

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

Tuesday, January 28, 2003-Wednesday, January 29, 2003  
Annual Retreat

**Minutes**

Place: Museum of Life and Science, 433 West Murray Avenue, 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

Staff: Department Heads

Facilitator: John G. Ott, John G. Ott & Associates

**Opening Session**

Chairman Reckhow began the Commissioners' Annual Retreat with a welcome and opening remarks.

**Summary of Commissioners' Annual Retreat**

Mr. John Ott prepared the following summary subsequent to the County Commissioners' annual retreat. The summary is an integral part of the minutes of the retreat.

**MEMORANDUM**

TO: Commissioner Ellen Reckhow  
Commissioner Joe Bowser  
Commissioner Phil Cousin  
Commissioner Becky Heron  
Commissioner Mary Jacobs  
County Manager Mike Ruffin  
Assistant Manager Carolyn Titus  
Assistant Manager Wendell Davis  
Department heads

FROM: John Ott

DATE: Friday, January 31, 2003

RE: Summary of agreements and next steps from the January 28-29, 2003 retreat

---

**I. Beginning definitions**

- A. *Outcomes*: conditions of well being for children, youths, adults, families, and communities.
- B. *Indicators*: measures that help quantify the achievement of an outcome.
- C. *Strategies*: the initiatives and programs we undertake to improve the indicators and get the outcomes we want.
- D. *Performance measures*: how we assess whether we are effectively implementing our strategies.

**II. Brief overview of the current financial reality**

- A. Current projected decline in revenues from FY 2002-03 to FY 2003-04: \$4.3 million
- B. Three principal causes of the revenue shortfall
  - 1. Lack of growth in sales tax revenues
  - 2. Decline in hold harmless reimbursements from the state
  - 3. Tax base miscalculation
- C. Forces creating a demand for additional expenditures
  - 1. Poor economy is increasing demand for services
  - 2. Population growth is increasing demand for services
  - 3. Have delayed investments in staff and infrastructure for several years, creating “pent up demand”

**III. Potential short-term responses to the estimated \$4.3 million shortfall**

- A. Ideas to increase revenues for FY 2003-04
  - 1. Work with DMV to insure they honor the “block” on vehicle registrations & licenses
  - 2. Conduct a systematic examination of current fees:
    - a. to assess the potential for increases in current fees; and
    - b. to assess the potential for new fees.
  - 3. Meet with Congressional delegation about:
    - a. the potential for remote sales taxes; and
    - b. securing additional federal resources to pay for costs associated with creating and implementing the bio-terrorism plan.
  - 4. Meet with state delegation about:
    - a. securing the promised hold harmless reimbursements; and
    - b. securing and additional portion of federal resources given to the states to pay for creating and implementing the bio-terrorism plan.
  - 5. Resolve dispute with the city over water and sewer
  - 6. Consider increasing what the County charges the City for tax collections
  - 7. Consider potential sale of unused County property—e.g., County stadium

- B. Ideas to decrease expenditures for FY 2003-04
  - 1. The budget challenge this year will require more creative thinking than simply seeking an across the board reduction by department.
  - 2. Department heads should conduct utilization analyses
    - a. For example, is it cost effective for the tax department to continue its expanded hours?
    - b. For example, are there potential savings available by reducing hours of operation in some of our under-utilized library branches?
  - 3. Reducing some non-mandated services—e.g., the Youth Home
  - 4. Manage utility costs
  - 5. Explore cost-savings from a single cell phone contract for county employees
  - 6. Increase our recruitment of bi-lingual staff
  - 7. Consider refinancing to take advantage of lower interest rates
  - 8. Examine the other cost-savings suggestions submitted by Department heads and summarized in the documents prepared for this retreat

**IV. Another response: developing the discipline of results-based accountability**

- A. Advantages of results-based accountability
  - 1. In the short-term, provides guidance to Department heads and the managers
  - 2. Over time, begins to document the impact of County services in ways that citizens and officials can understand.
  - 3. Over time, can create a framework for community partnerships as additional stakeholders join with County government in making a commitment to impact outcomes.
- B. A first cut at outcomes and indicators
  - 1. Commissioners took a first cut at developing a set of outcomes and priority indicators, as well as a priority set of performance measures for overall County government. These priority outcomes, indicators, and performance measures are listed in V. below.
  - 2. These outcomes and indicators, as well as the priority performance measures, are intended to guide the Manager and the Department heads as they develop their draft FY 2003-04 budgets, and to guide the Commissioners as they work to finalize next year's budget.

