

# CITY-COUNTY MEGER

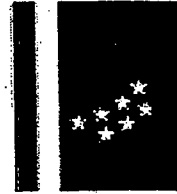
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**DURHAM CITY-COUNTY CONSOLIDATION –  
CITIZEN TASK FORCE REVIEW FINAL REPORT  
JANUARY 6, 2000**



**DURHAM**



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CITY OF MEDICINE

# **Durham City-County Consolidation Citizen Task Force Review Final Report**

**January 6, 2000**



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*Helping Government Serve The People*

January 6, 2000

Hon. Joe W. Bowser  
Co-Chairperson  
Joint City/County Merger Steering Committee  
County of Durham  
200 East Main Street, 4<sup>th</sup> Floor  
Durham, North Carolina 27701

Dear Mr. Bowser:

**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

Please find enclosed a report of findings and recommendations from the Citizen Task Forces on City-County Consolidation. The report contains ten sections. Four sections, including the first three sections and the last section on implementation issues, were prepared exclusively by DMG-MAXIMUS. Sections IV through IX, especially the findings and recommendations, represent the work of the Citizen Task Forces.

The enclosed report is only the first volume of three volumes of deliverables produced during the Citizen Task Force Review process. The second volume comprises supplemental reports prepared by individual Task Force members as well as other participants in the review process. The third volume includes all other project documentation, such as meeting minutes. We encourage the Steering Committee to review the supplemental reports, particularly those prepared by Citizen Task Force members. In some cases, the supplemental reports provide additional information or alternative views that could be invaluable to the Steering Committee.

We appreciated the opportunity to work with the citizens as well as City and County staff. Their contributions, as well as the assistance of Marcia Margotta, were instrumental to the outcome of this project. We hope that the information presented herein will assist the governing bodies in charting the most effective future course for the City and County.

If you have any questions, please contact me at 933-2618.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Robert L. Melville', written over a horizontal line.

Robert L. Melville

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**- Citizen Members Per Subcommittee -**

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LEE, GILBERT EDWARD  
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GOCK, ANSON  
HARRINGTON, ERIC L.  
JEFFERSON, DUNCAN  
KNOPP, STEPHEN GENE  
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NIEMAN, THOMAS M.  
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# Durham City-County Consolidation Citizen Task Force Review Final Report



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# Durham City-County Consolidation Citizen Task Force Review Final Report



## EXECUTIVE SUMMARY

In 1999, the governing bodies of Durham County (the County) and the City of Durham (the City) established a process for reviewing the possible consolidation of the City and County governments. They created a Joint City Council/County Commissioners Merger Steering Committee (the Merger Steering Committee) to oversee a citizen review process. This report contains the findings and recommendations of the citizen task forces appointed by the Merger Steering Committee to review the advisability of consolidation.

The City encompasses over 95 square miles and has a population of over 177,000. The County encompasses 299 square miles and has a population of over 218,000. Over 81 percent of the County's residents reside in the City. As the City's annexation of unincorporated County land approaches the Urban Growth Area (UGA) boundaries, the City could eventually account for up to 95 percent of the County's population.

The two entities employ similar forms of governance. The City employs the council-manager form and the County uses the Commission-Manager form. By 2001, the City Council will comprise seven members, including a mayor. All council members are elected on an at-large, non-partisan basis. The County Board of Commissioners comprises five members elected on an at-large, partisan basis.

The City and County offer a broad range of services. In most cases, there is little overlap in their delivery of services. The County's primary emphasis is on health and human services. Through the Sheriff, the County also provides law enforcement, correctional and civil process services. The City's primary focus is on public safety, but it also offers other municipal services, such as community development, parks, recreation, road maintenance, water and sewer treatment, solid waste management, utility and public transit services.

In many ways, the effective consolidation of Durham's city and county governments is well underway, if not inevitable. They share a common name and identity. Since 1988, they have implemented at least three functional mergers. As the City's borders approach the County's borders (or at least the UGA), citizens will find it increasingly difficult to distinguish the two entities.

The actual merger of two governments is another matter. There have only been 31 city-county mergers in the nation's history, and none in North Carolina. The City is more of a pure local government while the County is, in many ways, a quasi-state agency. There also are a host of challenging policy, legal and financial issues to be resolved.



# Durham City-County Consolidation Citizen Task Force Review Final Report



Still, over 16 million people live in consolidated city-county jurisdictions, and many residents of Virginia live in cities or counties which effectively function as consolidated city-county governments. According to the National Association of Counties, several communities are considering city-county consolidation.

Generally, those communities that have merged report that their consolidations have been successful, but usually in terms of intangible benefits. Such benefits include an enhanced public image, stronger economic development capabilities, more rational growth management, more convenient services, a more extensive public infrastructure and a healthier financial condition (e.g., improved debt ratings).

The Citizen Task Forces made numerous findings and recommendations regarding the potential merger of the City and County of Durham. Those findings are summarized in the table below by task force and presented in more detail in the report that follows.

### Summary of Task Force Findings & Recommendations

Task Force	Key Findings & Recommendations
Administrative /General Government	<ul style="list-style-type: none"> <li>• Merger is feasible &amp; highly desirable (unanimous)</li> <li>• The merger process should include a detailed study of pay &amp; benefit issues &amp; an effective mechanism for obtaining community input</li> </ul>
Human & Community Services	<ul style="list-style-type: none"> <li>• Merger is feasible &amp; desirable (unanimous), so long as the critical implementation issues are fully addressed</li> <li>• Merger will not impact health &amp; human services, but will allow for county-wide community development, recreation &amp; open space strategies</li> </ul>
Public Works	<ul style="list-style-type: none"> <li>• Merger is feasible &amp; desirable (unanimous)</li> <li>• A functional public works merger is desirable in any event</li> </ul>
Public Protection	<ul style="list-style-type: none"> <li>• No consensus was reached as to the desirability of city-county merger</li> <li>• Merging law enforcement is feasible so long as the governments merge, staffing is adequate, compensation is equitable &amp; services are unimpaired</li> <li>• The identity &amp; independence of the volunteer districts should be preserved, but a fire commission should be created to set county-wide guidelines</li> <li>• Merger should not be submitted to the voters without further study &amp; an extensive public information program</li> </ul>
Taxation & Finance	<ul style="list-style-type: none"> <li>• Merger using the service district model is feasible (unanimous)</li> <li>• The merger process should include a detailed cost-benefit study</li> </ul>
Governmental Structure	<ul style="list-style-type: none"> <li>• The new entity should employ the Council-Manager form</li> <li>• It also should have a 9-member council with the Mayor &amp; 4 members elected on an at-large, non-partisan basis &amp; the other 4 members elected on a residency district, partisan basis</li> <li>• All elected officials should have three-year non-staggered terms</li> </ul>

Most task forces concluded that merger will require careful planning, and substantial effort, in order to attain its anticipated benefits. The citizen task forces identified a host of issues to be addressed by the City and County as they move forward with the merger process. Finally, they urged the governing bodies to develop effective public information and employee participation strategies.





# Durham City-County Consolidation Citizen Task Force Review Final Report



## I. INTRODUCTION

### A. Background

In February, 1999, the governing bodies of Durham County (the County) and the City of Durham (the City) established a process for reviewing the possible consolidation of the City and County governments. They created a Joint City Council/County Commissioners Merger Steering Committee (the Merger Steering Committee) to oversee this process and report back to the governing bodies on the advisability of consolidation.

This is not the first time that city-county consolidation has been considered for Durham. In 1994, the City and County established a citizens task force to recommend a new governmental structure for a merged government. In 1961 and 1974, charter commissions developed city-county merger plans. To date, the issue of city-county consolidation has yet to gain voter approval.

This year, the elected officials of the City and County have taken a different approach to the merger issue. Instead of focusing primarily on the structure of the proposed government, City and County leaders decided to review the advisability and feasibility of merger as well. This report presents the findings of the first phase of that process. The merger issue could be submitted to the voters as early as November, 2000.

### B. Project Scope & Objectives

The Merger Steering Committee, which comprises members of the City Council and County Commission, began its work in March, 1999. Its charge was as follows:

- Identify the merger issues to be analyzed and resolved;
- Determine resource requirements, establish a project budget and procure the services of external advisors as required;
- Develop a communications strategy, including public hearings, to obtain public input and keep citizens informed; and
- Establish citizen task forces to review merger issues and assess the feasibility or advisability of city-county consolidation for Durham.

This report contains the findings and recommendations of the citizen task forces on merger issues. These citizen groups were formed in July, 1999 to achieve two objectives: 1) to assess the overall desirability or feasibility of city-county consolidation and 2) to provide a conceptual framework for the new government should merger take place (i.e., a vision of the merged entity's governmental, financial and organizational structure).



# Durham City-County Consolidation Citizen Task Force Review Final Report



Upon receiving the citizen task force report on the feasibility or advisability of merger, the Merger Steering Committee could make a recommendation to the governing bodies as to whether or not to proceed with the merger process. If the governing bodies decide to terminate the process, there will remain little to do except perhaps to hold a public hearing to inform citizens as to the basis for the decision.

However, if the governing bodies decide to proceed with the merger process, a great deal of work will be required. A more in-depth analysis of potential merger costs and benefits, and merger implementation issues, could be undertaken. A formal Consolidation Study Commission will need to draft a formal charter for the new entity and submit the enabling legislation required under state law for such a merger.

The resolution establishing the Merger Steering Committee contemplated a possible merger referendum in November, 2000. The resolution presumed the completion of the new government's charter by May 15, 2000 which, in turn, would require formation of the Consolidation Study Commission and commencement of its work by January 15, 2000. The goal of this phase was to position the Merger Steering Committee to make a decision about proceeding with merger in time to commence the Consolidation Study Commission's work by January 15, 2000 (assuming a favorable merger decision).

## C. Project Approach & Organization

Initially, the Merger Steering Committee established citizen task forces to review merger issues in seven functional or programmatic areas, as set forth below:

- Administrative/General Government
- Community Services & Development
- Health & Human Services
- Public Protection
- Public Works
- Taxation & Finance
- Governmental Structure

As set forth in their respective mission statements (see [Appendix A](#)), each task force was asked to reach a consensus regarding the feasibility and desirability of consolidating city and county governments. To reach that consensus, the task forces were also asked to develop an understanding of relevant operating departments, assess the compatibility and comparability of current systems and evaluate the costs and benefits of consolidation. In some cases (e.g., governmental structure), the task forces were asked to identify the potential form and structure of merged government.



# Durham City-County Consolidation Citizen Task Force Review Final Report



After establishing the citizen task forces (and after the task forces were underway), the Merger Steering Committee engaged a consultant to provide facilitation and research services for the citizen task forces. The consultant was directed to support the citizen task forces by providing timely and relevant information and enhancing their capacity to objectively assess the pros and cons of city-county merger.

This phase of Durham's merger process represented a joint effort between the citizen task forces and the consulting firm, during which the following tasks were performed:

- Review relevant studies (e.g., 1995 merger report), annual reports (e.g., budgets and financial reports) and materials (e.g., strategic and department plans);
- Interview key governmental officials and staff (e.g., managers, attorneys and department heads) and identify services most impacted by consolidation;
- Develop a profile of the affected government agencies, including revenues, expenditures, staffing levels and other key characteristics;
- Conduct a literature scan of prior city-county consolidations and telephone surveys to identify possible consolidation benefits, costs, risks and opportunities;
- Identify factors which could facilitate or impair consolidation (e.g., salary and benefit structures), potential implementation barriers, and any other consolidation opportunities, threats and issues for further analysis; and
- Present interim and final reports to the Merger Steering Committee.

In September, the consultant met with the task force chairs to clarify their goals, procedures and scope. The decisions made by the citizen task force chairs (and ratified by the Merger Steering Committee) included the following:

- Merge two task forces—Community Services & Development and Health & Human Services—into a single citizen task force;
- Reemphasize the focus of citizen task forces on assessing the desirability of merger and providing a conceptual vision of the merged government;
- Refine each task force's scope and reassign merger study issues as necessary to minimize any potential overlap among task forces;
- Authorize task force chairs to dismiss citizens as members of task forces after two unexcused absences (as defined by the chairpersons);
- Authorize task force chairs to designate small teams to perform fact-finding for selected issues and report back to the task forces; and
- Require all task force member communications and information requests to be channeled through the task force chairs and the City-County staff liaison.



# Durham City-County Consolidation Citizen Task Force Review Final Report



The task force chairs agreed that the Governmental Structure Task Force should continue to focus on government form and other structural matters. Regarding the other task forces, they agreed that they should assess the desirability of city-county consolidation in the context of the decision issues outlined in the table below.

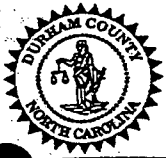
Decision Issues for Assessing Desirability
No. 1 - What are the likely consequences if City-County consolidation does not go forward?
No. 2 - What (if any) significant potential advantages or opportunities does consolidation offer for your task force's key programs or issues?
No. 3 - What (if any) significant potential disadvantages or threats does consolidation offer for your task force's key programs or issues?
No. 4 - What other issues (e.g., legal, financial, community or implementation) should be addressed before submitting a consolidation proposal to the voters?
No. 5 - Considering all of the factors and information you have reviewed, is consolidation desirable for your task force's key programs or issues?
No. 6 - Does consolidation appear to offer sufficient potential net benefits for your task force's key programs to justify a more detailed feasibility analysis?

It was agreed that each task force would strive to obtain a consensus on Issue No. 5 and, if unable to do so, strive to obtain a consensus on Issue No. 6.

In assessing the overall desirability of city-county consolidation, the task force chairs decided to employ the assessment criteria and factors outlined in the table below.

### Task Force Assessment Criteria & Factors

Criteria	Potential Assessment Factors
Public Confidence	<ul style="list-style-type: none"> <li>• Public image of &amp; support for government</li> <li>• Equity, diversity &amp; responsiveness of government</li> <li>• Degree of citizen &amp; candidate participation</li> <li>• Degree of accountability or buck passing</li> </ul>
Service Delivery	<ul style="list-style-type: none"> <li>• Service planning &amp; duplication</li> <li>• Service delivery quality, responsiveness &amp; effectiveness</li> <li>• Service standards, levels, accessibility &amp; equity</li> <li>• Responsiveness of customer/client service</li> </ul>
Fiscal Strength	<ul style="list-style-type: none"> <li>• Overall operating efficiency</li> <li>• Capital asset utilization, duplication &amp; condition</li> <li>• Tax rates, other revenue structures &amp; fiscal equity</li> <li>• Impact on debt structure &amp; financial condition</li> </ul>
Regional Competitiveness	<ul style="list-style-type: none"> <li>• National/state image &amp; regional prominence/leadership</li> <li>• Impact on local business climate &amp; corporate siting decisions</li> <li>• Ability to attract federal and private investment</li> </ul>
Transition Challenge	<ul style="list-style-type: none"> <li>• Stakeholder receptivity to structural change</li> <li>• Existing degree of jurisdictional consolidation or cooperation</li> <li>• Legal consolidation requirements or barriers</li> </ul>



# Durham City-County Consolidation Citizen Task Force Review Final Report



Since it was determined that above assessment factors would not have the same degree of relevance for each task force area, it was further agreed that the task forces could use their discretion in applying them to their respective issues.

The task force chairs agreed to assign merger issues to the task forces as follows:

### Assignment of Merger Study Issues by Task Force

Task Force	Potential Task Force Issues
Public Protection	<ul style="list-style-type: none"> <li>• Law enforcement (e.g., police patrol practices &amp; other special services)</li> <li>• Fire services (e.g., station utilization &amp; voluntary fire districts)</li> <li>• Public safety communications &amp; emergency medical services</li> <li>• Other (e.g., medical examiner, animal control &amp; emergency mgt.)</li> </ul>
Public Works	<ul style="list-style-type: none"> <li>• Public works (e.g., public grounds landscaping, mowing &amp; maintenance)</li> <li>• Transportation (e.g., road maintenance, street lighting &amp; public transit)</li> <li>• Solid waste management (e.g., landfills)</li> <li>• Water &amp; wastewater treatment</li> </ul>
Community & Human Services	<ul style="list-style-type: none"> <li>• Planning &amp; development services</li> <li>• Housing &amp; community development</li> <li>• Public health programs &amp; related code enforcement programs</li> <li>• Parks &amp; recreation &amp; open space management</li> <li>• Human service, community relations &amp; cultural programs</li> </ul>
Taxation & Finance	<ul style="list-style-type: none"> <li>• Service, revenue &amp; cost structure (e.g., urban service districts)</li> <li>• Revenue management (e.g., tax rates &amp; equity)</li> <li>• Debt management (e.g., debt capacity &amp; financing capabilities)</li> <li>• Risk management programs &amp; plans (e.g., Risk Reduction Fund)</li> <li>• Cost impact (e.g., impact of merger on operating &amp; capital costs)</li> </ul>
Administration/ General Government	<ul style="list-style-type: none"> <li>• Corporate management (e.g., manager &amp; internal audit)</li> <li>• Personnel management (e.g., contracts, compensation &amp; EEO)</li> <li>• Asset management (e.g., facility &amp; fleet utilization)</li> <li>• Procurement &amp; contract management (including MBE/WBE issues)</li> <li>• Technology, systems &amp; business processes (e.g., GIS)</li> <li>• Economic development &amp; regional competitiveness</li> </ul>
Government Structure	<ul style="list-style-type: none"> <li>• Governance form (e.g., strong executive v. council-manager)</li> <li>• Council elections (e.g., partisan v. nonpartisan, odd v. even year, district v. at-large, number &amp; type of districts, terms &amp; term limits)</li> <li>• Council member number &amp; compensation</li> </ul>

The task force chairs determined that, while no quantifiable threshold would be used to define consensus for resolutions, each task force would strive to obtain the support of all task force members present and voting for each resolution, with any substantial dissent noted in the minutes. It was agreed that a simple majority, while adequate for interim resolutions (to focus deliberations), should not constitute consensus for final resolutions.



# Durham City-County Consolidation Citizen Task Force Review Final Report



Since it was determined that above assessment factors would not have the same degree of relevance for each task force area, it was further agreed that the task forces could use their discretion in applying them to their respective issues.

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The task force chairs determined that, while no quantifiable threshold would be used to define consensus for resolutions, each task force would strive to obtain the support of all task force members present and voting for each resolution, with any substantial dissent noted in the minutes. It was agreed that a simple majority, while adequate for interim resolutions (to focus deliberations), should not constitute consensus for final resolutions.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## II. CITY & COUNTY PROFILE

### A. Overview of Durham

The City of Durham was incorporated in 1869 and separated from Orange County in 1881. Today, it is the fifth largest city in North Carolina, the county seat for Durham County and essentially the only city in Durham County<sup>1</sup>. The City encompasses over 95 square miles and has a population of over 177,000<sup>2</sup>.

The County was formed in 1881 from portions of land transferred from Orange and Wake counties. Today, it encompasses 299 square miles and has a population of over 218,000<sup>3</sup>. About 40 percent of the County's residents are members of minority groups. It also is noteworthy that about 75 percent of the prestigious Research Triangle Park (RTP) lies within the County.

The City is rapidly approaching the County in population. According to the City-County Planning Department (see table below), over 81 percent of the County's residents reside in the City. In 1990, only 75 percent of the County's population was within the City.

Durham's Population Estimates

Area	1990	1999	Change
Within City Limits	136,594	177,650	+30.0%
Outside City Limits	45,241	40,805	-9.8%
Total County	181,835	218,455	+20.1%

Note: 1990 data based on 1990 US Census & 1999 data based on Planning estimates.

The City's rate of growth was higher than that of the County's due primarily to the City's annexation of territory in the outlying areas of the County. North Carolina's annexation laws are among the most liberal in the nation. If the City's annexation of unincorporated County land continues at its current pace, and consumes the Urban Growth Area (UGA), the City could some day account for up to 95 percent of the County's population<sup>4</sup>.

### B. Governmental Structure

The two entities employ similar forms of governance. The City employs the council-manager form and the County has used the Commission-Manager form since 1930. However, since many County employees report to independently-elected officials (e.g., the Sheriff) or quasi-state commissions (e.g., Social Services), the County Manager has less direct control over employees than does the City Manager.

<sup>1</sup> It should be noted that the Town of Chapel Hill incorporated a portion of Durham County and the City of Raleigh has agreed to annex a small portion of Durham County early next year.

<sup>2</sup> Durham City-County Planning Department estimates for 1999.

<sup>3</sup> Durham City-County Planning Department estimates for 1999.

<sup>4</sup> Based on interview with City-County Planning Department staff.



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The City Council comprises 13 members, including 12 council members and a mayor. All council members are elected at-large on a non-partisan basis, but six members must be residents of districts (i.e., residency districts). In 2001, the council will be reduced to seven members pursuant to a referendum approved by voters in 1998. The Mayor serves a two-year term, but other council members serve staggered four-year terms.

The County Board of Commissioners comprises five members. Commissioners serve two-year terms. Other independently elected officials include the Sheriff, Register of Deeds and Clerk of Courts. These three officials serve four-year terms. All county elected officials are elected at-large on a partisan basis.

The school board has seven members, with four elected from pure districts, two from consolidated districts and one at-large. They are chosen in non-partisan elections to four-year terms. The Soil and Water District, the only other local entity with elected officials, has one elected supervisor and three elected board members. These officials are also chosen in non-partisan elections to four-year terms.

## C. Current Operations and Services

The City and County offer a full range of services. In most cases, there is little overlap in their delivery of services. However, for a variety of legal, political and historical reasons, there are some services for which the two entities have potentially duplicative capabilities.

The County's primary emphasis is in health and human services. While it leased Durham Regional Hospital to Duke University Health System in 1998, it continues to offer all mandated social, mental health and public health services. Through the Sheriff, the County provides law enforcement, correctional and civil process services. The County has a fire marshal, and approves budgets for independent fire districts. In addition, the County oversees the library system, supports certain cultural programs and approves the local property tax budget for the Durham Public Schools.

The City provides a diverse set of municipal services. While its primary focus is on public safety (e.g., police and fire services), it also offers comprehensive services in such areas as community development, parks and recreation, road maintenance, and solid waste management. It operates a public transit system and its own water and wastewater treatment facilities. The City also operates the Civic Center and Athletic Park and supports several cultural assets (e.g., Carolina Theater and Durham Arts Council).

The City and County operate comparably-sized programs. In FY99, the City had estimated expenditures of about \$178.1 million and 2,146 full-time equivalent employees (see table below)<sup>5</sup>. For the same fiscal year, the County spent about \$141.7 million with

<sup>5</sup> Based on City of Durham FY00 Operating Budget and data from City Budget Director.





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1,819 full-time equivalent employees<sup>6</sup>. Both estimates exclude “unassigned” costs such as employee benefits, risk management, building renovations and debt service.

## Summary Profile of City and County Services – FY99

Program/ Service Category	City Costs	County Costs	City FTEs	County FTEs
Legislative & Public Affairs	\$2,454	\$2,836	36	43
Corporate Management	18,600	10,054	205	99
Economic Development	3,405	428	9	2
Financial Management	15,293	6,073	86	85
Health & Human Services	1,035	74,016	8	882
Planning & Development	11,039	1,852	123	8
Parks & Recreation	9,807	53	115	0
Culture & Education	1,430	6,500	0	113
Public Safety	46,123	18,382	868	307
Judicial Administration	0	11,905	0	264
Public Works	2,957	0	50	0
Transportation	19,352	12	181	0
Solid Waste Management	19,079	1,240	126	8
Water & Wastewater Treatment	27,543	8,396	335	8
<b>Total – All Programs</b>	<b>\$178,117</b>	<b>\$141,747</b>	<b>2,146</b>	<b>1,819</b>

Note: The costs & FTE data above represent FY99 estimates from City & County FY00 budgets. All costs are presented in thousands. FTE = Full-Time Equivalent employee.

The City’s most significant commitments, in terms of expenditures, are for public safety (26% of total costs), water and wastewater treatment (15%), transportation (11%) and solid waste management (11%). The County’s biggest expenditures are for health and human services (52%), public safety (13%) and judicial administration (8%). Detailed profiles of these expenditures are presented by program area in Appendix B.

The City and County do not duplicate many services. For example, in the County’s most important service area, health and human services, the City plays a minor role. Conversely, in most traditional municipal services, like community development, recreation, street maintenance and lighting, and sanitation, the County offers limited services. The City is the sole water treatment provider in the County and, while both entities have wastewater treatment facilities, their service areas do not overlap.

Nevertheless, by reviewing the detailed service profiles in Appendix B, it is possible to identify potential areas of service duplication between the City and County. These service areas, which are listed below, are programs or functions in which both the City and County possess significant (and potentially duplicative) capabilities:

<sup>6</sup> Based on Durham County FY00 Operating Budget and data from County Budget Director. The County cost estimate excludes welfare pass-through benefits and school district costs.

<sup>7</sup> The program/service categories used for this project, which do not necessarily reflect current City & County cost centers, are defined in more detail in Appendix B.



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- Legislative and public affairs (e.g., council, legal and public information)
- Corporate management (e.g., general, human resource, procurement, facility, fleet and asset management)
- Financial management (e.g., finance, budget and risk management)
- Law enforcement (e.g., patrol, investigation and special operations)
- Solid waste management (excluding sanitation/refuse collection)
- Wastewater treatment

There also are some potentially duplicative capabilities between the City and the fire protection districts. This reference to potential duplication does not necessarily mean that such services are provided in an inefficient manner, only that they may offer opportunities for greater efficiency under a unified management structure. In some cases, the City and County possess capabilities that could be complementary under unified management.

## D. Prior Local Consolidations

**Introduction** – In 1990, Durham's City and County school districts were merged. School district mergers can be extremely challenging. In fact, even those communities that have implemented city-county consolidations have usually left their school districts intact. In other words, Durham's leaders may have already confronted the toughest government restructuring required to unify the community—school merger.

Since 1988, the City and County have implemented three functional mergers using intergovernmental agreements. In 1988, the two governing bodies merged their respective tax collection and planning offices. Later, in 1993, the City and County consolidated their building inspection programs. These are discussed below.

**City-County Tax Collector Merger** – The tax collector consolidation took place in 1988 when the City transferred its tax collection staff to the County Tax Collector. At the time of the merger, the City and County had a combined tax collection staff of 20 full-time permanent positions and four temporary tax clerks, and a combined annual budget of \$847,000 (this amount included some funds for merger implementation).

In FY96, the County transferred the County Assessor's Office to the consolidated Tax Collector office. At the time of this transfer, the County Assessor had a FY97 budget of \$1,481,000 and 38 full-time equivalent (FTE) staff. In FY89, at the time of the tax collector merger, the County Assessor had a budget of \$811,000 and 38 staff. Thus, if the County Assessor's Office had been included in the 1988 merger, the combined office would have had 58 positions and a budget of \$1,658,000.



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In FY98, the Consolidated Tax Assessment and Collection Department incurred \$2,656,000 in costs and had 59 FTE positions. Thus, during a time when the County experienced significant population growth, it maintained staffing levels at pre-merger levels. However, overall property assessment and tax collection expenditures appear to have increased by 60 percent<sup>8</sup>.

According to staff, this functional merger had several advantages. First, it improved customer convenience and service, partly by streamlining the payment process. Second, the combined staff gave them the critical mass to increase specialization and became a more complete tax collector office. Third, they believe that total tax collection costs would have increased more dramatically without the merger. Since 60,000 of the County's 90,000 parcels are within the City, they reason that the City would have had to maintain a duplicative tax collection operation for two-thirds of the County's parcels.

Some difficulties were encountered during implementation. For example, the City staff did not want to move and employee benefit structures were different. However, the managers indicated that, by keeping staff informed every step of the way through the merger process, they were able to minimize these difficulties. Today, they regard their functional merger as a positive policy decision for the citizens of Durham.

**City-County Planning Merger** – The consolidated Durham City/County Planning Department was established in 1988. Pursuant to an inter-local agreement, a cost-sharing formula was established (the local option sales tax formula) and related boards and commissions (e.g., planning, adjustments and development review) were merged. The unified zoning ordinance was not completed until 1994.

At the time of the merger, the combined planning departments had annual operating costs of about \$1,621,000 and a staff of 41 full-time and 3 part-time positions. For FY90, the Consolidated City/County Planning Department had a budget of \$1,981,000 and authorized staffing of 44 full-time and 11 part-time positions. For purposes of comparison, in FY98 the Department's actual costs were \$4,476,000 and it had a staff of 40 FTEs<sup>9</sup>. While operating costs rose, staffing levels remained constant.

During this same period, the Department's workload escalated. The City's population rose by 30 percent and the County's by almost 15 percent. The number of dwelling units increased by 37 percent in the City and 18 percent in the County<sup>10</sup>. The Department completed the 2020 comprehensive plan and several other plans (e.g., several Small Area Plans, the Durham Open Space Master Plan and the New Hope Creek Corridor Preservation Plan). Three new advisory groups were established.

<sup>8</sup> The FY98 expenditures were not adjusted for any extraordinary items (e.g., reassessment costs).

<sup>9</sup> Durham County FY00 Operating Budget.

<sup>10</sup> Durham City-County Planning Department estimates.



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Staff view their functional merger as a success. They believe that it enabled the Department to improve customer service for developers and neighborhood groups. Through merger, the County was able to quickly strengthen its planning capabilities without increasing its costs. A consolidated planning agency has also ensured greater continuity of planning policy, especially as the City has annexed land. Some cost savings were achieved, but they were probably not significant.

The merger has not been problem-free, however. With two governing boards, the joint planning agency must participate in far more meetings than would be required under a single governing body. Dual governance also has contributed to questions about accountability. Overall, despite some initial implementation problems, the overall transition reportedly went relatively well.

It should be noted that, despite its apparent success, the joint planning agency could be unbundled at any time. Serious growth management policy disputes (e.g., disagreements about proposed landfill sites in environmentally sensitive areas) or management disputes could engender a split. It is our understanding, for example, that disputes concerning the hiring and firing of planning directors contributed at least in part to the disbanding of joint planning departments in two North Carolina communities.

**City-County Inspections Merger** – The consolidated City-County Inspections Department was formed in 1993. The Director reports jointly to the City and County Managers, but employees are governed by City personnel policies.

At the time of merger (FY93), the two departments had a total of 49 FTE positions and combined operating expenditures of \$2,322,000. The FY94 budget for the new City-County Inspections Department authorized 45 full-time positions and expenditures of \$2,221,000. The FY94 budget included funds for a new voice mail system and the conversion of County manual records to the City's automated system.

In FY98, the joint Department incurred actual costs of \$2,347,000 and had a staff of 42 FTEs<sup>11</sup>. In other words, during a time when the inspections workload increased, the joint Department actually reduced staff and operating costs (after adjusting for inflation). Current management is convinced that overall operating costs would have been higher had the two departments not merged.

However, the most important reported benefits of merger involved services. The new Department improved customer service through standard fees and rules, and the uniform county-wide application of state building codes. It expanded services (e.g., review all residential permits, perform more re-inspections and conduct all state-mandated public school inspections). It accelerated response times for inspection requests, improved overall inspection quality and automated all permits and records.

<sup>11</sup> City of Durham FY00 Operating Budget.



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Some hurdles had to be overcome during the merger implementation process. Staff morale was affected when, based on a pay equity study, County employee salaries were increased, but City salaries were not. Effective and continual staff communications helped alleviate many staff concerns. Until recently, the Department had to use two different budget processes (the County now incorporates City budget formats). Despite merged ordinances, the tendency of the governing bodies to adopt different provisions remains (e.g., different flag regulations).

## E. Other Comments

Arguably, the effective (if not actual) consolidation of Durham's city and county governments is well underway. Several events and factors appear to be drawing the two entities more closely together, including the following:

- For all intents and purposes, the County has only one incorporated municipality (unlike many other urban counties that contain multiple cities) and is unlikely to have a new city formed within its boundaries<sup>12</sup>
- The City and County already share a common name and identity, and share common interests in competing for economic development opportunities
- The state's liberal annexation laws make it relatively easy for the City to annex developing areas in the unincorporated portions of the County
- When the County's residents implemented school district consolidation, they not only achieved what most communities view as the most difficult type of merger, they further intertwined the interests of urban and suburban neighborhoods
- From a governance and management perspective, the City and County already enjoy many similarities, including the council-manager form, professional public administration and strong financial capabilities
- Many functions are already consolidated or operating under unified management (e.g., planning, inspections, tax collections, animal control, emergency management and certain public safety communications)

As the City's borders (and population) approach the County's borders (or at least the UGA), citizens may find it increasingly difficult to distinguish the two entities. Perhaps, the real public policy issue pertaining to merger in Durham is not if the City and County will merge, but rather will the two governing bodies merge.

If effective consolidation is inevitable, perhaps the more interesting question is whether it should occur in an ad hoc fashion, without a vote, or in a planned, deliberative manner, based on a consensus of the community.

