

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

Monday, June 7, 2004

9:00 A.M. Worksession

Minutes

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

Present: Chairman Ellen W. Reckhow, Vice-Chairman Joe W. Bowser, and Commissioners Philip R. Cousin Jr., Becky M. Heron, and Mary D. Jacobs

Absent: None

Presider: Chairman Ellen W. Reckhow

Citizen Comments

Mr. Ralph McKinney Jr. requested time on the agenda to speak to the Commissioners about various issues.

Mr. Roland Staton requested time on the agenda to bring the Board up to date on the status of negotiations between Gotta Save Inc. and Duke University Health System for use of the Oakleigh Facility.

Commissioner Cousin moved, seconded by Commissioner Jacobs, to waive the rules so Redick Alexander can speak since he did not sign up to speak in advance.

The motion carried unanimously.

Agenda Adjustments

Commissioner Jacobs asked if the agenda could be adjusted in order to add an item at the end of the meeting for discussion. She wanted to discuss setting times for closed sessions.

The item was put on the agenda before the closed session.

Commissioner Cousin said he sees the "Presentation of Manager's Findings on Internal Audit of Human Resources" is on the agenda. The Commissioner said that since he has

not seen the report, he would like to pull the item until an appropriate time we have reviewed the report.

Commissioner Jacobs said she would certainly prefer to have a chance to look over the report before it is discussed in public.

Chairman Reckhow suggested that we could receive the six page report before lunch and read it during the lunch break.

Vice-Chairman Joe Bowser said he was going to agree with Commissioners Jacobs and Cousin that we defer this report and give us the opportunity to study it before it comes forward for discussion.

Commissioner Heron said she thinks we should be briefed on the report and then if we have questions, we can ask the questions. If we are not ready to answer the questions, we can bring the questions back. We need to get some exposure to this audit. We need to move forward and get the report cleared up as soon as possible. This whole thing has been a cloud over this Board of County Commissioners.

Commissioner Cousin said he would like to read the report before discussing it. When I looked at the agenda, I did not see any supporting material. I did not see the report in the agenda. I want to see the report before the press begins to ask questions. I want answers before the media ask questions.

Commissioner Jacobs said we have not received the written report. We need the information before we discuss it. I don't want to read it during the lunch break. At this point, I would suggest that we bring it to a vote.

Chairman Reckhow said what will happen is when the document is released, the news media will have the report and we will be discussing the report in the press as opposed to the Board hearing the County Manager's presentation on the report. I don't find that desirable either.

The Board of County Commissioners and the County Attorney had a lengthy discussion about the report.

County Manager Ruffin also added information to the discussion about the timing of the report and when it was to be delivered to the County Commissioners.

Commissioner Jacobs said if the report was not delivered on a timely date to meet the deadline, an extension of time could have been requested.

Commissioner Cousin moved, seconded by Vice-Chairman Bowser, to pull the agenda item and bring it back to the Board meeting on the June 28, 2004 Regular Session.

A lengthy discussion followed after the motion was made.

Chairman Reckhow said she doesn't see why the item cannot be discussed at the meeting on June 14, 2004 Regular Session. The report will be available today. You will have time to review the report.

Commissioner Jacobs wanted to know if the second portion of the audit would be completed by the June 28, 2004 Regular Session so the total report could be presented.

County Manager Ruffin responded he did not know how far along Charlie Hobgood was in the process of completing the audit. The Manager said he could check to see the current status of the report.

Commissioner Jacobs said she would support the motion on the floor.

Commissioner Cousin said he wanted to provide an adequate amount of time for us to get a complete picture for the presentation from the County Manager.

Chairman Reckhow said the problem we will have is this document will be released today and we will have three weeks of this document out in the public and press without the Board having discussed it. I cannot support the motion on the floor.

Commission Heron asked permission to make a substitute motion.

Commissioner Heron moved, seconded by Chairman Reckhow, to give the County Manager the opportunity to bring this document to us today and to brief us on this document and if we have further questions that we bring the questions back to him by email prior to our next meeting or at the next meeting.

The motion carried with the following vote:

Ayes: Commissioners Heron and Reckhow

Nays: Commissioners Bowser, Cousin, and Jacobs

Commissioner Cousin offered a revised motion for the Commissioners to consider.

