

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

Monday, November 8, 1999

7:00 P.M. Regular Session

AGENDA

1. **Opening of Regular Session**—Pledge of Allegiance

2. **Agenda Adjustments**

3. **Minutes**

- a. August 4, 1999 Worksession
- b. September 27, 1999 Regular Session
- c. October 4, 1999 Worksession

4. **Resolution of Support for "Promising Practices"**

At the November 1st worksession, the Board heard a presentation from Dr. Jean G. Spaulding, Vice Chancellor for Health Affairs, Durham University Medical Center, about a new collaboration between the Durham Health Network and Duke University Health System. "Promising Practices" is a joint effort between the Durham County Health Department, Lincoln Community Health Center, Durham County Department of Social Services, Duke Hospital, Durham Regional Hospital and the Durham County Asthma Coalition. A resolution of support for the program has been prepared at the Board's request.

County Manager's Recommendation: Approve the resolution of support for "Promising Practices," and forward a copy to Dr. Jean G. Spaulding, Vice Chancellor of Health Affairs, Duke University Medical Center.

5. **Consent Agenda**

- a. Triangle Transit Authority Board Appointment (approve the reappointment of Commissioner Ellen W. Reckhow to the Triangle Transit Authority Board in the Durham County representative position. New term will be from December 1, 1999 to November 30, 2003);
- b. Street Annexation Petition—Elysian Way and Halcyon Place (adopt the resolution to approve the addition of Elysian Way and Halcyon Place [Briar Creek] to the state's road maintenance system subject to the certification of eligibility by the appropriate officials of the NC Department of Transportation);
- c. Authorize the County Manager to execute the utility contracts (Keystone Technology Park and Page Crossing) for these additions to the County sanitary sewer system. (These are standard non-reimbursable contracts that require no appropriation from Durham County);
- d. Emergency Medical Services (authorize the County Manager to enter into a contract with TransMed Inc., the lowest bidder, for two ambulance remounts in the amount of \$87,000);
- e. Request to negotiate and award contracted cleaning services to two janitorial firms (authorize the County Manager to negotiate and enter into an annual contract not to exceed \$156,060 to Beyah Cleaning Services and \$190,443.36 to SSC Service Solutions for contracted cleaning services);

- f. Request to set a public hearing on the proposed Solid Waste Management Ordinance (schedule a public hearing on November 22, 1999 to receive public comment on the proposed Solid Waste Management Ordinance); and
- g. Endorsement of Policy Statement regarding Durham's Older Adults (endorse the work of the Keeping in Step [KIS] Committee and acknowledge their expanding role. Approve the revised County Policy Statement Regarding Durham's Older Adults).

Note: The purpose of a consent agenda is to handle consensus items with one motion to save time on meeting agendas. Any item a Board member pulls for discussion should be placed at the end of the agenda so public hearings can be concluded as early as possible. This will provide for the least inconvenience to the general public attending the public hearings.

6. Public Hearing for the Consideration of Allocating Economic Development Investment Funds to Cree Research Inc.

Cree Research Inc. develops, manufactures, and distributes blue diodes, silicon wafers, and synthetic diamonds. They are currently considering construction of a 125,000-square-foot manufacturing expansion onto their existing facility located at 4600 Silicon Drive in Durham County. The total construction cost of this addition is estimated to be \$30 million. Upon completion, the facility will house Cree's integrated circuit manufacturing and development operations. The initial investment in equipment for the facility will be approximately \$30 million. Cree's investment in additional new equipment over the successive four years will be \$233,456,500. It is anticipated that Cree's expansion will create 275 new jobs in manufacturing over the next five years.

Cree Research Inc. is in the process of making the final decision on where to locate the manufacturing expansion facility. Other areas outside of North Carolina are being evaluated for this investment. Cree has communicated to the County Manager and Deputy County Manager that Durham County's financial support for this project will be a key consideration for a final decision.

Staff is recommending that the County participate in this project by reimbursing Cree up to \$1.7 million for the costs associated with the design and construction of grading and site preparation. The reimbursement payments will be made in equal installments over a five-year period with revenues from the County's Enterprise Fund beginning the fiscal year after construction of the new facility has been completed. As the Board is aware, reimbursements will not be made until Cree reaches the incremental investment and job creation projections that are included in the contract.

County Manager's Recommendation: Hold a public hearing on the consideration of allocating economic development investment funds to Cree Research, Inc. and approve the contract between Durham County and Cree Research Inc. to allow for the reimbursement of costs associated with grading and site preparation.

7. Declaration of Surplus Property and Approval of Resolution for Public Auction Sale

Over the past year, Durham County has accumulated personal property consisting of automobiles, furnishings, machines, and other items whose useful life has been reached or is no longer needed by the County for operational purposes.

As per the Board's directive, surplus vehicles and other equipment are being made available to those counties who have experienced flooding from Hurricane Floyd. Surplus items

remaining will be auctioned at a public auction. The Board is requested to declare the items listed in the schedule "surplus," and authorize the County Manager to donate surplus property to counties affected by flooding and to proceed with an auction of the remaining properties.

A resolution for BOCC approval authorizing the Public Auction Sale has been prepared.