<sup>12</sup> One area in the County was annexed by Chapel Hill and another will be annexed by Raleigh.



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## III. CITY-COUNTY CONSOLIDATION

### A. Overview

Even the most casual observer of business trends cannot help but notice the rising tide of corporate mergers in the US. In every major industry, ranging from energy to entertainment, we have witnessed a dramatic alteration of the corporate landscape. In some instances, once fierce competitors have joined forces, while in others, companies have merged with companies in related (but not directly competitive) businesses.

Why this mega-merger trend? In the private sector, companies merge for a variety of reasons—to strengthen their production capabilities, to exploit marketing opportunities and synergism, to improve their competitive positions and even to attain certain efficiencies. While public sector mergers are often promoted for their potential cost savings, the reasons for merging public sector entities are at least as complicated as they are in the private sector. In fact, cost savings may be the least important reason for mergers.

### B. History of City-County Mergers

City-County consolidations have been relatively rare. In 215 years of US history, only 31 cities and counties have united. The first such merger, between New Orleans Parish and the City of New Orleans, took place in 1805. Similar consolidations followed in Boston, Philadelphia, Denver, San Francisco and Honolulu. The nation's largest consolidation occurred when New York City was formed from the five boroughs in 1898.

After Honolulu's merger in 1907, no city-county merger occurred until after World War II. In 1947, the first so-called "modern" merger (so named because of its employment of tax or service districts and suburban exemptions) took place in Baton Rouge, Louisiana. Since then, there have been 23 city-county mergers.

During the 1960's and 1970's, there was a wave of successful mergers, some involving large communities. Three of the most publicized city-county mergers, those in Nashville-Davidson County, Tennessee, Jacksonville-Duval County, Florida and Indianapolis-Marion County, Indiana (Unigov), took place in the 1960's. The next decade witnessed successful mergers in such communities as Anchorage, Alaska and Lexington-Fayette County, Kentucky, but the pace clearly slowed.



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Since the 1970's, efforts to merge city and county governments have largely met with apathy and resistance, particularly outside of the Southeast. There were only two successful mergers during the 1980's, and both were in the Southeast (Houma, Louisiana and Lynchburg, Tennessee).

This decade, there have been only four successful city-county mergers, with one implemented outside the Southeast (Kansas City, Kansas) and three in the Southeast (Athens, Georgia, Lafayette, Louisiana and Augusta, Georgia). In 1996, after many months of work by two citizen commissions, and the development of a 347-page charter, elected officials in Charlotte and Mecklenburg County decided not to put the merger issue on the November, 1996 ballot.

According to the National Association of Counties (NACo), only about one-sixth of the city-county merger issues placed on the ballot since 1920 have been approved by voters. In the last decade, voters approved only four of 17 mergers, rejecting city-county mergers in such communities as Sacramento, California, Spokane, Washington, Des Moines, Iowa, and Tallahassee and Gainesville, Florida<sup>13</sup>. Even in many areas where mergers have been approved, like Athens and Augusta, voters defeated earlier attempts.

Today, over 16 million people live in consolidated city-county jurisdictions. While nearly 50 percent of these people live in New York City alone, many live in such small communities as Butte, Montana, Sitka, Alaska, and Carson City, Nevada. In addition, many residents of Virginia live in cities or counties which effectively function as consolidated city-county governments (e.g., Richmond or Henrico County). Only 27 states allow city-county consolidations.

NACo reports that several communities, in addition to Durham, are currently considering city-county consolidation. Those communities include Louisville, Kentucky, Albuquerque, New Mexico, Pueblo, Colorado and Macon, Georgia. Given the history of such efforts, however, these communities would be wise to proceed carefully.

## C. Other Governmental Restructuring

Efforts to improve local government cooperation are likely to continue. Such cooperation can take many forms, however, ranging from functional mergers to full governmental consolidation. There has been an increased use of inter-local agreements among local governments to achieve some of the benefits of cooperation and consolidation.

<sup>13</sup> National Association of Counties Research Brief on Consolidation, July, 1998.



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Functional consolidations usually entail an agreement between at least two local governments to coordinate services under unified management. Common examples of such functional mergers include police, fire, sanitation, transportation, water supply, wastewater management, street maintenance, facility management and fleet management. For example, Charlotte and Mecklenburg County consolidated police and animal control services under city management and consolidated parks, recreation and building inspection services under county management.

Broader regionalization initiatives, typically involving multiple local governments, also have become more common. Recent examples of regional service or asset districts include the Greater Vancouver Regional District, Allegheny Regional Asset District, Denver Regional Asset District, Portland Metropolitan Service District and Seattle Metro. A few communities have established regional revenue sharing districts (e.g., Louisville-Jefferson County income tax sharing compact, Rochester-Monroe County sales tax sharing plan and St. Louis County sales tax sharing plan).

Much depends on state legislation. In some states, legislatures have enacted statutes encouraging cities and counties to pursue merger opportunities (e.g., Georgia). Some states have laws enabling city-county mergers (e.g., North Carolina), while many other states do not have any legislation at all authorizing city-county mergers.

## D. Merger Survey Results

**Overview** – DMG-MAXIMUS conducted a scan of previous city-county consolidations to identify any significant factors that could benefit Durham's consolidation deliberations. The surveyed communities included Nashville, Jacksonville, Indianapolis, Lexington (Kentucky), Baton Rouge, Kansas City (Kansas), Athens, Augusta, Columbus (Georgia), Lafayette and Anchorage.

We scanned relevant literature on city-county consolidations and contacted officials in some communities to obtain additional information. While each consolidation was unique in terms of political, financial and demographic factors, certain commonalities emerged from our survey that could prove helpful to Durham. Those observations are summarized below and presented in more detail in [Appendix C](#).

**Merger rationale** – The communities supported merger for a variety of reasons. The most compelling arguments advanced by merger proponents include the following:

- Neutralize a threat posed by municipal annexation or improve local control over growth management and other community "destiny" issues
- Improve the delivery of services, by expanding some services from urban to rural areas (e.g., sewer treatment), adopting uniform codes and service standards (e.g., building inspections) or providing "one-stop shopping" for services





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- Improve the efficiency of government, by reducing administrative costs or eliminating the duplication of services (e.g., a single property tax bill)
- Enhance the public image of government

Only two surveyed communities—Augusta and Athens—used merger to broaden their tax base (e.g., by extending a municipal tax to the county). Only one surveyed community, Augusta, supported merger in order to bail out a financially distressed city.

**Short-term transition issues** - City-county merger has often been sold to communities by stressing the potential cost savings associated with merger. However, such efficiencies and cost savings have rarely been sufficiently documented either before the referendum on a proposed merger or after the implementation of an approved merger.

Moreover, merger proponents often found that, in order to obtain the support of the employees to be merged, they had to make certain concessions that offset potential efficiencies with short-term transition costs. For example, most mergers have minimized lay-offs and held current employees harmless as to pay, benefits and rights. Staff reductions (if any) were made via attrition or early retirement plans.

Perhaps the most costly transition issue encountered by most mergers has been compensation equity. In order to hold employees harmless, many communities have sought to equalize pay and benefits. In some cases, they conducted pay equity studies. Where there were significant compensation differences, many merged governments found it necessary to increase the pay or benefits of some employees. When compensation has been equalized, it has been equalized at the higher level.

One of the most difficult challenges inherent in mergers is determining the appropriate political structure. Ironically, while many merger supporters desire greater efficiency, additive representation appears to be the norm. That is, most consolidated entities end up with larger legislative bodies than either the county or major city had before the merger. Perhaps the dominant lesson learned from prior merger campaigns is that successful merger plans tend to minimize the number of perceived political “losers.”

Most mergers implemented since World War II have employed the Baton Rouge service district model. In order to minimize the initial costs of merger and ensure tax and service equity, most communities have created distinct service or tax districts for urban and rural areas. Merger plans using this approach provide for higher taxes and more services in urban service districts and lower taxes and fewer services in rural service districts.

Other transition issues identified by the surveyed communities included the following:

- Elected official authority, roles, responsibilities and policies
- Management authority, roles, responsibilities and policies



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- Cultural differences between the organizations to be merged (ranging from management philosophies to policing techniques)
- Employee communications and participation
- Employee relocation needs and costs, and related facility management issues
- System and equipment differences

Individuals contacted in other communities suggested that such issues are resolvable with careful planning. They indicate that the planning process should begin no later than the charter drafting phase and proceed through the transition. Their experience also suggests that it is easy to underestimate the costs and difficulty of a merger. A Kansas City official suggested that ample funds be set aside for unforeseen events.

Timing can be critical. For example, in a strong economy, attrition will occur more rapidly and potential merger benefits may be realized more quickly. Where the two governments plan massive capital investments (e.g., new facilities or systems), a consolidation can result capital cost avoidance. Conversely, where two governments have new facilities or systems, such benefits are less likely to be attained.

**Long-term impact of merger** – The scarcity of precise and reliable information makes it very difficult to assess the long-term impact of merger, at least in quantifiable terms. While some communities reported cost savings or tax cuts during the first five years after merger (e.g., Kansas City, Kansas, Nashville and Jacksonville), the evidence is anecdotal.

Considering the short-term costs associated with most mergers (e.g., pay equity costs), any net cost savings would likely be dependent on the attainment of long-term savings, such as staff reductions through attrition, capital cost reductions (through improved utilization) and other possible long-term cost savings (e.g., reduced interest rates through a higher bond rating for the merged government).

Given the dearth of empirical evidence, it is difficult to draw useful conclusions regarding quantifiable costs and benefits. Nevertheless, it is probably safe to surmise that any cost savings resulting from city-county merger are more likely to be gained over the long haul, and in growing communities. Where there is growth, the merged entity is not forced to reduce personnel to achieve savings.

Generally, the surveyed communities believe that their consolidations were successful, but usually in terms of intangible (if not indirect) benefits. Such benefits include an enhanced public image, stronger economic development and growth management capabilities, more convenient and effective services, a more extensive public infrastructure, and a healthier financial condition (e.g., improved debt ratings). One of the most common advantages cited is greater accountability and responsiveness (through the reduction of inter-governmental buck-passing and the attendant confusion).



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## IV. CITIZEN TASK FORCE FINDINGS FOR ADMINISTRATIVE/GENERAL GOVERNMENT

### A. Task Force Deliberations

The Citizen Task Force on Administrative/General Government, shortly after commencing its work, adopted an issues-driven approach for its analysis of merger issues. The issues it reviewed included general administration, human resources and economic development. General administration included corporate management, internal auditing, technology, asset management and equal opportunity.

To conduct fact-finding, the task force established small study teams who were asked to report back to the task force on their findings and recommendations. The task force then assessed the overall desirability of merger from the perspective of these issues and identified concerns that could require a more detailed cost-benefit analysis.

The fact-finding conducted by this task force was extensive. They conducted interviews of several City and County staff. For both entities, they interviewed the Managers, Human Resource directors and internal auditors. From the City, they interviewed the Assistant City Manager, MIS Manager, Asset Management Director, Acting Real Estate Manager Fleet Maintenance Manager and Equal Opportunity Director.

From the County, they interviewed the County Manager, Economic Development Director, General Services Director, IT Manager, Purchasing Director and Business Development Manager. They also met with the GIS Director and Chamber of Commerce staff. The teams also reviewed available reports such as budget documents.

### B. Background Information

**General Administration** – Both the City and County have comparable legislative and public affairs programs. In FY99, the City spent \$2.5 million on legislative and public affairs (36 employees) while the County spent \$2.8 million (43 employees). The County has exclusive responsibility for the deed registry and election management functions.

The City and County have comparable corporate management structures. Both have council-manager governance forms with managers functioning as chief executive officers. However, the County government, unlike the City, is in some ways an extension of state government. Many County functions are supervised by appointed boards pursuant to state legislation<sup>14</sup>.

<sup>14</sup> Mecklenburg and Wake counties have merged their social service, mental health and public health boards.



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The City appears to spend more on corporate management than the County. In FY99, the City spent \$18.6 million on corporate management functions (205 employees) while the County spent \$10.1 million (99 employees). This variance is due in part to different service structures and cost reporting methods (e.g., the County appears to report its fleet and asset management costs in a decentralized fashion).

The two entities have different technology platforms, strategies and responsibilities. The City uses UNYSIS Clearpath mainframe systems with Novell Netware and Windows NT servers, connected to a network of 900 desktop units. The City operates the new City-County geographic information system (GIS). The City recently hired a new director and plans to draft a five-year strategic technology plan in the near future.

The County uses a network-based IBM ES 9000 system for Human Resources, Finance, Payroll, Purchasing, and other applications. The Library is on a separate hardware system. The Social Services and Tax offices use IBM AS 400 systems combined with servers. Reportedly, any application can be accessed from any desktop. Intra- and inter-departmental communications are operated by e-mail.

Both entities have significant assets to manage. The City manages 75 facilities, including City Hall, the Police headquarters building, parking garages and cemeteries. It also maintains 1,900 vehicles, 3,000 radios (some are county-owned), an 800 MHz radio system and three transmission towers. The Fleet Management Department, which operates on an internal service fund basis, has built up a substantial surplus. The City recently consolidated its Fleet Maintenance and Asset Management departments.

The County manages 45 facilities, including the Administrative Complex, General Services Complex, Youth Home Complex, Memorial Stadium, Main Library, Judicial Building, Sheriff stations and the Animal Shelter. The County owns 369 vehicles, 217 of which belong to the Sheriff's Office. The County does not have a centralized fleet repair department, but its General Services Department is responsible for other assets. Both the City and the County are conducting space utilization studies.

The City operates a central MWBE contracting and Affirmative Action program under the oversight of the MWBE Advisory Commission. The City has measurable objectives, a narrow operational definition of "minority" and active community involvement. The County, under County Manager oversight, assigns its MWBE contracting and equal employment opportunity functions to separate departments. The County uses a broad operational definition of "minority" and is updating its disparity study.

**Human Resource Management** - Both human resource management offices perform equivalent functions, including recruitment, selection, position control, compensation administration, employee relations and training. At first glance, their compensation



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structures and personnel policies appear relatively similar, but there are some important differences that need to be addressed during the merger process.

The City's salary levels are reportedly higher than County salary levels for many similar positions. The City adopted a hybrid traditional/broad band, market-based compensation plan in 1998. It eliminated "longevity" pay for employees hired after July of 1998 and provided a 2 percent market adjustment in 1999. This new policy could cost the City an estimated \$1.7 million per year through FY04<sup>15</sup>.

The County has a more traditional classification system. In response to market studies, it annually increases some starting salaries which, in turn, may reduce pay differentials between new and long-term employees. The County plans to provide internal equity adjustments for some employees. Implementation costs are unknown at this time.

The types of employee benefits provided by the City and County appear comparable. The City subsidizes health insurance benefits for families at a higher level than does the County<sup>16</sup>. The key elements of the two benefit programs are summarized below.

### Summary of City and County Employee Benefits

Benefit	City	County
Retirement	<ul style="list-style-type: none"> <li>• State plan for all employees</li> <li>• State Supplemental Retirement Income Plan for all employees</li> <li>• City Special Separation Allowance for law enforcement officers</li> </ul>	<ul style="list-style-type: none"> <li>• State plan for all employees</li> <li>• Supplemental Retirement Income Plan for all employees (e.g., ICMA)</li> <li>• Separation allowance for law enforcement officers</li> </ul>
Health & Dental Insurance	<ul style="list-style-type: none"> <li>• 2 fully insured point-of-service plan choices</li> </ul>	<ul style="list-style-type: none"> <li>• 2 fully insured point-of-service plan choices &amp; 1 HMO plan</li> </ul>
Vacation Leave	<ul style="list-style-type: none"> <li>• Earn at 12 days to 25 per year depending on longevity</li> <li>• Maximum accrual of 30 days</li> <li>• Excess converted yearly to sick leave</li> </ul>	<ul style="list-style-type: none"> <li>• Earn at 11.86 days to 25 days per year depending on longevity</li> <li>• Maximum accrual of 30 days</li> <li>• Excess converted yearly to sick leave</li> </ul>
Sick Leave	<ul style="list-style-type: none"> <li>• Earn at 12 days per year</li> <li>• No maximum accrual</li> <li>• No sick leave paid at termination, but may be credited toward length of service for retirement</li> </ul>	<ul style="list-style-type: none"> <li>• Earn at 12 days per year</li> <li>• No maximum accrual</li> <li>• No sick leave paid at termination, but may be credited toward length of service for retirement</li> </ul>

Retirement plans can be a major barrier to mergers. In Durham, however, both entities are under the Statewide Local Governmental Employees Retirement System (LGERS), a state-administered multiple-employer defined benefit pension plan. Both entities

<sup>15</sup> Based on task force team interview with City staff. The City retained longevity pay for pre-1998 employees.

<sup>16</sup> Based on comments obtained from County Human Resource Management Director.



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contribute at the state-determined rates (4.47% for law enforcement employees and 4.89% for other employees). Employees contribute 6 percent of covered salary.

Both the City and County offer the state-administered Supplemental Retirement Income Plan, a defined contribution pension plan, to law enforcement officers and other employees. The employers contribute 5 percent of salary and the employees make voluntary contributions. In addition, the City and County offer a Special Separation Allowance, a defined benefit plan for law enforcement officers.

The County provides a credit for a menu of benefits. Most County employees can purchase individual health, dental, life insurance, disability insurance and flexible spending accounts for day care and medical reimbursement with the credit or they may use their credit to purchase dependent coverage to the extent possible.

There are some significant differences between City and County employees pertaining to employee rights. The City's employees are considered to be "at will" employees (i.e., with some exceptions, they may be dismissed by their employer without explanation or legal penalty). In contrast, only about 23 percent of the County's employees are considered "at will" employees (the Sheriff's employees). The other County employees have a vested property right to employment either under the State Personnel Act or county ordinance.

**Economic Development** - The primary mission of the City and County Economic Development departments is to promote prosperity by helping the private sector initiate or expand businesses, and employ local citizens. However, their roles vary.

The City spent \$3,405,000 on economic development activities in FY99, mostly for economic revitalization and tourism activities. The City's Office of Economic and Employment Development (OEED) leads HUD-funded economic revitalization efforts in the City. It also administers the federal Job Training Partnership Act (JTPA) program for the City and County, and provides job training and development services to the County in connection with the federal Welfare to Work initiative. The Durham JobLink Center was established in 1998.

The County spent \$428,000 in FY99, primarily for regional promotion and development. The County has a contract with the Chamber of Commerce for industrial development. In recent years, the County negotiated business re-location or expansion incentive packages with such firms as Tivioli Systems, Freudenberg Nonwovens and Aisin AW, Ltd.

The City and County pursue many cooperative endeavors. The Durham Convention and Visitors Bureau is jointly funded and owned (the City has 42.5% equity and the County has 57.5%) and managed by a jointly-appointed board. The Durham Civic Center Authority is operated by City employees, but under a jointly-appointed board. The Civic Center also is jointly funded and owned (the County will own 50% equity by 2006).



# Durham City-County Consolidation

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### C. Task Force Findings & Recommendations

**General Administration** – The Task Force found that, from the perspective of general administration, merger would be desirable. The City and County perform similar activities (e.g., finance, human resources, technology, asset management, purchasing and internal audit) with comparable capabilities. Under a merged government, and unified management, there would likely be opportunities for greater efficiencies.

The task force concluded that City-County consolidation offered several potential benefits for general administration. Some of the possible benefits are summarized below:

- Enhance overall public trust and confidence in their local government
- Reduce any duplication of services and overlapping positions (an estimated 140 positions perform essentially the same work for the two entities) over time
- Clarify the administration and accountability of merged activities and promote the cross-fertilization of best practices and innovative ideas
- Streamline the management of public facilities, coordinate security services and outsourcing, reduce leased building space needs and reduce facility costs
- Use a single vehicle maintenance facility, standardize maintenance procedures, reduce repair turn around time and prolong the lives of vehicles
- Adopt a uniform Countywide radio system and encourage the standardization of facility and equipment management procedures
- Offer an opportunity to adopt uniform equal opportunity guidelines, increase diversity training and community involvement, and improve racial relations

The task force concluded that merger, while offering several benefits, will require careful planning, and substantial effort, for the consolidated functions to run smoothly. Technology management is illustrative. The task force found that the two platforms are quite different. Most applications meet distinct needs. For instance, the County has social service and library applications and the City has public utility systems. Only the merged functions (e.g., planning, inspection and taxation) have common systems.

There are organizational and operational differences as well. There are some differences among business processes that affect system requirements. The City tends to perform more functions internally (e.g., system maintenance) than does the County. There are some differences in staff education and experience. Fortunately, there do not appear to be any long-term vendor commitments (e.g., for hardware) that could hinder merger.

The task force determined that merging the two technology platforms will probably require the new entity to use current systems for the foreseeable future. Where the applications are shared (e.g., financial), the governing body will have to select one of the two existing systems. This will require data input modifications for one of the groups



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merging, but this is not likely to be a major problem. The task force does not recommend merging such applications, but rather installing new systems over time.

Other potential challenges identified by the task force in connection with merging general administrative functions include the following:

- The appointed boards supervising County functions may need to be reexamined in the context of the merged entity's administrative policies and practices
- Merger, and the attendant integration of potentially incompatible systems and processes, could temporarily disrupt services and confuse employees
- Where existing administrative policies and philosophies vary (e.g., accounting, purchasing and grants management), uniformity will be required
- The County and City have different EE/EA participation goals<sup>17</sup> and results<sup>18</sup>
- If not carefully planned, merger could disproportionately displace minority positions and impair future advancement for protected business classes

The task force recommended a detailed implementation plan for merger, including a realistic timetable and relocation plan, and the tasks set forth below:

- Review possible legislative changes to consolidate current boards so long as this effort does not distract from the merger plan
- Standardize current administrative policies and procedures (e.g., charts of account, fixed assets and purchasing) and eliminate any contradictory practices
- Review organizational alternatives (e.g., reorganize the County's General Services Department and reassign the radio communications function to IT)
- Develop a long-term technology plan for replacing hardware and upgrading and developing information systems
- Conduct a comprehensive asset inventory, review buildings and leases, define maintenance needs and identify opportunities for eliminating unnecessary assets
- Update asset liability insurance policies, vehicle and other asset titles, radio system, equipment and software licenses, and maintenance contracts
- Explore outsourcing opportunities (e.g., cemetery and parking management)

A majority of the small study team concluded that a cost-benefit analysis should be conducted to determine the likely financial impact of a merger. The study should address organizational, staffing, technological and space needs.

**Human Resource Management** – The task force found that merger could improve human resource management practices. It agreed that the merged organization should offer the following possible advantages:

<sup>17</sup> The County's MWBE goal is 15% and the City's goals are 15% for MBE and 10% for WBE.

<sup>18</sup> The County's participation is 11% and the City's is 15% for MBE and 7% for WBE.





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- Improve public confidence in government
- Eliminate confusion resulting from the duplication of services (e.g., position advertising, recruitment and compliance monitoring)
- Eliminate morale problems stemming from different salary levels, benefit policies (e.g., longevity pay), and working conditions (e.g., hours) for similar job classifications in the County and City
- Enhance services by taking advantage of each entity's best practices (e.g., City's employee development program)
- Yield opportunities to eliminate marginal or duplicative services

Further, the task force found that City employees might prefer the County's flexible benefits program, just as County employees might prefer the City's pay plan. Conversely, merger could engender anxieties among employees about job loss, demotion or other uncertainties regarding personnel policies. The task force believes that historical attrition rates (12% for the County and 7% for the City) should enable the merged entity to accommodate any position reductions achieved through merger.

The task force identified several issues that could hinder the ultimate success of the proposed merger. Some of those issues are listed below:

- Some City and County employees have different "property rights" as to employment (some are "at will" employees and some have vested property rights under the State Personnel Act or local ordinance)
- City salary levels appear higher than County pay levels
- City and County health insurance benefit packages may vary materially
- If not managed properly, moving to the highest pay and benefit levels could significantly increase operating costs for the merged entity

Ordinarily, organizational "turf" issues can complicate merger transitions. Based on its discussion with the two Human Resource managers, however, the task force concluded that such problems should be minimal in Durham.

Nevertheless, the human resource issues inherent with this merger will be significant. Employee anxieties about job changes, compensation or benefit reductions, or demotions could undermine morale and the merger transition. To ensure that these issues are effectively managed, the task force made several recommendations, including:

- Adopt a policy of no reduction in force initially, with any future merger-related position reduction handled through normal attrition
- Hold all employees harmless as to pay and benefits initially, but adopt an "equal pay for equal work" strategy and "points-based" pay and class system to determine future compensation and benefit levels



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- Keep employees well informed on the reasons for merger and actively engage them in designing the new organization and its new personnel policies
- Conduct periodic employee opinion surveys

The task force concluded that the experience of the human resource staff in planning the consolidation of the Planning, Tax, and Inspections departments will prove helpful.

The task force also recommended a more detailed analysis of the current compensation systems and of other alternatives. This study should address such issues as pay structure, pay equity, compensation administration, employment "property rights" and due process requirements. A Citizens' Oversight Committee should be considered to help provide personnel guidance through the merger transition.

**Economic Development** – The task force concluded that the economic development activities of the City and County can be merged with little difficulty. While the two entities' current economic development activities are well-coordinated, a single governing board should further promote a cohesive approach to economic development.

The task force offered several recommendations for strengthening the economic development activities of the consolidated City-County government:

- Reexamine and update the mission of the new Economic Development Department and develop more specific and measurable performance objectives
- Contract with the Greater Durham Chamber of Commerce for industrial recruitment, development and negotiation (as the County does now)
- Remove the Real Estate Management function from economic development, and place it in a more appropriate unit such as Asset Management
- Review all job training efforts of the city and the county (e.g., City Employment and Training, County Social Services Work First, Communities in Schools and Durham Technical College programs)
- Absorb the job training function, including Durham Technical College training, as part of a seamless, practical training system focused on actual industrial and commercial needs and new (or anticipated) job openings
- Continue liaison activities with the Planning Department regarding Small Area Development Plans and the related zoning requirements

The merged government, through investments in its economic development program, should be well-positioned to compete within the metropolitan area and region.



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## Citizen Task Force on Administrative/General Government – Resolution

**WHEREAS**, the Citizen Task Force on Administrative/General Government completed its evaluation on the desirability of consolidating Durham City and County governments in the areas of:

- Asset Management and Fleet Maintenance;
- City Manager and County Manager;
- Economic and Regional Competitiveness/Employment Development;
- Equal Opportunity and Equity Assurance and Procurement and Minority/Women Business
- Enterprise Development;
- Internal Audit;
- Information Services, Management Information, and Geographic Information Systems; and,
- Human Resources.

**WHEREAS**, it was concluded that the City Asset Management and Fleet Maintenance functions can be separated prior to City-County Merger. We recommend a merged Real Property/Asset Management function and a reassignment of other existing functions in the current Asset Management/General Services structure. This includes, but is not limited to, vehicle fleet management, solid waste, pest control, mail room, parking lot management and communications systems; and

**WHEREAS**, it was determined that the City and County Managers' Offices can readily be merged given time for planning and implementing those few policies that currently differ; and

**WHEREAS**, it was decided that Economic and Regional Competitiveness/Employment Development functions can effectively be merged as one department, while maintaining the separate functions that permit revenue streams to remain open, and achieving greater effectiveness for the workforce; and

**WHEREAS**, it was concluded that with respect to Equal Opportunity and Equity Assurance, notwithstanding operational differences, the Durham City and County Governments place a high priority on promoting equal opportunity and equity assurance for all personnel without regard to race, color, religion, national origin, handicap, age, or other such factors. The City and County Equal Opportunity and Equity Assurance Departments should be merged and the merged governing body should adopt a strong policy that clearly and unequivocally states its commitment to integrity, fairness, and equal opportunity/equity assurance in all matters of governmental, personnel, procurement, and Minority and Women-Owned Business Enterprise policies; and

**WHEREAS**, the City and County Internal Audit functions are largely identical and merger of the City and County Internal Audit functions would stimulate a cross-fertilization of ideas, we strongly emphasize that a merged Internal Audit function, if enhanced and properly publicized, will greatly solidify governmental integrity and increase the public's trust in a merged government; and

**WHEREAS**, Information Services, Management Information, and Geographic Information Systems Departments can easily be merged even though most of the computer systems are currently separated by application, and those that overlap can be handled by selecting one of the two current systems through choice of policies; and

**WHEREAS**, it was concluded that merging Human Resource functions can improve operations, reduce confusion, boost public confidence, and may improve morale by considering pay and benefits differences; and



# Durham City-County Consolidation Citizen Task Force Review Final Report



## Citizen Task Force on Administrative/General Government – Resolution (cont.)

**WHEREAS**, it was determined that merger should result in no employee job loss but that any personnel elimination happen through normal attrition, and that prior to merging, a more detailed study is needed to review the issues of market rate pay, equalization pay, longevity pay, and benefits; and, a proposal developed to resolve the differences in employee classification and compensation ranges; and,

**WHEREAS**, it is recommended that community input be sought in further discussion of the many issues raised in this resolution and accompanying reports; and,

**NOW, THEREFORE BE IT RESOLVED**, that the Citizen Task Force on Administrative/General Government does hereby unanimously recommend that merger of the entities studied herein, is feasible and highly desirable and urges the Steering Committee to move forward with the consolidation of the Durham City and County governments.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## V. CITIZEN TASK FORCE FINDINGS FOR HUMAN & COMMUNITY SERVICES

### A. Task Force Deliberations

The Citizen Task Force on Human and Community Services was initially two task forces-- Community Services & Development and Health & Human Services. After their initial meetings, the two groups concluded that there was sufficient areas of common interest for them to merge into one group, the Citizen Task Force on Human and Community Services.

This task force conducted its review of merger issues using an issues-driven approach. The issues it decided to review encompassed three broad areas—planning and community development, health and human services, and parks, recreational and cultural programs. In turn, planning and community development include the issues of planning, inspections and housing and community development. Health and human services included social services, mental health, public health and human relations.

To conduct fact-finding, the task force established small study teams who were asked to report back to the task force on their findings and recommendations. The task force then assessed the overall desirability of merger from the perspective of these issues. The group also identified concerns that could require a more detailed cost-benefit analysis or should be addressed in greater detail during merger implementation.

The fact-finding teams conducted interviews of several City and County staff. At the merged agencies, they interviewed the Interim Director of City/County Planning (as well as some planning staff) and Director of City/County Inspections. At the City, they interviewed the Housing and Community Development Director, Human Relations Director, Parks & Recreation Director and Asset Management Manager.

At the County, they interviewed the Social Services Director, the Durham Center's Area Director and Deputy Area Director, Public Health Director and County Ranger. They also interviewed the County Libraries Director and Executive Director of the Triangle Opera.

### B. Background Information

**Planning & Development Services** - The City and County, pursuant to an inter-local agreement, operate a joint Planning Department, as well as a joint Building Inspections unit. The City and County Planning departments and Planning Boards and Commissions were merged in 1988, and City and County Inspections were merged in 1993. Over time, the zoning and subdivision ordinances were consolidated as well.



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The City spent \$11.0 million on planning and development functions in FY99, including \$2.6 million for planning and zoning (38 FTEs), \$2.5 million for building inspections (45 FTEs), and \$6.1 million for housing and community development (40 FTEs). The City's Housing and Community Development Department administers \$1.8 million in Community Development Block Grant (CDBG) funds, \$2.2 million in HOME grants and \$2.4 million in HUD lead-based paint abatement funds. It also supervises code enforcement.

The County spent \$1.8 million on planning and development functions in FY99, but only \$401,000 on its own operations. The Durham County Center of Cooperative Extension is a cooperative venture of the County, NCSU and federal government. The Durham Soil and Water Conservation District, a state subdivision, provides technical assistance on federal and state regulations. The County does not have minimum housing codes or a housing program.

**Health & Human Services** – The County is the primary provider of health and human services and the City's role is very limited. The County spent \$74.0 million on health and human services in FY99, including \$41.8 million for social services (405 FTEs)<sup>19</sup>, \$20.0 million for mental health services (264 FTEs), and \$10.3 million for public health services (207 FTEs). It spent \$1.7 million on other programs.

The County Department of Social Services, a quasi-state agency, administers state and federal programs such as TANF, Food Stamps, Medicaid, Day Care, Job Opportunities Basic Skills (JOBS), Work First, Family Planning and Adult Services. The County spent \$169,000 on the Youth Coordinating Board, a joint activity created to coordinate youth grant funding. The City funds several non-profit social services agencies.

The County operates the Durham Center, the lead agency for mental health, developmental disabilities and substance abuse (MH/DD/SA) services in Durham. The Durham Center is governed by a 20-member Area Board appointed by the Board of County Commissioners. The Area Director reports to the Area Board, not the Board of Commissioners. The City transferred the Durham Community Prevention Partnership (DCPP), a \$1.4 million demonstration project, to the County to help ensure the program's continuation.

