

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

Wednesday, June 19, 2002

9:00 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 Joe W. Bowser, Philip R. Cousin Jr., and Becky M. Heron

Absent: None

Presider: Chairman Black

Agenda Adjustments

Chairman Black said the purpose of the worksession is to make a final review of material related to the proposed budget. She also wanted to talk about the building security information the Board received yesterday. She asked if the Commissioners would be willing to insert a number in the security line item so that the item would not be overlooked in the budget process. The security budgeted figure would not exceed \$885,000.

Youth Coordinating Board

Chairman Black asked Pam Meyer, Budget Director, and Gudrun Parmer, Criminal Justice Resource Center Director, to come to the table to present the Youth Coordinating Board's departmental budget.

Ms. Meyer and Ms. Parmer began the presentation of the Manager's recommended FY 2003 budget (including redistribution of County funds) by using the following information:

YOUTH COORDINATING BOARD DEPARTMENT

Staff Recommendation FY2003 Budget	
Redistribution of County Funds	\$ 157,786
(included pass through grants)	

Manager's Recommended FY 2003 Budget included redistribution of County funds as follows:

Continuation funding for Juvenile Day Reporting Center for remainder of FY (includes full funding for 3 FTE's)	\$	75,467
Funding of a Staff Specialist position (\$5k support from JCPC Match & \$18,000 revenue offset from Medicaid billing)	\$	36,151
NE Central Durham funding for .5 FTE (vacant)	\$	18,732
TOPS Volunteer Coordinator position (vacant)	\$	26,802
Facility Lease (offset by \$8,634 City revenue)	\$	17,268
JCPC County Match (\$5,000 included in Support of Staff Specialist position)	\$	10,000
Two on-going pass through grants	\$	54,175
Total Anticipated Expenditures	\$	238,595

Revenue Offsets

Medicaid Billing (staff specialist)	\$	18,000
City Revenue	\$	8,634
Grant Revenue	\$	<u>54,175</u>
Total Revenue	\$	80,809

Grand Total Recommended Redistributed \$ 157,786

BOCC Recommendation 6/11/02 Worksession:

Eliminate TOPS Volunteer Coordinator funding	\$	(26,802)
NE Central Durham funding for .5 FTE (vacant)	\$	(18,732)

Revised Redistribution Amount \$ 112,252

The Commissioners asked questions and made remarks about the Youth Coordinating Board Department budget to which Ms. Meyer and Ms. Parmer responded. County Manager Ruffin also assisted with the responses.

Chairman Black commented that she had heard that the City of Durham wanted to locate the Documentary Film Festival office at the old Youth Coordinating Board site.

The Board of County Commissioners has not approved the agreement for the Youth Coordinating Board facility to be used by Documentary Film Festival. Discussion was held about Durham County continuing to pay part of the yearly lease for the Film Festival office. A final decision had not been made about the lease agreement.

Commissioner Heron said Durham County should have a clear understanding about its liability and responsibility regarding the lease.

Vice-Chairman Reckhow was of the opinion that Durham County should be paid for the lease or sublease arrangement.

At the June 11, 2002 Worksession, the Board of County Commissioners recommended removal of the TOPS Volunteer Coordinator funding (\$26,802) and the Northeast Central Durham funding for .5 FTE (vacant) (\$18,732) from the Youth Coordinating Board Department budget. The Commissioners concurred to eliminate the two positions.

A lengthy discussion was held between the Commissioners and staff about the Youth Coordinating Board Department budget.

The Board of County Commissioners concurred to make changes to the Staff Specialist position in the Youth Coordinating Board Department budget. The \$36,150 position will be divided as follows:

- \$20,000 will remain in the Criminal Justice Center; and
- \$16,150 will be transferred to Cooperative Extension Service to be used by the Juvenile Crime Prevention Council

Staff will determine the job classification. The Juvenile Crime Prevention Council would have the final authority to approve the job description and job classification.

Chairman Black said continuation funding for the Juvenile Day Reporting Center for the remainder of FY 2002 would remain in the budget at \$75,467.

Funds for GED Program at Center for Employment Training (CET)

Chairman Black asked the County Manager if he could find the \$16,500 for the County match for one year.

County Manager Ruffin answered in the affirmative.

