

**THE BOARD OF COUNTY COMMISSIONERS**  
and  
**DURHAM PUBLIC SCHOOLS BOARD OF EDUCATION**  
**DURHAM, NORTH CAROLINA**

Monday, September 25, 2006

3:00 P.M.

**MINUTES**

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

Present: Durham Public Schools (DPS) Board Chairman Minnie Forte-Brown, Vice-Chairman Stephen Schewel, and Members Heidi Carter, Frederick Davis, Kirsten Kainz, Omega Curtis Parker, and Steve Martin; Superintendent—Dr. Carl Harris

Commission Chairman Ellen W. Reckhow, Vice-Chairman Becky M. Heron, and Commissioners Philip R. Cousin Jr. and Michael D. Page; County Manager Michael M. Ruffin

Absent: Commissioner Lewis A. Cheek

Presiders: Commission Chairman Ellen W. Reckhow and DPS Board Chairman Minnie Forte-Brown

**Welcome and Opening Remarks**

Commission Chairman Reckhow welcomed everyone to the first joint meeting of the current Board of County Commissioners and Durham Public Schools Board of Education. She expressed a desire that the two boards meet quarterly to discuss issues of mutual interest and concern.

Chairman Reckhow encouraged everyone to stay for dinner and socializing following the meeting.

DPS Board Chairman Forte-Brown thanked the Board of County Commissioners for the opportunity to share Durham Public Schools' past successes and plans for improvements. Every school in the DPS system should have all the components for generating a great school, including well-qualified teachers, the latest technology in the classrooms, and smaller class sizes. The County Commissioners contribute to the success of DPS by providing ample resources. The purpose of today's meeting is to demonstrate how DPS plans to move from a good public school system to a great public school system. She again thanked the Commissioners for the opportunity to share "all that is good in Durham Public Schools".

Chairman Reckhow stated that she and Chairman Forte-Brown would jointly preside over the meeting. She requested that Chairman Forte-Brown introduce the agenda items. After adequate comments, questions, and discussion, Chairman Reckhow would bring the items to a close.

### **Update on Long-Range Facilities Plan**

Chairman Forte-Brown introduced Hugh Osteen, Assistant Superintendent of Operational Services, to present DPS' Long-Range Facilities Plan.

Mr. Osteen presented the draft ten-year, chronological, long-range facilities plan, which is updated every two to three years. He mentioned that the draft plan and a packet of updates had been delivered to meeting attendees prior to today's meeting. Mr. Osteen stated that the majority of detail in the plan refers to upcoming construction, repairs, and upgrades; however, his presentation would involve the "how" and "why" related to the projects. He provided a cursory overview of the draft plan particularly for the Commissioners' benefit, as the School Board members had previously been informed about the plan. Mr. Osteen reviewed the "Table of Contents" and explained how to interpret particular sections of the plan, while continuing to stress that the plan is merely a draft. He spoke briefly about detailed criteria for prioritizing capital improvements that include:

- Safety
  - a. Immediate Hazards
  - b. Legal Issues
- Educational Guidelines/Recommendations
- Existing Student Capacity
- Future Student Capacity
- Existing Facility Conditions
  - a. Building Envelope Systems
  - b. Comfort/Functional Systems
  - c. Cosmetic Features/Finishes
  - d. Building Services
  - e. Site Condition/Function
- Time
- Funding Sources
  - a. County GO Bonds
  - b. Annual Capital Outlay Funds
  - c. Public School Building Capital Funds
  - d. Other Sources

Mr. Osteen continued his presentation by explicating the difficulty of planning for school capacity and enrollment. He submitted the "schools element" of the Durham Comprehensive Plan for discussion, recommending that capacity limits be considered at each school location or within a small region, as opposed to a district. Mr. Osteen remarked about having few options in the region regarding suitable land for school development. He concluded his presentation by reviewing the critical issue of project timelines for elementary, middle, and high schools and reporting that funding for the plan is projected to begin in 2009.

Dr. Carl Harris, Schools Superintendent, commented that staff exerted a tremendous effort in creating the draft “visionary” plan, which outlines the school systems’ needs for the next ten years. Durham Public Schools wishes to plan for growth rather than react to growth.

Vice-Chairman Heron urged the School Board to meet with the Durham Legislative Delegation to stress the importance of local legislation for collecting impact fees to build schools to meet the County’s educational needs.