The County Public Health Department manages public health programs for all county residents (e.g., communicable disease control, maternal and child health services, public health nursing, dental health, laboratories and vital records). It also regulates sanitation in food-handling establishments, operates rodent and insect control programs, monitors solid waste disposal and conducts occupational disease programs. The County's General Services Department provides mosquito control services.

<sup>19</sup> The FY99 Social Service costs exclude the \$120.3 million public assistance pass-through.



# Durham City-County Consolidation Citizen Task Force Review Final Report



The City administers a Human Relations program with 8 staff, spending about \$570,000 in FY99<sup>20</sup>. It also has a 15-member board appointed by council. Its mission is to improve relationships between different races and cultures. This office contracts with HUD<sup>21</sup> and the EEOC<sup>22</sup> to administer and hear equal opportunity and housing complaints. EEOC investigations generate \$500 each in fees and HUD cases generate \$1,700 each. The County does not have a Commission, but the City has indicated a willingness to expand its services to the County.

**Parks, Recreation & Cultural Services** – The City offers an array of recreational programs and the County administers the library system, but their areas of emphasis are quite different. In short, the County focuses on nature trails and land preservation while the City focuses on community-based parks and recreational activities.

The City spent \$11.2 million on parks, recreation and cultural services in FY99, including \$5.1 million for parks and recreation (92 FTEs), \$2.4 million for the Civic Center, \$2.3 million for the Ballpark (22 FTEs), and \$1.4 million for cultural programs. Its Parks & Recreation Department offers a range of recreational resources, including three recreation centers, five pools, 70 tennis courts, 63 parks and playgrounds, and ten miles of trails. The City also is responsible for the West Point on the Eno Park, a 40-acre park with trails, gardens and facilities, Little River Lake and Lake Michie.

The County spent \$6.6 million on parks, recreation and cultural services in FY99, including \$5.2 million for library services (113 FTEs), \$1.2 million for other cultural programs and \$53,000 for open space and forest protection services. The County Library system includes the Main Library and five branch libraries. The County recently initiated an open space program, the first of its kind for Durham, with some 200 acres of open space along river corridors and plans to set aside 300 more acres of open space.

The County does not have an agency to provide recreational facilities and services for the unincorporated portions of the County. Instead, residents of these areas must rely on nonprofit community organizations like the Northern Junior Athletic Association and Little River Community Complex for these services. These two groups serve over 600 pre-school and elementary age children with no public financial support.

Both entities fund cultural programs. The City, for example, helps fund the Carolina Theater and Durham Arts and the County provides assistance to the Museum of Life and Science. The City helped fund the Museum's new Butterfly House. The two entities jointly fund the Civic Center. There are several other cultural organizations, such as the Triangle Opera, funded by either the City or County. Some are regular budget line items for the City or County while others are application-based.

<sup>20</sup> FY99 estimates as reported in City's FY00 Budget.

<sup>21</sup> The federal Housing and Urban Development (HUD) Department.

<sup>22</sup> The federal Equal Employment Opportunity Commission (EEOC).



# Durham City-County Consolidation Citizen Task Force Review Final Report



## C. Task Force Findings & Recommendations

**Introduction** - Generally, the task force concluded that city-county merger would be beneficial. However, it identified several concerns to be addressed first. The task force's findings and recommendations are discussed below by service area.

**Planning & Development Services** - In reviewing the previously-merged departments, the task force concluded that consolidation has been beneficial. The planning and inspection mergers improved services, streamlined processes, reduced personnel costs and facilitated development. Bringing the planning and inspection functions under a single governing board would only reinforce these advantages. The lessons learned from these functional mergers also could prove helpful.

The task force concluded that the merger could benefit community development programs. A comprehensive countywide ordinance, including provisions for commercial buildings, could strengthen enforcement. Unified management could enhance services. For instance, the Community Life Court would likely benefit from better cooperation between departments. In the few areas where there is potential overlap, such as weeding lots and removing junk cars, some efficiencies might be gained.

Any extension of municipal services (e.g., housing code enforcement) to the unincorporated areas could increase overall operating costs, depending on how it is implemented. The task force recommended some strategies for facilitating the merger implementation.

- Review existing ordinances
- Adopt uniform housing codes and enforcement procedures
- Define service and staffing needs for unincorporated areas
- Obtain citizen input and provide information on housing conditions
- Identify opportunities for obtaining more block grant money
- Review plans for spending authorized, but unissued bonds

With proper planning, the merger is not expected to adversely affect current services. The experiences of the planning and inspection mergers indicate that personnel issues could be effectively managed with sufficient employee involvement.

**Health & Human Services** - The task force determined that City-County consolidation would not materially affect health and human services. It noted that merger could help improve departmental linkages (e.g., among Social Services, Police, Housing and Recreation for latch key children) and thereby improve services (e.g., improve investigation of abuse and neglect). Merger also could enhance access to external funding.





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According to the task force, city-county merger could provide an opportunity for the new governing body to revisit its approach to human services. Such opportunities might include "one-stop shopping" and a more efficient strategy for locating facilities for health and human services. Classifying all employees (city, county and state) under the same personnel regulations might improve management capabilities. In any event, the task force did not identify any downside potential for merger.

The task force recommended that, under merger, the City's Human Relations program be extended to the County. With the proper enabling legislation, the new governing body could establish a county-wide program. This would require additional personnel, but the increase in program costs would be offset by additional fees. A county-wide program would provide unincorporated County residents more convenient hearing centers and faster response times.

The task force recommended several measures for facilitating the merger of health and human services under a single governing board.

- Centralize the grants management program
- Reclassify all current positions under a single personnel system
- Review and update all service contracts (e.g., transportation)
- Review and update all operating protocols and procedures
- Obtain legislative authority to process EEOC and HUD cases and establish local ordinances and guidelines for a county-wide Human Relations Commission
- Survey RTP companies regarding the impact of merger
- Develop mechanisms for working with the Hispanic community
- Keep staff fully informed of, and involved with, all changes

Perhaps the most difficult implementation issue will involve the legal status of the state programs and the employees that operate them. Legal counsel will be required to ensure that these programs are merged in an appropriate manner.

**Parks, Recreation & Cultural Services** – The task force concluded that a merged government would be desirable for several reasons. It found that merger could enhance the new entity's ability to increase outreach activities, form community-based partnerships, serve previously under-served communities and improve customer service.

It found that some agencies believe that unified leadership could benefit arts organizations. Other agencies apparently believe that merger could improve their access to new or shared technology. Finally, the task force expressed the hope that, while merger could initially increase costs, it could eventually streamline business processes, and that any savings would be reinvested into additional services.



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The task force recommended merging the City Parks and Recreation Department with the County Open Space Commission programs. Concurrent with the merger, the task force agreed that parks and recreation services should be expanded to meet the needs of residents and communities in the unincorporated areas of the County. Other suggestions included:

- Reexamine and strengthen the missions of the Parks and Recreation Department and Open Space Commission
- Develop a plan for extending urban services and recreational facilities to rural communities, including an equitable financing plan
- Review the Orange County Environment and Resource Conservation Model and assess its value for Durham's open space programs
- Identify and pursue partnerships with businesses and local organizations to increase the access of citizens to recreational activities and facilities
- Review current contracts (e.g., the Marriott) and update as necessary to accommodate the merger
- Review capital assets, budgets and maintenance issues, and update capital maintenance and improvement plans to ensure adequate future funding
- Establish a centralized grants administration capability and streamline the process by which nonprofit organizations seek funding

The task force expressed some concerns about merger. For example, it urged the new governing body to reinforce the current focus of County Open Space programs on such issues as nature preserves, farm land protection, and wetland protection and preservation. It also indicated that funding and Advisory Board structures might be affected. In total, however, it decided that such factors could be addressed with good planning.



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## Citizen Task Force on Community & Human Services – Resolution

**WHEREAS**, the Citizen Task Force on Human and Community Services completed its evaluation on the desirability of consolidating Durham City and County governments in the areas of:

- Human Relations;
- Housing and Community Development;
- Open Space;
- Parks and Recreation;
- Social Services;
- Planning and Zoning;
- Inspections;
- Mental Health, Developmental Disabilities, and Substance Abuse;
- Public Health; and,
- Cultural Affairs.

**WHEREAS**, the individual task force reports must be reviewed to fully understand the many questions and opportunities presented by merger; key critical factors are highlighted in the body of this resolution; and

**WHEREAS**, it was determined that merger would eliminate the current City Human Relations Department and Commission necessitating new local legislative authority and local ordinances for continuation of these services to all citizens of Durham County; and

**WHEREAS**, it was determined that merger will require the development of a County-wide community development and housing strategy and minimum housing codes to serve all citizens of Durham County in an equal manner through the Department of Housing and Community Development; and

**WHEREAS**, it was found that merger will necessitate the development of a combined urban and rural land use policy to serve the Open Space needs for all citizens in Durham County; and,

**WHEREAS**, the City Parks and Recreation Department can be merged with the County Open Space Commission, with an expanded scope to include all residents of Durham County, form partnerships with community organizations and schools to greatly enhance the capacity of both groups and provide services in underserved regions and communities of Durham City and County; and

**WHEREAS**, it was found that merger would have no major impact on the delivery of Social Services provided to all citizens of Durham County; and

**WHEREAS**, it was found that merger would have no major impact on the current City/County-wide Planning and Zoning services offered to all citizens of Durham County; and

**WHEREAS**, it was decided that merger would have no major impact on the current combined City/County Inspections Department except for the implementation of federal Americans with Disabilities Act guidelines established for all citizens of Durham County; and

**WHEREAS**, it was found that merger would have no major impact on the current City/County-wide delivery of Mental Health, Developmental Disability, and Substance Abuse services provided to all citizens of Durham County; and

**WHEREAS**, it was found that merger would have no major impact on the current City/County-wide delivery of Public Health services provided to all citizens of Durham County; and



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## Citizen Task Force on Community & Human Services – Resolution (cont.)

**WHEREAS**, it was found that merger would have no impact on the development and delivery of Cultural Affairs services offered to all citizens of Durham County;

**NOW, THEREFORE BE IT RESOLVED**, that the Citizen Task Force on Human and Community Services does hereby unanimously declare that merger for the services considered herein, is both feasible and desirable, pursuant to resolution of critical concerns raised in accompanying reports.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## VI. CITIZEN TASK FORCE FINDINGS FOR PUBLIC PROTECTION

### A. Task Force Deliberations

The Citizen Task Force on Public Protection focused its merger impact discussions and analysis on law enforcement, fire protection, emergency medical services and public safety communications. It also discussed miscellaneous issues, such as animal control.

During the course of its deliberations, the task force heard presentations, and received other information, from City and County officials, including the Sheriff, Police Chief, Fire Chief, Fire Marshal, EMS Director, County Attorney and 911 Director. It also received relevant information from the consultant, regarding such matters as law enforcement liability claims, Police-Sheriff staff salary comparisons and the costs of a fully paid countywide fire department. It reviewed relevant materials such as financial data and organization charts. Since this task force included many representatives of public safety agencies, it also possessed substantial relevant expertise.

The task force explored alternatives for consolidating the two law enforcement agencies and discussed the potential impact of such a merger. The task force considered the potential long-term efficiencies that could be achieved by consolidation, as well as the initial costs associated with merger (e.g., the costs of pay parity for Sheriff deputies).

The task force also discussed the differences in immunity policies between the two agencies and identified certain public safety communication issues and other issues to be resolved irrespective of merger. Finally, while they did not reach a consensus in support of merging city and county governments, they did discuss the manner in which the merger of law enforcement functions could occur.

Regarding fire protection, the group reviewed existing problems with response areas as well as the looming fiscal threat of annexation to the volunteer districts' tax base. The group expressed a strong commitment to independent volunteer districts, and agreed that the cost of a fully paid county-wide fire department would be prohibitive.

The task force did, however, acknowledge the need for formalization of the current informal system of coordination. They reviewed a wide range of county-wide fire protection models, including a fully paid firefighter force, a single department with volunteer departments, and a centralized approach (e.g., where one paid firefighter is stationed in each rural volunteer station 24 hours a day and the City Fire Chief directs overall fire suppression and training efforts). Another model included enhanced coordination and cooperation while retaining the volunteer fire departments.



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## B. Background Information

**Law enforcement** – Both the City and County provide law enforcement services, but the City's law enforcement operation is substantially larger than that of the County. Through normal budgeting procedures, and the Office of the State Medical Examiner at the University of North Carolina (UNC) Hospital, medical examination services are provided to law enforcement agencies.

The City Police Department, with 541 employees and four stations, spent about \$28.2 million in FY99. Uniform Patrol represents the Department's largest single program. The Department also provides a full complement of special support units (e.g., investigation, K-9, Community Service, School Resource, Domestic Violence and park rangers). The Department has 426 vehicles and purchases 46 new vehicles each year for patrol officers.

The Sheriff's law enforcement program, with 181 employees (139 sworn officers) and five stations, spent about \$6.6 million in FY99<sup>23</sup>. The Sheriff's Office, which is certified by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA), also provides a variety of support services. The office has 160 vehicles.

**Fire Protection & EMS** – With 12 fire stations and 236 fire employees, the City spent \$11.9 million on fire in FY99 (EMS resources are discussed below). The City reports that 85 to 95 percent of its fire calls are responded to in under 5 minutes<sup>24</sup>. It also responds to calls outside the City based on need.

The County has a fire marshal, but most fire services in the unincorporated County are provided by eight independent fire protection districts (two are in Orange County and one in Person County). The tax rates and costs vary by district (see table below)<sup>25</sup>.

**Independent Fire Protection Districts**

District	Tax Rate		Costs FY99
	FY98	FY99	
Bahama	.0600	.0600	\$192
Bethesda	.0300	.0550	855
Eno	.0600	.0520	15
Lebanon	.0700	.0800	496
New Hope	.0600	.0520	7
Parkwood	.0700	.0800	710
Redwood	.0755	.0755	385

<sup>23</sup> According to the County Budget Office, the Sheriff's law enforcement program includes 139 employees in criminal law enforcement functions and 43 employees in civil process and judicial support functions.

<sup>24</sup> Obtained from City's FY00 Budget.

<sup>25</sup> The tax rates were obtained from the County's Home Page and the FY99 costs were provided by the County Fire Marshal. Eno and New Hope rates are set by Orange County. Moriah & Butner also provide coverage.



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The budgets and service levels vary among the districts. The ISO ratings for commercial and residential fire insurance also vary among the districts due to differences in geography, service levels, infrastructure (e.g., fire hydrants) and other factors.

Together, the voluntary fire protection districts have 12 fire stations and about 225 personnel. All have mutual aid agreements and all respond out of their districts as the need dictates. The County, with 12 employees, spent \$588,000 on fire services in FY99<sup>26</sup>. The County Fire Marshal, with overall responsibility for fire services in the County, serves as primary contact for volunteer fire districts, coordinates training, conducts inspections and performs arson investigations.

The County Emergency Medical Services Department, which became a County department in 1998, serves as the primary provider of ambulance services in the County. In FY99, the County spent about \$4.4 million on EMS and had 95 EMS employees. The City and volunteer fire departments also provide EMS first responder services.

EMS vehicles are deployed from four stations within the City limits and from each of the volunteer fire stations. The City stations provide around-the-clock EMT-P services and non-emergency transport services. Parkwood provides EMT-P services 24 hours per day. The other volunteer fire districts are provided around-the-clock coverage using a blend of County EMS and fire district resources.

**Other Public Safety Services** – The Durham Emergency Communications Center, with 54 employees, serves as Durham Metro's public safety answering point (PSAP), receives all 911 calls for the City and County, and dispatches calls via its 800 MHz radio system. The 911 Center receives about 70 percent of its funds from the City and 30 percent from the County. In FY99, the City spent \$3.6 million on emergency communications and the County spent \$688,000<sup>27</sup>.

The 911 Center receives calls for service and provides communications services for the City's Police and Fire Departments, the County's Fire Marshal, Emergency Management and EMS departments and the volunteer fire departments. It receives calls for service for the Sheriff's Office and transfers those calls to the Sheriff's Office, which provides its own communications services. The Sheriff also receives emergency calls. The City police and fire, volunteer fire departments, EMS and Highway Patrol employ an 800 MHz radio system, but the Sheriff uses its own 400 MHz radio system.

Under an inter-local agreement, the Durham City/County Emergency Management Agency is administered by the County and funded equally by the City and County. The Emergency Operations Center is fully operational. The City and County spent a total of

<sup>26</sup> Based on County's FY00 Budget. Excludes Emergency Management costs and staff.

<sup>27</sup> Per County Budget Office, while the City reported costs of \$3.6 million, \$1.4 million of this amount was funded by the County. Thus, the City actually spent \$2.2 million and the County spent nearly \$2.1 million.



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\$386,000 in FY99. The Animal Control Department, which is funded by the County, spent \$913,000 in FY99 with 15 employees<sup>28</sup>.

**Judicial Administration** – The Sheriff is the exclusive provider of these services in Durham County. The Sheriff also operates the County Jail, a secure detention facility. The County spent \$11.9 million in FY99 and the Sheriff staffed these programs with 264 employees. The jail accounts for 82 percent of these expenditures. The County operates a separate County Youth Home facility.

## C. Task Force Findings & Recommendations

**Overall** – The task force did not arrive at a consensus as to the potential feasibility or desirability of overall city-county merger. However, it did reach a consensus on the need for further study and the involvement of stakeholders before placing the merger issue on the ballot, as well as several other important issues as described below.

**Law enforcement** – The task force found that there are certain legal and political constraints pertaining to law enforcement merger. For example, the elected Sheriff is a constitutional officer and, while the office's duties can be modified, the office cannot be eliminated<sup>29</sup>. The political leadership of the police department is the elected governing body and the political leadership of the Sheriff's Office is the elected Sheriff, funded through an elected governing body.

The task force concluded that, while long-term efficiencies could probably be achieved by consolidation, the cost of providing services would most likely increase in the short-term. The task force estimated that it would cost \$700,000 to \$900,000 annually for the Sheriff's deputies to achieve pay parity with police officers. This estimate was based on certain assumptions such as equal time in grade and service among current deputies and police officers and did not factor in the probability of pay increases for deputies regardless of merger. This estimate, as well as other potential costs<sup>30</sup> and benefits, should be validated as part of a detailed cost-benefit study.

In assessing the relative pros and cons of law enforcement merger, the task force found that merger offered some potential advantages, including less citizen confusion (with one agency), enhanced law enforcement coordination, compatible communications systems, increased patrol efficiency, enhanced intelligence coordination for tracking criminal activities and trends, and an opportunity for long-term efficiencies.

The task force also found that the merger of law enforcement functions posed some potential disadvantages to the community as well. Those potential disadvantages include

<sup>28</sup> Estimate based on FY00 County Budget.

<sup>29</sup> The enabling legislation for merger would have to establish a County police force separate from the Sheriff.

<sup>30</sup> Other costs could include the costs of making radios, uniforms, computers and vehicles compatible.





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the initial salary costs required to achieve pay parity between the two departments, and the loss of complementary capabilities associated with having two departments available to serve the community. In addition, under the Police merger model (see Alternative 1 described below), there could be greater difficulty in recruiting and retaining deputies. Finally, the failure to resolve the implementation issues associated with law enforcement merger (discussed below) could also make merger disadvantageous.

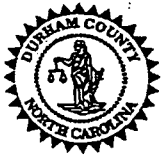
The task force found several obstacles associated with merger implementation that must be addressed. For example, the pay parity issue discussed above is a serious implementation issue. There is the challenge of integrating different law enforcement cultures and technologies between the Sheriff's Office and police department. There could be problems associated with different cultural and law enforcement expectations between City and unincorporated County residents. There also are police officer perceptions about job security under the Sheriff model (Alternative 2).

In the short-term, merger would likely heighten pay parity concerns and require the governing body to increase Sheriff deputy salaries. The task force found that cost reductions, if any, would be achieved over the long-term through a unified command structure, joint procurement and other economies of scale. Under a county-wide Police model (see Alternative 1 below), concerns were expressed about resource deployment (e.g., the possibility of leaving outlying areas thinly patrolled while concentrating resources on urban crisis situations). The Sheriff's Office has avoided this resource deployment issue through a disciplined patrol methodology.

The task force considered the impact of merger on personnel. For example, it found a perception that police officer job security could be threatened if officers were reassigned from the City personnel system to an elected Sheriff. This threat could be mitigated if the Sheriff established a personnel system that offered greater protection to employees. However, there are a number of legal issues to be addressed in order to accomplish this. Conversely, the Sheriff could experience difficulty in recruiting deputies under Alternative 1 since it would no longer have the ability to rotate deputies from civil assignments to patrol.

The task force approved two basic merger alternatives for further consideration:

- Alternative 1 - a County Police Department with all law enforcement functions under the governing body and a Sheriff's Office responsible for corrections, judicial services, service of process, and possibly school resource officers (SRO) and juvenile services; or
- Alternative 2 - A Sheriff's Office (providing all law enforcement services for the City and County) with three bureaus, each commanded by chief deputies (bureaus for law enforcement, judicial services and detention services)



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Since the task force did not have a strong preference for either of the two alternatives, it recommended an in-depth study of both. It also identified other issues to be addressed as part of a subsequent analysis, including job security concerns for police officers (under the Sheriff model), recruitment difficulties for the Sheriff (under the police model), cultural differences, dispatching and deployment methodologies, technology compatibility (field and communications), and the extent to which municipal police services should be extended to the County.

**Fire Protection & EMS** – The task force found that both the City and County respond to citizens with appropriate levels of service using experienced firefighters. It acknowledged that a high level of cooperation exists among the volunteer fire departments and between those departments and the City. Their discussions with regard to potential operational improvements focused on how to provide a more formal structure to build on the progress already achieved.

The task force determined that maintaining the integrity and autonomy of the volunteer fire departments was essential, but that additional countywide coordination would be beneficial. It concluded that the existing fire protective system could be improved by optimizing response capabilities with current assets, enhancing service in existing areas and providing funding equity for all fire districts.

The task force concluded that the status quo posed certain threats. If annexation continues at its current pace, the current tax base for the independent fire districts will erode. Eventually, the residents of those districts will be forced to increase taxes in order to maintain current levels of service. Even if merger does not proceed, the task force determined that a thoughtful plan will be needed to reduce these fiscal pressures.

The task force agreed that fire suppression services could be more efficient if the nearest available appropriate vehicles responded to calls without regard to City/District boundaries. It also considered other benefits of consolidation, such as better resource deployment, enhanced training and enhanced teamwork between city and county departments. The task force concluded that the costs of providing a fully paid county-wide fire department would be prohibitive<sup>31</sup>.

While there was general agreement that it would be desirable to more effectively consolidate the operational capabilities of the fire protection services in the County, there remained deep-seated concern about the fate of volunteer fire departments. Finally, the group agreed that City-County merger would not be disadvantageous so long as:

- The City and volunteer fire departments have comparable service and response capabilities (even though response times vary due to distances involved)

<sup>31</sup> A preliminary estimate of up to \$13 million in incremental annual costs was based on several assumptions that would need to be independently verified if a fully paid county-wide fire protection model were to be considered.



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- The volunteer fire departments maintain their identity and independence as to funding and asset ownership (even though operational capabilities are coordinated and optimized)
- A governing fire commission is formed to establish operational and policy guidance for all fire protection services provided in Durham County
- The City and volunteer fire departments optimize their coordinated fire protection response capabilities using current assets and funding is commensurate with services provided under consolidation

The County Fire Commission should comprise the Durham County Fire Marshal and city and county fire chiefs. The Fire Marshal should chair the commission. Such a commission should be formed regardless of whether the city-county merger occurs. The task force also concluded that no organizational change is required for EMS since EMS operations have already been merged into a single system and EMS services are well coordinated between the City and County.

**Other Public Safety Services** – The task force reviewed the potential impact of merger on the 911 Center. While the 911 center is already unified, its operation at the City Police station under City administration may discourage the Sheriff from using the same radio system used by other agencies.

The group considered the possibility of a free-standing 911 operation with its own board, but did not reach consensus on this issue. There appears to be some tension between the need for the centralized receipt of calls and the need of individual agencies to maintain control in dispatching their respective resources.

The task force found that the 911 Center has some problems with non-emergency calls, especially at night from other City and County departments (e.g., Social Services, Street Maintenance and Animal Control departments). These calls can delay the answering of emergency calls. An estimated 80 percent of these 140,000 non-emergency calls could be diverted (the equivalent of at least one FTE dispatcher).

The task force identified other significant public safety communications problems, including the Sheriff's use of a different communications system than the system used by the County EMS, City and volunteer fire departments and City Police Department and communications problems in selected areas of the County. The group agreed that a unified communications system would be beneficial for law enforcement and fire services.



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As a result, the task force determined that the following communications problems should be resolved regardless of whether or not the City and County merge:

- Build a compatible radio network (especially as current radio systems are upgraded) allowing direct car-to-car radio communications between the Sheriff's patrol deputies and other public safety departments in the City and County
- Improve the City Police Department's mainframe computer software as well as field or remote communications capabilities (i.e., bring the mobile data terminals on line)
- Eliminate or modify the requirement that 911 dispatchers handle administrative calls for other City and County departments
- Improve the ability of law enforcement commanders to dispatch officers in a controlled way to prevent excess response to certain calls

The task force considered the impact of merger with regard to animal control and recommended that the issue of placing animal control under the Sheriff be given further consideration in the follow-on merger study effort.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## Citizen Task Force on Public Protection – Resolution

WHEREAS, the Citizen Task Force on Public Protection has completed its assessment of the desirability of consolidating Durham City and County governments in the areas of law enforcement, fire protection, emergency medical services, and public safety communications; and

NOW, THEREFORE BE IT RESOLVED, that the Citizen Task Force on Public Protection does hereby find that it is feasible to consolidate law enforcement functions, provided that:

- The City and County governments also merge, and
- Merger be accompanied by adequate staffing to meet county-wide law enforcement requirements, and
- Equitable salaries and benefits accompany merger; and, other benefits, such as the take home policy for vehicles, be treated equitably, and
- The current levels of services are maintained or improved in all areas of the county with no appreciable increase in costs to the taxpayers, and

Further, with regard to the possible law enforcement merger, the Citizen Task Force on Public Protection does also hereby find and recommend that:

- Any merger of law enforcement functions employ one of the following two models—1) a sheriff's office comprising a judicial services division (courts, service of process, and possibly school resource officers and juvenile services and a county police department with all law enforcement functions, or 2) a sheriff's office comprising bureaus for law enforcement, judicial services and detention services; and
- Any merger of law enforcement functions ensure unified command, that is, avoid any structure that would split patrol functions from other law enforcement functions (e.g., investigation, and organized crime and vice units); and
- Merger should not affect services that have already fully merged; and
- The issue of placing animal control under the sheriff be given further consideration.

NOW, THEREFORE BE IT RESOLVED, that the Citizen Task Force on Public Protection does hereby find that, with regard to fire protection:

- The current capabilities of all fire departments in the county are comparable with respect to services provided and responding to calls for service (recognizing that response times vary due to distance); and
- The volunteer fire departments should maintain their identity and independence (including funding and equipment ownership) even as operational capabilities are better coordinated and optimized; and
- A governing fire commission should be formed comprising the city and county fire chiefs, and chaired by the County Fire Marshal, to establish operational and policy guidance for all fire protection services in the County (regardless of whether the city-county merger occurs); and
- The volunteer fire departments and City Fire Department should optimize their county-wide fire protection response capabilities using current assets and ensure that funding is commensurate with services provided under consolidation (regardless of whether the city-county merger occurs).

NOW, THEREFORE BE IT RESOLVED, that the Citizen Task Force on Public Protection does hereby find and recommend that no merger plan be submitted to the voters without a more detailed study carefully considering all issues involved and without an extensive program to educate all citizens on the issues, the manner in which merger will occur, and how it will impact them.





# Durham City-County Consolidation Citizen Task Force Review Final Report



## VII. CITIZEN TASK FORCE FINDINGS FOR PUBLIC WORKS

### A. Task Force Deliberations

The Citizen Task Force on Public Works selected several issues for analysis. In the area of public works and transportation, it reviewed the impact of merger on transportation, engineering, street maintenance and roadway appearance. In the area of environmental management, it reviewed the impact of merger on water and wastewater, solid waste, storm water and erosion control.

During the course of its deliberations, the task force reviewed numerous documents and heard presentations from City and County officials, including the County Engineer and the City Transportation Director. Some members of the task force interviewed City and County staff, such as the Director of Environmental Resources and reported back to the task force. It also received relevant information from the consultant.

With respect to the provision of public services to unincorporated areas, the task force discussed concerns about the manner in which municipal services should be extended to outlying areas as development continues. Concerns were expressed that services be effectively planned and reviewed with residents of unincorporated areas, and that such services be balanced with needs, and further that any revenue increases be matched with the increased delivery of services. Concerns about the impact of consolidation on current service agreements and the RTP were also discussed.

### B. Background Information

**Public Works & Transportation** – The City offers more extensive public works and transportation services than does the County. The City's Public Works Department<sup>32</sup> performs traffic engineering, development review, street light maintenance and taxi cab permit services, and supervises public transit, paratransit and parking facility operations. It also provides staff for the area's Metropolitan Planning Organization (MPO).

Some highlights concerning the City's services are listed below:

- The Street Maintenance Division<sup>33</sup> maintains 588 miles of streets and is reimbursed by the State for the costs of maintaining state highways in the City
- The Street Maintenance Division also maintains sidewalks, dirt streets, alleys and stormwater run-off and drainage facilities in the City

<sup>32</sup> The Transportation Division of the Public Works Department.

<sup>33</sup> The Street Maintenance Division is part of the Public Works Department.



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- The Roadway Appearance Division provides street cleaning and right-of-way mowing and debris removal and urban forestry services for the City
- Piedmont Electric Membership Corporation and Duke Power install and maintain street lights in the City
- The Transit Service added 3 routes in 1998, extended service on 5 routes, increased frequency on 4 routes and improved night service on 11 routes
- The City owns and operates four off-street parking garages and 13 parking lots in the central business district
- The Engineering Division provides engineering, design, surveying and construction inspection services for public and private development projects, as well as street, water and sewer design services

The County Engineer performs engineering design work and construction inspections for County infrastructure projects. The County does not provide street maintenance or roadway appearance services. Rather, the State Transportation Department maintains roads in the unincorporated area. The County provides transit services to human service agencies via contract with the City. The City, in turn, provides the services through a vendor.

The City spends far more on public works and transportation services than does the County. In FY99, the City spent over \$2.9 million on public works and \$19.3 million on transportation services. The City has about 50 employees in public works functions and 181 employees in transportation services<sup>34</sup>. In contrast, the County reports nominal expenditures for these programs<sup>35</sup>.

**Environmental Management** – While the City and County both offer environmental management services, the City's services and capabilities are more extensive. The City's environmental management services are provided by the City's Public Works, Sanitation and Environmental Resources departments as outlined below:

- The Public Works Water and Sewer Maintenance Division maintains 851 miles of water and wastewater lines and its Streets Maintenance Division maintains 389 miles of storm sewers<sup>36</sup>, as well as meters, rights-of-way and fire hydrants
- The Sanitation Department collects residential garbage, yard waste and bulk waste as well as waste from stationary commercial containers
- The Environmental Resource Department operates a transfer station, rubble landfill and yard waste composting facility, manages a recycling contract for and administers the household hazardous waste collection program
- The Public Works Storm Water Services Division provides storm water billing, education and pollution control and responds to drainage complaints

<sup>34</sup> These estimates are based on the City's FY00 Budget (see Appendix B).

<sup>35</sup> Some County costs are reported in other programs (e.g., road signage and non-profit transportation agencies).

<sup>36</sup> Data obtained from City's FY99 CAFR.





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- The Environmental Resources Department operates two water treatment plants<sup>37</sup> for most of the County as well as two wastewater treatment plants and booster stations and lift stations for the City

The City has about 61,100 water customers. The City, which is developing its first strategic plan for water and sewer, does not plan to market its excess capacity after 2003. In 1997, the City's unlined landfill closed and the City began transporting solid waste from the City transfer station to a lined landfill in Virginia.

The County's environmental management services are provided by the County's General Services, Sanitation and Environmental Resources departments as outlined below:

- The General Services Department manages four residential container sites located in the Bahama, Rougemont, Parkwood and Redwood areas
- The Soil and Water Conservation District and County Engineering's Sedimentation and Erosion Control Division administers soil erosion control programs and reviews soil erosion plans for the entire County
- The County Engineer reviews design work for County wastewater extension projects and oversees a contracted wastewater treatment plant for City and County lines (the Triangle Wastewater Treatment Plant)

The County does not currently have a stormwater program, but may have to develop a program in the near future.