Commissioner Cousin moved to bring this matter back to our June 28, 2004 Regular Session with the County Manager's additional information we requested concerning the audit of some of the procedures that were taking place in benefits.

Chairman Reckhow asked if this is not doable, what is the motion.

Commissioner Cousin's motion is to request we will take what we can get for the matter to come back before the June 28, 2004 Regular Session.

Chairman Reckhow called for a discussion of the motion on the floor.

A lengthy discussion followed about the motion on the floor.

Vice-Chairman Joe Bowser said he supported the motion on the floor.

Commissioner Heron said she would like to amend the motion.

Commissioner Heron amended the motion on the floor for the County Manager to bring in an outside auditor to audit the compensation package.

Commissioner Cousin said he could not accept the amendment to my motion on the floor.

Chairman Reckhow asked County Manager Ruffin if we need an outside auditor to audit the compensation package.

County Manager Ruffin said Charlie Hobgood has the capacity to undertake that examination. I could not comment on the accuracy of his findings.

Chairman Reckhow said given the scope of work as it was amended by the Commissioners input over the last two weeks, I am a little skeptical that he can get it all done by June 28, 2004. I would hate to see him rush and fail to do a thorough and careful job. The charge was just made in the last week. I do not know if that is doable or not.

Commissioner Jacobs said that she is going to support the motion on the floor.

The motion on the floor carried unanimously.

Chairman Reckhow said that we will go back to the agenda as amended.

Citizen Comments

Chairman Reckhow recognized Mr. Ralph McKinney Jr. for his comments.

Mr. McKinney spoke about the death of former President Ronald Reagan. During the remainder of his comments, he spoke about the importance of the family in today's society. He talked about racism, biases, injustices, and prejudices that exist. Mr. McKinney read a letter for Carolina James-Rivera in reference to the Candidate Forum that was held on Saturday, June 5, 2004.

Chairman Reckhow called on Roland Staton for his comments.

Roland Staton thanked the Commissioners for the opportunity to come before them to present an update on our on going negotiation with the Duke University Health System for the use of the Oakleigh Facility. Per your recommendation, we had a second meeting with representatives of the Duke University Health System on April 23, 2004. This meeting was very congenial. We were seeking common ground and late into the process we were also looking for what the feasibility was for the acquisition and operation of the Oakleigh Facility.

After a one and a half-hour meeting, it is my belief that the Duke University Health System is not interested in a partnership wherein they would relinquish the operation of the Oakleigh Facility. We are not giving up in that regard. If the Oakleigh Facility is not available, we are in no way averse to seeking another facility in the Durham Community that would allow us to move forward with this program.

On March 1, 2004 Rev. Thomas B. Bass Jr. and I met with Ellen Holliman and Doug Wright representing The Durham Center. We presented them with a revised proposal where we would be providing continuing care. The Durham Center has endorsed the revised program. We are looking forward to working with the Durham Center under Ms. Holliman's direction.

There are several people looking at the old Holton School on Driver Street for adult substance abuse services.

Chairman Reckhow recommended that Roland Staton continue to work with Ellen Holliman on this project. Some type of facility needs to get developed in this community. The Durham Center has this project as a high priority this year. Money has been set aside for the project.

The Board of County Commissioners asked several questions about the agenda item.

Chairman Reckhow recognized Redick Alexander to come forward to make his comments.

Mr. Redick Alexander thanked the Commissioners for giving him an opportunity to speak to them about an issue that has been ongoing for several weeks. We went through the court process.

Mr. Alexander said he and his wife own property at 807 South Alston Avenue. We bought the property several years ago. A hole was on the property that was 40 to 50 feet deep. We bought the property to fill the hole for future use. We let a grading company dump at this site without charge. The grading company did a good job filling the hole. There was no problem with the County as far as the ordinance was concern. Mr. Alexander let a contractor stock pile soil on the property for future use. He told the contractor as long as it meets the ordinances there is no problem stock piling the soil. When he stock piled the soil, Mr. Alexander got a call from the County saying he was in violation of the ordinance. The ordinance permitted only 12,000 square feet of soil to be

disturbed. A survey showed that he was outside the boundaries of disturbing the soil. He actually disturbed 13,000 square feet. Mr. Alexander attempted to rectify the problem.

After Mr. Alexander's presentation, the County Commissioners asked several questions about the agenda item.