**V. The beginning outcomes and indicators**

- A. Outcome: **Good health**
  - 1. Indicator: *Low birthweight babies*
  - 2. Indicator: *Rates of infectious diseases*
  - 3. Indicator: *Rates of sexually transmitted diseases*
  - 4. Indicator: *Rates of HIV infection*

5. Other potential indicators could include those suggested by the Healthy People 2010 initiative. Health Department staff will be meeting in the coming week to review data already being collected for Durham County and make recommendations about the most appropriate health indicators aligned with the Health People 2010 framework. The Healthy People 2010 indicators include:
  - a. Physical activity of adolescents
  - b. Overweight and obesity
  - c. Tobacco use
  - d. Substance abuse
  - e. Responsible sexual behavior
  - f. Mental health
  - g. Injury and violence
  - h. Environmental quality
  - i. Immunization rates
  - j. Access to health care, including access to health insurance, access to primary care, and access to prenatal care

**B. Outcome: Safety**

1. Indicator: *Child abuse rates*
2. Indicator: *Domestic violence rates*
3. Indicator: *Child death rate*
4. Indicator: *Rates of violent crimes, including homicide rates*

**C. Outcome: Social and emotional well-being**

1. Indicator: *Rates of substance abuse*
2. Indicator: *Teen birth rate*
3. Indicator: *Out of home placements*
4. Indicator: *Rates of homelessness*
5. Indicator: *Traffic congestion*
6. Indicator: *School overcrowding*
7. Indicator: *Museum usage*
8. Indicator: *Public library usage*

**D. Outcome: Economic well-being**

1. Indicator: *Unemployment rate*
2. Indicator: *Earned Income Tax Credit (EITC) eligibility and utilization rates*
3. Indicator: *Rates of job creation*
4. Indicator: *Bankruptcies*
5. Indicator: *Poverty rates*
6. Indicator: *Rate of job creation*
7. Indicator: *Family income & assets, including home ownership*
8. Indicator: *Growth in the County tax base*

E. Outcome: **School and workforce readiness**

1. Indicator: *Access to quality child care*
2. Indicator: *Grade level reading rates*
3. Indicator: *High school graduation rates*
4. Indicator: *Drop out rates*
5. Indicator: *Percentage of adults with high school diploma or equivalent*
6. Indicator: *Percentage of jobs physically located in Durham County that are held by Durham County residents*
7. Indicator: *Percentage of young adults ages 16-24 employed or in school*
  - a. For this indicator, school includes high school or post-high school education, including enrollment in Durham Tech or other post-secondary institutions.
  - b. For this indicator, we want to disaggregate by job type, so we can determine over time what percentage of young people who are employed are in low wage jobs, etc.

VI. **Performance measures to assess the effectiveness and efficiency of County government**

A. Overview

1. Under the framework of results-based accountability, County government services are *strategies* to impact our priority outcomes and indicators.
2. Over time, we want to know how our strategies are impacting our priority outcomes and indicators.
3. In the short-term, however, we want to assess whether we are increasing the efficiency and effectiveness of County government. We can do that by focusing on priority *performance measures* that help us assess in the short term the efficiency and effectiveness of our efforts.

B. Strategy: **Increase the effectiveness and efficiency of County government**

The Priority performance measures the Commissioners embraced at this retreat to help us assess the efficiency and effectiveness of County government included:

1. Performance measure: *maintain our AAA bond rating*
2. Performance measure: *increase our position relative to other AAA rated municipalities and counties*
3. Performance measure: *Maintain or increase our current fund balance*
4. Performance measure: *Set and meet a target for our FY 2003-04 tax collections*
5. Performance measure: *On-line access to services*
6. Performance measure: *Reduce staff turnover*
7. Performance measure: *Staff morale*
  - a. For this measure, the Manager will need to work with the Director of Human Resources to devise a plan for assessing staff morale.
  - b. In the short-term, we want to explore simple and low-cost methods.