The City spends more on environmental management services than does the County. In FY99, the City spent about \$19 million on solid waste management and \$26 million on water and wastewater treatment services. The City has 126 employees in solid waste activities and 304 employees in water and wastewater. In FY99, the County spent about \$1.2 million on solid waste management activities and \$8.4 million on wastewater treatment services.

## C. Task Force Findings & Recommendations

**Introduction** – The task force determined that it would be feasible to merge the City and County governments so long as public works services continue to be provided at current levels, and such services are not extended to the unincorporated areas except as part of a long-term growth management strategy. Its findings and recommendations are presented below by service area.

<sup>37</sup> These plants have a combined capacity of 52 million gallons per day (MGD).



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**Transportation** – The task force concluded that city-county consolidation would be advantageous for transportation. It would simplify paratransit coordination and oversight, facilitate metropolitan transportation planning in the unincorporated area, and help make transportation planning an integral part of the development review process.

Under a merged government, the task force determined that the City's Public Transportation Division should assume all traffic engineering, transportation development review and planning responsibilities for the unincorporated area of the County. Further, it recommended shifting responsibility for taxi inspections and permits to law enforcement.

Task force members identified issues that should be addressed during the merger process. Once such issue involves the tax impact of merger on property owners in the unincorporated areas, such as the RTP.

**Engineering** – The task force concluded that consolidation would benefit engineering by improving functional alignment and economy of scale, and enhancing development review services and engineering coordination. It believes that City and County engineering operations should be merged.

The task force recommends that the County's Engineering Department Project Management Division be merged with the City's Project Management operations now under Asset Management. In addition, the task force suggests that the governing body consider merging the County General Services Building and Grounds Maintenance Division with the Building and Grounds Maintenance operations now under the City Asset Management Department, and consider placing City Asset Management under the City/County Public Works Department.

**Street Maintenance & Roadway Appearance** – The task force concluded that a City-County merger would facilitate the expansion of street maintenance and roadway appearance services throughout the County as annexation continues and the need for such services arises in currently unincorporated areas. It would be necessary for the newly merged government to assure the State's continued maintenance of roadways in the currently unincorporated areas as is currently done.

**Water and Wastewater** – The task force determined that merger would offer several advantages, including improved engineering capabilities (with larger combined staff), combined billing, more efficient purchasing (economy of scale), and improved communications. It also found that merger would enhance opportunities for optimizing wastewater treatment resources and improving water quality planning.



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The task force recommended that City and County wastewater treatment operations be merged and City water and wastewater line maintenance responsibilities be assigned to the department responsible for water and wastewater treatment. It further recommended that wastewater treatment plants, City Water and Sewer Maintenance Division, County Utility Division and water and wastewater assessments be assigned to the Environmental Resources Department, and that Finance Department retain meter reading.

**Solid Waste** – The task force determined that consolidation would improve the coordination of solid waste controls throughout the County, simplify the organizational structure and reduce span of control for the City/County Manager. It recommended that the solid waste management efforts of the City and County be consolidated.

It recommended that the appropriate governing body transfer the two County Solid Waste Management divisions from the County General Services Department to City Sanitation. It also suggested that the appropriate governing body transfer the transfer station, rubble fill, and household hazardous waste and recycling programs from the City Environmental Resources Department to City Sanitation and place City Sanitation under the City Public Works Department, thereby reducing City-County management span of control.

**Stormwater** – It is the task force's contention that merger would enable existing expertise to be used for extending stormwater services into the unincorporated area as these services become necessary, either by annexation or federal and state requirements. It urged establishing a county-wide Stormwater Services Division, which would include the current City Public Works Stormwater Division and sufficient resources to provide county-wide stormwater services to meet state and federal requirements.

**Erosion Control** – The task force believes that city-county consolidation would facilitate erosion control coordination with City departments and simplify the overall organizational structure. It recommended placing the Sedimentation and Erosion Control Division of County Engineering under the combined City-County Community Development Department.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## Citizen Task Force on Public Works – Resolution

**WHEREAS**, the Citizen Task Force on Public Works completed its assessment of the desirability of consolidating Durham City and County governments in the areas of public works, transportation and environmental management services; and

**WHEREAS**, the Citizen Task Force on Public Works conducted a review of current City and County public works departments and divisions, and assessed the compatibility and comparability of the current systems; and

**NOW, THEREFORE BE IT RESOLVED**, that the Citizen Task Force on Public Works does hereby unanimously find that it is feasible and desirable to consolidate Durham City and County governments relative to public works, transportation and environmental management services.

Further, the Citizen Task Force on Public Works does hereby find and recommend that:

- That the Durham City and County Public Works departments be merged, whether or not the City and County governments are merged, and
- That current City and County levels of service be maintained, not expanded.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## VIII. CITIZEN TASK FORCE FINDINGS FOR TAXATION & FINANCE

### A. Task Force Deliberations

The Citizen Task Force on Taxation & Finance, after hearing presentations from City and County finance and budget managers, and reviewing several documents (e.g., annual financial and budget reports), adopted an issues-driven framework for their analysis. As summarized by the table below, five major issues were selected for further study.

#### Financial Merger Issues & Analytical Questions

Merger Issue	Illustrative Analytical Questions
Service district structure	<ul style="list-style-type: none"> <li>• How should services be allocated to service districts?</li> <li>• How should future revenues be allocated to service districts?</li> <li>• How should outstanding debt be allocated to service districts?</li> </ul>
Revenue structure & financial management practices	<ul style="list-style-type: none"> <li>• Will merger result in any material changes to tax rates or other revenues (or any tax inequities) in the former city or unincorporated county?</li> <li>• To what extent will merger offer opportunities for streamlining financial, treasury, accounting &amp; budget management practices &amp; processes?</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>• How will current risk management programs be impacted by merger?</li> <li>• How should the City's risk retention fund be structured?</li> <li>• Are there any potential insurance cost savings associated with merger?</li> </ul>
Financial condition & debt capacity	<ul style="list-style-type: none"> <li>• To what extent will merger affect debt capacity &amp; financial condition?</li> <li>• Are there any financial liabilities or risks that could undermine merger?</li> <li>• How should the City's authorized, but non-issued bonds be handled?</li> </ul>
Cost structure	<ul style="list-style-type: none"> <li>• Will merger result in any major cost increases or reductions?</li> <li>• Will merger enable the avoidance of any major planned capital costs?</li> <li>• Are there any significant transition costs associated with merger?</li> </ul>

Small study teams were then established to conduct fact-finding and report back to the task force on their findings and recommendations. The task force then assessed the overall desirability of merger from the perspective of these financial issues and identified additional issues that could require a more detailed cost-benefit analysis.

**Service Districts** – The task force adopted a possible service district model (see [Appendix D](#)). It considered the extent to which current City services should be extended to the entire county or General Service District (GSD). While it appeared that most current City services should be allocated to the City of Durham Urban Service District (USD), the task force recognized that there are some potential exceptions to this rule.

**Cost Structure** - For the purpose of assessing the impact of merger on costs, the task force assumed that the City, County and the Research Triangle region will continue to experience growth for the foreseeable horizon. Since government services will likely increase *in the aggregate* to serve a growing population, they reviewed the cost impact of merger in relative terms, that is, in terms of its impact on unit costs.



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**Debt Capacity & Financial Condition** – The task force considered the potential impact of merger on the debt capacity and financial condition of the City and County. The review team contacted Moody's Investors Services to assess the potential impact of merger on the new entity's debt ratings. The review team also analyzed such issues as debt capacity, fund balance policy, the disposition of the City's authorized but unissued debt and opportunities for refinancing existing debt.

## B. Background Information

**Service Districts** – The North Carolina Consolidated City-County Act provides for the creation of urban service districts. The governing board may establish urban service districts coterminous with the boundaries of any city within the county, including the abolished city<sup>38</sup> or define an urban service district in other areas<sup>39</sup>. Further, the governing board may expand an urban service district by annexation if the area to be annexed has a population density of at least one person per acre and an assessed valuation of at least \$1,000 per resident, or at least 60 percent of the area is developed<sup>40</sup>.

If the merger plan establishes service districts, it must also allocate existing service responsibilities, future revenues and current obligations to the new service districts. This can be a daunting challenge. To illustrate, the portion of RTP within Durham County essentially functions today as a service district. It receives services from several sources as outlined below.

- The City provides water
- The County provides law enforcement, fire marshal, emergency management and wastewater treatment services, as well as other county-wide services
- The Bethesda and Parkwood fire protection districts provide fire protection and emergency medical services
- The State Department of Transportation provides roadway maintenance
- The Durham-Wake Counties Research and Production Service District provides roadside landscaping, pedestrian path development and maintenance
- The Triangle Transit Authority provides bus service
- Private entities (e.g., the Research Triangle Foundation and private for-profit firms) provide right-of-way mowing and solid waste collection services

Thus, the RTP receives the same types and levels of service from Durham County that other parts of unincorporated Durham County receive, except that it also receives potable water from the City of Durham. Should it be designated as a USD?

<sup>38</sup> North Carolina GS §160B-4.

<sup>39</sup> Under North Carolina GS §160B-6, the area must have at least 1,000 residents, a population density of at least one person per acre, an assessed valuation of at least \$2.5 million and require added services.

<sup>40</sup> North Carolina GS §160B-7.



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Another difficult issue is the allocation of debt. For example, the City has some authorized but unissued debt. In 1998, City had \$126.7 million in authorized, but unissued bonds, including \$35.2 million for streets, \$23.6 million for housing, \$20.6 million for parks and recreation facilities, \$10.7 million for sanitary sewers, \$5.2 million for transit, \$4.9 million for art and museum facilities and \$1.9 million for urban trails.

**Revenue Structure** – The property tax remains the single most important revenue source for the City and County. The City's tax rate is \$0.68 per \$100 of assessed valuation and the County's tax rate is \$0.9297. The County may levy this tax on *Group I* functions (i.e., social services, schools, courts, jails, elections and debt) without restriction as to the tax rate or amount. The state constitution requires the property tax rate to be uniform except where counties establish service districts and levy a property tax within the district additional to the county-wide property tax for *Group II* functions<sup>41</sup>.

Sales taxes represent the second most important revenue source. The current rate is 6 percent of the sale or lease of retail goods and services, except food consumed at home (taxed at 2%), with two-thirds of the revenue allocated to the state and the remaining third to counties. The local sales tax comprises three separate taxes—the Article 39 one-cent tax, Article 40 half-cent tax and Article 42 half-cent tax. The sales tax is paid by purchasers, collected by businesses and paid to the State.

After deducting collection costs, the State returns the Article 39 tax to the county of collection and allocates Article 40 and 42 taxes among counties on a per capita basis. The county then distributes the sales tax it receives from the State using one of two local option formulae—per capita or ad valorem. In Durham County, the City would receive about 45 percent of the revenues using the per capita formula, but only 32 percent of the revenues under the ad valorem formula.

Other local taxes include the intangibles tax, which is distributed to counties and cities based on ad valorem tax levies. The hotel/motel occupancy tax, a 5 percent tax on hotel and motel rentals, generates funds for the City, County and Convention and Visitors Bureau<sup>42</sup>. Counties and cities may levy a fee on franchised cable television firms up to 5 percent of gross receipts and a motor vehicle license tax (up to \$5 per vehicle per year). The County may impose a tax on the privilege of keeping pets (e.g., \$5 per animal).

As indicated by the revenue matrix in Appendix D, both entities receive substantial intergovernmental revenues. The County receives federal and state funds for social services. The City, receives state shared intergovernmental revenues such as the utility

<sup>41</sup> Per Article V, Section 2(4) and County Service District Act of 1973, GS Chapter 153A, Article 16.

<sup>42</sup> In Durham, the City receives 25.5%, the County 34.5% and the Convention and Visitors Bureau 40%.



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franchise tax, a state tax on gross utility receipts distributed to cities<sup>43</sup>, and the gasoline tax (Powell Bill), the portion of the of state gasoline tax distributed to cities<sup>44</sup>.

Other intergovernmental revenues received by cities and counties include:

- Beer and wine tax – state tax on malt beverages and unfortified wines distributed to cities based on population
- Alcoholic beverage control (ABC) tax – state tax on ABC operations (10% of ABC profits in County)
- Tax exemption reimbursement – State pays 15 percent of the property taxes lost due to the Homestead Exemption
- Inventory tax credit – State reimbursement for repeal of business inventory taxes (80% distributed on ad valorem basis and 20% based on per capita basis)

Other revenue sources include licenses and permits, charges for services, fines and forfeitures, investment and rental income and other revenues (e.g., sale of surplus equipment and transfers from reserves).

**Debt Capacity & Financial Condition** – The City and County enjoy excellent debt ratings and financial conditions. The County is one of four counties in the state and one of 50 local jurisdictions in the US with a AAA rating. At June 30, 1998, the County had \$261.5 million in debt, primarily in general obligation bonds, and no authorized, but unissued bonds. The County has never issued revenue bonds. Its undesignated general fund balance was \$21.3 million in FY98, but its enterprise fund had a retained deficit balance of \$16.6 million due to losses on the transfer of water and sewer lines to the City.

The City is one of 25 cities in the US with Standard & Poors' AAA rating<sup>45</sup>. Its revenue bond ratings include a AA from S&P and Fitch/IBCA and an Aa1 from Moody's. At June 30, 1998, the City had \$374.1 million in outstanding long-term debt, primarily in general obligation bonds. As indicated above, the City also had \$126.7 million in authorized, but unissued bonds. From 1994 to 1998, the City's undesignated general fund balance rose from \$6.5 million to \$18.5 million.

The City's fund balance policy is to maintain the balance at 12 percent of adjusted general fund appropriations with an optional level of 15 percent and excess balances transferred to capital projects. It should be noted, however, that the general fund projection for FY01 anticipates a \$3.5 million revenue gap (this gap is generally filled before the preliminary budget is submitted to the council). The City also faces the potential depletion of its risk retention and parking control funds by FY04.

<sup>43</sup> Equal to 3% of gross receipts from local business conducted within the city.

<sup>44</sup> This source is derived from \$0.0175 per gallon plus 6.5% of net proceeds of Highway Trust Fund, distributed based on population and road mileage and earmarked for street maintenance and traffic control.

<sup>45</sup> He City has a AAA rating from Fitch IBCA and an AA1 rating from Moody's for general obligation bonds.





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**Risk Management** – The City and County have substantially different risk management policies and programs. The County's program is decentralized, but the County Attorney assumed overall responsibility for it in 1998. The County is largely self-insured for general, auto and dental coverage, but purchases health insurance. It stopped carrying general liability insurance due to high costs, but does carry excess insurance. It also carries medical malpractice insurance for its clinics and public health programs.

The County has uniform standards for claims, a \$2.8 million risk reserve and pending claims of \$71,000. According to the County Attorney, the County invokes sovereign immunity at all times. The County has a limited risk self-insured program for worker's compensation which is funded on a current claims basis. It has an excess insurance policy for individual claims greater than \$250,000 per employee.

The City's program is centralized under the Finance Department. The City retains some risk for general, auto, workers compensation, health and dental coverage. However, the City purchases commercial insurance for claims in excess of coverage provided by its risk-related internal service funds. The worker's compensation program appears generous (e.g., the City continues an employee's full salary for nine months).

The City employs a case-by-case approach in reviewing claims, invoking immunity on a limited basis. The City had pending claims of \$10.4 million at June 30, 1998, but this actuarial estimate was lowered to about \$6 million for 1999. Most pending claims involve worker's compensation. The City's Risk Retention Fund had negative retained earnings of \$10.7 million at June 30, 1998. However, the debt ratings for its certificates of participation are good (e.g., AAA/A1+ from S & P).

## C. Task Force Findings & Recommendations

**Service Districts** – The task force determined that the urban service model contemplated by statute should be employed to facilitate a city-county merger. It concluded that, at a minimum, this model would require the creation of a General Services District (GSD) for the entire county and an Urban Service District (USD) for the former City of Durham. The underlying principle for this model would be to preserve the current levels of service in the City and County and existing special districts upon merger.

The actual number of urban service districts and other service districts required under a merged government could vary considerably. For the purpose of facilitating its work, the task force reviewed several potential service districts which are set forth in Appendix D. Other possible service districts could include the Research Triangle Park, the part of the former City of Durham in Orange County and the portion of the Town of Chapel Hill within Durham County. Such options require further analysis.



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Rather than allocate specific services, revenues and obligations to service districts, the task force adopted a flexible strategy that would allow for the City of Durham USD (and the geographic scope of current urban services) to expand via annexation over time. In addition, this model would be flexible enough to enable voters to approve the extension of some current City services to the GSD upon merger, if that were the policy.

**Revenue Structure** – Assuming the use of the service district model, the task force concluded that there would likely be no material revenue increases or decreases, tax equity changes or other structural revenue changes as a result of merger. The task force also identified concerns about the impact of merger on annexation powers.

Merger does not appear to pose significant threats to intergovernmental revenues. The group noted that the City has established a grants office, increased grants and is exploring a grants foundation. The County has a decentralized grant process, but is considering changes. Unified grants management, regardless of governmental merger, could minimize competition, improve controls and enhance revenues.

Merger may provide only minor opportunities to streamline financial management practices. Taxes are already collected by a merged office. Due to different systems, there could be significant costs associated with merging financial information systems. Pooling investments appears to offer only limited revenue enhancement potential.

Members discussed the impact of merger on the City's annexation powers. They also discussed the dilemmas faced by the incorporated and contiguous unincorporated areas when development triggers potential annexation. Some citizens in unincorporated areas do not want municipal services (e.g., water and sewer) and even those that do want a higher level of service also want to ensure that higher taxes bring better services. Such issues need to be addressed by the merger legislation.

The task force also recommended that all revenue sources available to other cities and counties in North Carolina be available to Durham's new government. Any enabling legislation for a merged entity should assure our access to all available revenue sources (e.g., prepared food tax, real estate transfer fees and development impact fees).

**Cost Structure** – Based on the report of the cost structure team, the task force arrived at several findings pertaining to the potential impact of merger on costs:

- Costs will increase as urban services are extended to unincorporated areas, but the cost effects of such extensions should be evaluated as part of the merger decision
- The designation of a service district for RTP will not materially increase costs, but may help increase revenues and decrease costs by centralizing services to RTP
- The establishment of any service district will not *in itself* (apart from other merger transition costs) materially increase or decrease costs



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- Merger may effect cost reductions in such areas as legislative affairs, legal support, records management, general administration and financial management
- To the extent that police patrol functions are merged, there *could* be cost reductions in administrative areas (e.g., unified technology and fleet management)
- Merger may effect cost savings in solid waste management and wastewater treatment, especially as the systems upgrade, and, where services are extended to outlying areas, any cost increases may be mitigated by fees
- Programs or departments already unified (e.g., planning, zoning, inspections, emergency management and animal control) could experience some efficiencies due to the elimination of *transmission loss*<sup>46</sup>
- The expansion of City services (e.g., human relations, recreation, community development and transportation) to the GSD could result in aggregate cost increases, but some increases could be mitigated by additional fees and grants
- For most services, merger would affect capital cost expenditures only if services were extended to new areas, but for facilities, fleet, equipment and technology, merger could result in short-term costs and long-term economies of scale
- There will likely be substantial transition costs, including legal, planning, human resource, technology, training, relocation, renovation and public information costs

In public safety, the task force concluded that additional analysis is needed to determine the service delivery model and potential costs and benefits. For example, merger could increase costs for police patrol (e.g., through higher services and compensation).

The task force found potential for greater efficiency with combined operations even though there is no significant overlap of services. A merged entity could eventually reduce *unit costs* in any current *back office* function (e.g., human resource, procurement, technology, facility, fleet, asset and audit management). Moreover, a merged entity would be likely to be more efficient (and less costly) due to the reduction of *transmission loss*.

**Debt Capacity & Financial Condition** – The task force concluded that merger would not jeopardize the excellent debt ratings enjoyed by the City and County. In fact, the group received a favorable impression from Moody's regarding unified government.

The task force also concluded that the debt capacity of the two governments would not be adversely affected by merger. In fact, it is believed that the statutory debt limit could be effectively doubled through merger. In any event, the new entity will need to adopt new policies pertaining to debt management and fund balances. In addition, the task force believes that existing debt instruments should be reviewed to determine whether they contain any covenants, call provisions or other terms that would be triggered by merger.

<sup>46</sup> Defined herein as the duplication of effort in responding to two bodies of elected officials.



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**Risk Management** – The task force found that there are several key differences between City and County risk management programs, including the following:

- City services tend to generate more claims than do County activities, especially for worker's compensation (the City workforce may be less *desk-bound*)
- The City offers a more generous worker's compensation reimbursement policy (e.g., an income supplement in addition to the statutory reimbursement)
- City has a more centralized and structured safety program than the County
- The County may enjoy broader immunity than the City for some functions (e.g., sovereign immunity and statutory limits for the Sheriff), but the City does not always invoke governmental immunity even when it is available
- The County appears to take a consistently hard line on claims in contrast to the City's more lenient, "case-by-case" policy
- The City has a deficit in its risk retention fund, while the County designates funds for risk management in its general fund

As a result of these findings, the task force made several recommendations, including those outlined below:

- The merged entity should establish uniform policies as to risk management, worker's compensation and immunity at the time the charter is drafted
- The City and County should pool their property and general liability insurance programs to generate potential savings
- The new entity should establish a uniform, formal safety program with accredited and experienced safety officers, regular safety inspections and training classes and a rigorous loss prevention program
- The deficit in the City's Risk Retention Fund should be allocated to, and financed by, the urban service district for the existing City

The task force spent a lot of time discussing the issue of immunity. As there is no case law on merged governments, there remain some legal questions as to the effects of merger on risk management programs (e.g., the possibility of greater immunity available to counties or the policy of using immunity to limit claims and lawsuits). It was agreed that this issue merits further legal and financial analysis.



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## Citizen Task Force on Taxation & Finance – Resolution

**WHEREAS**, the population of the City and County of Durham is likely to sustain its current growth rate throughout the next five to ten years, and;

**WHEREAS**, the Citizen Task Force on Taxation and Finance has reviewed the effects of the proposed merger on revenue sources, the cost structure of the existing entities and the potential cost structure of the merged entity, and financial management practices;

**WHEREAS**, a merged government including the City and County of Durham would likely achieve a net cost saving through better coordination and cooperation in activities such as: combined capital acquisition programs; economic development activities; financial management activities; general administrative activities; policy making, governance and legislative activities; and utilities operations activities; and the merged government may achieve a net cost saving through better coordination and cooperation of its law enforcement uniform patrol and investigative units and fire departments; and

**WHEREAS**, the Citizen Task Force on Taxation and Finance has found that both governments have excellent bond ratings and that a unified Durham would likely maintain the higher of the two ratings and no worse than the marginally lower rating of the City; and the statutory debt limits for counties and cities are set by state law, counties are allowed an 8% limit to provide for schools, and cities are allowed a 8% limit, the combined statutory debt limit for a unified Durham should not be adversely affected; and

**WHEREAS**, the Citizen Task Force on Taxation and Finance has reviewed the area of risk management and concluded that the City's and County's risk management programs and policies differ significantly and the pooling of City and County insurance purchases would result in cost savings, and that merger of the risk management functions of the City and County is feasible; and

**WHEREAS**, the Citizen Task Force on Taxation and Finance carefully reviewed the current services, revenues and obligations managed by the City (hereinafter referred to as "municipal") and current services, revenues and obligations managed by the County (hereinafter referred to as "county") as set forth in their financial and budget reports; and concluded that any proposal to merge the City and County governments should account and make provision for all services, revenues and obligations, long- and short-term, for which both entities now assume responsibility; and

**WHEREAS**, Service Districts are an established, legal means by which to collect different tax rates and distribute different levels of government service, and most mergers successfully implemented in recent decades have employed service districts to account for differences in service levels and taxation between urban areas, unincorporated, rural areas and other areas with distinct service needs; and

**WHEREAS**, the Citizen Task Force on Taxation and Finance has concluded that the merger of the governing bodies should be implemented in a manner that will minimize potential disruptions to current service delivery obligations and methods, ensure service and tax equity throughout the County and allow for the well-planned extension of services to outlying areas consistent with sound principles of growth management; and

**WHEREAS**, the Citizen Task Force on Taxation and Finance has found that the City of Durham has authorized, but as yet unissued bonds, and that a merged government would have the options (for all or any part of these bonds) to issue them as part of the urban service district debt or let them age and not be used; and



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## Citizen Task Force on Taxation & Finance – Resolution (cont.)

**NOW, THEREFORE BE IT RESOLVED**, that the Citizen Task Force on Taxation and Finance does hereby find that there are no objective financial factors that would undermine the effectiveness of merger, and that the merging of City and County governments is feasible and justifies further study.

Further, the Citizen Task Force on Taxation and Finance does hereby find and recommend that:

- All existing departmental functions be analyzed for possible inclusion in new and/or merged departments, and existing statutory functions be retained with no diminution of authority to the new entity; and
- The major capital acquisition programs of each entity be thoroughly reviewed and analyzed to eliminate potential redundancies and maximize effective usage in the merged entity; and
- The governing body of the merged entity set its operating debt policy at the highest possible level for maintaining the top debt rating and determine an appropriate fund balance policy; and
- The immunity to be enjoyed by the merged entity should be subject to a careful review, and the merged entity should establish uniform policies regarding claims management, worker's compensation, and safety programs; and
- A detailed cost-benefit analysis of merger be conducted using prudent long-term projections and historical information on other merged entities and actual Durham County and City costs; and
- The merger plan include adequate estimates of transition costs and provide a timetable for implementation to reduce to the extent possible short-term and long-term costs of merger.

Further, the Citizen Task Force on Taxation and Finance does hereby find and recommend that the merger plan employ a service district model and that this model be sufficiently flexible to not only accommodate differences in service needs in different parts of the county, but also to allow for the subsequent extension of certain services from the urban areas to outlying areas as requested by citizens in those outlying areas and deemed appropriate by the governing body, provided that any such changes in services or taxes will continue to ensure an equitable alignment of services with taxes. Further, it recommends that:

- The boundaries of the Urban Service Districts be analyzed to assure a matching of revenues with services;
- The merged entity retain all municipal annexation powers;
- The merged entity have access to the same range of revenue sources available to other cities and counties in North Carolina; and
- The City's authorized, but unissued bonds be issued as part of the appropriate urban service district debt.



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## IX. CITIZEN TASK FORCE FINDINGS FOR GOVERNMENTAL STRUCTURE

### A. Task Force Deliberations

The Citizen Task Force on Governmental Structure was the largest of the citizen task forces and the one with the most distinctive assignment—to craft a governance structure for the proposed consolidated city-county government. In other words, this group was asked to assume the merger of the present City and County governments and reach consensus on the governmental form and election process of the merged entity.

The task force met and quickly came to agreement on a general agenda that defined a time table and the issues to be addressed. The goal of the group was to come up with a plan that would represent the community as a whole, have broad community support, and promote merger.

From the very beginning, the group agreed to take votes on individual issues. The group agreed that during the final discussion and decision-making, everything would be on the table. The group realized that, in the end, there would need to be compromise on everyone's part and require changes to the individual decisions that had been made along the way.

At its third meeting, the group agreed to guiding principles. These guidelines included conducting meetings in an open, honest, and inclusive way, and to encourage healthy and vigorous debate. Throughout its deliberations, the task force worked diligently to respect these principles and develop a governmental structure that reconciled the potentially conflicting interests of various members of the task force and community.

One task force member visited Lexington, Kentucky and reported on that community's experience with city-county merger. In summary, that merger, while not realizing any major immediate cost savings, did quickly realize other benefits (e.g., improvements in leadership, services, ISO ratings and overall efficiency). The initial structure had a weak mayor form and 15 member-council (3 at-large and 12 single-member district seats), but a subsequent charter reform initiative adopted a strong mayor form. Reportedly, community leaders there would prefer a smaller council, but believe that a 15-member board was key to voter approval.

Over the course of several meetings in July, August and September, the task force discussed several alternatives for the most critical elements of a governmental structure for the consolidated government. These elements included the following:



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- Different governance forms, including the enhanced mayor and city manager forms
- The name, role, powers, duties and expectations of the new entity's chief elected official, including the pros and cons of increasing the mayor's authority
- The size of the council and type of representation (e.g., pure and residency districts, at-large elections and hybrid models)
- Alternative term proposals for elected officials, including term lengths of 2, 3 and 4 years, staggered or concurrent terms, term limits (e.g., 3 consecutive terms)
- Alternative election process characteristics (e.g., partisan or non-partisan elections, primaries, odd- or even-year election cycles and preferential voting)
- Publicly financed campaigns for local elections

The task force, in trying to determine the appropriate number of council districts, considered relevant legal restrictions. It even reviewed alternative district models to assess the feasibility of a six-district plan that would ensure satisfactory minority representation, maintain the integrity of precincts and make districts as geographically compact as possible.

## B. Background Information

**1995 Citizen Merger Study** – Durham's 1994-95 City-County Consolidation study focused primarily on structural issues (e.g., form of government, council number and compensation, election method and timing and term length). The final report, which represented the work of many citizens, had several findings and recommendations.

The citizens group concluded that the state enabling legislation would require the City to merge into the County and dissolve. It recommended a consolidated city-county government with a Council-Manager form and a 11-member council. It also recommended partisan elections with ten members elected from five districts (two representing each district) and one member (the mayor) elected at-large.

**Current Voter Registration Profile** - According to the Board of Elections, there are 144,426 registered voters in the County, of which about 62 percent are Democratic and 64 percent are White, and 119,674 registered voters in the City, of which about 63 percent are Democratic and 59 percent are White.

The County has 69 distinct precincts and sub-precincts (townships)<sup>47</sup>. A map of the current electoral precincts is presented in Appendix E. A summary of data obtained from the Board of Elections (Appendix E), shows the number of registered voters by precinct, party affiliation, gender and race<sup>48</sup>. The data is organized into 13 geographical sub-areas.

<sup>47</sup> There are actually 54 precincts, but 15 precincts have been subdivided into sub-precincts as the City annexed territory in the unincorporated county.

<sup>48</sup> Board of Elections Voter Registration Data, December, 1998.





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**State and Federal Requirements** – The election process designed for the merged entity must comply with applicable federal and state election law. Federal election law includes the National Voter Registration Act of 1993, Voting Rights Act of 1965 and Equal Protection Clause of 14<sup>th</sup> Amendment. More specifically, Section 2 of the Voting Rights Act prohibits any election process from abridging the voting rights of minorities.

For example, in North Carolina, most counties have at-large boards, but where minority representation is perceived as unsatisfactory, the threat of a Section 2 suit may compel a county to adopt a district system. The traditional approach in such cases was to draw one or two districts with African-American majorities and then draw the remaining districts. However, since the *Shaw v. Hunt* ruling in 1996, local governments must be careful to ensure that their districts are not drawn so as to violate the Equal Protection Clause.

Unlike many other states, North Carolina accords cities and counties substantial latitude in determining the manner in which city and county legislators are to be elected. Moreover, it appears that a consolidated City-County may use any method available to either cities or counties under North Carolina law.

The available election methods may be summarized as follows:

- At-large – candidates and voters may reside anywhere in the county
- At-large with district residency – candidates must reside within the district that they will represent, but voters may reside anywhere in the county (voters need not reside within a particular district to vote for the candidate from that district)
- Pure district – candidates must reside within the district that they will represent and voters may only vote for candidates residing within the same district
- Combination – a blend of at-large, at-large with district residency, at-large with district or a hybrid district nomination and at-large election

According to the UNC Institute of Government, counties use a wide variety of methods for electing their commissioners (see table below)<sup>49</sup>. Efforts to increase minority representation have increased the employment of district systems, as well as larger boards<sup>50</sup>.

**Local Election Methods (by Percent of Jurisdictions)**

Election Method	Counties	Cities
At-large	43%	27%
At-large with district residency	24%	9%
Pure district (district only)	10%	18%
Combination or hybrid	23%	46%

Note: City data is limited to cities with at least 25,000 residents.

<sup>49</sup> *County Government in North Carolina*, 4<sup>th</sup> Edition, 1999, edited by Bell and Wicker, UNC Institute of Government.

<sup>50</sup> *County Government in North Carolina*, 4<sup>th</sup> Edition, 1999.



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A survey conducted by the UNC Institute of Government indicated that the state's largest 22 cities (cities with 25,000 or more population) tend to use the at-large election method less frequently than do counties (see table above)<sup>51</sup>. The state's largest cities tend to rely on hybrid election methods far more than do counties. That is, they employ combined at-large and district systems with greater frequency. In contrast, smaller cities in North Carolina typically use at-large systems.