Chairman Black said the program for 16 and 17 year olds is for one year. Dr. Phail Wynn said he would include the program or a similar one in the Durham Technical Community College curriculum next year. Chairman Black wanted to fund the program.

Commissioner Bowser said he would strongly object to this program because the nonprofits were cut by 5 percent. It is unfair for one Commissioner to put a program like this on the table. These kids are dropping out of school, and I do not see how an organization like this can do anything to help them. More power to the school if they can help these children.

Vice-Chairman Reckhow made several comments in support of the program. She spoke about why the program is needed and what is being done to help these kids get their GED so they can find jobs to support themselves. The total cost of the program for next year would be \$89,000. Funding for the program is coming from several sources. I hope the Commissioners can support this program. This is an ongoing program that is already in place.

A lengthy discussion followed about the GED program.

Commissioner Bowser said he did not have any problem with the program. I think my problem lies with my colleagues since we cut much of the nonprofit funding.

Chairman Black said she was going to bring this to a vote.

Vice-Chairman Reckhow moved, seconded by Commissioner Heron, to allocate \$16,500 to the GED program for 16 and 17 year olds.

Commissioner Heron said that she agrees with Commissioner Bowser about bringing in a program at the end of the budget process, particularly a program we have not discussed. We need to be very careful about this in future budgets. These programs need to be out front and stand on their own merit. These kids cannot attend Durham Technical Community College because of their age. This is a one-year program. This is why I am supporting this GED program.

Commissioner Cousin said that Durham Technical Community College could not provide the program because of the kids' ages. Some of what the State requires in that regard is ridiculous because in some cases the State will allow high school students to take advanced placement courses at Durham Technical Community College. I believe the program will be proven successful and will be picked up by the college. We should go ahead and see to it that the students have an opportunity to get training and prepare themselves for the job market.

The motion carried with the following vote:

Ayes: Black, Cousin, Heron, and Reckhow
Noes: Bowser
Absent: None

Solid Waste Management Fee Increase

Chairman Black said that Michael Turner, Director of General Services, was present to answer questions on the solid waste fee.

Commissioner Heron wanted to know if an arrangement had been made with the recycling company to pick up the recyclable items at the Eno Festival in July.

Mr. Turner responded that final arrangements have not been made. He said that he would call the owner today.

Technology Replacement

Perry Dixon, Director of Information Services, and Deputy County Manager Wendell Davis, made a presentation to the Board of County Commissioners about leasing or purchasing computer equipment.

The Commissioners asked questions and made comments to which Mr. Dixon and Mr. Davis responded.

Vice-Chairman Reckhow wanted to know if the Commissioners could allocate the money being suggested by staff for year No. 1 in the amount of \$250,000. The Commissioners could then ask staff to look at three- and four-year leasing options.

Commissioner Heron stated that she did not want to take any official action on the computers and hardware until the total budget and tax rate could be determined. She was of the opinion that the computers should be charged to each department receiving them.

Mr. Dixon said plans are being finalized to charge the computers back to each department when they are installed in the departments. It would be reported in the departmental cost center when the equipment is installed.

Commissioner Cousin moved, seconded by Commissioner Heron, to move forward and allocate \$250,000 to purchase computers for year No. 1 and ask staff to look at three- and four-year leasing options subject to the final budget and tax rate. The proposal would be brought back to the Commissioners for final approval.

The motion carried with the following vote:

Ayes: Cousin, Black, and Heron

Noes: None

Absent: Bowser and Reckhow (out of room when vote was taken)

Changes to Manager's Recommended FY 2003 Budget (Total Figures)

Pam Meyer, Budget Director, said revenues from the Community Health Trust Fund would increase by \$46,000, which will increase funding for Senior PharmAssist at \$28,500 (Commissioners Bowser's request) and \$17,500 for the Watts School of Nursing Scholarship Program.

The expenditures would decrease by \$925 to a total figure of \$3,078,826. The overall net general fund impact will be \$3,124,826.

The Commissioners asked questions and made remarks about the budget adjustments to which County Manager Ruffin and Ms. Meyer responded.

County Manager Ruffin told Chairman Black that the tax increase for next year would be about 2.4 cents per \$100 valuation. These reductions, not including what Ms. Meyer just reported, are about 1.6 cents. The voters approved an increase of 2.5 cents to cover the bond indebtedness. This proposed tax rate increase is just a little under the 2.5 cents approved by the voters.