Chairman Reckhow recommended that a joint meeting be held with the Board of County Commissioners, the DPS Board of Education, and the Durham Legislative Delegation.

Commissioner Page expressed his concerns about overcrowding and the placement of trailers at schools, particularly at relatively new schools. He suggested that DPS look at other districts to determine how they are responding to overcrowding. “This important issue must be addressed.”

Vice-Chairman Heron and Commissioner Cousin pointed out the soaring operational costs for schools.

County Manager Mike Ruffin interjected that funding options will be explored by County staff to address the Schools’ request for FYs 2008-09 and 2009-10 for \$171 million. The County, in its CIP for 2004, set aside a \$131 million allocation for November 2009, which is approximately \$40 million short.

Chairman Reckhow raised the issue of fully utilizing Durham’s existing year-round schools for greater operating value until additional schools are built. She requested that the School Board consider the suggestion.

Mr. Osteen addressed positives, i.e. saving space, and negatives, i.e. maintenance issues, surrounding year-round schools. Those in Wake County are multi-track, unlike those in the DPS system. He voiced his plans to speak with Wake County counterparts about multi-track, year-round schools.

Chairman Forte-Brown, Vice-Chairman Schewel, Board Members Martin and Carter, Commissioner Page, and County Manager Ruffin spoke about various issues, primarily multi-track schools, redistricting, and the transfer policy.

Vice-Chairman Schewel and Board Member Martin elaborated on reasons for allowing student transfers, while conveying that the current transfer policy is not as liberal as it was in the past.

Dr. Harris remarked that the focus should be on high school facilities, which are over capacity. He commended the Commissioners for recognizing that new facilities and growth involves rising operational costs.

Chairman Reckhow and Commissioner Cousin mentioned their visit to the small cafeteria at Hillside High School. They asked whether certain projects could be done sooner than planned to meet urgent needs.

Mr. Osteen informed Chairman Reckhow and Commissioner Cousin that projects might be completed earlier than projected, provided they are viewed as priorities by the School Board.

In response to a question by Chairman Reckhow, Mr. Osteen replied that a goal of DPS is to obtain LEED certification, beginning with W. G. Pearson Elementary School. Data will be collected to determine the amount of energy savings.

Chairman Forte-Brown detailed the schedule for the upcoming public hearing process.

Mr. Osteen advised that the capacity rating would continue to worsen.

Dr. Harris stated that operational and service costs do not decrease even if capacity numbers decrease. He explained to Vice-Chairman Heron that “under capacity” is related strictly to numbers. DPS focuses on “equity” rather than “equal”. The equity issue drives programs—class size must be reduced where students need more resources and a greater level of support.

Chairman Forte-Brown restated the “equity” issue.

Vice-Chairman Heron requested that the Commissioners be updated on schools with special needs classrooms.

Chairman Forte-Brown and Board Member Martin further addressed the capacity issue.

Chairman Reckhow asked Mr. Osteen about bond projects in the immediate term and whether the capacity concerns at Shepard Middle School will be addressed.

Mr. Osteen responded that the draft plan takes into account the bond projects to be funded; the capacity at Shepard will not be increased dramatically, but the trailers will be eliminated.

Chairman Reckhow requested that the Commissioners be provided with another chart to reflect the current building capacity and the projected building capacity once the immediate bond projects are complete.

Vice-Chairman Heron broached the subject of converting empty buildings into schools.

Mr. Osteen stated that the idea has been and continues to be discussed.

Ms. Carter added that the School Board has asked the Schools administration to consider old school buildings that could possibly be renovated.

County Manager Ruffin raised the issue of constructing multi-story school buildings, given the unavailability of land.

Mr. Osteen remarked that multi-story buildings are considered on each project with the School Board's overview.

Vice-Chairman Heron brought up the idea of utilizing the remaining property at Creekside Elementary School.

Mr. Osteen informed her that the possibility of building a small middle school on the property is included in the draft plan.

Chairman Reckhow recommended a dialogue with Museum of Life and Science management about the possibility of constructing a science school on their large campus. She asked whether additions to existing high school campuses have been considered in order to conserve land.

Chairman Forte-Brown replied that "high schools within high schools" are being considered, as opposed to larger high schools. The School Board promotes smaller learning facilities.