Most counties in North Carolina use five-member commissions while most large cities use larger boards. The table below summarizes data for cities and counties from the UNC Institute of Government<sup>52</sup>.

**Board Size (by Percent of Cities & Counties)**

Board size	Cities (Percent)	Counties (Percent)
Three members	0%	6%
Four members	4%	0%
Five members	9%	59%
Six members	9%	3%
Seven members	14%	27%
Over seven members	32%	5%

Note: City data is limited to cities with at least 25,000 residents.

Cities in North Carolina also appear to employ even-numbered boards far more often than do counties. This may be due in part to the varying roles of mayors in some cities.

**Current Local Election Process** - The County Board of Elections supervises voter registration and local elections in Durham County. Local elections are conducted for four entities—the City, County, School District and Soil and Water District. According to the Board of Elections, each local election costs from \$50,000 to \$65,000.

The City, effective in 2001, will elect a seven-member council, including the mayor. All seven members will continue to be elected at-large, with three elected from residency districts. All council members have four-year terms, except the mayor who has a two-year term. All City elections are non-partisan.

The County elects five commissioners, as well as the Register of Deeds and Sheriff. All county elected officials are selected on a partisan, at-large basis. The commissioners have two-year terms, but the other elected officials have four-year terms. The Soil and Water District has four elected officials, each with four-year terms and all selected on a

<sup>51</sup> *Municipal Government in North Carolina*, 2<sup>nd</sup> Edition, 1996, edited by Lawrence and Wicker, UNC Institute of Government.

<sup>52</sup> *County Government in North Carolina*, 4<sup>th</sup> Edition, 1999, and *Municipal Government in North Carolina*, 2<sup>nd</sup> Edition, 1996, UNC Institute of Government.



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non-partisan basis. The County and Soil and Water District elections are held in even years, with the primary in May and the general election in November.

The school board elects seven members to four-year terms, with four members from pure districts, two from consolidated districts and one elected at-large. School board elections are non-partisan and held on the first Tuesday in May in even years. Run-off elections are held four Tuesdays later (either the last Tuesday in May or first one in June) if necessary.

## C. Task Force Findings & Recommendations

From July 29, 1999 to September 23, 1999, the Citizen Task Force on Governmental Structure deliberated the issues outlined above. The discussions the group held were wide ranging and sometimes heated. The range of debate was extremely broad and included things from having the Chief Elected Official enjoy the powers of a strong mayor form of big city government to publicly-financed campaigns and term limits.

In every instance, group members expressed their opinions, listened to the others, and compromised in an effort to achieve the stated goal of devising a plan that would have broad community representation and support. They adopted several preliminary resolutions which are outlined below:

- Retain the present form of government in the city and county, that is the Council-Manager form (unanimous)
- Elect the mayor on an at-large basis and keep the powers presently enjoyed by the City's mayor (17-7 majority)
- Adopt a nine-member council (1 opposed) with six at-large residency district members, two at-large members, and an at-large mayoral position (2 opposed)
- Employ four-year terms for mayor (unanimous) and council (2 opposed) and staggered terms for all elected officials (unanimous)
- Approve an election process with odd-year elections (16-3 majority), non-partisan races (16-9 majority) and primaries (unanimous)
- Reject term limits (11-11 vote), proportional voting and publicly-financed campaigns (2 yes votes)

The most heated debate was whether to have partisan or non-partisan elections. This resulted in a 16-9 vote for non-partisan elections from the group. There was a general consensus this issue in particular would be re-visited in the final discussion where it would be evaluated in terms of its overall effect. In the end, the group voted for a plan that overturned virtually all of the individual components that had previously passed.



# Durham City-County Consolidation Citizen Task Force Review Final Report



The Citizen Task Force on Governmental Structure met on October 14, October 28 and November 11, 1999 to review the individual structural elements in terms of their overall effect. They assessed the extent to which these elements, as a whole, would ensure adequate representation of the entire community, the widest possible consensus from the task force and the broadest possible community support for merger.

As part of this discussion, the task force reviewed and debated numerous alternative proposals, including an "in-place" structure that would retain virtually all aspects of the current City and County structures. In an effort to reach a consensus, the group revisited its preliminary resolutions, and reconsidered different hybrids and versions of partisan and non-partisan races, odd- and even-year election cycles, at-large, residency district and pure district seats, nominating districts, and three- and four-year terms.

In the end, the Citizen Task Force on Governmental Structure voted to approve a nine-member council serving three-year terms with four members and the mayor elected in at-large, non-partisan elections, and four members elected from residency wards in at-large partisan elections. All elections would be held in November and a charter review would be conducted within five years to review the governmental structure. The formal resolution is set forth on the following pages.

There were some background ideas that shaped the final plan and allowed the inclusion of seemingly disparate elements like partisan and non-partisan races. The primary issue that the group came up against is the very diverse elections that occur in the City and County. The voters elect city council members in odd years in non-partisan races from both at-large and residential wards. In even years, voters elect the commissioners in at-large partisan races. This means that in Durham there are elections held every year with races in almost every conceivable permutation. The average citizen is expected to understand, vote, and pay for all these races. It seemed impossible for the group to come up with any plan that would be more complex than what currently exists. The group's final plan is in fact less complicated and reduces the number of elections.

An element of the final plan that may strike some as unfamiliar is the three-year term. This term length represents the greatest compromise the group made on this most contentious issue--voter turnout and which particular political group benefits. Odd-year elections were favored by those who felt they would be most likely to be elected when races were focused on local issues. Even-year elections were favored by those who felt they had the best chance to be elected with high voter turnout.



# Durham City-County Consolidation Citizen Task Force Review Final Report



The first suggestion for bridging this impasse was to hold the election in May of even years with the school board election. All local issues could be discussed and decided on at once when turnout was higher than in odd year elections. This idea was turned down because of the feeling that voter turnout would still be lower than in even-year November elections. The final decision of three-year terms split future elections - first an even-year election and then an odd-year election--equally fair to each political group.

Another unusual component of the final plan is the concurrent terms which, at first glance, may seem to risk the stability that staggered terms are intended to ensure. The major underlying factor that determined the concurrent terms was the decision to have four members each from at-large and residency ward races. That meant if terms were staggered only two at-large members and two ward members would be up for election. Add to that the question of how to divide three-year terms and it was felt to be too complicated and expensive to make staggered terms worthwhile.

The group also realized how very unlikely it was that the entire board would turn over at once and that this was a risk already taken every two years in the county commissioners election. Finally, no one could remember when all the county commissioners had turned over in a single election. Coincidentally, many local boards and commissions are appointed to three-year terms.

The final vote had only one opposed, the vast majority of the group went out prepared to support and promote the plan. Finally, the group realized that their plan might present unforeseen problems when actually implemented. So, as a final component of their proposal, they recommended that the structure and election process be reviewed and fine-tuned in five years.



# Durham City-County Consolidation Citizen Task Force Review Final Report



## Citizen Task Force on Governmental Structure - Resolution

**WHEREAS**, the Citizen Task Force on Governmental Structure was asked to assume the merger of the present City and County of Durham and to reach consensus on a detailed plan including the governmental form, election, size and powers of the merger governing body;

**WHEREAS**, the Citizen Task Force on Governmental Structure met on July 29, 1999 to discuss the different forms of government including an elected administration headed by a mayor with enhanced powers and voted to retain the present form of government in the city and county the Council/Manager form; and

**WHEREAS**, the Citizen Task Force on Governmental Structure met on August 12, 1999 to discuss name, role, responsibilities, duties and expectations of the Chief Elected Official (mayor) including increasing the authority of the mayor and voted to elect the mayor at large and keep the powers presently enjoyed by the city mayor (17-7); and

**WHEREAS**, the Citizen Task Force on Governmental Structure met on August 26, 1999 to discuss term lengths of 2, 3 and 4 years; whether to have staggered or non-staggered terms; limits of 3 consecutive terms; and whether to have publicly financed campaigns and voted against term limits (11-11) and publicly financed campaigns (2 yes, rest opposed) but approved four year staggered terms (unanimously); and

**WHEREAS**, the Citizen Task Force on Governmental Structure met on September 9, 1999 to discuss election of the merged government including partisan or non-partisan elections, primaries, holding elections in odd or even years, and preference voting and voted to reject proportional voting but approved odd year elections (16-3), primaries (unanimous), and non-partisan races (16-9); and

**WHEREAS**, the Citizen Task Force on Governmental Structure met on September 23, 1999 to discuss the number of board members and how to elect them including various types of districts (pure ward, residency districts and at-large), the legal restrictions on different types of districts, and the number of districts easiest to draw in Durham and voted to have a 9 member board (only 1 opposed) with 6 members from residency districts elected at large, 2 members and the mayor elected at-large (only 2 opposed); and

**WHEREAS**, the Citizen Task Force on Governmental Structure met on October 14, 1999, October 28, 1999 and November 11, 1999 to review the individual elements that had passed in terms of their overall effect and whether as a whole they achieved the goals of adequate representation of the entire community, garnered the widest possible support and consensus from the task force and ensured the broadest possible community support for merger; and

**WHEREAS**, the Citizen Task Force on Governmental Structure discussed six separate proposed plans that included virtually every conceivable format of partisan/non-partisan races; odd/even year elections; at-large, residency districts, pure wards, and nominating districts; 3 and 4 year terms; elections in May or November and voted to have a nine member board serving three year concurrent terms with four members and the mayor elected at-large in a non-partisan race; four members elected from residency wards in a partisan race at-large; elections held in November; Mayor having the power to appoint all sub-committee chairs and the Mayor Pro Tem; and to have a 'constitutional convention' held in five years to fine tune the governmental structure (20 for, 1 opposed, 3 abstain);



# Durham City-County Consolidation Citizen Task Force Review Final Report



## Citizen Task Force on Governmental Structure – Resolution (cont.)

**NOW, THEREFORE BE IT RESOLVED** that the Citizen Task Force On Governmental Structure recommends a plan with the following elements:

- Primary elections;
- Nine member board serving three year concurrent terms;
- Four members and the mayor elected at-large in a non-partisan election;
- Four members elected from residency wards at-large in a partisan election;
- Elections held in November;
- The mayor would appoint all sub-committee chairs and the Mayor Pro Tem; and
- A 'constitutional convention' to be held in five years to fine tune the governmental structure;

It is further recommended that a study be done to review compensation from comparable governing bodies throughout the Southeast to determine the appropriate salary for the merged board before the first election.







# Durham City-County Consolidation Citizen Task Force Review Final Report



## X. MERGER IMPLEMENTATION ISSUES

### A. Statutory Requirements

The Constitution of North Carolina expressly authorizes city-county mergers and empowers the General Assembly to enable counties and cities to establish service districts (USDs)<sup>53</sup>. About 30 years ago, the General Assembly enacted legislation to facilitate city-county consolidations—the Consolidated City-County Act.

The North Carolina Consolidated City-County Act provides a broad legal framework for city-county mergers. Under its provisions, the largest municipality in the county is abolished and its powers, duties and rights are consolidated with those of the county<sup>54</sup>. The Act contemplates the survival of the county as the combined city-county government, and the dissolution of the merged city, but it suggests that the consolidated city-county will have the powers of a county and, within an USD, a city as well<sup>55</sup>.

In order to facilitate mergers, the act provides for the creation of USDs. The governing board of the new entity may establish USDs to provide services or facilities to a greater extent than those provided for the entire consolidated city-county<sup>56</sup>. If the governing board establishes USDs, it must establish one coterminous with the boundaries of the abolished city<sup>57</sup> and may define added USDs where no municipality previously existed<sup>58</sup>.

The act calls for the voters, General Assembly and State Treasurer to participate in the merger process. A merger may be approved by the General Assembly, with or without voter approval, and must receive legislative approval in any event. However, voters may have to approve any debt transfer from the defunct entity to the consolidated entity and the Local Government Commission may have to review debt assumed by the new entity and determine the right of the new entity to issue authorized, but unissued debt<sup>59</sup>.

Once the merger has been consummated, the new governing board, after meeting certain annexation standards and public notice requirements, may expand, consolidate or abolish USDs. However, the merged entity must provide any new or expanded services to a new, extended or consolidated USD within one year<sup>60</sup>.

<sup>53</sup> Under the North Carolina Constitution, Art. VII, §3, any merged city-county government shall be deemed both a county and city. Under Art. V, § 2(4), the General Assembly may authorize any county, city or town to define areas and levy taxes within those areas to provide services or facilities to a greater extent than those provided for the entire jurisdiction.

<sup>54</sup> North Carolina GS §160B-2

<sup>55</sup> North Carolina GS §160B-2.1.

<sup>56</sup> North Carolina GS §160B-3.

<sup>57</sup> North Carolina GS §160B-4.

<sup>58</sup> Under North Carolina GS §160B-6, the area must have at least 1,000 residents, a population density of at least one person per acre, an assessed valuation of at least \$2.5 million and require added services.

<sup>59</sup> North Carolina GS §160B-20 is actually special legislation for New Hanover County.

<sup>60</sup> North Carolina GS §160B-9.



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The new governing board may expand an USD by annexation if the area to be annexed has a population density of at least one person per acre and an assessed valuation of at least \$1,000 per resident, or if at least 60 percent of the area is already developed<sup>61</sup>. It may consolidate USDs where they are contiguous and provide (or plan to provide) similar services<sup>62</sup>. The governing board may also abolish an USD, with this action taking effect at fiscal year end<sup>63</sup>.

## B. Potential Implementation Issues

During this phase of Durham's merger study process, numerous legal issues were identified that should be addressed as soon as possible. Since no city-county mergers have taken place under this state's merger statute, it has never been tested. Since there is limited legal precedent in North Carolina, issues arising from the implementation of Durham's merger could be subject to significant legal uncertainty. Some of the potential legal issues are summarized below.

What will be the legal form of the new entity? Will the new entity be deemed a county or city, or both? The enabling legislation for consolidation appears to contemplate the dissolution of the municipal corporation, but it may be in the interest of Durham's consolidated government to be deemed both a city and county. Merged entities in other states have drafted their charters to accomplish this end. The Charter Commission should address this issue.

According to some sources such as the Institute of Government at UNC, the City-County Consolidation Act may not "accommodate" the Orange County portion of the City of Durham. The Act appears to be based on the premise that the County is the new entity and urban service districts are designed to be used by Counties within their boundaries. Thus, the enabling legislation for Durham's merger will have to address this issue.

The new entity's legal form has potentially profound implications. Regarding liability, it is the County's position that some County officials enjoy broader immunity than City officials. For instance, the County Attorney holds that the Sheriff is only liable up to his statutory bond (\$25,000) for each incident and some County officials (e.g., State instrumentalities) cannot be sued in federal court (e.g., for §1983 actions). The immunity issue should be explored in greater detail before a merger charter is drafted.

Another implication of the legal form issue is annexation. For example, will the merged entity be able to annex across county lines? To the extent that the City envisions future growth opportunities in another county, it will need to preserve the City's authority to

<sup>61</sup> North Carolina GS §160B-7.

<sup>62</sup> North Carolina GS §160B-8.

<sup>63</sup> North Carolina GS §160B-10.



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annex across county borders. If the new entity is deemed a county (but not a city), it could be legally prohibited from annexing land in another county.

It is also unclear to what extent current City's powers could be exercised by the merged entity. For example, the City is authorized to maintain roads and streets and condemn property for public purposes outside of its corporate limits, even in certain areas in other counties. Will the merged entity have the ability to exercise such municipal powers?

Ideally, the new entity should possess any powers not expressly prohibited by the state. However, the applicability of Dillon's Rule remains unclear in North Carolina, especially as to consolidated city-county governments. Thus, at a minimum, Durham's charter (and merger enabling statute) should grant the new entity the broadest possible powers currently enjoyed by North Carolina cities and counties.

The current city-county consolidation laws provide for USDs. Since there has not been a merger under this statute, there is limited precedent for implementing such districts in North Carolina. There also are conflicting views about limits that apply to cities and counties. As such, there are several potential legal questions pertaining to USDs.

For example, will a USD be able to annex outside the County? How should current service districts (e.g., the Research Triangle Park) be handled? What opportunities will arise for residents to challenge the equity of taxes and services in their areas? Does current law prohibit the annexation of USD territory by another city? How will merger affect the annexation agreement with Raleigh? The merger charter drafting process should address these issues as thoroughly as possible.

The County Attorney also has raised the issue of federal income tax deductibility for property taxes paid to USDs. While we are not aware of any instances in which the Internal Revenue Service (IRS) has challenged the deductibility of property taxes paid to USDs, it is at least possible that such taxes could be construed by the IRS as taxes for local benefits rather than as "taxes imposed on interests in real property and levied for the general public welfare."<sup>64</sup>

The deductibility of property taxes paid to USDs will depend in part on the IRS' interpretation and application of its own criteria. At first glance, if the USD is defined as a community and the property tax is levied at a like rate within the USD to meet community or general governmental needs, it would appear that any property tax

<sup>64</sup> Per IRS regulation §1.164-3, real property taxes are "taxes imposed on interests in real property and levied for the general public welfare." Per §1.164-4, "The real property taxes deductible are those levied for the general public welfare by the proper taxing authorities at a like rate against all property in the territory over which such authorities have jurisdiction." Further, under §1.164-4, "So-called taxes for local benefits referred to in paragraph (g) of §1.164-2 more properly assessments, paid for local benefits such as street, sidewalks and other like improvements, imposed because of and measured by some benefit inuring directly to the property against which the assessment is levied are not deductible as taxes. A tax is considered assessed against local benefits when the property subject to the tax is limited to property benefited."



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allocated to that USD would be deductible.<sup>65</sup> Nevertheless, this issue merits the analysis of a qualified tax attorney and further discussions with qualified professional associations (e.g., National Association of Counties and Government Finance Officers Association).

There are numerous other legal issues that should be addressed before the merger charter is completed. What is the authority of the Charter Commission in drafting the charter and enabling legislation and calling for a vote on merger? How will merger affect the employment status of County employees assigned to quasi-state programs? What will be the merged entity's statutory debt ceiling? To what extent will existing contracts and other obligations of the dissolved entity need to be restructured? It will be important not only to address these issues, but also determine to what extent general legislation will be required to resolve them.

The citizen task forces identified a host of other implementation issues to be addressed by the City and County as they move forward with the merger process. Some of those issues are set forth below.

- Should the RTP be part of a USD? What are the potential implications of this decision? Will the consolidated City-County government be able to expand an USD within the RTP after merger?
- Should the City de-annex the portion of the City of Durham in Orange County before the merger or through the merger act? Should the State be asked to de-annex the Chapel Hill portion of Durham County?
- How will future capital investment requirements be affected by merger? Will the State continue to maintain County roads for the foreseeable future? Will any bond covenants pose problems for merger?
- Which revenues will the combined entity be able to generate? Will it be able to levy all taxes or fees currently available to other cities and counties under state law (e.g., impact fees)? Will the County's status as a non-urban grantee be jeopardized? How will water and sewer rates be affected by merger?
- How will federal or state service mandates be affected by merger? For example, will the County have to create a stormwater program due to merger?
- How should current boards and commissions, and the terms of elected officials, be handled for both the transition period and thereafter?

The transition issues must be clearly identified and thoroughly reviewed during the charter development process. If merger is approved, it will be a major undertaking to

<sup>65</sup> Per 1993 GAO report, "Tax Administration, Overstated Real Estate Tax Deductions Need to Be Reduced," a charge is "deductible as a tax if it is based on the assessed value of the property; is made uniformly on property throughout the community; and is used for general community or governmental purposes (e.g., for public schools)." In contrast, a charge is not deductible if "it is for an improvement that increases the property value (e.g., building a new sidewalk in front of the property). However, "a special assessment is deductible only if it is used to maintain an existing public facility (e.g., cost ... to repair a sidewalk)."



# Durham City-County Consolidation

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harmonize the existing codes, policies and procedures. Any local acts will have to be consolidated in such a manner that merger does not reduce any existing powers.

### C. Implementation Strategies

**Policy Strategies** – The policy and legal analysis work required in connection with resolving merger issues and drafting the merger charter will be extensive. To avoid significant disruptions during the merger process, the governing bodies should establish a legal team with external legal advisors coordinated under the direction of an independent and recognized expert in North Carolina merger law (e.g., UNC Institute of Government). Input from City and County administrations and legal staff should also be provided to the Charter Commission.

The Charter Commission will have to address a wide variety of political and legal issues. These issues include the powers, rights and duties of elected officials, appointed boards and management, equal opportunity goals and other critical administrative policies. It also will have to flesh out the details of the political structure, such as the timing of any primary elections and the boundaries of voter districts. The final political structure will have to be reviewed in the context of applicable federal voting rights law.

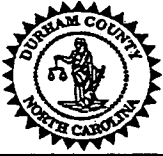
**Service District Strategies** – Assuming that the merger plan employs the service district approach, the charter commission will need to determine which, if any, City services, revenues and debt should be allocated to the GSD (i.e., the county as a whole). This task is so challenging that it will probably merit a special task force.

From a practical matter, the charter commission will not have to worry about County services, revenues and debt because, by definition, these will be assigned to the GSD. If rural fire protection services continue to be provided by the volunteer fire districts for the near term, then the taxes for those districts will not need to be realigned.

The charter commission should address the extent to which any current city services should be extended to the GSD (entire county). Most current City services will probably be allocated to a USD (the old city after merger). However, there are some potential exceptions to this rule that should be considered.

The most obvious exception concerns any corporate and legislative functions performed by the City (e.g., Council, Manager, Legal, Finance or Personnel). Under a merged entity, these services would likely be defined as entity-wide (county-wide) services, and thereby be assigned to the GSD. Other possible exceptions include the following:

- Law enforcement
- Fire services
- Economic development



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- Human relations
- Housing and community development
- Parks and recreation
- Civic Center
- Durham Bulls Athletic Park
- Solid waste management
- Water supply and wastewater treatment

At a minimum, the charter commission should adopt a flexible strategy that will allow for some current city services to be allocated to the GSD on the first day of merger, and the City of Durham USD (and the geographic scope of current urban services) to be expanded via over time as urban growth continues.

In determining how future revenues should be allocated to the recommended service districts, the ultimate objective is to avoid increasing taxes for any segment of the community (at least not without a corresponding increase in services). Revenues must be matched with service responsibilities as closely as possible. Thus, if a particular service (e.g., street maintenance) is to be allocated to a USD, then any associated revenues (e.g., NCDOT Powell Bill revenues) should be matched with that particular service and assigned to that USD.

This matching process is relatively easy for revenues which are "earmarked" or closely associated with a particular activity (e.g., animal taxes, development permits, gasoline taxes, most grants and most service charges). It is more difficult for revenues of general applicability (e.g., property and sales taxes). To allocate all revenues to service districts, the charter commission should start with revenues that are most easily matched (e.g., earmarked revenues), allocate those revenues to service districts, and then "back into" an allocation of the most general (and significant) revenue source (i.e., the property tax).

As with services, the challenge involving revenues will be how to allocate what are currently City revenues. All of the County revenues should be assigned to the GSD. To the extent that current City services are assigned to the City of Durham USD, all other City revenues, including the City general property tax, should also be allocated to the same USD. Possible exceptions might include the following:

- Fire protection district taxes and the portion of city property taxes equal to the fire department budget (if fire protection is made a county-wide function)
- Occupancy taxes (if economic development is made a county-wide program)
- Development permits and fees (to support the continuation of a county-wide planning and inspection program)
- JTPA or Workforce Investment Grant grants (if job training becomes a county-wide program)



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- HUD grants (if housing & community development programs are extended to the unincorporated part of the county)
- Recreation fees (if a county-wide recreation program is established)
- Civic Center and Durham Athletic Park fees
- Water supply and wastewater treatment service charges

The charter commission also should make allowances for any City revenues that are earmarked for municipal services and cannot be allocated to the County (e.g., stormwater revenues) as well as any grants received by the City that would be adversely affected if the grant revenues were allocated to the County (which has different demographics).

Outstanding debt should be allocated<sup>66</sup> to the service districts using the same approach used in allocating revenues. However, since debt represents prior obligations, and revenues represent future income streams, the charter commission may opt to assign City debt to the City USD even where the related revenues are allocated to the GSD<sup>67</sup>. For example, even if the parks and recreation program becomes a county-wide program, and recreation fees are allocated to the GSD, the City's general obligation debt for parks and recreation may be for facilities in the City and, as a result, should continue to be assigned to the USD.

All existing County debt should be assigned to the GSD (most of it is for schools). Generally, as a matter of policy, debt issued by the City should probably not be allocated to the entire County unless the services, programs or facilities supported by that debt are reassigned from the City to the GSD. Examples of City obligations that could eventually be assigned to the GSD include the following:

- General obligation bonds for the water and sewer, solid waste management and Civic Center funds
- Water and sewer fund revenue bonds
- Certificates of Participation for the Durham Bulls Athletic Park
- Notes payable to the State for the North Durham Water Reclamation Facility
- Notes payable to the County for water and sewer assets

The charter commission also must address the City's authorized but unissued debt (\$126.7 million in 1998). This debt, since it has not yet been issued, could be allocated in the same way as revenues (i.e., match it with service assignments), subject to voter approval.

<sup>66</sup> Generally, in allocating debt, it is more precise to allocate the revenues required to retire the debt.

<sup>67</sup> Of course, any revenues dedicated to repaying the debt would have to be assigned to the City of Durham USD.



# Durham City-County Consolidation Citizen Task Force Review Final Report



Another interesting issue to be addressed by the charter commission involves the RTP. Should it be part of the GSD or its own service district? Under current state law, the governing board may establish an urban service district where no municipality existed if the area has at least 1,000 residents, a population density of at least one person per acre, an assessed valuation of at least \$2.5 million and requires added services.

Theoretically, the RTP could be designated a urban service district (or included with another) because it requires a somewhat higher level of service. However, since it is unclear whether the RTP would satisfy the current statutory criteria for urban service districts, the enabling legislation for the merger would probably have to specifically authorize the designation of RTP as an urban service district.

**Financial Strategies** – There are a host of financial issues to be addressed as part of the merger process. Those issues include revenue, grants, contract, debt, treasury and risk management concerns. The City and County should establish a financial planning team comprising their fiscal staff, as well as external financial advisors and representatives of the Local Government Commission. The financial planning team should develop a detailed financial transition plan for the merged entity.

**Operational Strategies** – The governing bodies should establish operational transition teams including City and County employees. There should be an operational planning team comprising key managers to oversee transition activities. There also should be transition teams for each major service or program area (e.g., economic development or technology management) to ensure the effective continuity of policies and practices. Transition teams also will be required for areas of serious concern for employees (e.g., pay and classification structure, benefits and space planning).

The operational planning teams should work with citizens or other stakeholders to identify any municipal services that citizens want to extend to the unincorporated areas at the time of merger. They also should be directed to identify and plan functional consolidations that should take place regardless of city-county merger. Functions that could be merged via inter-local contracts might include public safety training, fire facility and equipment planning, procurement and deployment, engineering, technology management, grants management and treasury management.

**Public Information Strategies** – An effectively planned and adequately staffed public communications strategy will be required if the merger process moves forward. This strategy could entail several components, including public hearings, citizen forums, focus groups, newsletters and surveys. It should ensure that the public is kept informed of key developments and decisions at each juncture of the merger process.





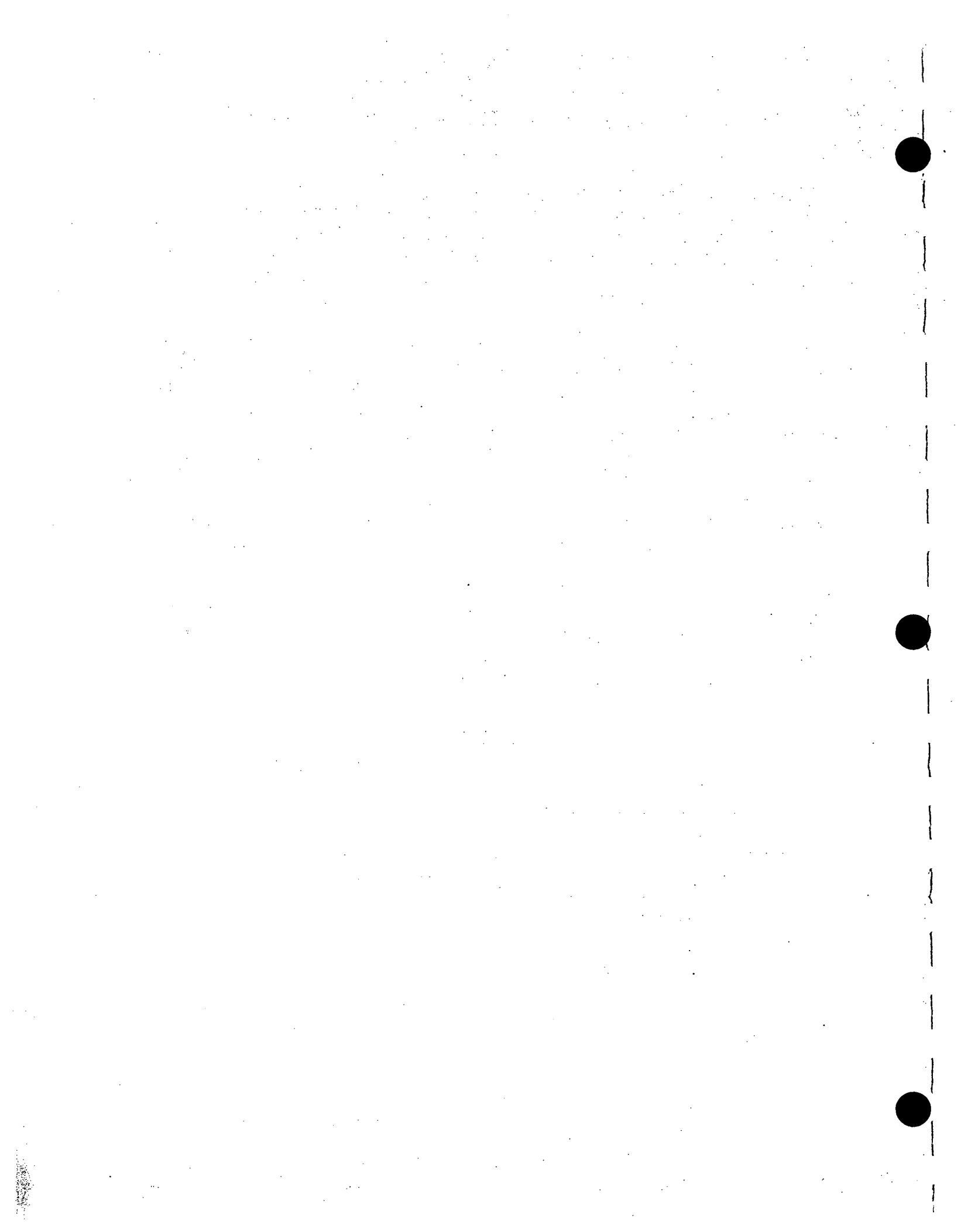
# Durham City-County Consolidation Citizen Task Force Review Final Report

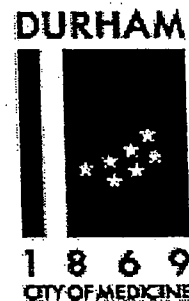
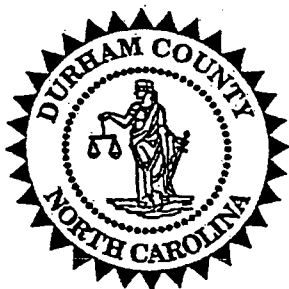


A series of forums should be held while the charter commission conducts its work. These forums should be structured to inform community groups about the likely advantages of merger and the challenges associated with implementation. The first forum, involving leaders of the citizen task forces, could be held after the completion of Phase 1. A second forum, organized by a professional facilitator, could be held to present the results of any Phase 2 studies to interested community groups.

A third forum could involve leaders from other communities with merged governments, perhaps as part of a teleconference. The most comparable and useful communities would be Lexington-Fayette County, Kansas City-Wyandotte County, Augusta-Richmond County, Lafayette-Lafayette Parish and any comparable county in Virginia. In addition, elected officials might consider conducting site visits to such communities as well as some areas that have rejected merger (e.g., Spokane, Washington, Des Moines, Iowa, and Tallahassee and Gainesville, Florida).

Before the charter commission is appointed, the governing bodies should establish a formal, structured process to obtain input from stakeholders on specific issues that could help shape the charter document. For example, input on the issue of how law enforcement functions should be allocated between the City police department and the County sheriff could be helpful. Other input mechanisms could be tailored to the needs of selected constituencies (e.g., rural areas or the Hispanic community). A special effort should be made to address the potential concerns of minority groups and to ensure that the merger plan does not adversely affect minority voting rights.