County Manager Ruffin said funding for the Child Support Attorney position could come from the Risk Management Fund. In next year's budget, the charges for services to all the departments will total \$1.6 million. We do not believe that we will spend that amount from the fund. We could reduce the charges for services by the amount necessary to pay for the Child Support Attorney position.

Chairman Black commented that the Child Support Attorney position is needed. She asked if any Commissioner wanted to put a motion on the table.

Commissioner Cousin moved, seconded by Commissioner Heron, to reinstate the Child Support Attorney position in the Legal Department. Funding would come from the Risk Management Fund.

The motion carried unanimously.

Training Related Travel

Pam Meyer, Budget Director, told the County Commissioners that she has not heard from all the agencies as to how much travel has been budgeted. The estimated travel in next year's recommended budget would be approximately \$385,000 in the General Fund budget.

County Manager Ruffin stated that the big issue about out-of-state travel is not the budgeted figure but what the Board wants to do in terms of out-state-travel for next year. If you freeze it, we will have to determine the dollar amount. The Board can enact a

policy to freeze out-of-state travel for next year. If you do that, some budgets will be affected next fiscal year.

Commissioner Heron said in her opinion out-of-state travel should be frozen for now until we see what the State is going to do about funding the counties. The estimated figure for out-of-state travel for next fiscal year is \$47,000 out of the total travel of \$385,000.

Chairman Black said that she will be traveling in July for Durham County but will pay her own way and will not ask the County for any money for travel expenses. If employees have paid registration fees to attend a conference, they should attend.

Vice-Chairman Reckhow moved to freeze out-of-state travel unless previously committed and paid for and allow the County Manager to consider individual case by case basis mainly to allow trips vital for Durham County.

Commissioner Bowser made a substitute motion to authorize the County Manager to have the discretion to approve or not approve travel.

Commissioner Bowser would not support freezing travel altogether for in-state or out-of-state.

Commissioner Cousin said the only difference in the two motions is that Vice-Chairman Reckhow is calling for a freeze at the County Manager's discretion and Commissioner Bowser is calling for the County Manager's discretion without a freeze.

Chairman Black said the two motions are the same but she must call for the substitute motion first.

Commissioner Bowser amended his motion to exclude the County Commissioners and to leave overnight travel to the discretion of the County Manager.

Commissioner Cousin seconded the substitute motion made by Commissioner Bowser.

The motion carried unanimously.

Building Security

County Manager Ruffin began the discussion about funding building security. Chief Deputy Crabtree had said this morning that the Stanford L. Warren Library could be covered under the existing proposal of \$892,016. Twenty officers would be designated for the eight sites. The library site would be covered with one of the two rovers.

County Manager Ruffin said that he has no final information from Wackenhut Security at the present time.

County Manager Ruffin said that he believes any security proposal adopted by the Commissioners will be within the proposed budgeted figure. Staff would like to revisit the Board after questions are answered about Wackenhut Security.

Chairman Black said she wants to handle the security expenditures by capping the dollar amount at \$900,000 for the fiscal year. Staff will work it out and bring the proposal back to the Commissioners for final approval.

Chairman Black said the Judicial Building does not have security coverage at the present time. We need to get coverage for that building. The Sheriff's proposal for next year includes the Judicial Building.

Deputy County Manager Wendell Davis discussed the Wackenhut proposal that he had in hand at the budget worksession. Additional information will be provided.

The Commissioners asked questions and made remarks about the proposal to which County Manager Ruffin and Deputy County Manager Davis responded.

Chairman Black said there seems to be an agreement to put \$900,000 in the proposed budget for building security.

County Manager Mike Ruffin said that Chief Deputy Crabtree told him that no overtime is in the contract and he does not intend to use overtime.

Chairman Black wanted the overtime statement in the public record.

Commissioner Heron moved, seconded by Commissioner Cousin, to approve \$900,000 for the security package. The money is to be placed in the proposed budget and staff will bring a security proposal to the Commissioners for consideration.

The motion carried unanimously.

Compensation

County Manager Ruffin called on Jackye Knight, Director of Human Resources, and Tony Noel, Human Resources Manager, to respond to issues that were raised yesterday.