County Attorney Chuck Kitchen explained to the Commissioners the legal aspects of the case that was discussed. He told the Commissioners he would get the attorney in his office to write them a memorandum explaining the case to them.

Vice-Chairman Joe Bowser said he would like to get a copy of the state statute stating that if we handle this particular case then we would be liable. I want to see that in writing.

Chuck Kitchen did not say the Commissioners would be liable if they handled it. He said you do not have the authority to give up a civil penalty. I will be glad to get you that case.

Vice-Chairman Joe Bowser said if the Commissioners set the penalty, why would the state say we can't reverse the penalty if a correction is necessary.

Attorney Kitchen responded a court order has been entered at this point. The Commissioners can't overrule a court order on the case. We are in the collection stage at this point.

Chairman Reckhow directed Attorney Kitchen to add to the memorandum a paragraph to answer Vice-Chairman Joe Bowser's question on the appeal process.

The County Commissioners asked several questions and made comments relative to this case.

Chairman Reckhow requested that the County Attorney Kitchen look to see if any adjustment can be made on the property.

Commissioner Heron advised Chuck Kitchen that the Commissioners need to hear from the Sedimentation and Erosion Control Department on this matter in order to get the information we need. There is a penalty for everyday there is a violation.

Transportation Advisory Committee Issues

On May 12, the Transportation Advisory Committee (TAC) considered resolutions relative to the use of toll financing to construct the Triangle Parkway, an extension of NC 147 from I-40 to I-540, as well as matters related to Express High Occupancy lanes on I-40 and Mobility in the Triangle. No action is urgently required for the latter two items; however, the North Carolina Turnpike Authority will be meeting on June 10 to consider toll financing for the Triangle Parkway as one of three projects in North Carolina for toll financing.

RESOURCE PERSON(S): Mark Ahrendsen, Transportation Manager, City of Durham, and Becky Heron, Transportation Advisory Committee

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the presentation, suspend the rules if it desires to take any action, and advise the staff if additional action is necessary.

Chairman Reckhow recognized Mark Ahrendsen, Transportation Manager, City of Durham, and Becky Heron, Transportation Advisory Committee for their presentation and comments.

Mark Ahrendsen made the presentation to the Board of County Commissioners.

Mark Ahrendsen said what you have before you are four matters that were referred by the Transportation Advisory Committee (TAC) from their May 12, 2004 meeting. There is a Resolution to Encourage and Support the Consideration of Toll Financing to Construct the Triangle Parkway (NC 147 extension from I-40 to I-540). There are three other matters that are attached that were referred from the TAC meeting. One is a Resolution To Encourage and Support the Construction of Express High Occupancy Vehicle Lanes along Interstate 40 in the Triangle Area Using Toll Financing or Other Means. There is a Triangle Mobility Compact Resolution and a letter to Congress regarding road tolls and Pricing Incentive Pilot Program in the transportation bill. These last three matters really do not require any action today. The one matter that requires your consideration today is the resolution regarding the consideration of Toll Financing to finance the Triangle Parkway. The North Carolina Turnpike Authority is scheduled to meet on June 10 to consider toll financing for the Triangle Parkway. If you want the Board's thoughts to be known, now is the time to do that. This was presented to the (TAC) on May 12, 2004. Instead of taking action they wanted to hear input from the local jurisdictions prior to taking action.

The Durham City Council is scheduled to take action on the resolution supporting the consideration of toll financing for the Parkway at its meeting this evening. The item is on the consent agenda tonight.

Mark Ahrendsen said one of the requirements of the legislation is to provide for toll alternate routes that must be available to the toll routes.

Chairman Reckhow recognized Commissioner Heron for comments.

Commissioner Heron recommended to the Commissioners that we go ahead and move forward with this Triangle Parkway. The big advantage to this is the fact that there are three alternative routes for public use.

Commissioner Heron said we need to make a recommendation on this so it can possibly move forward.

The Commissioners asked several questions about the transportation plan.

Mark Ahrendsen responded to the questions and comments.

Commissioner Jacobs moved, seconded by Commissioner Heron, to suspend the rules to take action on the Triangle Parkway.

The motion carried unanimously.

Commissioner Jacobs moved, seconded by Commissioner Heron, to approve the draft Resolution to Encourage and Support the Consideration of Toll Financing to Construct the Triangle Parkway (NC 147 Southern Extension From I-40 to I-540).

