.

The other areas of discussion include employee compensation and Lebanon and
Redwood VFD tax levy. The remaining time will be allotted to discuss outstanding
budget issues.

Carolyn Titus presented the Durham Public Schools budget allocation which included the
additional \$200,000 the Commissioners wished to add for school population growth.

Durham Public Schools Allocation

| | <u>Current</u> | <u>Revised</u> |
|-----------------|---------------------|---------------------|
| Current Expense | \$67,590,956 | \$67,790,956 |
| Capital Outlay | <u>500,000</u> | <u>\$ 500,000</u> |
| General Fund | \$68,090,956 | \$68,290,956 |
| *Debt Service | <u>\$16,470,460</u> | <u>\$16,470,460</u> |
| TOTAL | \$84,561,416 | \$84,761,416 |

Represents \$3.75 million increase Represents \$3.95 million increase

\$1,700,000 allocation for Lakeview School included in debt service payment

Ms. Meyers commented on the budget allocation. She said the school board would have difficult decisions to make about the budget.

The Commissioners asked questions and made comments to which school administrators responded.

Commissioner Bell moved, seconded by Commissioner Heron, to adopt the revised recommendation (\$84,761,416) and to direct staff to prepare the budget accordingly for the June 26, 2000 Regular Session.

After the motion was made, a lengthy discussion followed concerning the interpretation of the final budget figures.

Commissioner Heron withdrew her second to the motion; however, after the discussion, she reinstated her second to the motion.

The motion carried with the following vote:
Ayes: Bell, Bowser, Heron, and Reckhow
Noes: None
Absent: Black

Interim County Manager Titus said she and Dr. Denlinger have agreed to meet in a couple of weeks to prepare the Memorandum of Agreement.

Dr. Denlinger said the school system is complying with the North Carolina General Statute to notify the Department of Motor Vehicles when students drop out of school or fail more than 30 percent of their classes.

Dr. Denlinger said the school board and the Board of County Commissioners should meet every other month throughout the year to make the budget process less complicated.

Commissioner Heron requested the Commissioners receive information on the vocational education program at various times throughout the year.

Ms. Meyers said the goals for Lakeview School would be included in the Memorandum of Agreement. Work is being done to decrease the student dropout rate.

Employee Compensation

Ms. Titus reviewed the compensation plan. New information was provided to the Commissioners.

The benchmark survey reflected the following:

- Overall results 2.44 percent behind market
- 65 percent of classifications behind salary range minimum
- 77 percent of employees behind actual average paid salary

The Manager's recommendation follows:

- 2.5 percent market adjustment to compensation plan (\$1,284,660)
- Implementation of benchmark study for classifications 5 percent or greater behind market effective 09/04/00 (\$93,336)

Ms. Titus also presented the following:

- Holiday Bonus
\$500 per employee in December
1875 (# of employees) x \$500 = \$937,500

- Longevity

| <u>Years of service</u> | <u>Amount</u> | <u># of Employees</u> | <u>Total</u> |
|---------------------------------|---------------|-----------------------|------------------|
| 5 years but less than 10 years | \$400 | 283 = | \$113,200 |
| 10 years but less than 15 years | \$500 | 206 = | \$103,000 |
| 15 years but less than 20 years | \$600 | 105 = | \$ 63,000 |
| 20 years but less than 25 years | \$700 | 92 = | \$ 64,400 |
| 25 years or more | \$800 | 38 = | <u>\$ 30,400</u> |
| | | Total | \$374,000 |

The Interim County Manager presented to the Commissioners two ways to implement the benchmark study. The two methods follow:

I. Method 1—Change Salary Range Only

Only positions with minimum starting salary of 2.5 percent or more behind market

Adjust salary grade to next grade—up 5 percent

Existing employees at Step A and A1 get a 5 percent and 2.5 increase, respectively

Existing employees at Step B or higher maintain current salary (i.e. Step B moves to Step A, etc.)