Ms. Knight gave the Commissioners a document that showed cost figures for the Manager's 2002-03 employment package recommendation. An additional document was

distributed showing the revised 2002-03 compensation request. These two documents were used for comparison purposes. The revised request removed from consideration the Implementation of the Benchmark Study, Longevity at the 5-Year Level, and the Reclassifications/Reorganizations.

The County Commissioners asked questions and made remarks about the 2002-03 Employee Compensation Package recommended by the County Manager to which Ms. Knight responded.

Vice-Chairman Reckhow said that she and Commissioner Heron put forward a proposal to give everyone in county government a \$1,500 across-the-board increase. The motivation is to help the lower paid employees such as those in Animal Control.

Chairman Black asked County Manager Ruffin to explain his recommended compensation plan.

The Commissioners had a lengthy discussion about the proposed compensation plan.

Vice-Chairman Reckhow said her preference would be to either give each employee \$1,500 or stay with our current pay plan and study it next year. At the same time, we would institute longevity, enhance the flex benefits, and do all these other things.

Commissioner Cousin said that he could support the 5 percent salary plan in the Manager's recommendation.

Commissioner Heron said she is not supporting the 5 percent plan. She agrees with Vice-Chairman Reckhow's proposal. The longevity plan should begin at ten years. I support the additional money in the cafeteria plan.

Commissioner Bowser said he had nothing to say other than he supports the County Manager's compensation plan.

Chairman Black said she would support the longevity plan beginning at ten years and the additional 2½ percent salary increase.

County Manager Ruffin wished to keep the \$863,927 benchmark study in the compensation plan. The study will impact 647 employees.

County Manager Ruffin said that it was decided at the Commissioners' retreat that the department managers could choose their salary market. Department heads could talk with Human Resources personnel if there were other markets with which they were competing.

Chairman Black requested that the minutes of the retreat be reviewed and a copy be sent to each Commissioner. She also wanted the Human Resources Department to revisit the

benchmark study to see how changing the markets of the various job descriptions would impact the 647 employees. The cost figures in the \$863,927 amount would also be impacted.

Chairman Black said it would be a good idea to do the benchmark study the old way since the cost would probably be reduced by approximately \$457,000. The cost of the study could then remain in the Manager's compensation package.

Commissioner Bowser said he has studied this pay plan and I am going to support it as it was presented. My objective is to keep the employees in Durham County Government.

Commissioner Heron wanted to take the benchmark study out of this budget.

Commissioner Cousin said he wanted to be on record that he is supporting the County Manager's employee recommendation. He said it would be good if Ms. Knight can make the benchmark study.

Ms. Knight said if the longevity plan begins at ten years, 304 employees will be left out from 5 to 10 years.

Vice-Chairman Reckhow said she couldn't support the County Manager's recommendation. She would not support the benchmark study if it goes back to the \$450,000 cost that Jackye talked about.

Commissioner Heron said she would not support the Count Manager's recommendation because of the shortfalls. We do not know how much money we will receive. The salary increase of 5 percent for all employees would cause some employees to get a big boost this year and some people on the lower scale will not get a big boost. I would not support the Manager's plan.

Chairman Black summarized the situation regarding the Manager's employee package recommendation.

Chairman Black said she was trying to get a unanimous decision but she is willing to have a three/two split on the vote.

Chairman Black said she needed a motion to support the employee package recommended by the Manager.

Commissioner Cousin made a motion, seconded by Commissioner Bowser, to support the employee compensation package as recommended by the County Manager.

The motion carried with the following vote:

Ayes: Commissioners Black, Bowser, and Cousin
Noes: Commissioners Heron and Reckhow
Absent: None

Durham County's Poor People

Chairman Black commented that someone said that Durham County does not support poor people and doesn't intend to do things for poor people.

Chairman Black said that she was looking at County dollars that go into the Human Services budget. In local dollars alone we spend the following:

Mental Health	\$ 6,980,047
Social Services	\$24,782,280
Other Human Services (Nonprofits)	\$ 1,568,945
Public Health	\$ 9,000,000

The total expenditures for the above services amount to approximately \$42,390,706.

Chairman Black requested that the information listed above be put in the public record.

Chairman Black said that the Medicaid match is included in the figures but the federal and state pass-through money is not in the figures.

The County budget allocates 21.8 cents per \$100 valuation for human services and 28 cents per \$100 valuation for education.