# **Durham City-County Consolidation Citizen Task Force Review Final Report**

## **Appendix A Citizen Task Force Charges**

## SCOPE OF WORK

### CITIZEN TASK FORCE - COMMUNITY SERVICES & DEVELOPMENT

#### PURPOSE:

Determine and investigate the feasibility, including effectiveness and efficiency, of government consolidation issues as they relate to community services and development.

#### SCOPE OF WORK:

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of community service and development departments/divisions.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Assess the compatibility and comparability of the current systems, processes, administration and service impacts for community service and development departments/divisions.
5. Develop reports that evaluate the costs and benefits of government consolidation issues as they relate to community services and development, including efficiency, effectiveness, equity, accessibility and accountability.
6. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

#### ACCOUNTABILITY AND TIME FRAME:

The Citizen Task Force on Community Services and Development will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.

**SCOPE OF WORK**

**CITIZEN TASK FORCE -  
HEALTH & HUMAN SERVICES**

**PURPOSE:**

Determine and investigate the feasibility, including effectiveness and efficiency, of government consolidation issues as they relate to health and human services.

**SCOPE OF WORK:**

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of health and human services departments/divisions.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Develop written and oral reports that evaluate the costs and benefits of government consolidation issues as they relate to health and human services, including efficiency, effectiveness, equity, accessibility, accountability and service impacts.
5. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

**ACCOUNTABILITY AND TIME FRAME:**

The Citizen Task Force on Health and Human Services will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.

**SCOPE OF WORK**

**CITIZEN TASK FORCE -  
ADMINISTRATION/GENERAL GOVERNMENT**

**PURPOSE:**

Determine and investigate the feasibility, including effectiveness and efficiency, of government consolidation issues as they relate to administration and general government.

**SCOPE OF WORK:**

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of government administration departments/divisions.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Assess the compatibility and comparability of the current systems, processes, and service impacts for administrative departments/divisions.
5. Develop reports that evaluate the costs and benefits of government consolidation issues as they relate to government administration, including efficiency, effectiveness, equity, accessibility and accountability.
6. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

**ACCOUNTABILITY AND TIME FRAME:**

The Citizen Task Force on Administration and General Government will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.

## SCOPE OF WORK

### CITIZEN TASK FORCE - PUBLIC WORKS

#### PURPOSE:

Determine and investigate the feasibility, including effectiveness and efficiency, of government consolidation issues as they relate to public works.

#### SCOPE OF WORK:

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of public works departments/divisions.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Assess the compatibility and comparability of the current systems, processes, administration and service impacts for public works departments/divisions.
5. Develop reports that evaluate the costs and benefits of government consolidation issues as they relate to public works, including efficiency, effectiveness, equity, accessibility and accountability.
6. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

#### ACCOUNTABILITY AND TIME FRAME:

The Citizen Task Force on Public Works will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.

## SCOPE OF WORK

### CITIZEN TASK FORCE - PUBLIC SAFETY

#### PURPOSE:

Determine and investigate the feasibility, including effectiveness and efficiency, of government consolidation issues as they relate to public safety.

#### SCOPE OF WORK:

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of public safety departments/divisions.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Assess the compatibility and comparability of the current systems, processes, administration and service impacts for public safety departments/divisions.
5. Develop reports that evaluate the costs and benefits of government consolidation issues as they relate to public safety, including efficiency, effectiveness, equity, accessibility and accountability.
6. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

#### ACCOUNTABILITY AND TIME FRAME:

The Citizen Task Force on Public Safety will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.



## SCOPE OF WORK

### CITIZEN TASK FORCE – TAXATION & FINANCE

#### PURPOSE:

Investigate and analyze the effect of re-drawing tax district boundaries and urban service districts for the purposes of a consolidated city/county government.

#### SCOPE OF WORK:

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of tax service districts, government finance and budgeting.
3. Requests for necessary or needed information regarding city or county departments should be acquired through the project facilitator.
4. Develop written and oral reports that evaluate government consolidation issues as they relate to taxation and finance, including tax projections and service delivery.
5. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

#### ACCOUNTABILITY AND TIME FRAME:

The Citizen Task Force on Taxation will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.

## SCOPE OF WORK

### CITIZEN TASK FORCE - GOVERNMENTAL STRUCTURE

#### PURPOSE:

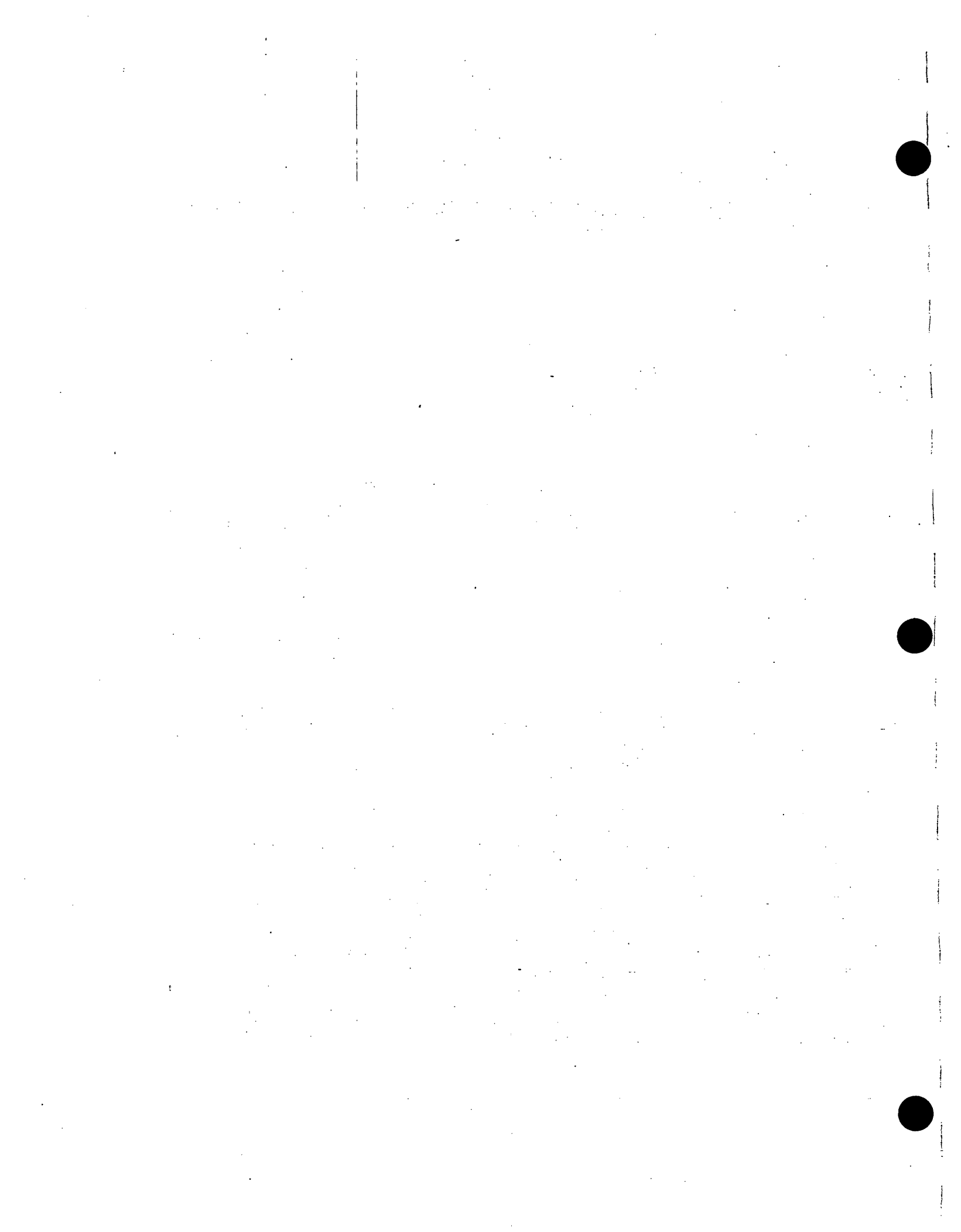
Determine and investigate the structure and form of consolidated government that would best serve the Durham community.

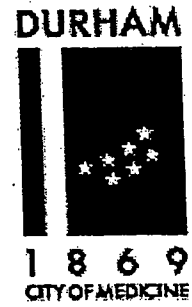
#### SCOPE OF WORK:

1. As soon as possible, preferably within the first meeting, the members will designate a chairperson, a vice-chairperson, and a secretary. The chairperson will be the liaison between the task force and the Project Facilitator and be responsible for calling each meeting to order. The vice-chairperson assumes the role of chairperson in the absence of the chairperson. The secretary will record the minutes of each meeting and maintain all pertinent documents.
2. Develop an understanding of city/county consolidated government structures.
3. Requests for necessary or needed information regarding city or county governmental structures can be acquired through the Project Facilitator and Jake Wicker from the Institute of Government.
4. Using the "Report of City/County Merger Task Force" dated January 30, 1995 as a guide, assess and evaluate the recommendations regarding the structure and form of government that would best serve the Durham community.
5. If necessary, offer alternatives to the 1995 report for consideration by the Steering Committee.
6. Attempt to reach a consensus regarding the feasibility/desirability of consolidating Durham City and County governments.

#### ACCOUNTABILITY AND TIME FRAME:

The Citizen Task Force on Governmental Structure will make monthly reports to the Project Facilitator and Steering Committee regarding progress and any resource needs. The Citizen Task Force will meet on the \_\_\_\_\_ of each month beginning in June and concluding by November 15th, 1999. Each meeting should last no longer than 2 hours. If more time is needed, an extra meeting can be proposed and a majority vote will dictate the scheduling of such a meeting.





**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

**Appendix B  
Task Force Service Profiles**

**City of Durham and Durham County**  
**Task Force Profile of General Government & Administrative Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
<b>Legislative &amp; Public Affairs</b>						
Council / Commission	Policy making & oversight	\$623	\$365	13	3	
Legal Support	Legal counsel & representation Property tax foreclosure	890	855	9	17	
Records / County Clerk	Records management Business license processing	615	248	9	3	
Register of Deeds	Land transaction registration Public record registration	0	839	0	13	
Elections Bd.	Voter registration & elections	0	529	0	7	
Public Info	Public communications	326	0	5	0	
Totals		\$2,454	\$2,836	36	43	
<b>Corporate Management</b>						
City Manager / County Adm.	General management	\$978	\$756	9	8	
Human Resources	Employee recruiting & training Salary & benefits administration	3,423	1,016	19	16	
EEO	M/WBE monitoring Employee diversity monitoring	377	0	6	0	
Purchasing	Procurement management	375	466	5	8	
Information Technology	Application & network services GIS, imaging & duplication services Mailroom & courier services	3,596	3,191	40	36	
Facility Management	Facility & grounds maintenance Cemetery management (City only)	4,397	4,625	52	31	
Fleet & Asset Management	Fleet maintenance & replacement Radio leasing & maintenance	5,111	0	69	0	
Internal Audit	Internal audit & consulting	343	0	5	0	
Totals		\$18,600	\$10,054	205	99	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
 FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The County Law Office has a property tax enforcement/foreclosure unit.
- The County's Information Technology costs include General Services mailroom costs.
- The County's Facility Management costs include General Services administration & pest control costs.
- The County's real property management function is under Economic Development while the City's real property management function is under Fleet & Asset Management.
- The County budgeted \$133,000 to establish an internal audit program in FY00. Its FY99 costs were \$123,000, but they were reported in another budget center.

**City of Durham and Durham County  
Task Force Profile of Economic & Financial Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
<b>Economic Development</b>						
Marketing	Regional promotion & development	\$0	\$428	0	2	
Economic Revitalization	Economic development initiatives Employment & training assistance	821	0	9	0	√
Tourism	Fund convention & visitors services	2,977	0	0	0	√
<b>Totals</b>		<b>\$3,405</b>	<b>\$428</b>	<b>9</b>	<b>2</b>	
<b>Financial Management</b>						
Tax Administration	Property appraisal & assessment Property reappraisal Property tax collection Revenue (e.g., user fee) collection	\$0	\$3,098	0	60	√
Finance	Accounting & financial reporting Customer service billing Treasury management Debt management	4,738	1,157	70	17	
Budget	Budget management Strategic planning	650	349	8	6	
Risk Management	Employee safety administration Claims administration Risk/liability financing	9,710	1,469	5	2	
Grants Office	Grants management	195	0	3	0	
<b>Totals</b>		<b>\$15,293</b>	<b>\$6,073</b>	<b>86</b>	<b>85</b>	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The City's Office of Economic and Employment Development (OEED) includes a joint Employment & Training Division which administers federal, state & local job programs on behalf of the City & County (e.g., Durham JobLink Center, summer jobs program & \$720,000 Welfare to Work grant).
- The City and County, pursuant to an inter-local agreement, operate the independent Durham Convention and Visitors Bureau which, in turn, is funded by occupancy taxes.
- The Tax Administration Office assesses City & County property & collects City & County property & privilege license taxes. It also collects fire & special district taxes, special assessments, hotel/motel occupancy taxes, parking fees, County user fees & animal fees.
- The City's Finance Department has a customer billing unit for collecting water & sewer bills.
- The City maintains a self-insured risk management fund, as well as self-insured dental insurance & mental health plans.
- The City maintains a self-insured workers compensation program & carries an excess commercial general liability policy & commercial coverage for other risks. In FY97, the County replaced its self-insured health benefit plan with a fully-insured plan, but retained a self-insured dental plan.
- The City Grants Office administers numerous grants including Weed & Seed (\$225,000), Domestic Violence (\$896,000), Cops Policing (\$750,000), Lead-Based Paint Hazard Control (\$3,307,000), FEMA (\$1,800,000) and state crime commission (\$639,500). In contrast, the County's grants management function is distributed among the various operating departments.

**City of Durham and Durham County  
Task Force Profile of Health & Human Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
Public Health	Communicable disease monitoring Screenings & immunizations Child wellness & nutrition Health education	\$0	\$10,292	0	207	
Social Services	Adult social services Adult economic assistance Child protective services Child placement & support Work First family assistance Work First employment services Child care services Child support enforcement Special community initiatives	0	41,841	0	405	
Mental Health	Substance abuse services Mental health screenings Adult outpatient treatment Dev. disability services Case management service	0	20,027	0	264	
Human Relations	Anti-discrimination law enforcement Civil rights education & training	570	0	8	0	
Youth Coordinating Board	Public youth service & grant application coordination	0	169	0	4	√
Other Human Services	Fund non-profit organizations Fund paratransit & child services Veteran assistance services	465	1,687	0	2	
<b>Totals</b>		<b>\$1,035</b>	<b>\$74,016</b>	<b>8</b>	<b>882</b>	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The County's General Services Department also provides mosquito control services.
- The FY99 Social Service costs exclude the \$120.305 million public assistance pass-through.
- The Durham Center, the County's public mental health, developmental disabilities and substance abuse authority under state law, is governed by a 20-member Area Board appointed by the BoCC. Its Area Director reports to the Area Board, not the BoCC.
- The City plans to provide \$93,000 in funding for the Durham Community Prevention Partnership demonstration project which is operated by County Mental Health Department.
- The County's social services operating budget includes about \$120 million in pass-through payments.
- The Youth Coordinating Board, which was created in response to the City/County Violence Prevention Committee to improve coordination of youth grant funding, is funded by City and County.
- The County contracts with the City to use the City's paratransit contractor (Laidlaw Transit), but the County receives grant funding for vehicles and services as a nonurban grantee.
- The City funds several non-profit agencies, including Downtown Durham, Durham Affordable Housing, Hayti Development Corporation, Durham Striders, and West End Community Center.

**City of Durham and Durham County  
Task Force Profile of Planning & Development Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
Planning & Zoning	Land use & neighborhood planning Floodplain & watershed protection Historical preservation Open space planning & maintenance Trail acquisition & development	\$2,468	\$915	38	0	√
Inspections	Development reviews & inspections Permit processing	2,482	536	45	0	√
Housing & Community Development	Housing production Code enforcement Community development Lead-based paint abatement	6,089	0	40	0	
Cooperative Extension	Agricultural educational services Community Service Center	0	273	0	5	
Soil & Water Conservation	Environmental educational services Water quality technical assistance	0	128	0	3	
<b>Totals</b>		<b>\$11,039</b>	<b>\$1,852</b>	<b>123</b>	<b>8</b>	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The City and County, pursuant to an inter-local agreement, operate a joint Planning Department, as well as a joint Building Inspections unit.
- The City's Housing & Community Development Department administers \$1.8 million in Community Development Block Grant (CDBG) funds and \$2.2 million in HOME grants and secured \$2.4 million from HUD for lead-based paint abatement.
- The Durham County Center of NC Cooperative Extension is a cooperative venture of the County, NCSU and federal government.
- The Durham Soil and Water Conservation District, a state subdivision, provides technical assistance on federal & state regulations (e.g., Agricultural Cost Share, Neuse River Basin, Federal Conservation Reserve, Environmental Quality Incentive, Animal Waste Management System & Farm Bills).
- The County and City jointly operate the civic center complex. The County is gradually increasing its equity share until it reaches 50%. The County refinanced the bonds in FY93.



**City of Durham and Durham County  
Task Force Profile of Parks, Recreation & Cultural Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
<b>Parks &amp; Recreation</b>						
Parks & Recreation	Recreation center operations Athletic program support Pools & aquatic activities Targeted recreation programs Festival & special event support City Lakes & Heritage Parks	\$5,099	\$0	92	0	
Civic Center	Civic Center operations	2,386	0	1	0	
Athletic Park	Ballpark operations & maintenance County Memorial Stadium	2,322	0	22	0	
Open Space & Forestry Mgt.	Open space management Fund state forest protection services	0	53	0	0	
Totals		\$9,807	\$53	115	0	
<b>Culture &amp; Education</b>						
Library	Main Library operations Library extension services	\$0	\$5,222	0	113	
Other Cultural	Fund Carolina Theater, Durham Arts Council & St. Joseph's (City) Fund Civic Center & Museum of Life & Science (County) Fund non-profit organizations (both)	1,430	1,203	0	0	
Other Educational	Fund non-profit educational organizations	0	75	0	0	
Totals		\$1,430	\$6,500	0	113	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The City Parks & Recreation Department offers a range of recreational services, including after-school programs & targeted programs for senior citizens, youth & special populations.
- The City Parks & Recreation Department offers a range of recreational facilities, including 3 recreation centers, 5 pool facilities, 70 tennis courts, 63 parks & playgrounds, 10 miles of trails.
- While the City operates the Civic Center, the County, pursuant to an interlocal agreement with the City, funds 50% of the operating deficit and will hold a 50% equity interest by 2006.
- The City subsidizes the Ballpark Fund (\$1.8 million of \$2.3 million budget in FY99).
- The County funds 40% of the State's Division of Forest Resources field office. That office's 2 rangers provide educational programs to help protect 100,000 acres of forest in the County.
- The County Library system includes the Main Library, 5 branch libraries & other smaller sites.

**City of Durham and Durham County  
Task Force Profile of Public Protection Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
<b>Public Safety</b>						
Law enforcement	Uniform patrol & investigations Special operations Training & auxiliary support	\$28,199	\$6,639	541	139	
Sheriff – Civil process & jud. support	Uniform patrol & investigations Inmate transport & court security Civil process	0	2,176	0	43	
Examiner	Medical examinations/autopsies	0	55	0	0	
Fire	Fire suppression HM & tactical rescue services Fire code enforcement Community fire education	11,974	3,214	236	12	
EMS	Emergency medical services Alternative medical transportation	1,837	4,425	36	95	
Emergency Comm's	Emerg. comm's & enhanced 911 Emerg. technology/MDT support	3,586	688	54	0	√
Emergency Management	Emergency planning Emergency operations	114	272	0	3	√
Animal Control	Animal shelter operations Animal control code enforcement	0	913	0	15	√
Other	NECD target sweep initiative Fund non-profit agencies	413	0	1	0	
<b>Totals</b>		<b>\$46,123</b>	<b>\$18,382</b>	<b>868</b>	<b>307</b>	
<b>Judicial Administration</b>						
Courts	Court facility & staff funding	\$0	\$532	0	0	
County Jail	Detention facility administration Inmate work program administration	0	9,777	0	234	
Resource Ctr.	Community-based offender services	0	863	0	15	
Youth Home	Juvenile detention services	0	733	0	15	
<b>Totals</b>		<b>\$0</b>	<b>\$11,905</b>	<b>0</b>	<b>264</b>	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The City Police Department has 4 stations & the County Sheriff has 5 stations.
- There are 12 fire stations in the City and 12 in the County.
- Durham County is served by the County Fire Marshall & 7 volunteer fire districts which are supported by property tax levies. In addition, the County provides general fund revenues to Lebanon (\$224,000).
- The Durham Emergency Communications Center serves as Durham Metro's public safety answering point (PSAP), receives all 911 calls for City & County & dispatches calls via 800 MHz radio system.
- The County Emergency Medical Services Department serves as primary provider of ambulance service in the County. First responder service in City is provided by City Fire Department.
- Under an interlocal agreement, the Durham City/County Emergency Management Agency is administered by the County and funded equally by the City and County.

**City of Durham and Durham County  
Task Force Profile of Public Works & Transportation Services**

Program/ Department	Key Services	FY99 Costs City	FY99 Costs DC	FY99 FTEs City	FY99 FTEs DC	Joint
<b>Public Works</b>						
Administration	Public works administration	\$234	\$0	5	0	
Engineering	Engineering design services Construction inspection services Infrastructure mapping Development plan reviews	1,510	0	29	0	
Roadway Appearance	Street, gutter & curb cleaning Right-of-way mowing & cleaning Tree planting & maintenance	1,213	0	16	0	
<b>Totals</b>		<b>\$2,957</b>	<b>\$0</b>	<b>50</b>	<b>0</b>	
<b>Transportation</b>						
Street Maintenance	Street resurfacing & maintenance Alley & sidewalk maintenance ROW stormwater maintenance	\$6,539	\$0	102	0	
Transportation Services	Transportation planning Traffic engineering & control Taxicab & parking control Street lighting	3,797	12	47	0	
Transit Services	Public transit system operations Paratransit services	6,478	0	6	0	
Parking Services	Parking facility operations Parking facility maintenance	2,538	0	26	0	
<b>Totals</b>		<b>\$19,352</b>	<b>12</b>	<b>181</b>	<b>0</b>	

Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets and City Public Works and Transportation data obtained from City Budget Office. All costs are presented in thousands. FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- The City maintains 588 miles of streets and the State reimburses the City for the costs of maintaining state highways in the City. The State maintains roads on behalf of the County.
- The City develops the Transit Improvement Program for MPO.
- Piedmont Electric Membership Corporation & Duke Power install & maintain street lights.
- The County funds certain non-profit transportation agencies.
- The County's General Services Department manages the County's road signage program.

**City of Durham and Durham County  
Task Force Profile of Environmental Management Services**

Program/ Department	Key Services	FY99	FY99	FY99	FY99	Joint
		Costs City	Costs DC	FTEs City	FTEs DC	
<b>Solid Waste Management</b>						
Administration	Solid waste administration	\$514	\$0	5	0	0
Sanitation	Curbside refuse collection Yard waste collection Commercial dumpster collection	9,242	0	106	0	0
Solid Waste	Transfer station operations Household HW administration Landfill & compost operations Solid waste recycling	9,323	1,240	15	8	8
<b>Totals</b>						
<b>Water &amp; Wastewater Treatment</b>		\$19,079	\$1,240	126	8	8
Administration	Public utilities administration	\$772	0	7	0	0
Plant Maint. & Engineering	Laboratory services Water station maintenance Wastewater lift station maintenance	4,131	0	52	0	0
Environmental Engineering	Water & sewer engineering Sedimentation & erosion control	1,488	276	31	5	5
Water Supply	Water treatment plant operations Water supply & treatment	4,290	0	40	0	0
Wastewater Treatment	Wastewater treatment Household HW monitoring	5,607	8,092	40	3	3
Water & Sewer Maintenance	Water & sewer main trunk line inspection, cleaning & repairing Fire hydrant maintenance	5,854	0	123	0	0
Storm Water Management	Storm water infrastructure mapping, cleaning, maintenance & repair Storm water quality monitoring	5,401	0	42	0	0
<b>Totals</b>						
		\$27,543	\$8,396	335	8	8

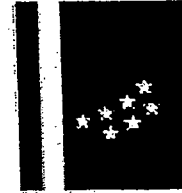
Note: Costs & FTEs are FY99 estimates from City & County FY00 budgets. All costs are presented in thousands.  
FTE = Full-Time Equivalent employee. DC = County.

**Comments:**

- Some of the City's environmental functions are provided by the Public Works Department (e.g., water & sewer maintenance, water & sewer engineering and storm water management).
- The City's Solid Waste Department provides weekly curbside & yard waste collections. Other services include cardboard collection and bulk item pick-up. The City provides weekly curbside recycling for 53,000 households & drop-off center service for 36 multi-family complexes.
- The County's General Services Department manages the County's solid waste program. The County has 4 residential container sites. There is a City-County landfill.
- City storm water duties are divided between the Storm Water & General funds.
- The City operates 2 water treatment facilities with a combined 52 MGD capacity, 2 water supply reservoirs & pumping facilities, 4 off-site water storage tanks & 2 water booster pumping stations.
- The City operates 2 state-of-art tertiary wastewater treatment facilities (North Durham & South Durham Water Reclamation facilities) with a combined 20 MGD capacity.
- The County operates the Triangle Wastewater Treatment Plant & county wastewater collection system.



**DURHAM**



**1 8 6 9**  
CITY OF MEDICINE

# **Durham City-County Consolidation Citizen Task Force Review Final Report**

## **Appendix C Profiles of Recent City-County Mergers**

## Profiles of Recent City-County Mergers

	Metro Nashville- Davidson County	Jacksonville- Duval County	Indianapolis-Marion County (Unigov)
Population (1990)	County – 517,800 (75% white) City – 488,400 (73% white)	County – 700,800 (72% white) City – 635,200 (70% white)	County – 812,800 (77% white) City – 731,300 (75% white)
Population (Merger)	County – 399,700 (62% white) City – 170,900 (81% white)	County – 455,400 (77% white) City – 201,000 (59% white)	County – 793,800 (83% white) City – 744,600 (82% white)
Merger History	<ul style="list-style-type: none"> <li>• Rejected in 1958</li> <li>• Approved (56%) in 1962</li> <li>• Implemented in 1963</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (65%) in 1967</li> <li>• Implemented in 1968</li> </ul>	<ul style="list-style-type: none"> <li>• Enacted by legislature in 1968</li> <li>• Implemented in 1970</li> </ul>
Causal Factors	<ul style="list-style-type: none"> <li>• City annexed 42 square miles (82,000 residents) &amp; enacted suburban wheel tax</li> <li>• Poor water &amp; sewer system</li> </ul>	<ul style="list-style-type: none"> <li>• 80% of city's waste untreated</li> <li>• 180 suburban utilities in poor condition &amp; with high rates</li> <li>• 2/3 of properties not taxed</li> </ul>	<ul style="list-style-type: none"> <li>• Perceived duplication of services &amp; other inefficiencies</li> <li>• Leadership by Mayor Lugar</li> </ul>
Merger Plan	<ul style="list-style-type: none"> <li>• Merged City of Nashville &amp; Davidson County</li> <li>• Retained 6 suburban cities</li> <li>• Retained 6 elected officers (i.e., assessor, collector, clerk, DA, public defender &amp; sheriff)</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Jacksonville, Duval County &amp; 3 special districts</li> <li>• Retained 4 suburban cities</li> <li>• Retained 4 elected officers (i.e., appraiser, collector, elections supervisor &amp; sheriff)</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded Indianapolis' borders to Marion County line</li> <li>• Retained 4 cities, 9 townships &amp; several special districts</li> <li>• Retained 9 elected officers (e.g., auditor, assessor, clerk, DA, treasurer &amp; sheriff)</li> <li>• Established 5 departments</li> </ul>
Government Structure	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 41-member council</li> <li>• Mayor has veto power</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 19-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints manager</li> <li>• Council appoints auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 29-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints department heads subject to council vote</li> </ul>
Elections	<ul style="list-style-type: none"> <li>• Non-partisan elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (35) &amp; at-large (5)</li> <li>• Staggered 4-year terms</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (14) &amp; at-large (5)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan, odd-year elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (25) &amp; at-large (4)</li> <li>• Staggered 4-year terms</li> </ul>
Service Districts	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for Nashville (higher tax rate)</li> <li>• Tax rates for USD set by 3-member Urban Council</li> <li>• USD first expanded in 1972</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county &amp; 5 USDs for cities (higher tax rates)</li> </ul>	<ul style="list-style-type: none"> <li>• Police, Fire &amp; Solid Waste service districts; taxes vary.</li> <li>• Sheriff &amp; volunteer fire departments serve GSD</li> </ul>
Transition Issues	<ul style="list-style-type: none"> <li>• Several legal challenges</li> <li>• Established new pension plan</li> <li>• Police &amp; Sheriff merger</li> </ul>	<ul style="list-style-type: none"> <li>• Gave new entity all new look</li> <li>• Protected all employee rights &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Confusing array of service districts &amp; tax rates</li> <li>• Reduced staff via attrition</li> </ul>
Merger Outcome	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Enhanced services &amp; growth</li> <li>• Cut costs by 15% by 1968</li> <li>• Operated well for 36 years</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced property taxes by 29% in first 3 years &amp; general taxes in each of first 9 years</li> <li>• Undertook massive CIP</li> </ul>	<ul style="list-style-type: none"> <li>• Limited merger</li> <li>• Increased city population by 50% &amp; enhanced city's image</li> <li>• Greater federal aid</li> </ul>
Other Comments	<ul style="list-style-type: none"> <li>• Entity is both city &amp; county</li> <li>• Council, while unwieldy, was lean compared to prior city (21) &amp; county (55) boards</li> </ul>	<ul style="list-style-type: none"> <li>• Received All-American City designation</li> </ul>	<ul style="list-style-type: none"> <li>• Economic development efforts increased job growth</li> <li>• City continues to enjoy good government reputation</li> </ul>

Note: GSD = General Services District & USD = Urban Services District. Unless otherwise noted, entities with strong mayor form designate mayor as chief executive officer with power to appoint & dismiss department heads, subject to legislative approval. All council districts are single-member districts unless otherwise noted. CAO = Chief Administrative Officer.

