

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

Monday, March 14, 2011
3:00pm

Special Session - CIP

MINUTES

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

Present: Chairman, Michael D. Page, Vice-Chairman Ellen W. Reckhow, and
Commissioners Becky M. Heron, Joe W. Bowser, and Brenda A. Howerton

Absent: None

Presider: Chairman Page

Chairman Page called the meeting to order.

County Manager's FY 2012-21 Capital Improvement Plan Review

County Manager Ruffin highlighted the County's FY 2012-21 Capital Improvement Plan. He shared Board identified project recommendations.

Challenges facing the CIP include:

- managing capital and operating cost within constraints of revenue growth and other ability to pay measures;
- managing and meeting county financial and debt policies to meet capital and operating needs while retaining high credit measures;
- meeting credit measures in a time of increasing scrutiny and stronger emphasis on measurement by "ratios" rather than measurement by management outcomes.

Other financial concerns include:

- Durham Public Schools projects;
- Durham Technical Community College projects;
- Main Street Parking Deck;
- Detention Center Annex;
- Open Space & Farmland Acquisitions;
- NCMuseum of Life and Science Projects.

New proposed projects include :

- Facility light replacement-\$2,135,707
- IT-Document imaging software upgrade-\$600,000
- Sheriff Technology upgrade-\$1,798,700
- IT-Network Communications services-\$590,000
- Utility Performance contract-\$7,000,000

The proposed projects total \$12,127,407.

Existing project increases include:

- Judicial building renovations-\$520,543
- Admin. Building refurbishment-\$621,217
- ERPS system upgrades-\$4,435,000
- IT-Infrastructure/hardware upgrade-\$7,211,360
- EMS Station at Durham Regional Hospital renovations -\$1,173,499
- EMS Station #3 (Duke Parking Garage)-\$538,734
- Main Library renovations-\$1,823,239

The existing project increases total \$16,323,592.

The Manager noted that several of the existing projects would have financial decreases totaling \$250,759,667.

The Board discussed the CIP and expressed several concerns. The Manager will follow up on the following questions and concerns voiced by the Board. The Manager will schedule a follow up CIP meeting prior to the April 30th adoption deadline.

The following concerns will be addressed by staff and reported at the follow up meeting:

- Parking revenues from the American Tobacco deck
- Light bulb replacement for energy savings (old bulbs will no longer be available)
- IT replacement policy (computer and server)
- DPS new capital projects
- DTCC 2007 GO bonds
- Sale of the Carmichael Building
- EMS (coverage of southern Durham)
- Judicial Bldg renovation and tenants (after court house completion)

FY2012-21 Capital Budget

Mr. Douglas Carter, President, DEC (consultant for local government and financial issues); George Quick, Finance Director; and Pam Meyer, Budget and Management Services Director, presented the Capital Budget outlook for 2012-2021.

County Capital programs have been adjusted downward from department request levels due to the current economic conditions. The County's objective is to continue to meet Triple A rating standards.

The County's financial policies also impact the levels of capital investment represented by debt issuance. The Finance Director would like to amend the County's Finance Policy, and will bring the proposed changes before the Board.

Mr. Carter presented a comparative analysis of property taxes and appraisals by North Carolina counties. Compared with Forsyth, Guilford, Mecklenburg, and Wake Counties, Durham boasts the least in current outstanding debt. He attributed this to the County's strong finance policies and careful spending.

Mr. Carter pointed out the significance of the County's key in maintaining a high credit rating.

ty retaining a significant fund balance which

In summary, Mr. Carter announced that the County's term economic growth trends are excellent. The County is well in credit comparison. Due to prudent management, the County's financial management is sound and compares well to highly rated credits.

economy is strong (in recovery) and long term. The County's existing statistical indicators place it in a strong position. In addition, the County's financial management is

Adjournment

There being no further business, Chairman Page adjourned the meeting.

urned the meeting.

Respectfully Submitted,



V. Michelle Parker-Evans
Clerk to the Board