Vice-Chairman Heron recommended that further utilization of Durham County Stadium be contemplated.

At the request of Chairman Reckhow, Mr. Osteen informed the Commissioners that the final plan will be presented for approval in November to the School Board and will subsequently be forwarded to the County Commissioners.

Mr. Osteen reminded everyone that the blue folder contains updated, replacement pages and new pages to be inserted into the binder.

At the request of Board Member Martin, County Manager Ruffin explained the County's CIP process.

### **Sales Tax Refunds for Public School Construction**

Chairman Reckhow began introducing the item.

Lavonia Allison, citizen, interrupted the introduction to question why the public had not been provided a copy of the draft long-range facilities plan.

Chairman Forte-Brown explained that copies of the draft document are limited because of its size.

Board Member Martin added that the entire document is available on DPS' website.

Chairman Reckhow recommended that the draft plan also be placed in the Library.

Chairman Reckhow continued introducing the agenda item by stating that a problem exists because the sales tax refunds are no longer being given to public school districts, although private schools are receiving the refunds. She reported that County Attorney Chuck Kitchen

has been working with Durham Public Schools staff to develop a way for the Commissioners to provide a conduit so DPS can avoid paying sales taxes on major projects.

County Attorney Kitchen explained that the County and the Schools have been working on an interlocal agreement for the County to construct school buildings due to the inability of the school system to recover sales taxes paid by the system. Durham Public Schools would act as the construction manager for the County on the school building and would recommend the design and contracts for construction. After construction, the buildings and land would be transferred to the school system. With the County doing the construction, the sales taxes paid on materials would be refunded to the County. The proposal is for these taxes to be transferred then to the schools for their needs.

Chairman Reckhow conveyed that the County Commissioners would be briefed about the interlocal at their October Worksession; the School Board has placed the item on an upcoming meeting agenda.

Chairman Reckhow and Vice-Chairman Heron asserted that an attempt to regain sales tax refunds for public school construction should be made at the legislative level. They asked whether the NC School Board Association is taking action.

Board Member Martin responded that the Association lists the item as one of its legislative priorities.

Chairman Reckhow encouraged swift development of the interlocal so the County can provide a buffer on sales tax for DPS.

Hank Hurd, Associate Superintendent of Administrative Services, explained that projects must be sizeable to justify the complex legal preparations.

The County Commissioners and School Board members concurred to express to the NC Association of County Commissioners and to the NC School Board Association the importance of sales tax refunds for public school construction.

On behalf of the Schools, Vice-Chairman Schewel thanked the County staff for this initiative.

### **School System Fund Balance**

Chairman Forte-Brown began the discussion by briefly explaining DPS' need for an adequate fund balance.

Vice-Chairman Schewel reported that DPS has an insufficient fund balance for emergency needs. A fund balance of \$638,000 in a \$325 million budget is inadequate; \$8 million would be satisfactory.

Mr. Hurd gave a synopsis relative to the fund balance. He stated that the primary reason for requesting an increased fund balance is due to salary increases given to teachers and

professional staff at the state level. Mr. Hurd also mentioned increased costs for natural gas and diesel fuel due to Hurricane Katrina. He expressed that contingency reserves would be prudent for both Boards. DPS would like to devise a plan to save and increase its fund balance over the next several years rather than it continuing to decrease. Mr. Hurd informed the Commissioners that the fund balance at the end of FY 2005-06 was \$1.3 million.

Dr. Harris added that DPS is not making a request for more money. The Commissioners are being made aware of DPS' concern with having such a small fund balance, given its fiscal responsibility to operate a large organization.

Chairman Reckhow recalled having a conversation about this issue with the School Board in the early 1990s. At that time, the agreement was that the School Board would come to the County Commissioners when relevant circumstances arose.

Discussion ensued regarding the sizable decrease in DPS' undesignated fund balance since Year 2003.

School Board members reiterated that salary increases mandated at the state level is the primary reason for the decrease in the fund balance.

County Finance Director George Quick remarked that the County operates a fund balance to deal with temporary fluctuations in cash flow, not permanent increases. The School Board should consider a level of adequacy to cover fluctuations in timing. Regarding funding increases for salaries, for instance, the fund balance should not be the source because salary increases occur each year. A fund balance is not designed to fund permanent needs on an ongoing basis.

Commissioner Page asked about plans in other districts to cover similar occurrences.