Annualized Cost: \$305,557

Employees affected: 1043

Employees that receive an increase: 243

Mental Health

Annualized Cost: \$31,612

Employees that receive an increase: 28

Net County Cost: \$273,945

II. Method 2—Change Salary Range and Adjust Existing Employees

Same as Option 1 above except provides increases of 2.5 or 5 percent for existing employees in same classification to avoid compression and maintain relationship within classification (not series)

Annualized Cost: \$1,194,266

Employees affected: 1043

Employees that receive an increase: 754

Mental Health

Annualized Cost: \$140,758

Employees that receive an increase: 100

Net County Cost: \$1,053,508

With Sheriff's Department Increase

Method 1 above plus 5 percent increase for Sheriff's Department employees

Annualized Cost: \$712,455

Employees affected: 1093

Employees that receive an increase: 644

The Interim County Manager said she is still of the opinion that the Manager's recommendation is the plan that should be implemented.

The Commissioners asked questions and made comments about the compensation plan to which staff responded.

After a lengthy discussion, Vice-Chairman Reckhow said, based on the lack of direction, she assumed the Board is tracking on the Manager's recommendation unless a Board member gets answers to questions such that a variable alternative emerges. In which case, a budget ordinance could be developed that includes the Manager's original recommendation and the alternative. The Board can decide on the compensation plan on Monday, June 26, 2000.

The meeting continued with questions and comments regarding the compensation plan.

Lebanon and Redwood VFD Tax Levy

Claudia Odom, Budget Director, said that Lebanon Fire District and Redwood Fire District are requesting a tax levy increase.

Doug Griffin, President, Lebanon Fire Department, was present to answer questions. Jeff Batten, Durham County Fire Marshal, assisted.

Ms. Odom said the one-cent recommendation has been reduced to one half-cent increase for the Lebanon Fire Department. This reduction was possible since the County plans to take a different approach in reimbursing fire departments for their EMS service delivery.

Mr. Batten commented that the department has reached an agreement with the City for the City to extend the contract it currently has to keep Ladder Truck 14 at the Lebanon Fire Station. The department is going to add additional part-time staff this year to help with OSHA requirements. The fire district wishes to purchase a brush truck. This is the reason for the one-half cent increase.

Mr. Batten said the Redwood Fire District half-cent increase is due to the closing of Mitsubishi Semiconductor on Hamlin Road. The closing of that plant cost Redwood Fire District over \$100,000 this year in revenues.

Discussion About Outstanding Budget Issues

Commissioner Heron asked if the Commissioners received a report on the Community Health Trust Fund.

Interim County Manager Titus stated the information has not been submitted to the Commissioners.

The June 26, 2000 Regular Session agenda will include the Community Health Trust Fund.

Emergency Housing Fund

Commissioner Bowser asked Daniel Hudgins to speak to the Commissioners about the shortfall that occurred in the Emergency Housing Fund.

Commissioner Bowser said the shortfall was not requested in the budget. He asked Mr. Hudgins to express the importance of having this money in hopes the Commissioners will revisit this budget line item to find the \$1.1 million needed.

The Commissioners asked Mr. Hudgins several questions about the Emergency Housing Fund.

Vice-Chairman Reckhow said this is a good issue, but it will be difficult to solve.

Nonprofits

Interim County Manager Titus said two questions were raised about nonprofits. One question concerned Rape Crisis. Ms. Titus requested that the recommendation to Rape Crisis be changed from \$20,000 to \$22,000 to give them a \$10,000 increase from the prior year.

Ms. Titus said the second change dealt with Triangle Hospice Inc. I did not recommend any new nonprofits this year. She recommended the Commissioners fund \$8,000 to Triangle Hospice Inc.

The Commissioners concurred to reduce the recommended \$8,000.

Merger Meeting—August 3, 2000

Commissioner Heron complained about meetings being set without conferring with each Commissioner. She commented that she must attend a state meeting on that date.

Commissioner Bowser also expressed concern about meetings being scheduled without each Commissioner being contacted.

Vice-Chairman Reckhow commented that the decision regarding the meeting date would be finalized when Chairman Black gets back into town.

Adjournment

Vice-Chairman Reckhow adjourned the meeting at 7:05 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board