The motion carried unanimously.

Chairman Reckhow reviewed the resolution relative to High Occupancy Lanes and Mark Ahrendsen reviewed the resolution in Support of Triangle Mobility Compact.

Chairman Reckhow said the two resolutions will be put on the June 14, 2004 Regular Session Consent Agenda for approval.

The resolution follows:

**RESOLUTION TO ENCOURAGE AND SUPPORT THE CONSIDERATION OF
TOLL FINANCING TO CONSTRUCT THE TRIANGLE PARKWAY
(NC 147 SOUTHERN EXTENSION FROM I-40 TO I-540)**

WHEREAS the Triangle region continues to receive many national accolades, including being among the best places to live, start a business, and raise a family, and

WHEREAS our continued population growth - more than 70 percent between 1980 and 2000 compared to a 20 percent national growth rate - has created a tremendous and growing strain on the Triangle's transportation system, and

WHEREAS the region's economic heart, the Research Triangle Park, still has the potential to double in employment from 45,000 to 90,000 employees by build out, and

WHEREAS the Triangle Parkway would provide an alternative route and a connector to the Park that will save time, money, and lives for travelers throughout the region; and

WHEREAS a completed Triangle Parkway will help attract, create, and retain jobs throughout the Triangle area by providing delay-free travel to employees, suppliers, and customers during off-peak periods and dramatically reduced travel times during peak periods; and

WHEREAS the construction of the Parkway will help relieve traffic congestion which hampers the ability of areas beyond the core counties to share in the Triangle's prosperity;

BE IT THEREFORE RESOLVED that we, the members of the Durham County Board of Commissioners, do hereby request that the North Carolina Turnpike Authority consider the Triangle Parkway (NC 147 southern extension to I-540) as one of its initial three toll projects authorized, in order to provide enhanced access to jobs and mobility to and through Research Triangle Park from points throughout the greater Triangle.

BE IT FURTHER RESOLVED that we, the members of the Durham County Board of Commissioners, do hereby request encourage the appropriate use of free-flow electronic tolling with variable pricing to help coordinate supply and demand, encourage bus transit use and carpooling, and maintain optimum travel service on the Triangle Parkway – the NC 147 southern extension to I-540.

This the 7th day of June, 2004.

Fiscal Impact Analysis of the County's Living Wage Policy

In December 2003, the Board approved the Resolution Adopting a Policy on Paying a Living Wage that set a livable wage based on the federal poverty guidelines plus 7.5% or \$9.51, to be adjusted annually. This policy becomes effective July 1, 2004 and applies to all full-time County employees, all contracts with temporary agencies for personnel, and all service contracts not exempted by the policy. (Exempted contracts are those subject to Federal or State Laws [grants with payment to lowest bidder or which provide for a particular rate of payment for services or provide for payment by the unit of service]; contracts between the County and other units of government; or any contract exempted by action of the County Manager). The Board instructed staff to contract with an outside consultant for a fiscal impact analysis of the Living Wage Policy on the County's for-profit service contracts before applying the policy to County contracts. The fiscal analysis would allow the County to determine what, if any, increases in contract costs might be incurred by requiring employers to pay their employees the living wage.

At the March 8, 2003 meeting of the Board of Commissioners, a contract was awarded to Optimal Solutions Group, LLC in the amount of \$32,600 to provide the fiscal analysis. The consultants surveyed 79 of the County's for-profit service providers and 18 jurisdictions across the country that are currently implementing a living wage policy to determine administrative or other costs incurred with policy adoption.

Optimal Solutions Group, LLC prepared a written report and presentation on the findings of its surveys and research.

RESOURCE PERSON(S): Mark Turner, Ph.D., President and Chief Executive Officer of Optimal Solutions Group, and Heidi Duer, Assistant County Manager for Special Projects

COUNTY MANAGER'S RECOMMENDATION: The Manager's recommendation was that the Board receive the presentation and determine whether any changes to the scope of the policy are necessary, taking into consideration the potential budgetary impacts of policy administration. Potential changes would be presented to the Board at its June 14 meeting.

Chairman Reckhow recognized Heidi Duer, Assistant to the County Manager for Special Projects, to make her presentation.

Mark Turner, Ph.D., President and Chief Executive Officer of Optimal Solutions Group, was recognized by Heidi Duer for his presentation.