Resource Person(S): Sandra Phillips, Director of Purchasing, will be present to answer any questions.

County Manager's Recommendation: Declare the schedule of property to be surplus and authorize the County Manager to donate surplus property to counties affected by Hurricane Floyd flooding and to proceed with a public auction of the remaining properties listed on the schedule.

8. Two New Ambulances—Emergency Medical Services

The Board is requested to authorize the County Manager to enter into a contract for \$96,700 with TransMed Industries to purchase two new ambulances for Durham County Emergency Medical Services. Funds were appropriated in this Fiscal Year's Equipment Leasing Fund for the purchase of these ambulances.

Durham County's requirements were advertised in the local newspapers on September 30, 1999. Bid Invitation No. 00-003 was mailed to 13 vendors. Bids were received from Wheeled Coach Inc. for \$91,520, TransMed Industries for \$96,700, and Peach State Ambulance Inc. for \$98,694. The lowest responsive bid submitted by Wheeled Coach Inc. did not meet some of the required specifications of the bid invitation.

Resource Person(s): Sandra Phillips, Director of Purchasing, and Mickey Tezai, EMS Director, will be present to discuss their recommendation to the Board.

County Manager's Recommendation: Authorize the County Manager to enter into a contract with TransMed Industries for two new ambulances in the amount of \$96,700.

9. Vehicles for EMS, Tax Administration, Social Services, Sheriff, General Services, and Environmental Engineering Departments

The Board is requested to authorize the County Manager to enter into a contract with:

| <u>Vendor</u> | <u>Amount</u> | <u>Department</u> | <u>Number of Vehicles</u> |
|-----------------------------|---------------|-------------------|---------------------------|
| University Ford, Inc. | \$747,328.00 | Sheriff | 33 |
| | | EMS | 3 |
| Bobby Murray Chevrolet Inc. | \$102,870.94 | Tax Admin. | 1 |
| | | Social Svcs. | 2 |
| | | General Svcs. | 2 |
| | | Engineering | 1 |
| Cooper-Harris, Inc. (Ford) | \$ 22,095.00 | Engineering | 1 |

Total Amount \$872,293.94

Funds were appropriated in this Fiscal Year's Equipment Leasing Fund and Department budgets for the purchase of vehicles.

Durham County's requirements were advertised in the local newspapers on September 30, 1999. Bid Invitations were mailed to 13 local vendors. Bids were received from three bidders: 1) University Ford Inc. for \$793,580.00; 2) Bobby Murray Chevrolet Inc. for \$629,712.96; and 3) Cooper-Harris Inc. for \$826,767.00. The above recommendation is to award to the low bidder for each class of vehicle with the exception of Vehicle Specification 4 and 8.

Resource Person(S): Sandra Phillips, Director of Purchasing; Michael Turner, Director of General Services; Janet Birenbaum and R. D. Buchanan, Sheriff's Dept.; Gael Hallenback, Social Services; Mickey Tezai, EMS Director; Marvin Pope, Tax Administration; and Glen Whisler, Environmental Engineering Director, will be present to discuss their recommendation to the Board.

County Manager's Recommendation: Authorize County Manager to enter into a contract for vehicles with University Ford for \$747,328.00, Bobby Murray Chevrolet Inc. for \$102,870.94, and Cooper-Harris Inc. for \$22,095.00.

10. Library Roof Replacement Pay As You Go Project

Board action is requested to appropriate \$295,550 from the Pay-As-You-Go Fund to cover expenses associated with the replacement of the Main Library roof. The existing roof was installed in 1979 and is now at the end of its useful life. Although numerous repairs have been made, leaks continue to threaten irreplaceable library materials, computers, and communications equipment. In addition, leaking has caused damage to carpet, tile, and the interior of the building. Although this project was tentatively planned for some future date, it is recommended the roof replacement occur during the current fiscal year. Following the selection of an architect/engineer, plans and specifications will be prepared for bidding. Once the bids are received and evaluated, a recommendation will be made to the Manager for an award by the BOCC. The construction will begin following the award and is expected to take approximately six to nine months.

Funding for this project is available through the reallocation of funds originally planned for the Building Security project. The Building Security project will start at a later date. Therefore, a recommendation to reallocate funds originally budgeted for the Building Security Project to the Library roof replacement project is requested.

Resource Person(S): Mike Turner, General Services Director; Ademola Shobande, Project Manager; Dale Gaddis, Library Director; and Claudia Odom, Budget and Management Services Director.

County Manager's Recommendation: Pay-As-You-Go funding is appropriated when capital projects are ready to begin. This approach ensures that projects are completely fleshed out before the Board commitment of resources or funds. The delayed start date of the Building Security project will allow the County to replace the roof on the Main Library. I recommend the Board of County Commissioners make a motion to establish the Library Roof replacement project by approving budget amendment 00CPA000005.

11. DSS HVAC Pay-As-You-Go Project Allocation

Board action is being requested to allocate \$152,792 to the DSS HVAC Pay-As-You-Go project, amending the budget to \$377,792. The DSS HVAC project has an available budget of \$150,908 for project completion. The additional allocation will cover expenses associated with the replacement of the chiller system at DSS main street location. The project will bring the Social Services building into compliance with the Clean Air Act, reduce energy costs, and increase the level of comfort for the building occupants.