## Profiles of Recent City-County Mergers

	<b>Baton Rouge- East Baton Rouge Parish</b>	<b>Lexington-Fayette Urban County, KT</b>	<b>Kansas City- Wyandotte County, KS</b>
<b>Population (1990)</b>	County – 380,100 (63% white) City – 219,500 (53% white)	County – 232,600 (84% white) City – 225,400 (84% white)	County – 162,000 (___% white) City – _____ (___% white)
<b>Population (Merger)</b>	County – 158,200 (67% white) City – 125,600 (72% white)	County – 174,300 (88% white) City – 108,100 (83% white)	County – 160,000 (___% white) City – 147,000 (___% white)
<b>Merger History</b>	<ul style="list-style-type: none"> <li>• Approved (___%) in 1947</li> <li>• Implemented in 1949</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (70% vote) in 1973</li> <li>• Implemented in 1974</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (60% vote) in 1996</li> <li>• Implemented in 1997</li> </ul>
<b>Causal Factors</b>	<ul style="list-style-type: none"> <li>• Growing, unincorporated areas lacked quality services</li> </ul>	<ul style="list-style-type: none"> <li>• Response to growth</li> <li>• Desire to reduce costs</li> </ul>	<ul style="list-style-type: none"> <li>• Grass-roots desire to improve efficiency &amp; public image</li> </ul>
<b>Merger Plan</b>	<ul style="list-style-type: none"> <li>• Merged City of Baton Rouge &amp; East Baton Rouge Parish</li> <li>• Retained suburban cities</li> <li>• Retained appointed Parish Attorney</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; County</li> <li>• Retained elected sheriff, but transferred all law enforcement duties to Police Chief</li> <li>• Established 7 departments</li> <li>• Expanded police &amp; fire services to entire county</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; County</li> <li>• Eliminated elected Treasurer, Clerk, Public Administrator &amp; Surveyor</li> <li>• Retained elected DA, sheriff (as chief law enforcement official) &amp; Register of Deeds</li> </ul>
<b>Government Structure</b>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 12-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints &amp; removes department heads</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 15-member council</li> <li>• Mayor presides over council with veto &amp; tie-breaking vote</li> <li>• Mayor appoints department heads &amp; board members</li> <li>• Council appoints CAO</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 11-member commission</li> <li>• Mayor presides over comm. with veto &amp; tie-breaking vote</li> <li>• Mayor appoints manager subject to council approval</li> <li>• Manager appoints dep't heads, but reports to Mayor</li> </ul>
<b>Elections</b>	<ul style="list-style-type: none"> <li>• Mayor elected at-large</li> <li>• Council elected by district</li> <li>• Staggered 4-year terms with 3-term limit</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year cycle</li> <li>• Mayor elected at-large to 4-year term with 3-term limit</li> <li>• Council elected by district (12) &amp; at-large (3)</li> <li>• 12-year Council term limits</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year cycle</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; at-large (2 nominated from multi-area districts)</li> <li>• Staggered 4-year terms</li> </ul>
<b>Service Districts</b>	<ul style="list-style-type: none"> <li>• USD for Baton Rouge City &amp; Industrial &amp; Rural districts for areas with fewer services</li> <li>• Taxpayers in Rural District may petition to joint USD</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county, full USD for Lexington &amp; partial USD for unincorporated area</li> <li>• Distinct ad valorem tax rate for each service district</li> </ul>	<ul style="list-style-type: none"> <li>• Designated entire county as an "urban area"</li> <li>• Established 2 special service districts for city &amp; county</li> </ul>
<b>Transition Issues</b>	<ul style="list-style-type: none"> <li>• Metro Council being challenged on Voting Rights &amp; 14<sup>th</sup>/15<sup>th</sup> Amendment issues</li> </ul>	<ul style="list-style-type: none"> <li>• New entity assumed all debts of county &amp; city</li> <li>• Protected all employee rights</li> <li>• Established new pension plan</li> </ul>	<ul style="list-style-type: none"> <li>• Communications for 1,600 city &amp; 700 county employees</li> <li>• Just completed pay study to ensure equity (no decreases)</li> </ul>
<b>Merger Outcome</b>	<ul style="list-style-type: none"> <li>• Unknown</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Established new civil service</li> </ul>	<ul style="list-style-type: none"> <li>• Improved services &amp; image</li> <li>• Cut taxes by 11%</li> </ul>
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> city-county merger in 40 years &amp; 1<sup>st</sup> with tax districts &amp; suburban opt out</li> </ul>	<ul style="list-style-type: none"> <li>• Only merged government in Kentucky</li> </ul>	<ul style="list-style-type: none"> <li>• Judges appoint auditor &amp; ethics commission</li> </ul>

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## Profiles of Recent City-County Mergers

	<b>Columbus- Muscookee County, GA</b>	<b>Athens- Clarke County, GA</b>	<b>Augusta- Richmond County, GA</b>
<b>Population (1990)</b>	County – 186,400 (59% white) City – 178,700 (57% white)	County – 88,200 (70% white) City – 45,700 (65% white)	County – 202,400 (57% white) City – 44,600 (42% white)
<b>Population (Merger)</b>	County – 167,400 (74% white) City – 154,100 (74% white)	County – 88,200 (70% white) City – 45,700 (65% white)	County – 202,400 (57% white) City – 44,600 (42% white)
<b>Merger History</b>	<ul style="list-style-type: none"> <li>• Rejected in 1962</li> <li>• Approved (80%) in 1969</li> <li>• Implemented in 1971</li> </ul>	<ul style="list-style-type: none"> <li>• Rejected in 1969, 1972, 1982</li> <li>• Approved (60% vote) in 1990</li> <li>• Implemented in 1991</li> </ul>	<ul style="list-style-type: none"> <li>• Rejected in 1971, 1972, 1976</li> <li>• Approved in 1988 &amp; 1995</li> <li>• Implemented in 1996</li> </ul>
<b>Causal Factors</b>	<ul style="list-style-type: none"> <li>• City annexations</li> <li>• Service &amp; tax duplication</li> <li>• Frequent city-county disputes</li> </ul>	<ul style="list-style-type: none"> <li>• Citizen concerns about costs, growth &amp; quality of life</li> <li>• Chamber of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>• City financial crisis</li> <li>• Service delivery problems</li> <li>• Frequent city-county disputes</li> </ul>
<b>Merger Plan</b>	<ul style="list-style-type: none"> <li>• Merged City of Columbus &amp; Muscookee County</li> <li>• Retained Bibb City &amp; Ft. Benning</li> <li>• Retained elected tax commissioner &amp; sheriff</li> <li>• Established 9 departments</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City of Athens &amp; Clarke County</li> <li>• Retained 2 suburban cities</li> <li>• Retained elected collector, clerk of courts &amp; sheriff (for jail, security &amp; process only)</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Augusta, Richmond County &amp; City of Hephzibah</li> <li>• Retained Town of Blythe</li> <li>• Merged police services (with elected sheriff as chief LEO)</li> <li>• Merged fire services (with City Fire Chief as director)</li> </ul>
<b>Government Structure</b>	<ul style="list-style-type: none"> <li>• Manager-Council form with 11-member council</li> <li>• Mayor appoints manager with council approval</li> <li>• Mayor has no veto power, but may cast tie-breaking vote</li> </ul>	<ul style="list-style-type: none"> <li>• Manager-Council form with 11-member commission</li> <li>• Mayor has veto power &amp; nominates attorney &amp; auditor</li> <li>• Manager hired by commission</li> <li>• Commission confirms auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 10-member council</li> <li>• Mayor has no veto power, but may cast tie-breaking vote</li> <li>• Mayor cannot fire manager without council assent</li> </ul>
<b>Elections</b>	<ul style="list-style-type: none"> <li>• Even-year elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (6) &amp; at-large (4)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan, even-year elections (initially non-partisan)</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; multi-area district (2)</li> <li>• Staggered 4-year terms with 2-term limit (consecutive)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year elections (Mayor is even-year)</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; multi-area district (2)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>
<b>Service Districts</b>	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for area with more services</li> <li>• USD may have higher taxes</li> <li>• Public hearing for USD</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for Athens (higher tax rate)</li> <li>• Tax rates vary by service level</li> </ul>	<ul style="list-style-type: none"> <li>• USD for cities &amp; suburban SD for unincorporated area</li> <li>• Variable tax rates</li> <li>• No new services initially</li> </ul>
<b>Transition Issues</b>	<ul style="list-style-type: none"> <li>• Preserved employee rights</li> <li>• Established new pension plan</li> <li>• Sheriff later transferred patrol functions to Police, but retained investigation</li> </ul>	<ul style="list-style-type: none"> <li>• Different management cultures</li> <li>• Preserved employee rights</li> <li>• Incurred significant transition costs due to pay equity pledge</li> </ul>	<ul style="list-style-type: none"> <li>• US Justice withheld approval</li> <li>• Conducted pay equity study</li> <li>• Equalize pay &amp; benefits</li> <li>• Equalize franchise fees</li> <li>• New tax districts for City debt</li> </ul>
<b>Merger Outcome</b>	<ul style="list-style-type: none"> <li>• Improved minority representation on council</li> <li>• Single property tax bill</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Avoided net cost increase despite pay equalization costs</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Upgraded service &amp; debt rating</li> <li>• Avoided tax increase</li> </ul>
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• If conflict, GSD is county &amp; USD is city</li> </ul>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• Police retained accreditation</li> <li>• 5-year charter review process</li> </ul>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• Charter amendment process</li> <li>• Created 2<sup>nd</sup> largest city in state</li> </ul>

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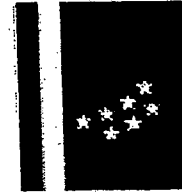
## Profiles of Recent City-County Mergers

	<b>Anchorage-Greater Anchorage Borough, AL</b>	<b>Houma- Terrebonne Parish, LA</b>	<b>Lafayette- Lafayette Parish, LA</b>
<b>Population (1990)</b>	County - 226,300 (___% white) City - _____ (___% white)	Parish - 97,000 (77% white) City - _____ (___% white)	Parish - 164,800 (___% white) City - _____ (___% white)
<b>Population (Merger)</b>	County - (___% white) City - (___% white)	Parish - _____ (___% white) City - _____ (___% white)	Parish - 164,800 (___% white) City - _____ (___% white)
<b>Merger History</b>	<ul style="list-style-type: none"> <li>• Rejected in 1971</li> <li>• Approved (60%) in 1975</li> <li>• Implemented in 1975</li> </ul>	<ul style="list-style-type: none"> <li>• Approved in 1981 (54%)</li> <li>• Implemented in 1984</li> </ul>	<ul style="list-style-type: none"> <li>• Approved in 1992 (64%)</li> <li>• Implemented in 1996</li> </ul>
<b>Causal Factors</b>	<ul style="list-style-type: none"> <li>• Service demands in outlying areas (e.g., boroughs)</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Demands for greater efficiency &amp; responsiveness</li> <li>• Desire for more unified community voice</li> </ul>
<b>Merger Plan</b>	<ul style="list-style-type: none"> <li>• Merged city with 5 boroughs</li> <li>• Boroughs retained governing boards with limited powers</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; Parish</li> <li>• Retained city as legal entity</li> <li>• Home rule charter</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Lafayette City &amp; Parish, but retained other municipalities</li> <li>• Home rule charter</li> </ul>
<b>Government Structure</b>	<ul style="list-style-type: none"> <li>• Strong Mayor-Assembly form</li> <li>• 11-member Assembly with 2 from each borough &amp; 1 from downtown district</li> </ul>	<ul style="list-style-type: none"> <li>• Strong President-Council form with 15-member council</li> <li>• President is CEO with line item veto power</li> </ul>	<ul style="list-style-type: none"> <li>• Strong President-Council form with 10-member council</li> <li>• Retained separate police &amp; Sheriff patrol functions</li> </ul>
<b>Elections</b>	<ul style="list-style-type: none"> <li>• Non-partisan elections</li> <li>• Mayor elected at-large</li> <li>• Assembly elected by district</li> <li>• Staggered 3-year terms</li> <li>• 2-term limit for mayor &amp; 3-term limit for Assembly</li> </ul>	<ul style="list-style-type: none"> <li>• President elected at-large</li> <li>• Council elected by district</li> <li>• 4-year terms</li> <li>• 2 consecutive term limit for President</li> </ul>	<ul style="list-style-type: none"> <li>• President elected at-large</li> <li>• Council elected by district (9)</li> <li>• 4-year terms</li> </ul>
<b>Service Districts</b>	<ul style="list-style-type: none"> <li>• 6 service districts</li> </ul>	<ul style="list-style-type: none"> <li>• USD for Houma for police &amp; fire services</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Transition Issues</b>	<ul style="list-style-type: none"> <li>• Road service areas</li> <li>• Police protection</li> <li>• Borough governance</li> </ul>	<ul style="list-style-type: none"> <li>• Justice Dept. approval</li> <li>• New personnel system</li> <li>• New financial system</li> </ul>	<ul style="list-style-type: none"> <li>• Charter challenged by voter</li> </ul>
<b>Merger Outcome</b>	<ul style="list-style-type: none"> <li>• Improved service delivery</li> <li>• Greater efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Retained current employees</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• No sheriff, only state troopers &amp; local police officers</li> </ul>	<ul style="list-style-type: none"> <li>• Houma is only city in parish</li> <li>• State constitution prohibits charter commission from modifying Sheriff's duties</li> </ul>	<ul style="list-style-type: none"> <li>• City is 60% of parish</li> <li>• Sheriff is a constitutional officer</li> </ul>

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**DURHAM**



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CITY OF MEDICINE

**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

**Appendix C  
Profiles of Recent City-County Mergers**

## Profiles of Recent City-County Mergers

	Metro Nashville- Davidson County	Jacksonville- Duval County	Indianapolis-Marion County (Unigov)
Population (1990)	County – 517,800 (75% white) City – 488,400 (73% white)	County – 700,800 (72% white) City – 635,200 (70% white)	County – 812,800 (77% white) City – 731,300 (75% white)
Population (Merger)	County – 399,700 (62% white) City – 170,900 (81% white)	County – 455,400 (77% white) City – 201,000 (59% white)	County – 793,800 (83% white) City – 744,600 (82% white)
Merger History	<ul style="list-style-type: none"> <li>• Rejected in 1958</li> <li>• Approved (56%) in 1962</li> <li>• Implemented in 1963</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (65%) in 1967</li> <li>• Implemented in 1968</li> </ul>	<ul style="list-style-type: none"> <li>• Enacted by legislature in 1968</li> <li>• Implemented in 1970</li> </ul>
Causal Factors	<ul style="list-style-type: none"> <li>• City annexed 42 square miles (82,000 residents) &amp; enacted suburban wheel tax</li> <li>• Poor water &amp; sewer system</li> </ul>	<ul style="list-style-type: none"> <li>• 80% of city's waste untreated</li> <li>• 180 suburban utilities in poor condition &amp; with high rates</li> <li>• 2/3 of properties not taxed</li> </ul>	<ul style="list-style-type: none"> <li>• Perceived duplication of services &amp; other inefficiencies</li> <li>• Leadership by Mayor Lugar</li> </ul>
Merger Plan	<ul style="list-style-type: none"> <li>• Merged City of Nashville &amp; Davidson County</li> <li>• Retained 6 suburban cities</li> <li>• Retained 6 elected officers (i.e., assessor, collector, clerk, DA, public defender &amp; sheriff)</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Jacksonville, Duval County &amp; 3 special districts</li> <li>• Retained 4 suburban cities</li> <li>• Retained 4 elected officers (i.e., appraiser, collector, elections supervisor &amp; sheriff)</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded Indianapolis' borders to Marion County line</li> <li>• Retained 4 cities, 9 townships &amp; several special districts</li> <li>• Retained 9 elected officers (e.g., auditor, assessor, clerk, DA, treasurer &amp; sheriff)</li> <li>• Established 5 departments</li> </ul>
Government Structure	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 41-member council</li> <li>• Mayor has veto power</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 19-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints manager</li> <li>• Council appoints auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 29-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints department heads subject to council vote</li> </ul>
Elections	<ul style="list-style-type: none"> <li>• Non-partisan elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (35) &amp; at-large (5)</li> <li>• Staggered 4-year terms</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (14) &amp; at-large (5)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan, odd-year elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (25) &amp; at-large (4)</li> <li>• Staggered 4-year terms</li> </ul>
Service Districts	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for Nashville (higher tax rate)</li> <li>• Tax rates for USD set by 3-member Urban Council</li> <li>• USD first expanded in 1972</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county &amp; 5 USDs for cities (higher tax rates)</li> </ul>	<ul style="list-style-type: none"> <li>• Police, Fire &amp; Solid Waste service districts; taxes vary.</li> <li>• Sheriff &amp; volunteer fire departments serve GSD</li> </ul>
Transition Issues	<ul style="list-style-type: none"> <li>• Several legal challenges</li> <li>• Established new pension plan</li> <li>• Police &amp; Sheriff merger</li> </ul>	<ul style="list-style-type: none"> <li>• Gave new entity all new look</li> <li>• Protected all employee rights &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Confusing array of service districts &amp; tax rates</li> <li>• Reduced staff via attrition</li> </ul>
Merger Outcome	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Enhanced services &amp; growth</li> <li>• Cut costs by 15% by 1968</li> <li>• Operated well for 36 years</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced property taxes by 29% in first 3 years &amp; general taxes in each of first 9 years</li> <li>• Undertook massive CIP</li> </ul>	<ul style="list-style-type: none"> <li>• Limited merger</li> <li>• Increased city population by 50% &amp; enhanced city's image</li> <li>• Greater federal aid</li> </ul>
Other Comments	<ul style="list-style-type: none"> <li>• Entity is both city &amp; county</li> <li>• Council, while unwieldy, was lean compared to prior city (21) &amp; county (55) boards</li> </ul>	<ul style="list-style-type: none"> <li>• Received All-American City designation</li> </ul>	<ul style="list-style-type: none"> <li>• Economic development efforts increased job growth</li> <li>• City continues to enjoy good government reputation</li> </ul>

Note: GSD = General Services District & USD = Urban Services District. Unless otherwise noted, entities with strong mayor form designate mayor as chief executive officer with power to appoint & dismiss department heads, subject to legislative approval. All council districts are single-member districts unless otherwise noted. CAO = Chief Administrative Officer.

## Profiles of Recent City-County Mergers

	<b>Baton Rouge- East Baton Rouge Parish</b>	<b>Lexington-Fayette Urban County, KT</b>	<b>Kansas City- Wyandotte County, KS</b>
<b>Population (1990)</b>	County – 380,100 (63% white) City – 219,500 (53% white)	County – 232,600 (84% white) City – 225,400 (84% white)	County – 162,000 (___% white) City – _____ (___% white)
<b>Population (Merger)</b>	County – 158,200 (67% white) City – 125,600 (72% white)	County – 174,300 (88% white) City – 108,100 (83% white)	County – 160,000 (___% white) City – 147,000 (___% white)
<b>Merger History</b>	<ul style="list-style-type: none"> <li>• Approved (___%) in 1947</li> <li>• Implemented in 1949</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (70% vote) in 1973</li> <li>• Implemented in 1974</li> </ul>	<ul style="list-style-type: none"> <li>• Approved (60% vote) in 1996</li> <li>• Implemented in 1997</li> </ul>
<b>Causal Factors</b>	<ul style="list-style-type: none"> <li>• Growing, unincorporated areas lacked quality services</li> </ul>	<ul style="list-style-type: none"> <li>• Response to growth</li> <li>• Desire to reduce costs</li> </ul>	<ul style="list-style-type: none"> <li>• Grass-roots desire to improve efficiency &amp; public image</li> </ul>
<b>Merger Plan</b>	<ul style="list-style-type: none"> <li>• Merged City of Baton Rouge &amp; East Baton Rouge Parish</li> <li>• Retained suburban cities</li> <li>• Retained appointed Parish Attorney</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; County</li> <li>• Retained elected sheriff, but transferred all law enforcement duties to Police Chief</li> <li>• Established 7 departments</li> <li>• Expanded police &amp; fire services to entire county</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; County</li> <li>• Eliminated elected Treasurer, Clerk, Public Administrator &amp; Surveyor</li> <li>• Retained elected DA, sheriff (as chief law enforcement official) &amp; Register of Deeds</li> </ul>
<b>Government Structure</b>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 12-member council</li> <li>• Mayor has veto power</li> <li>• Mayor appoints &amp; removes department heads</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 15-member council</li> <li>• Mayor presides over council with veto &amp; tie-breaking vote</li> <li>• Mayor appoints department heads &amp; board members</li> <li>• Council appoints CAO</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 11-member commission</li> <li>• Mayor presides over comm. with veto &amp; tie-breaking vote</li> <li>• Mayor appoints manager subject to council approval</li> <li>• Manager appoints dep't heads, but reports to Mayor</li> </ul>
<b>Elections</b>	<ul style="list-style-type: none"> <li>• Mayor elected at-large</li> <li>• Council elected by district</li> <li>• Staggered 4-year terms with 3-term limit</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year cycle</li> <li>• Mayor elected at-large to 4-year term with 3-term limit</li> <li>• Council elected by district (12) &amp; at-large (3)</li> <li>• 12-year Council term limits</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year cycle</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; at-large (2 nominated from multi-area districts)</li> <li>• Staggered 4-year terms</li> </ul>
<b>Service Districts</b>	<ul style="list-style-type: none"> <li>• USD for Baton Rouge City &amp; Industrial &amp; Rural districts for areas with fewer services</li> <li>• Taxpayers in Rural District may petition to joint USD</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county, full USD for Lexington &amp; partial USD for unincorporated area</li> <li>• Distinct ad valorem tax rate for each service district</li> </ul>	<ul style="list-style-type: none"> <li>• Designated entire county as an "urban area"</li> <li>• Established 2 special service districts for city &amp; county</li> </ul>
<b>Transition Issues</b>	<ul style="list-style-type: none"> <li>• Metro Council being challenged on Voting Rights &amp; 14<sup>th</sup>/15<sup>th</sup> Amendment issues</li> </ul>	<ul style="list-style-type: none"> <li>• New entity assumed all debts of county &amp; city</li> <li>• Protected all employee rights</li> <li>• Established new pension plan</li> </ul>	<ul style="list-style-type: none"> <li>• Communications for 1,600 city &amp; 700 county employees</li> <li>• Just completed pay study to ensure equity (no decreases)</li> </ul>
<b>Merger Outcome</b>	<ul style="list-style-type: none"> <li>• Unknown</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Established new civil service</li> </ul>	<ul style="list-style-type: none"> <li>• Improved services &amp; image</li> <li>• Cut taxes by 11%</li> </ul>
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> city-county merger in 40 years &amp; 1<sup>st</sup> with tax districts &amp; suburban opt out</li> </ul>	<ul style="list-style-type: none"> <li>• Only merged government in Kentucky</li> </ul>	<ul style="list-style-type: none"> <li>• Judges appoint auditor &amp; ethics commission</li> </ul>

Note: GSD = General Services District & USD = Urban Services District. Unless otherwise noted, entities with strong mayor form designate mayor as chief executive officer with power to appoint & dismiss department heads, subject to legislative approval. All council districts are single-member districts unless otherwise noted. CAO = Chief Administrative Officer.

## Profiles of Recent City-County Mergers

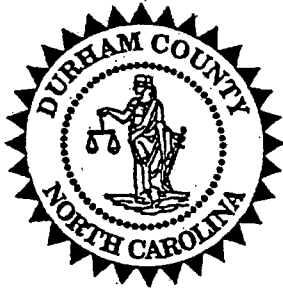
	<b>Columbus- Muscogee County, GA</b>	<b>Athens- Clarke County, GA</b>	<b>Augusta- Richmond County, GA</b>
<b>Population (1990)</b>	County – 186,400 (59% white) City – 178,700 (57% white)	County – 88,200 (70% white) City – 45,700 (65% white)	County – 202,400 (57% white) City – 44,600 (42% white)
<b>Population (Merger)</b>	County – 167,400 (74% white) City – 154,100 (74% white)	County – 88,200 (70% white) City – 45,700 (65% white)	County – 202,400 (57% white) City – 44,600 (42% white)
<b>Merger History</b>	<ul style="list-style-type: none"> <li>• Rejected in 1962</li> <li>• Approved (80%) in 1969</li> <li>• Implemented in 1971</li> </ul>	<ul style="list-style-type: none"> <li>• Rejected in 1969, 1972, 1982</li> <li>• Approved (60% vote) in 1990</li> <li>• Implemented in 1991</li> </ul>	<ul style="list-style-type: none"> <li>• Rejected in 1971, 1972, 1976</li> <li>• Approved in 1988 &amp; 1995</li> <li>• Implemented in 1996</li> </ul>
<b>Causal Factors</b>	<ul style="list-style-type: none"> <li>• City annexations</li> <li>• Service &amp; tax duplication</li> <li>• Frequent city-county disputes</li> </ul>	<ul style="list-style-type: none"> <li>• Citizen concerns about costs, growth &amp; quality of life</li> <li>• Chamber of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>• City financial crisis</li> <li>• Service delivery problems</li> <li>• Frequent city-county disputes</li> </ul>
<b>Merger Plan</b>	<ul style="list-style-type: none"> <li>• Merged City of Columbus &amp; Muscogee County</li> <li>• Retained Bibb City &amp; Ft. Benning</li> <li>• Retained elected tax commissioner &amp; sheriff</li> <li>• Established 9 departments</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City of Athens &amp; Clarke County</li> <li>• Retained 2 suburban cities</li> <li>• Retained elected collector, clerk of courts &amp; sheriff (for jail, security &amp; process only)</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Augusta, Richmond County &amp; City of Hephzibah</li> <li>• Retained Town of Blythe</li> <li>• Merged police services (with elected sheriff as chief LEO)</li> <li>• Merged fire services (with City Fire Chief as director)</li> </ul>
<b>Government Structure</b>	<ul style="list-style-type: none"> <li>• Manager-Council form with 11-member council</li> <li>• Mayor appoints manager with council approval</li> <li>• Mayor has no veto power, but may cast tie-breaking vote</li> </ul>	<ul style="list-style-type: none"> <li>• Manager-Council form with 11-member commission</li> <li>• Mayor has veto power &amp; nominates attorney &amp; auditor</li> <li>• Manager hired by commission</li> <li>• Commission confirms auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Mayor-Council form with 10-member council</li> <li>• Mayor has no veto power, but may cast tie-breaking vote</li> <li>• Mayor cannot fire manager without council assent</li> </ul>
<b>Elections</b>	<ul style="list-style-type: none"> <li>• Even-year elections</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (6) &amp; at-large (4)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>	<ul style="list-style-type: none"> <li>• Partisan, even-year elections (initially non-partisan)</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; multi-area district (2)</li> <li>• Staggered 4-year terms with 2-term limit (consecutive)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-partisan, odd-year elections (Mayor is even-year)</li> <li>• Mayor elected at-large</li> <li>• Council elected by district (8) &amp; multi-area district (2)</li> <li>• Staggered 4-year terms with 2-term (consecutive) limit</li> </ul>
<b>Service Districts</b>	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for area with more services</li> <li>• USD may have higher taxes</li> <li>• Public hearing for USD</li> </ul>	<ul style="list-style-type: none"> <li>• GSD for county &amp; USD for Athens (higher tax rate)</li> <li>• Tax rates vary by service level</li> </ul>	<ul style="list-style-type: none"> <li>• USD for cities &amp; suburban SD for unincorporated area</li> <li>• Variable tax rates</li> <li>• No new services initially</li> </ul>
<b>Transition Issues</b>	<ul style="list-style-type: none"> <li>• Preserved employee rights</li> <li>• Established new pension plan</li> <li>• Sheriff later transferred patrol functions to Police, but retained investigation</li> </ul>	<ul style="list-style-type: none"> <li>• Different management cultures</li> <li>• Preserved employee rights</li> <li>• Incurred significant transition costs due to pay equity pledge</li> </ul>	<ul style="list-style-type: none"> <li>• US Justice withheld approval</li> <li>• Conducted pay equity study</li> <li>• Equalize pay &amp; benefits</li> <li>• Equalize franchise fees</li> <li>• New tax districts for City debt</li> </ul>
<b>Merger Outcome</b>	<ul style="list-style-type: none"> <li>• Improved minority representation on council</li> <li>• Single property tax bill</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Avoided net cost increase despite pay equalization costs</li> </ul>	<ul style="list-style-type: none"> <li>• Retained all employees</li> <li>• Upgraded service &amp; debt rating</li> <li>• Avoided tax increase</li> </ul>
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• If conflict, GSD is county &amp; USD is city</li> </ul>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• Police retained accreditation</li> <li>• 5-year charter review process</li> </ul>	<ul style="list-style-type: none"> <li>• Entity is both a city &amp; county</li> <li>• Charter amendment process</li> <li>• Created 2<sup>nd</sup> largest city in state</li> </ul>

Note: GSD = General Services District & USD = Urban Services District. Unless otherwise noted, entities with strong mayor form designate mayor as chief executive officer with power to appoint & dismiss department heads, subject to legislative approval. All council districts are single-member districts unless otherwise noted. CAO = Chief Administrative Officer.

## Profiles of Recent City-County Mergers

	Anchorage-Greater Anchorage Borough, AL	Houma- Terrebonne Parish, LA	Lafayette- Lafayette Parish, LA
Population (1990)	County - 226,300 (___% white) City - _____ (___% white)	Parish - 97,000 (77% white) City - _____ (___% white)	Parish - 164,800 (___% white) City - _____ (___% white)
Population (Merger)	County - (___% white) City - (___% white)	Parish - _____ (___% white) City - _____ (___% white)	Parish - 164,800 (___% white) City - _____ (___% white)
Merger History	<ul style="list-style-type: none"> <li>• Rejected in 1971</li> <li>• Approved (60%) in 1975</li> <li>• Implemented in 1975</li> </ul>	<ul style="list-style-type: none"> <li>• Approved in 1981 (54%)</li> <li>• Implemented in 1984</li> </ul>	<ul style="list-style-type: none"> <li>• Approved in 1992 (64%)</li> <li>• Implemented in 1996</li> </ul>
Causal Factors	<ul style="list-style-type: none"> <li>• Service demands in outlying areas (e.g., boroughs)</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Demands for greater efficiency &amp; responsiveness</li> <li>• Desire for more unified community voice</li> </ul>
Merger Plan	<ul style="list-style-type: none"> <li>• Merged city with 5 boroughs</li> <li>• Boroughs retained governing boards with limited powers</li> </ul>	<ul style="list-style-type: none"> <li>• Merged City &amp; Parish</li> <li>• Retained city as legal entity</li> <li>• Home rule charter</li> </ul>	<ul style="list-style-type: none"> <li>• Merged Lafayette City &amp; Parish, but retained other municipalities</li> <li>• Home rule charter</li> </ul>
Government Structure	<ul style="list-style-type: none"> <li>• Strong Mayor-Assembly form</li> <li>• 11-member Assembly with 2 from each borough &amp; 1 from downtown district</li> </ul>	<ul style="list-style-type: none"> <li>• Strong President-Council form with 15-member council</li> <li>• President is CEO with line item veto power</li> </ul>	<ul style="list-style-type: none"> <li>• Strong President-Council form with 10-member council</li> <li>• Retained separate police &amp; Sheriff patrol functions</li> </ul>
Elections	<ul style="list-style-type: none"> <li>• Non-partisan elections</li> <li>• Mayor elected at-large</li> <li>• Assembly elected by district</li> <li>• Staggered 3-year terms</li> <li>• 2-term limit for mayor &amp; 3-term limit for Assembly</li> </ul>	<ul style="list-style-type: none"> <li>• President elected at-large</li> <li>• Council elected by district</li> <li>• 4-year terms</li> <li>• 2 consecutive term limit for President</li> </ul>	<ul style="list-style-type: none"> <li>• President elected at-large</li> <li>• Council elected by district (9)</li> <li>• 4-year terms</li> </ul>
Service Districts	<ul style="list-style-type: none"> <li>• 6 service districts</li> </ul>	<ul style="list-style-type: none"> <li>• USD for Houma for police &amp; fire services</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Transition Issues	<ul style="list-style-type: none"> <li>• Road service areas</li> <li>• Police protection</li> <li>• Borough governance</li> </ul>	<ul style="list-style-type: none"> <li>• Justice Dept. approval</li> <li>• New personnel system</li> <li>• New financial system</li> </ul>	<ul style="list-style-type: none"> <li>• Charter challenged by voter</li> </ul>
Merger Outcome	<ul style="list-style-type: none"> <li>• Improved service delivery</li> <li>• Greater efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Retained current employees</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Other Comments	<ul style="list-style-type: none"> <li>• No sheriff, only state troopers &amp; local police officers</li> </ul>	<ul style="list-style-type: none"> <li>• Houma is only city in parish</li> <li>• State constitution prohibits charter commission from modifying Sheriff's duties</li> </ul>	<ul style="list-style-type: none"> <li>• City is 60% of parish</li> <li>• Sheriff is a constitutional officer</li> </ul>

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**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

**Appendix D  
Service District Matrices**

## Preliminary Service District Matrices

### Matrix of Potential Service Districts

District	Service Area	Programs or Services	Comments
General Service District	Entire county	Legislative & public affairs Corporate management Econ. development (regional) Financial management Health & human services (including human relations) Cooperative extension Soil & water conservation Civic Center & Athletic Park Open space & forestry mgt. Cultural & educational Medical examiner Emergency medical services Emergency communications Emergency management Animal control Judicial administration Judicial support (Sheriff) Water supply Wastewater treatment	Allocate current county taxes to GSD? Allocate service charges for self-supporting enterprise funds (e.g., water & sewer) to GSD or USD No. 2? Allocate debt for Civic Center & Athletic Park to GSD or USD No. 2?
Urban Service District No. 1	Entire County except Town of Chapel Hill	Planning & zoning Building inspections Solid waste disposal Solid waste management	Exclude part of former City of Durham in Orange County
Urban Service District No. 2	Former City of Durham (incorporated part of Durham County, excluding Town of Chapel Hill)	Econ. development (urban) Housing & community development Parks & recreation Law enforcement (urban) NECD target sweep initiative Fire services (urban) Public works (urban) Transportation (urban) Sanitation Storm water management	
Urban Service District No. 3	Entire County except former City of Durham & Town of Chapel Hill	Law enforcement (rural) Fire services (rural)	
Urban Service District No. 4	Part of former City of Durham in Orange County	All services performed by former City of Durham allocated to GSD or USD No. 1	
Urban Service District No. 5	Research Triangle Park	To be determined	Determine current service needs & levels
Urban Service District No. 6	Town of Chapel Hill within Durham County	To be determined	Determine current service needs & levels

Note: Possible service allocation decisions are highlighted in bold. Education & community college programs would be allocated to the GSD.