Dr. Turner based his presentation on the final report he prepared for Durham County. He reviewed the final report with the Board of County Commissioners

After his presentation, he answered several questions for the Commissioners.

Chairman Reckhow said what we need to do today is to receive this report. If this report triggered any thoughts about changing our policy, we need to instruct the staff. If it does not then we will proceed to implement the policy starting July 1, 2004. It will go into effect in a rolling manner as contracts come up for renewal. It will not apply to existing contracts.

County Attorney Kitchen said when we brought this up we had two or three policies the Board was considering. The policy we adopted did not implement this. We deferred that for this one. We need to bring back the previous policy the Board had considered adopting. But it was deferred. The previous policy needs to be adopted again.

County Manager Ruffin said we are prepared to police and enforce this provision of the policy. What ever amendments need to be adopted we will bring to the June 14 or June 28 meeting and place them on the consent agenda.

No action is required on this agenda item. This item will move forward to one of our regular meetings.

Annual Report---Durham City-County Appearance Commission

In 2001, the Durham Board of County Commissioners and the Durham City Council established the Durham Appearance Commission through an Interlocal Agreement. The purpose of the Commission is to enhance and improve the visual quality and aesthetic character of Durham City and County. The Annual Report is provided in conformance with the requirements of the Interlocal Agreement and outlines the Commission's activities for the past year in accomplishing its mission. These activities include, among other things, an awards program, an outreach program, a landscape program, contributions to the development of the Comprehensive Plan and Unified Development Ordinance, and reviews of selected projects.

The Chairman of the Commission was available to make a presentation to the Board.

RESOURCE PERSON(S): George Stanziale, Appearance Commission Chairman

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the Appearance Commission's 2003-2004 Annual Report.

Bonnie Estes, Assistant Planning Director, said this report is presented as an information item. The chairman of the Durham Appearance Commission was unable to attend the meeting. The Commissioners has a copy of last year's annual report.

Chairman Reckhow said that the Commissioners will accept the annual report.

Results of the Organizational Climate Assessment.

The County Manager, through his annual workplan, was directed by the Board to conduct an organizational climate assessment. In January 2004, The Waters Consulting Group Inc. was contracted to administer an organization-wide climate survey to serve as a diagnostic instrument to help identify areas of strength and opportunities for improvement. Over a three-day period in March, the consultant met with County departments to administer the written survey and assure anonymity and confidentiality for all survey participants. The written survey consisted of 39 questions designed to provide the County with information about employee attitudes and opinions on six dimensions: communications; supervisor/employee relations; job satisfaction; department leadership; executive leadership; and County operations. The consultants have provided statistical analyses of the responses and have prepared both a written report and an oral presentation on their findings.

RESOURCE PERSON(S): Michael Ruffin, County Manager; Ruth Ann Eledge, Senior Consultant and Director of Consulting Services, The Waters Consulting Group; and Heidi Duer, Assistant County Manager for Special Projects

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the report and presentation. The Manager's workplan requires him to present strategies to address the findings to the Board in August.

Chairman Reckhow recognized County Manager Mike Ruffin to introduce the agenda item.

County Manager Mike Ruffin said he was very pleased to present the findings to the Commissioners. We work very hard to get a statistical significant response. We did that by working very closely with our workforce to keep them inform and to be sure they understood the purpose of the survey. One of the key considerations we were told from the very beginning by those who have conducted Organizational Climate Assessment said confidentiality was very important. Employees did not want supervisors to see comments on the survey form. We set up a process to promote confidentiality. This item was in the County Manager's work plan for several reasons. From the response of the

survey, the employees trusted the process. The employees were given the countywide results of the survey. The departmental results will be sent to the departments this week. We received important feedback we needed from our workgroup. Based on the survey, we will be able to improve some areas of county government. My work plan requires that I come back to you with a plan to address the issues if any are raised. Some issues were raised concerning next steps. I am going to assemble a cross county group of employees and supervisors to assist the County Manager to work with the next steps. We will come back to you this summer with recommendations.

County Manager Ruffin introduced Ruth Ann Eledge, Senior Consultant and Director of Consulting Services, The Waters Consulting Group, to make her presentation relative to the organizational climate survey she did for Durham County.