The board appropriated \$225,000 for the DSS HVAC system during fiscal years 1998 and 1999. Of this appropriation, \$59,142 has been expended on partial control/valve replacement and system repairs, and an additional \$14,950 is encumbered with Ish Sudd, P.E, for engineering services, leaving a difference of \$150,908 available for project completion. Based on new estimates, a total of \$318,650 is required to remove existing chiller/cooler towers and install two 90-ton water cooled screw chillers, two cooling towers, two condenser water pumps, two chilled water pumps, and miscellaneous piping and control wiring. The following budget outlines the cost associated with this project:

Available Budget

| | |
|---------------------------------|-------------------|
| Current Budget Allocation | \$225,000 |
| Less: Expenses and Encumbrances | <u>-\$ 74,092</u> |
| Available Budget | \$150,908 |

Total Project Budget

| | |
|---|------------------|
| Mechanical Contract | \$253,000 |
| Design through Construction | \$ 14,950 |
| Construction Administration | \$ 8,050 |
| Contingency (5% of Mechanical Contract \$253,000) | \$ 12,650 |
| Valve Replacement | <u>\$ 30,000</u> |
| Subtotal | \$318,650 |
| Prior Maintenance and Repair Work | <u>\$ 59,142</u> |
| Total Project Budget | \$377,792 |

Pay-As-You-Go funds exist to pay for this project.

Resource Person(S): Mike Turner, General Services Director; Ademola Shobande, Project Manager; and Claudia Odom, Budget and Management Services Director.

County Manager's Recommendation: The chiller system replacement needs to occur for the DSS building during the fall and winter months of the current fiscal year. Bids for this project will come before the Board during the December board meeting. I recommend the Board of County Commissioners make a motion to amend the DSS HVAC project budget to \$377,792 by approving budget amendment 00CPA000006.

12. Increase of Flexible Benefits Spending Credit

In an effort to offset the out-of-pocket benefit costs for employees, it is the recommendation of the HR department that \$233,136 from the cafeteria benefits line item (Fund 150) be

dedicated to increase the \$138 credit to \$150. A projected cost and expense analysis is included to explain how Fund 150 will generate enough reserves to continue to fund this increase for future budget years, beginning January 1, 2000.

Durham County Government has received its renewal rates for calendar year 2000. Increases for health benefits range from 6 percent to 48 percent. Even with anticipated migration from one health plan to another in search of the lowest rates, most employees will experience an average increase of 11 percent. Dental rates will also increase an average of 31 percent (actual increases fall between \$2.21 and \$8.71).

The County has held steady with its flexible spending amount of \$138 per pay period for seven years. Although 700 employees do not spend the entire \$138 credit, the remaining 977 employees will see a significant erosion in their benefits buying power. Fund 150 has a cash reserve which is fed by the reversion of unused benefit dollars. This fund is designed to provide for the continued payment of retiree benefits without any annual budgetary allocations, and to provide a revenue source for any increases in the benefit credit (currently \$138).

Resource Person(S): Jackye Knight, Human Resources Director, and Debbi Davidson, Benefits Manager, will be available to present and answer questions.

County Manager's Recommendation: Per the Board's instructions, we have included a comparison of the contributions made by other jurisdictions within our labor market to their employee benefit packages. Durham County Government is still considered to have one of the best benefit packages in the state of North Carolina and this has served us well in the extremely competitive market we face, given the 1 percent unemployment rate in our community. To my knowledge, no other local municipality has a true cafeteria plan that would allow for a menu of options for their employees. Durham County's plan has eliminated dual coverage for employees who have alternative options to health coverage and we have seen a positive impact on our health claims for this reason alone. Also, this plan has been virtually inflation proof for the past seven years. The recommended move from \$138 to \$150 reflects a 10 percent increase. This increase, in addition to the automatic pre-tax status of health premiums, will ensure the minimum impact to the take-home pay for the majority of our employees. Those employees with family coverage will still see an impact to their out-of-pocket contributions and we have included a sample of a worst case scenario. This is the area where we have attempted to lessen the effects of the double digit inflation experienced nationwide in the health care arena. Although future budgets will include a \$150 per pay period, per employee figure, this \$12 per pay period increase which equates to \$466,272 annually will increase the reversion amounts to Fund 150. I believe that this recommendation by Human Resources is an affordable plan, which gives the Board the opportunity to offer a benefit enhancement that is not tied to salary level. I recommend approval.

13. County Manager's Update/Request for Direction

The County Manager will provide brief updates on the following:

- Fiscal Year beginning July 1999 Board Directives
- Merger Task Force Subcommittee Meetings
- Sheriff's Dept. Wireless Mobile Data Computer Aided Dispatch Timeline

14. Closed Session

The Board is requested to adjourn to closed session pursuant to G.S. § 143-318.11(a)(3) in order to consult with an attorney and to preserve the attorney-client privilege and to discuss *Computer Network Limited v. Durham County*, 98 CVS 800.