- c. We might also look at exit interview data across departments and other currently existing data sources for this performance measure.
8. Performance measure: *Customer satisfaction*
    - a. For this measure, Commissioners agreed that in the coming year, we would use the customer satisfaction ratings from those departments who already conduct customer satisfaction surveys as a proxy for customer satisfaction with all County services.
    - b. Over time, we might devise a more comprehensive measurement process.
  9. Performance measure: *Waiting time*
    - a. For this measure, Commissioners agreed that in the coming year, we would use the waiting time measurements from those departments who track waiting times as a proxy for customer satisfaction with all County services.
    - b. Over time, we might devise a more comprehensive measurement process.
  10. Additional performance measures that emerged from Tuesday's retreat session
    - a. Performance measure: Refinement, approval, and beginning implementation of *a comprehensive technology plan*. This plan should:
      - (1) outline a systematic process to replace aging hardware and system software; and
      - (2) where more specialized technology is requested, analyze:
        - (a) the cost of investing in this technology;
        - (b) the cost of not investing in this technology;
        - (c) the potential savings in staff and other costs from the technology; and
        - (d) the potential financial and other risks of the technology not working.
    - b. Performance measure: Development, approval, and beginning implementation of *a staff training and development plan* for each department.
      - (1) The manager should propose funding for staff training and development to be included in the coming FY 2003-04 budget.
      - (2) Guidelines to the departments might include:
        - (a) Using in-house staff for training whenever possible;
        - (b) Seeking local or in-state training first; and
        - (c) Pursuing out-of-state training only as a last resort and only for the highest training and development priorities.
    - c. Performance measure: Development, approval, and beginning implementation of *a comprehensive communications plan* that helps

Durham citizens understand what County government does and its impact on their lives.

- d. Performance measure: the development, approval, and beginning implementation of a “mini-CIP” that analyzes maintenance, renovation, and replacement issues that do not rise to the level of the CIP. Examples of what this plan would focus on include:
  - (1) the potential cost, and cost savings, from renovating an existing County-owned building for the Criminal Justice Resource Center;
  - (2) the potential cost and timing for replacing the County’s voting machines;
  - (3) major maintenance and other facilities’ issues identified by Departments.

## **VII. Next steps**

### **A. Preparing the FY 2003-04 budget**

1. The outcomes and indicators detailed above, as well as the performance measures associated with the strategy of improving County services, represent first cut by the Commissioners at setting long-term priorities for the County. Clearly more work needs to be done to refine the indicators, develop reliable data sources, and establish appropriate targets and timelines.
2. Still, these first draft outcomes, indicators, and performance measures are a good start, and are intended, in the short term, to provide guidance to the Commissioners, the Manager, and Department heads as we go forward to construct the FY 2003-04 County budget.
3. With a 4.3 million decline in projected revenues for FY 2003-04, all of us must think expansively about how to increase revenues and decrease expenditures. The Manager and the Department heads are asked to pursue aggressively the short- term ideas for revenue generation and expenditure reduction.
4. And, as Department heads and the Manager begin to construct the first drafts of the budget, they are asked to use the priority outcomes and indicators, and the performance measures, to help guide their initial decisions about what to cut and what to preserve or expand.
5. As the proposed budget emerges, Commissioners have asked the Manager to share with them the original Department requests, and the Manager’s recommendations, even when the Manager recommends zeroing out the request.

### **B. Scheduling of the meeting with the Congressional delegation**

### **C. Scheduling of the meeting with the state legislative delegation**

- D. After the FY 2003-04 budget process: While no decision has yet been made about next steps beyond this budget cycle, two potential next steps that were articulated during the retreat include:
1. A retreat for Commissioners in July or August to continue the conversation about results-based accountability, the priority outcomes and indicators Commissioners have named, and to begin a conversation about how to engage other stakeholders with the County in this process.
  2. A retreat for Department heads to help them and their staff learn how to make results-based accountability more fully operational in their departments.

### **VIII. Final reflections**

I want to share with you the quote from John Schaar that began our retreat: “The future is not a result of choices among alternative paths offered by the present, but a place that is created— created first in mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths to it are not found but made, and the activity of making them changes both the maker and the destination.”

Thank you for the invitation to be an ally to you as you begin to create the future of a new year in Durham County.

### **Adjournment**

Mr. Ott adjourned the Commissioners’ Annual Retreat on January 29, 2003 at 5:00 p.m.

Respectfully submitted,

Garry E. Umstead, CMC  
Clerk to the Board