Ruth Ann Eledge spoke about the following aspects of the survey:

- Purpose of Briefing
- Surveys Uses
- Survey Process
- Description of Respondents
- 6 Dimensions Assessed
- Survey Data Interpretation
- Evaluation Key
- Summary of Findings
- General Observations
- Communication Overview
- Durham County – Communications
- Supervisor/ Employee Relations Overview
- Durham County – Supervisor /Employee Relations
- Job Satisfaction Overview
- Durham County – Job Satisfaction
- Department Leadership Overview
- Durham County - Department Leadership
- Executive Leadership and County Operations Overview
- Durham County – Executive Leadership & County Operations
- End of Slide Show

The Board of County Commissioners asked several questions and made comments about the survey.

Ruth Ann Eledge responded to the questions and comments.

Chairman Reckhow thanked Ruth Ann Eledge for the report. It is a helpful report. It points out our strengths and the areas we need to work on. That's what the goal of the report was.

Chairman Reckhow asked County Manager Ruffin to bring back to us within sixty days an approach on how you plan to follow up on the recommendations.

Closed Session

Vice-Chairman Joe W. Bowser moved, seconded by Commissioner Jacobs, to adjourn to closed session to discuss the performance of a public officer or employee and to consult with an attorney regarding Brannon v. DSS, 02 OSP 769, and to preserve the attorney-client privilege pursuant to G.S.143-318.11(a)(3) & (6).

The motion carried unanimously.

Recess

Chairman Reckhow recessed the worksession until 1:00 p. m. for lunch.

Reconvene

Chairman Reckhow said the Board will reconvene at 1:00 p. m. to have the Impact Fee Appeal Hearing.

Chairman Reckhow announced the Commissioners gave direction to staff during the closed session.

Impact Fee Appeal Hearing

On January 1, 2004, the Durham County Ordinance Adopting Impact Fee Procedures for the Imposition, Calculation, Collection, Administration, and Expenditures of School Impact Fees to Be Imposed on New Residential Construction (School Impact Fee Ordinance) became effective. This ordinance requires that all new residential construction occurring within the County shall pay the School Impact Fee according to the following fee schedule:

- Single-family detached house: \$2,000 per dwelling unit
- All other residential construction (including multi-family dwelling units): \$1,155 per dwelling unit.

The School Impact Fee is assessed (generally by the Durham City-County Inspections Department) at the time an application for a building permit is submitted and must be paid prior to the issuance of the Certificate of Occupancy.

On April 14, 2004, Mr. Brian Ruff sent a letter of appeal to the County Manager's office requesting that the Board waive the impact fee on the construction of a single-family house to be built at 2206 Elmwood Avenue. According to Mr. Ruff, and confirmed by the staff in the Inspections Department, he received his original building permit (#0302358) issued to Tri-City Construction, on July 16, 2003, before the School

Impact Fee was required. Mr. Ruff did not begin construction on this house within six months as required by North Carolina General Statutes 153A-358 for counties and 160A-418 for cities, which state that a permit expires six months after the date of issuance if the work authorized by the permit has not commenced; therefore, his building permit expired and was voided by the Inspections Department. Work on the house could not be performed until a new permit had been secured. A second permit (#401299) was applied for and issued to Vance Crabtree Builders on April 27, 2004. As required by the adopted Impact Fee Ordinance, the City-County Inspections Department assessed a \$2,000 impact fee to this house when the building permit was issued.

In accordance with Section 7-36 of the School Impact Fee Ordinance, which grants applicants who are required to pay a School Impact Fee the right to request a hearing before the Board of County Commissioners, Mr. Ruff requested the Board to review his appeal of the School Impact Fee. This request meets the requirements of the Ordinance: it was filed within the specified time frame; was filed through the Clerk to the Board, the request contained the required information, and the hearing was scheduled by the Administrator as directed. Section 7-36 G of the ordinance states that the Board shall make the final determination in cases of appeal and requires that a determination be made in writing and issued within 30 days of the hearing. Staff recommended that the Board deny this exemption of the Impact Fee.

RESOURCE PERSON(S): Heidi Duer, Impact Fee Administrator; Chuck Kitchen, County Attorney; and Roy Brockwell, City-County Inspections Department

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board conduct the hearing, issue a determination of the appeal to be included on the June 14 consent agenda, and provide the decision in writing within 30 days as required by the ordinance.