Chairman Black said that Durham County does much more for human services than many other communities. Many communities give \$500,000 or \$50,000 for mental health services. Durham County gives Mental Health services \$6.9 million.

Social Workers for NECD

Daniel C. Hudgins, Social Services Director, was called on to make a presentation on the Campaign for Decent Housing, although the request was not a Department of Social Services proposal.

This request was taken to the County Manager outside the Social Services Department budget request. Mr. Hudgins said he supported the \$42,000 budget request.

The County Commissioners asked questions and made remarks about the budget request to which Mr. Hudgins responded.

Mr. Stephen Hopkins was asked by Commissioner Bowser to explain the Campaign for Decent Housing.

Commissioner Heron suggested that County Manager Ruffin consider taking the half-time position at Cooperative Extension to fund the requested program for the case managers.

Vice-Chairman Reckhow said the County Manager would look at the half-time position to determine whether one case manager position can be funded.

Washington Lobbyist (Capital Link)

Vice-Chairman Reckhow called on County Manager Mike Ruffin to make a report on the Washington Lobbyist.

The County Manager said the County was not in the earmark process last year because we were too late signing the contract in August. The County is in the earmark process this year. I am very confident based on Capital Link's record that we will receive a good return on our investment that cost us about \$48,000 per year. If September 30 comes and we do not get any earmarks, we will terminate the contract. The return on the investment is two- to four-fold. Capital Link is very confident that we will see some earmarks.

Commissioner Heron said she wants some money coming in that we would ordinarily not see.

Status of Interlocals

County Manager Ruffin said the interlocal agreements for City/County Planning and the Board of Adjustment have both expired. City/County Planning will be getting a revised interlocal agreement within the next 60 days. City and County staffs have agreed on the language, and we are waiting for the attorneys to return the document to the two managers so they can present it to the Joint City/County Planning Committee for review and action.

The County Manager said the Home Consortium interlocal agreement has been renewed.

The City has requested a one-year extension on the tax interlocal. The interlocal expired last June. Durham County had a draft of a new interlocal but when the City began the budget process, it asked to renew the current interlocal for one year while considering other options.

Commissioner Heron said she wanted to be sure the County is recovering its cost.

The Youth Coordinating Board agreed to dissolve. The Youth Coordinating Board interlocal will go away. We have no other expired interlocals.

Status of Sewer Audits

Susan Fox-Kirk, Deputy Finance Director, gave a brief report on the sewer audit. The problem that has caused a hold up in the last month is that the City did not want to include the tributary lines in the water project.

Ms. Fox-Kirk gave the Commissioners a report on staff's progress. The audit will be completed the latter part of August.

Commissioner Heron asked several questions to which Ms. Fox-Kirk responded.

Sales Tax Audit

Ms. Fox-Kirk presented a report on the sales tax audit. The completion date would be mid July and that includes all the claims being submitted to the State. The final payment to Durham County for the sales tax claims will be approximately \$250,000.

Hillside Issue

Chairman Black reported that the Durham Public Schools system has money budgeted for the Hillside project. We want the plan implemented and are requesting updated information on the project. A report will be sent to the Board in a few months regarding the progress being made on the implementation of the plan.

Commissioners Reckhow and Cousin wanted to know if a letter would be sent to the Board of Education requesting information concerning the rationale for the administrative changes being made at Hillside High School.

Commissioner Heron wanted to request the information in an informal way.

After some discussion on the Hillside matter, Chairman Black requested that a letter be sent to the Board of Education asking for rationale for the administrative changes being made at the school.

Chairman Black asked Commissioner Cousin to get the Memorandum of Understanding and begin updating the document with the County Manager so it can be discussed with the school board. She requested that Hillside High School be put in the document with appropriate benchmarks to guide the Hillside project. We need a new draft of the Memorandum of Understanding to work with.

Valuation of Public Officials

Chairman Black said the valuation of the four public officials that the Board is responsible for should be done now. The four public officials are Sheriff Worth Hill, Registrar of Deeds Willie Covington, County Attorney S. C. Kitchen, and Tax Administrator Steve Crysel.

The Commissioners decided to schedule the valuations for Monday, June 24, 2002 at 4:00 p.m.

Adjournment

Chairman Black adjourned the worksession at 12:50 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board