Mr. Hurd responded that other districts the size of Durham have appreciably higher fund balances. He agreed with the comments of Mr. Quick.

County Manager Ruffin confirmed that DPS wishes to grow its fund balance; it is not requesting additional funding.

Vice-Chairman Schewel clarified that the Board of Education desires to ascertain that the County Commissioners will not penalize DPS for having a substantial fund balance.

Chairman Reckhow assured the School Board that it would not be criticized for growing a fund balance. She mentioned approaches that the County has taken to increase its fund balance, i.e. freezing positions, limiting travel. Chairman Reckhow conveyed that the County must have a significant fund balance to maintain its AAA rating.

Board Member Kainz expressed reluctance to reduce spending in instances where student achievement is compromised. She asked for information about the budget process and questioned whether the County and the Schools could agree on a reasonable amount prior to the process.

Chairman Reckhow expressed that a conversation regarding Board Member Kainz' suggestion should occur.

County Manager Ruffin informed the School Board that the County was unable to fund the increase (\$12 to 15 million) in the budget as was requested by DPS this fiscal year.

Chairman Reckhow advised the School Board that she sent letters to developers suggesting that they donate their impact fees to schools. She communicated that the discussion involving the fund balance had been beneficial.

### **Update on End-of-Grade Test Scores and SAT Scores**

Dr. Terri Mozengo, Associate Superintendent of Instructional Services, utilized the following three data charts to summarize current test results:

1. EOG Multiple-Choice Reading Test Proficiency Composites, 1996-97 through 2005-06
2. Durham Public Schools 2005-06 SAT Outcomes by High School
3. SAT Performance: 1989-90 through 2005-06

Chairman Reckhow asked Dr. Mozengo if best practices are identified in schools with high improvement to determine if they can be replicated at other schools.

Dr. Mozengo responded in the affirmative.

Dr. Mozengo continued her presentation by reporting DPS' efforts to increase student SAT scores.

Per a question by Commissioner Page, Dr. Mozengo replied that students are charged nothing for taking the available classes.

Chairman Forte-Brown requested that Dr. Mozengo speak to how DPS has enhanced its collaboration with the Housing Authority.

Dr. Mozengo referenced the community literacy project whereby DPS has identified online reading software along with SAT support, vocabulary support, and online books that will be placed throughout communities for access by students.

Dr. Harris commented that the project is in the final draft stages. Details are being finalized with Housing Authority officials; a written plan should be ready for implementation within the next three to four weeks at four to six sites. The project will then be expanded to engage the full community in supporting students academically. DPS is working aggressively with business and community partners for financial assistance.

Chairman Reckhow expressed strong support for the literacy initiative.



### **Citizen Comments**

Dr. Lavonia Allison appealed to Chairman Reckhow to allow each speaker 7½ minutes for comments.

Chairman Reckhow consented.

Dr. Lavonia Allison spoke to the School Board and the County Commissioners. She addressed the following issues:

- difference between “equity” and “equal”;
- enrollment formula;
- number of central office personnel;
- cafeteria at Hillside High School; and
- availability of land for schools.

Ms. Anita Hammond provided information about Urban Teaching Academies and the benefits of supplying urban classrooms with high-quality teachers.

Chairman Forte-Brown thanked Dr. Allison and Ms. Hammond for presenting the information. She stated that she has read the material that was distributed and concurred that the information about the Urban Teaching Academies is beneficial. Chairman Forte-Brown assured Ms. Hammond that the needs of urban schools and urban students are being addressed. She announced that on Thursday, October 19, DPS Board of Education will hold its first “kitchen table conversation”, Initiative of POP (Power of Parents), at White Rock Baptist Church. The initiative will provide the opportunity to 200 hundred persons including parents and students, persons from the business community, community activists’ agencies, and faith community to talk about creating a vision for DPS.

Chairman Forte-Brown thanked the Board of County Commissioners for the opportunity to meet jointly.

On behalf of the Board of Commissioners, Chairman Reckhow thanked the DPS Board of Education for its efforts, stating that its tasks are challenging and the Board of County Commissioners wishes to be a partner.

### **Adjournment**

Chairman Reckhow invited the Board of Education members to join the Commissioners for dinner. She adjourned the meeting at 6:01 p.m.

Respectfully submitted,

Vonda C. Sessoms  
Clerk to the Board