Heidi Duer, Impact Fee Administrator, introduced the first impact fee appeal hearing coming before the Board of County Commissioners. She presented the appeal hearing based on the information on the agenda action form. She reviewed for the Board some of the details of this particular building permit. Within six months, the permit expired, which happened in this case unless the work has not commenced. In order to begin work after that period Mr. Ruff had to submit a new application for a building permit, which he did. The permit was issued to Vance Crabtree Builders on April 27, 2004 after the ordinance became effective. He was assessed by the Inspection Department \$2,000 fee as required by the ordinance.

Mr. Ruff is here today to petition the Board of County Commissioners to appeal the \$2,000 fee that has been applied to this property.

The staff recommends denial based on the ordinance.

Garry E. Umstead, Clerk to the Board, administered the oath to Brian Ruff, Gene Bradham, and Roy Brockwell.

The Oath reads as follows: Do You Swear (or Affirm) To Tell the Truth, the Whole Truth, Nothing but the Truth, So Help You God. I do.

Mr. Brian Ruff said that he owns property 2206 Elmwood Avenue. I appreciate you giving me the opportunity to appear before the Board and make an appeal. I had a permit issued to me in July 2003. I was unable to begin the construction process within six months. I had to get another building permit issued. I incurred the impact fee. I come before you today to ask you to use your authority to waive this fee on my behalf. I do not want to pay the fee since I had the permit before the effective day of the ordinance. I hope you will grant me mercy. That is the extent of my request.

The County Commissioners, County Attorney, and County Manager Ruffin discussed the legal aspects of the case. A lengthy discussion was held.

Roy Brockwell, City-County Inspections Department, came to the podium and made comments about the procedure that dealt with this case. If there are no more questions for the Inspections Department the matter is back before this Board.

Commissioner Heron said I don't see how under these conditions we can waive this impact fee because he had two different builders. This is a whole new ball game with Vance Crabtree Builders.

Commissioner Heron moved that we not grant the release.

Chairman Reckhow said we don't need a vote now, since we are going to put it on the Regular Session next week.

Chairman Reckhow said that she does not see any sentiment to grant the appeal. We will put it on the agenda to deny the waiver.

Presentation –Durham Comprehensive Plan and Durham Unified Development Ordinance (UDO)

The presentation provided an overview on the purpose and impacts of two major initiatives being undertaken by the Planning Department: the Durham Comprehensive Plan and the Unified Development Ordinance [UDO]. The plan will establish a pattern of land uses and clarify basic governmental policies related to development. The UDO merges zoning and subdivision regulations into a single ordinance employing Smart Growth tenets and principles.

The Planning Department recommended that the Board receive the presentation and provide direction as appropriate.

RESOURCE PERSON(S): Frank M. Duke, AICP, Durham City-County Planning Director

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the presentation and provide direction as appropriate.

Chairman Reckhow recognized Frank M. Duke, AICP, Durham City-County Planning Director, for his presentation. He announced the last meeting on the comprehensive plan is schedule for Thursday, June 10, 2004 at 3:00 p. m. at the Durham Public Library.

Mr. Duke said that during the budget presentation last week he told the Board of County Commissioners the Planning Department has completed the Durham Comprehensive Plan and the Unified Development Ordinance (UDO) with the assistance of the Citizens Steering Committee on the Comprehensive Plan and the Joint City-County Planning Committee on the UDO. We wanted to take this opportunity to present both of these items to you as we gather public information or public input on them before we actually begin a public hearing process. That is why we are here today.

Frank Duke began his presentations by beginning the first section on the Durham Comprehensive Plan. The next section was a discussion on the Unified Development Ordinance. He then talked about the input process.

Frank Duke went into great detail with his presentation of the two programs.

The Board of County Commissioners asked several questions about the two documents Frank Duke reviewed for the Board.

Chairman Reckhow instructed Frank Duke to mesh the affordable housing incentives right into the table with an asterisk. We may want to revisit this again.

Chairman Reckhow asked Frank Duke to be sure the County Commissioners get an advanced copy of the letter the Planning Department is going to send out to the 90,000 property owners this month.

Social Services Budget Requests

Chairman Reckhow asked County Manager Mike Ruffin to explain a portion of the Social Services Budget that was presented to the Board of County Commissioners. The write up in the paper was confusing.

County Manager Ruffin responded to the request. The portion of the budget that was confusing dealt with Medicaid and the number of new employees and the amount of equipment going to be purchased.

Budget Hearing - Compensation and Benefits

The Board was requested to hear the FY 2004-05 budget presentation from the Human Resources Department regarding Compensation and Benefits.

RESOURCE PERSON(S): Jackye Knight, Human Resources Director; and Tony Noel, Debbi Davidson, and Elaine Hyman, Human Resources Managers

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the presentation.

Chairman Reckhow recognized Jackye Knight and her staff to present the County Manager's recommended Compensation Plan for FY 2004–2005. Overall the recommendation has no changes in the Pay-for-Performance increases implemented beginning in January of 2004. Tony Noel will discuss the Pay-for-Performance plan and Debbi Davidson will be discussing benefits. We are currently preparing to rebid the health provisions for Durham County for January 2005. We will be looking at changing the structure of the health plan in order to keep the premium increases to a minimum.

Tony Noel went through the Compensation plan using the following slides:

- 2004-2005 Compensation Recommendation
- Employee Salary Distribution Profile
- Average Salary and Tenure for Market
- Average Salary and Tenure for Triangle Area
- Cost of Living Comparison

Debbi Davidson went through the Current Benefits plan using the following slides.

- Current Benefits
- Benefits Proposal in Budget
- Hospital GAP Plan
- Increases for Durham County (Example:CIGNA)
- Average Employee (Age 42 – Salary \$36,500)
- Average Employee (Age 42 – Salary \$36,500) Flex Dollars
- Average Employee (Age 42 – Salary \$36,000) Family Coverage
- Average Employee (Age 42 -. Salary \$36,500) Family Coverage
- Average Employee
- Impact of Health Insurance – Increase – 10%
- Health Insurance Rate Projections
- Strategies for Affordable Health Insurance Rates
- Benefits Survey (% of Health Insurance Paid by Employer)
- Retiree Costs
- Retiree Cost (Rate Increases)
- Retiree Projections

Elaine Hyman went through the Pay for Performance plan using the following slides:

- Pay for Performance
- Pay for Performance Status Report

- Exit Interview Results

The County Commissioners asked several questions and made remarks about compensation and benefits.

A lengthy discussion was held on the compensation and benefits plans.

Commissioner Jacobs wanted to know how long the retiree costs had been budgeted in the risk management line item.

Jackye Knight said we can research the retiree costs to see how long it has been budgeted in the risk management line item.

Commissioner Bowser requested the Human Resources Department do a report showing the average salary of all the employees leaving out the executive staff, department heads, and managers.

The County Commissioners asked for additional information concerning the compensation plan. Directives were given to staff

Budget Hearing—Mental Health

The Board was requested to hear the Mental Health Department's FY 2004-05 budget presentation.

RESOURCE PERSON(S): Ellen Holliman, Interim Director; Delphine Powell, Administrative Officer II; and Doug Wright and Nancye Bryan, Area Mental Health Board Members

COUNTY MANAGER'S RECOMMENDATION: The Manager recommended that the Board receive the presentation.

Chairman Reckhow said the Board will hear the Mental Health Budget at this time.

Ellen Holliman, Interim Director, introduced everyone that came from the Mental Health Department to hear the budget presentation.

Ellen Holliman presented The Board of County Commissioners an overview of the Durham Center Budget Presentation for FY 2004-2005. She used slides in her presentation.

- Durham Center Budget Principles
- Challenges
- Major Accomplishments FY 2003-2004
- Outcomes 2003-2004
- Divestiture

- Budget Priorities
- Major Outcome Goals 2004-2005
- LME Budget
- Local Funding
- Durham Center Budget Data

Ellen Holliman turned the presentation over to Nancye Bryan, Area Mental Health Board member, to tell what we need to meet some of the goals we have set out to accomplish.

Nancye Bryan talked about supported housing and employment.

Doug Wright, Mental Health Board Chairman, talked about Level 4 Facility for Children and substance abuse.

Ellen Holliman asked the Commissioners if they had any questions. A few questions were asked.

Youth Council

The Board of County Commissioners had a short general discussion about setting up a Youth Council. No official action was taken on this matter.

Closed Session

Commissioner Jacobs stated she would like to know in advance of the agenda preparation if there is going to be closed session at 4:00 p.m. or 4:30 p.m.

Adjournment

Chairman Reckhow adjourned the Budget Worksession at 3:50 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board