## Preliminary Service District Matrices

### Matrix of Revenues by Government

Revenue Source	Comments	City FY98	County FY98
<b>General Government Fund Revenues</b>			
Real property tax			
• General property tax	Different rate allowed for USD	\$54,943	\$124,159
• Special district taxes	Primarily fire district taxes	<u>0</u>	<u>2,613</u>
Subtotal		54,943	126,772
Sales tax (local option)	Allocate per capita or ad valorem	19,934	27,113
Other local taxes:			
• Intangibles tax	Allocate on ad valorem basis	1,459	3,069
• Occupancy taxes	City receives 25.5%	1,210	3,535
• Animal taxes	County tax only	<u>0</u>	<u>247</u>
Subtotal		2,669	6,851
Licenses & permits			
• Development permits	Construction-related permits	2,432	1,301
• Cable TV franchise fees	Cable franchise administrative fees	913	311
• Other license & permit fees	Mostly business license fees	<u>944</u>	<u>36</u>
Subtotal		4,290	1,648
Intergovernmental revenues			
• Federal & state grants	See grants matrix (Exhibit 1)	6,419	44,959
• Utility franchise tax	City receives 3% of gross receipts	5,504	0
• Gasoline tax	75% per capita & 25% per mile	4,695	0
• Beer & wine tax	Per capita distribution	652	154
• Alcoholic Beverage Control tax	City receives 20% of profits	39	0
• Tax exemption reimbursement	15% of Homestead exemption	68	0
• Inventory tax credit	80% ad valorem & 20% per capita	2,047	0
• Other agencies	City receives funds from County	<u>1,729</u>	<u>3,141</u>
Subtotal		21,153	48,254
Service charges			
• General government fees	Deed & tax collection fees	0	3,709
• Development fees	Planning & inspection fees	1,389	0
• Public protection fees	EMS & fire inspection fees	2,181	2,221
• Recreation fees	Program activity fees	1,267	0
• Health & welfare fees	Mental & public health fees	0	4,881
• Other charges	Cemetery & library fees	<u>380</u>	<u>703</u>
Subtotal		5,217	11,514
Investment & rental		3,330	4,291
Other revenue	Asset sales & cafeteria plan revenues	6,385	6,530
<b>Totals</b>		<b>\$117,921</b>	<b>\$232,974</b>

Note: Data obtained from FY98 CAFRs. All revenues presented in thousands. The County's federal & state grant revenues exclude the public assistance pass-through (\$121.6 million). The County's intergovernmental revenues from other agencies (\$3,141,000) included a wide variety of funding sources (e.g., FEMA).

## Preliminary Service District Matrices

### Matrix of Revenues (cont.)

Revenue Source	Comments	City FY98	County FY98
<b>Enterprise fund revenues</b>			
Service charges	Mostly water & sewer charges	\$55,812	\$2,116
Taxes	Taxes allocated to Civic Center	837	0
Intergovernmental	Mostly transit grants	2,579	0
Investment & rental	Mostly utility fund earnings	3,678	1,005
Other revenue	Mostly utility impact or tap fees	5,199	2,283
Interest & fiscal charges	Proportionate distribution	(11,574)	(1,279)
Totals		\$56,430	\$4,125
<b>Internal service fund revenues</b>			
Service charges	Charges for various funds.	\$12,267	\$632
Investment & rental		2,717	70
Other revenue		(32)	0
Interest & fiscal charges		(1,931)	0
Totals		\$13,021	\$702

Note: Data obtained from FY98 CAFRs. All revenues presented in thousands. While it is customary to distinguish enterprise fund operating revenues (e.g., service charges) from non-operating revenues (e.g., investment), all enterprise fund revenues are shown above without regard to this distinction.

### Estimated Percent of Federal & State Grant Revenues by Source

Revenue Source/Program	Comments	City %	County %
<b>Federal</b>			
Social services (HHS & Agric.)	County is conduit for TANF, Medicaid & food stamps)	1.4%	74.2%
Job development & training (Labor)	Pass-through JTPA grant	3.0%	0.0%
Mental health (HHS)		0.0%	19.7%
Housing & development (HUD)	Direct Entitlement & Home Investment Partnership grants	16.1%	0.0%
Law enforcement (Justice)	Direct Domestic Violence & Law Enforcement Block grants	4.1%	0.0%
Transportation (DOT FTA)	Direct operating & capital grants for transit system (\$9 & \$104)	42.8%	0.0%
Public health		0.0%	3.8%
Other		0.2%	2.3%
Subtotal - Federal		67.6%	100.0%
<b>State</b>			
Transportation (NCDOT)	Portion of Powell Bill earmarked for streets	31.6%	
Other	City receives some drug grants	0.8%	
Subtotal - State		32.4%	
Totals		100.0%	

Note: City grant percentages derived from FY98 Single Audit Report. City receives small direct human services grant for Durham Community Coalition. Since we did not obtain a complete distribution of County grant revenues by source, all County grant revenues are shown as federal grant revenues.



**Preliminary Service District Matrices**  
**Schedule of Durham County Obligations**

<b>Fund/Debt Type/Purpose</b>	<b>Year Issued</b>	<b>Year Matures</b>	<b>Debt at FY98</b>
<b>General Government Funds</b>			
<b>General Obligation Bonds</b>			
Public improvements (mostly school facilities)	1992	2011	\$58,905
Public improvements (mostly school facilities)	1992	2010	45,238
Civic Center	1993	2004	13,279
Public improvements (miscellaneous)	1993	2013	20,010
Public improvements (miscellaneous)	1994	2013	<u>22,415</u>
Subtotal			159,847
<b>Contracts Payable</b>			
COP – Hospital & Visitors Bureau	1994	2017	\$27,535
COP – Detention Center Refunding	1997	2014	37,665
Other financing contracts	Unknown	Unknown	<u>7,022</u>
Subtotal			72,222
<b>Other Obligations</b>			
Capital lease obligations			217
Earned vacation pay			3,114
Industrial Utility Extension obligations			<u>1,414</u>
Subtotal			4,745
<b>Total – Government Fund Debt</b>			
<b>Enterprise Funds</b>			
<b>General Obligation Bonds</b>			
Water & sewer facilities and other improvements	1992	2012	\$10,470
Water & sewer facilities and other improvements	1992	2010	11,187
Water & sewer facilities and other improvements	1993	2004	1,121
Water & sewer facilities and other improvements	1993	2013	<u>1,690</u>
Subtotal			24,468
<b>Other Obligations</b>			
Industrial Utility Extension obligations			279
<b>Total – Enterprise Fund Debt</b>			
			\$24,747
<b>Total County Long-Term Debt</b>			<b>\$261,561</b>



**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

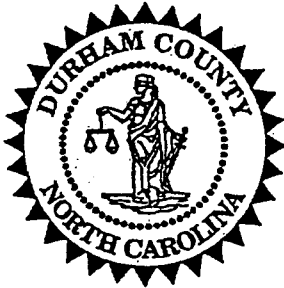
**Appendix E  
Voter Precinct Maps & Data**

## Preliminary Service District Matrices

### Schedule of City of Durham Obligations

Fund/Debt Type/Purpose	Year Issued	Year Matures	Debt at FY98
<b>General Government Funds</b>			
General Obligation Bonds			
Streets	Unknown	Unknown	\$19,265
Housing & development	Unknown	Unknown	18,834
Parks & recreation	Unknown	Unknown	7,524
Public protection	Unknown	Unknown	<u>2,301</u>
Subtotal			47,924
Mortgage Revenue Bonds			
Urban redevelopment (Durham Hosiery Mill project)	Unknown	Unknown	5,300
Contracts Payable			
COPs Fire Station #2 & Public Works Center	1991/1996	Unknown	5,120
Police HQ refunding	1996	Unknown	2,905
COPs Multi-purpose	1991/1997	Unknown	<u>8,449</u>
Subtotal			16,474
Other Obligations			
Earned vacation pay			259
Capital lease obligations & notes payable			<u>4,288</u>
Subtotal			4,547
<b>Total – Government Fund Debt</b>			<b>74,246</b>
<b>Enterprise Funds</b>			
General Obligation Bonds			
Water & sewer fund	Unknown	Unknown	\$108,590
Solid waste management fund	Unknown	Unknown	24,334
Civic Center fund	Unknown	Unknown	7,174
Transit fund	Unknown	Unknown	<u>563</u>
Subtotal			140,661
Revenue Bonds			
Water & sewer revenue bonds	1994	2016	14,520
Water & sewer revenue bonds	1998	2018	<u>16,765</u>
Subtotal			31,285
Contracts Payable			
COP – parking facilities	1991	2011	9,265
COP – Ballpark Fund	1992	2014	<u>9,475</u>
Subtotal			18,740
Other Obligations			
Accrued compensated absences			1,057
Notes payable to NCDOT (ROW & construction notes)			263
Notes payable to NC (N. Durham Water Reclam. Facility)			12,000
Notes payable to Durham County (water & sewer assets)			<u>29,448</u>
Subtotal			42,687
<b>Total – Enterprise Fund Debt</b>			<b>\$233,453</b>
<b>Internal Service Funds</b>			
Contracts Payable			
COP – Claims & risk management	1993	2007	20,800
COP – Claims & risk management	1993	2007	10,300
COP – Central radio, central fleet & fire fleet			<u>10,131</u>
Subtotal			41,231
Other Obligations - Accrued compensated absences			
			416
<b>Total – Internal Service Fund Debt</b>			<b>\$41,647</b>
<b>Total City Long-Term Debt</b>			<b>\$349,346</b>

Note: While overall debt numbers were obtained from FY98 CAFR documents, the allocation of general obligation debt to specific instruments or programs was in some cases estimated based on budget data.



**DURHAM**

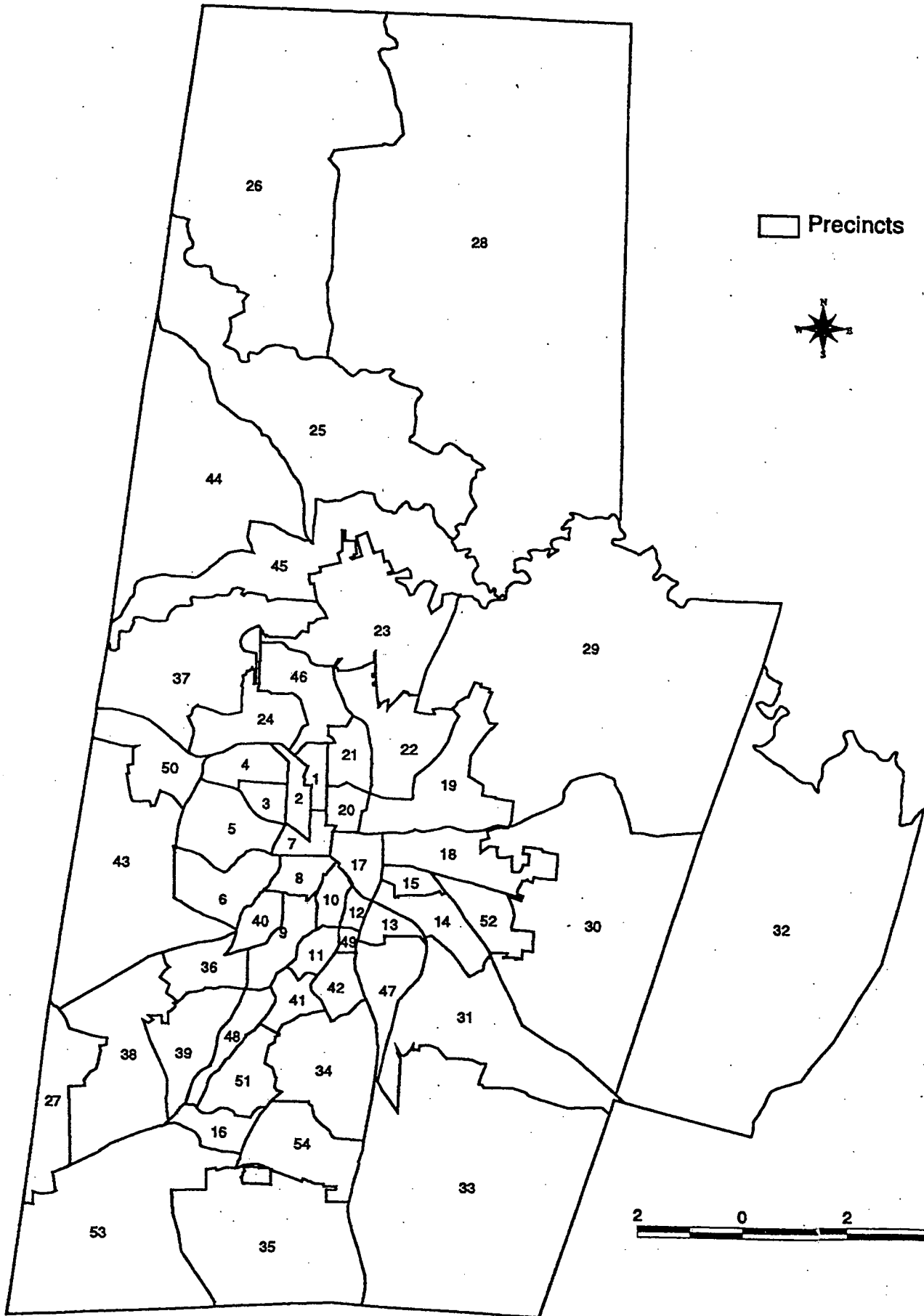


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**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

**Appendix E  
Voter Precinct Maps & Data**

# Durham County Electoral Precincts



Please Note: This map is not a legally binding document. The boundaries depicted here are drawn to as precise a degree of accuracy as is currently possible but may contain some degree of error. For official rulings on matters concerning election precincts please consult Board of Elections staff.



Durham City-County Voter Registration Data - December, 1998

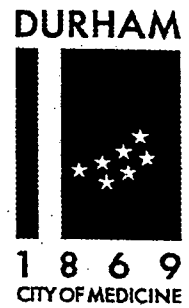
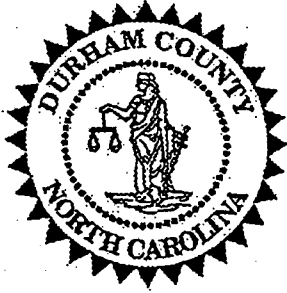
Area/Precinct	Dem	GOP	Other	White	Black	Ind.	Asian	Other	Total
Durham City - Northwest	7,298	3,870	1,856	10,917	1,842	15	132	118	13,024
(24, 37-1, 44-1, 45-1, 46)	56%	30%	14%	84%	14%	0%	1%	1%	
Durham City - Northeast	6,956	1,830	1,322	4,940	4,931	15	77	145	10,108
(21, 22, 23-1, 25-1, 28-1)	69%	18%	13%	49%	49%	0%	1%	1%	
Durham City - Downtown West	8,970	1,775	2,395	8,497	3,951	28	286	378	13,140
(1, 2, 3, 4, 7, 17, 20)	68%	14%	18%	65%	30%	0%	2%	3%	
Durham City - Downtown East	9,679	2,184	1,743	5,572	7,729	17	86	202	13,606
(14, 15, 18, 19, 30-1, 31-1, 52)	71%	16%	13%	41%	57%	0%	1%	1%	
Durham City - Central West	8,479	2,176	2,768	8,344	4,288	23	390	378	13,423
(5, 6, 8, 9, 40)	63%	16%	21%	62%	32%	0%	3%	3%	
Durham City - Central East	12,228	388	1,136	145	13,322	15	52	218	13,752
(10, 11, 12, 13, 41, 42, 47, 49)	89%	3%	8%	1%	97%	0%	0%	2%	
Durham City - Southwest	7,398	4,700	3,193	12,715	2,035	17	332	192	15,291
(16, 27-1, 38-1, 39, 48, 53-1)	48%	31%	21%	83%	13%	0%	2%	1%	
Durham City - Southeast	8,485	3,959	3,160	10,346	4,704	30	322	202	15,604
(33-1, 34, 35-1, 51, 54-1)	54%	25%	20%	66%	30%	0%	2%	1%	
Durham City - West	6,252	3,113	2,361	9,327	1,937	11	256	195	11,726
(36, 43-1, 50)	53%	27%	20%	80%	17%	0%	2%	2%	
County Precincts	6,186	4,178	1,480	10,282	1,384	8	79	91	11,844
Durham County - North	6,186	4,178	1,480	10,282	1,384	8	79	91	11,844
(23, 25-3, 26, 28, 37, 44, 45)	52%	35%	12%	87%	12%	0%	1%	1%	
Durham County - East	4,463	2,717	1,023	6,991	1,093	11	37	71	8,203
(29, 30, 31, 32)	54%	33%	12%	85%	13%	0%	0%	1%	
Durham County - South	909	406	256	1,188	330	2	28	23	1,571
(33, 35, 53, 54)	58%	26%	16%	76%	21%	0%	2%	1%	
Durham County - West	1,616	929	589	2,795	201	4	82	52	3,134
(27, 38, 43)	52%	30%	19%	89%	6%	0%	3%	2%	
Total Registered Voters	75,745	23,995	19,934	70,803	44,739	171	1,933	2,028	119,674
Durham City	13,174	8,230	3,348	21,256	3,008	25	226	237	24,752
Durham County (unincorp.)	88,919	32,225	23,282	92,059	47,747	196	2,159	2,265	144,426
Total City-County Registration	102,093	40,455	26,630	113,315	51,755	211	2,385	2,505	169,180
Composite Percentages									
Durham City	63%	20%	17%	59%	37%	0%	2%	2%	
Durham County (unincorp.)	53%	33%	14%	86%	12%	0%	1%	1%	
Durham County (total)	62%	22%	16%	64%	33%	0%	1%	2%	

**Durham City-County Voter Registration Data - December, 1998**

Precinct No./Site	Area	Dem	GOP	Other	Male	Female	White	Black	Ind.	Asian	Other	Total	
<b>Durham City - Northwest</b>													
24	Hilldale Lrng. Ctr	N. of I-85, W. of 501	2,094	1,080	512	1,521	2,165	2,969	661	2	26	28	3,686
37-1	Cole Mill Rd. Church	N. of I-85, W. of 501	1,955	1,204	526	1,748	1,937	3,457	147	4	47	30	3,685
44-1	Carrington MS.	N. of I-85, W. of 501	83	39	28	69	81	94	55	0	0	1	150
45-1	Eno Valley-Holt Gym	N. of I-85, W. of 501	1,123	594	219	910	1,026	1,762	149	4	12	9	1,936
46	Johnson Comm. Ctr.	N. of I-85, W. of 501	2,043	953	571	1,519	2,048	2,635	830	5	47	50	3,567
			7,298	3,870	1,856	5,767	7,257	10,917	1,842	15	132	118	13,024
			56%	30%	14%	44%	56%	84%	14%	0%	1%	1%	
<b>Durham City - Northeast</b>													
21	Club Blvd. School	N. of I-85, W. of 501	1,229	397	295	787	1,134	1,544	316	4	20	37	1,921
22	VPW Post 2740	N. of I-85, E. of 501	2,789	362	425	1,370	2,206	960	2,546	5	23	42	3,576
23-1	Homestead Hts Gym	N. of I-85, E. of 501	2,783	827	511	1,717	2,404	2,002	2,029	5	26	59	4,121
25-1	Northern High School	N. of I-85, E. of 501	23	11	4	16	22	30	7	0	0	1	38
28-1	Mangum School	N. of I-85, E. of 501	132	233	87	219	233	404	33	1	8	6	452
			6,956	1,830	1,322	4,109	5,999	4,940	4,931	15	77	145	10,108
			69%	18%	13%	41%	59%	49%	49%	0%	1%	1%	
<b>Durham City - Downtown West</b>													
1	Brogden Middle School	N. of 147, E. of 55	816	261	187	533	731	954	271	3	12	24	1,264
2	Watts Street School	N. of 147, E. of 55	1,729	435	750	1,385	1,529	1,878	740	10	151	135	2,914
3	Powe School	N. of 147, E. of 55	1,045	216	312	702	871	1,385	112	2	29	45	1,573
4	NC Science & Math	N. of 147, E. of 55	1,050	286	195	688	843	1,440	56	1	10	24	1,531
7	Durham Magnet Ctr	N. of 147, E. of 55	1,173	229	414	871	945	1,389	314	3	43	67	1,816
17	Main Library	N. of 147, E. of 55	1,710	102	192	823	1,181	141	1,810	7	8	38	2,004
20	Agricultural Bldg.	N. of 147, E. of 55	1,447	246	345	917	1,121	1,310	648	2	33	45	2,038
			8,970	1,775	2,395	5,919	7,221	8,497	3,951	28	286	378	13,140
			68%	14%	18%	45%	55%	65%	30%	0%	2%	3%	
<b>Durham City - Downtown East</b>													
14	Smith School	Between 70 & 55	1,610	244	206	814	1,246	533	1,462	2	6	57	2,060
15	Mt. Calvary Gym	Between 70 & 55	982	137	147	530	736	347	887	2	7	23	1,266
18	Holloway St. School	Bisected by 70	3,298	476	479	1,703	2,550	1,036	3,141	3	25	48	4,253
19	Amer. Legion Post 7	At I-85 & 70	1,553	411	411	1,048	1,327	1,320	991	5	26	33	2,375
30-1	Oak Grove School	NE. of 70	373	181	121	339	336	394	268	1	5	7	675
31-1	Bethesda Ruritan Club	Between 70 & 147	938	547	257	815	927	1,490	223	3	10	16	1,742
52	Evangel Church	NE. of 70	925	188	122	460	775	452	757	1	7	18	1,235
			9,679	2,184	1,743	5,709	7,897	5,572	7,729	17	86	202	13,606
			71%	16%	13%	42%	58%	41%	57%	0%	1%	1%	
<b>Durham City - Central West</b>													
5	Patterson Rec Ctr	Btwn. 147 & Cornwallis	2,655	943	1,516	2,481	2,633	3,175	1,411	6	287	235	5,114
6	Lakewood School	Btwn. 147 & Cornwallis	1,399	266	308	934	1,039	1,257	648	2	32	34	1,973
8	Morehead School	Btwn. 147 & Cornwallis	1,550	148	271	803	1,166	741	1,147	2	24	55	1,969
9	Forest Hills Club Hse.	Btwn. 147 & Cornwallis	1,719	479	348	1,082	1,464	1,753	727	7	25	34	2,546
40	Rogers-Herr MS	Btwn. 147 & Cornwallis	1,156	340	325	822	999	1,418	355	6	22	20	1,821
			8,479	2,176	2,768	6,122	7,301	8,344	4,288	23	390	378	13,423
			63%	16%	21%	46%	54%	62%	32%	0%	3%	3%	
<b>Durham City - Central East</b>													
10	Spaulding School	S. of 147	1,223	42	127	561	831	29	1,334	3	7	19	1,392
11	Weaver St. Com. Ctr.	At Weaver & Cornwallis	1,644	50	123	683	1,134	17	1,764	1	3	32	1,817
12	Pearson School	At 55 & 147	1,238	40	134	413	999	14	1,372	1	3	22	1,412
13	Burton School	At 55 & 147	1,192	50	126	468	900	11	1,324	2	4	27	1,368
41	White Rock Church	At Cook & Cornwallis	1,363	42	76	589	892	8	1,450	0	5	18	1,481
42	Shepard Middle School	At 55 & Riddle	1,090	34	85	516	693	10	1,171	1	4	23	1,209
47	Holmes Sr. Rec. Ctr.	At 55 & Riddle	1,732	65	125	760	1,162	45	1,843	1	6	27	1,922
49	Shepard Mem. Library	At 55 & Cooper	2,746	65	340	1,095	2,056	11	3,064	6	20	50	3,151
			12,228	388	1,136	5,085	8,667	145	13,322	15	52	218	13,752
			89%	3%	8%	37%	63%	1%	97%	0%	0%	2%	

**Durham City-County Voter Registration Data - December, 1998**

Precinct No./Site	Area	Dem	GOP	Other	Male	Female	White	Black	Ind.	Asian	Other	Total	
<b>Durham City - Southwest</b>													
16	Holy Infant Church	At 54 & Fayetteville	1,027	757	512	1,056	1,240	1,969	245	3	58	21	2,296
27-1	Githens Middle School	W. of I-40	298	177	116	244	347	526	42	0	11	12	591
38-1	Hope Valley Church	At 54 & Garrett	1,915	1,220	912	1,904	2,143	3,202	662	4	114	65	4,047
39	Parish Hall	At Garrett & Hapel Hill	1,691	872	398	1,401	1,560	2,447	431	4	43	36	2,961
48	Christ the King Church	City	1,015	476	310	774	1,027	1,325	419	4	27	26	1,801
53-1	Triangle Church	Southwest corner	1,452	1,198	945	1,611	1,984	3,246	236	2	79	32	3,595
			7,398	4,700	3,193	6,990	8,301	12,715	2,035	17	332	192	15,291
			48%	31%	21%	46%	54%	83%	13%	0%	2%	1%	
<b>Durham City - Southeast</b>													
33-1	Nelson Comm. Ctr.	Southeast corner	289	188	120	296	301	487	86	2	10	12	597
34	Pearsontown School	At Cornwallis & 55	2,930	699	721	1,912	2,438	1,768	2,451	6	67	58	4,350
35-1	Self Discovery Ctr.	S. of I-40	1,711	894	582	1,454	1,733	2,451	620	12	63	41	3,187
51	Southwest ES	At Cook & Fayetteville	1,880	1,243	900	1,765	2,258	3,304	555	6	109	49	4,023
54-1	Christus Victor Church	At I-40 & 55	1,675	935	837	1,534	1,913	2,336	992	4	73	42	3,447
			8,485	3,959	3,160	6,961	8,643	10,346	4,704	30	322	202	15,604
			54%	25%	20%	45%	55%	66%	30%	0%	2%	1%	
<b>Durham City - West</b>													
36	Southwest Library	At Chapel Hill & 15-501	2,426	933	901	1,897	2,363	2,723	1,373	5	92	67	4,260
43-1	Forest View ES	W. of 15-501	1,916	1,087	606	1,574	2,035	3,377	114	1	63	54	3,609
50	McMannen Church	W. of 15-501	1,910	1,093	854	1,822	2,035	3,227	450	5	101	74	3,857
			6,252	3,113	2,361	5,293	6,433	9,327	1,937	11	256	195	11,726
			53%	27%	20%	45%	55%	80%	17%	0%	2%	2%	
<b>Durham County - North</b>													
23-2	Homestead Hts Gym	N. of I-85	409	38	34	210	271	64	410	0	0	7	481
25-3	Northern High School	N. of I-85	1,511	1,099	344	1,422	1,532	2,737	169	2	25	21	2,954
26	Bahama-Rougemont FS	N. of I-85	610	406	115	530	601	992	127	2	8	2	1,131
28-4	Mangum School	N. of I-85	912	640	223	844	931	1,583	172	1	9	10	1,775
37-2	Cole Mill Rd. Church	N. of I-85	15	10	5	17	13	28	1	0	1	0	30
44-3	Carrington MS	N. of I-85	2,056	1,503	611	2,006	2,164	3,700	402	2	30	36	4,170
45-3	Eno Valley-Holt Gym	N. of I-85	673	482	148	636	667	1,178	103	1	6	15	1,303
			6,186	4,178	1,480	5,665	6,179	10,282	1,384	8	79	91	11,844
			52%	35%	12%	48%	52%	87%	12%	0%	1%	1%	
<b>Durham County - East</b>													
29	Gorman Ruritan Club	Bisected by I-85	1,636	991	318	1,349	1,596	2,637	273	5	10	20	2,945
30-5	Oak Grove School	NE. of 70	1,860	1,099	471	1,556	1,874	2,650	722	5	20	33	3,430
31-5	Bethesda Ruritan Club	Bisected by 147	300	150	73	227	296	492	26	0	2	3	523
32	Neal Middle School	Far east county	667	477	161	600	705	1,212	72	1	5	15	1,305
			4,463	2,717	1,023	3,732	4,471	6,991	1,093	11	37	71	8,203
			54%	33%	12%	45%	55%	85%	13%	0%	0%	1%	
<b>Durham County - South</b>													
33-7	Nelson Comm. Ctr.	Southeast corner	100	50	19	82	87	159	10	0	0	0	169
35-7	Self Discovery Ctr.	S. of I-40	683	320	204	567	640	885	280	2	22	18	1,207
53-7	Triangle Church	Southwest corner	118	28	28	81	93	129	36	0	4	5	174
54-3	Christus Victor Church	At I-40 & 55	8	8	5	13	8	15	4	0	2	0	21
			909	406	256	743	828	1,188	330	2	28	23	1,571
			58%	26%	16%	47%	53%	76%	21%	0%	2%	1%	
<b>Durham County - West</b>													
27-7	Githens Middle School	W. of I-40	1,019	706	441	982	1,184	1,921	150	2	60	33	2,166
38-7	Hope Valley Church	At 54 & Garrett	144	52	30	112	114	199	15	0	4	8	226
43-7	Forest View ES	W. of 15-501	453	171	118	355	387	675	36	2	18	11	742
			1,616	929	589	1,449	1,685	2,795	201	4	82	52	3,134
			52%	30%	19%	46%	54%	89%	6%	0%	3%	2%	
<b>Summary</b>													
Precinct No./Site		Area	Dem	GOP	Other	Male	Female	White	Black	Ind.	Asian	Other	Total
<b>Registered Voters</b>													
Durham City			75,745	23,995	19,934	51,955	67,719	70,803	44,739	171	1,933	2,028	119,674
Durham County (unincorp.)			13,174	8,230	3,348	11,589	13,163	21,256	3,008	25	226	237	24,752
<b>Total City-County Registration</b>			<b>88,919</b>	<b>32,225</b>	<b>23,282</b>	<b>63,544</b>	<b>80,882</b>	<b>92,059</b>	<b>47,747</b>	<b>196</b>	<b>2,159</b>	<b>2,265</b>	<b>144,426</b>
<b>Composite Percentages</b>													
Durham City			63%	20%	17%	43%	57%	59%	37%	0%	2%	2%	
Durham County (unincorp.)			53%	33%	14%	47%	53%	86%	12%	0%	1%	1%	
Durham County (total)			62%	22%	16%	44%	56%	64%	33%	0%	1%	2%	



**Durham City-County Consolidation  
Citizen Task Force Review Final Report**

**Appendix F  
Minority Reports**

# Merged-City County Governing Body Proposal

by

F. V. (Pete) Allison, Jr.

I am still convinced that any merged government for Durham County will actually cost the taxpayers MORE than the present governmental setup. I am equally concerned that the major push for merger-government is the disenfranchisement of minority groups in the electorate, in particular, African-American citizens. I am very apprehensive that merger may be used a disguise to erase the hard fought gains African-Americans have made since the eradication of segregation.

Anticipating that the above concerns will be thoroughly addressed before any merger will occur, I am proposing the following governmental structure for a merged government.

## AT LARGE

Seven (7) Members  
Partisan  
Even Years  
Two (2) Year Terms

## PURE WARDS

Five (5) Members  
Two (2) Predominantly Black  
Two (2) Predominantly White  
One (1) Even  
PARTISAN Four (4) Year Teams EVEN YEARS

## MAYOR

Partisan  
Two (2) Year Team

Even Years

*COMMENTARY*

1. All elected offices will be partisan. This will allow for there to be some platform or discernable set of principles by which the PUBLIC may define the candidates. The candidates will be linked to the party of their registration. Unless articulated otherwise, the candidates will be deemed to be advocates for the policies of their party. This will allow the candidates to more clearly and effectively articulate their messages. This will also avoid the current situation where due to political action committee endorsements, the candidates do not have to commit to any specific policies or issues.

2. The elections should be held on even year with the effective terms as noted. This requirement allows for the most participation by the electorate. Historically, more voters come to the polls during the State and National elections than on odd year balloting. This provision also allows the political parties to have more influence in local elections, since turnout for their respective candidates will be greater. For example, it would not be difficult to imagine that because of a strong Republican candidate for President, the Republican party could win a majority of seats on the merged governing board.

Equally important is the fact that the taxpayers will be saved the additional cost of paying for an off year election. Currently the cost of off year elections is \$50,000. This cost will be totally eliminated by having elections at the same time Members of the General Assembly are elected, i.e., on even years.

3. Five pure ward representatives. This provision allows for a closer relationship between the governing board and the particular geographic areas of the county. Due to the fact that these representatives will reside and be elected from their respective wards, citizens in these wards would have a stronger and clearer voice on issues that effect their areas of the county. The representatives would bring to the governing board the priority of issues of Durham's diverse population groups.

4. The proposed racial divisions would fairly reflect the voting divisions in the community.

5. Seven-at-Large Representatives. This provision allows for a governing board that will not be split due to factionalism due to regional interests in one section of

the county. Seven at large members will encourage and facilitate a more diverse field of candidates and allow success for candidates from non-traditional constituencies.

6. Mayor. The governing board needs a Mayor to break all ties and to appoint the chairpersons of various subcommittees. A Mayor is also necessary to represent the County as its chief executive in dealing with governmental, business, and professional organizations. He should be elected in a partisan election to allow the voters to more clearly identify his general philosophy. His election on even years will save the money and have a greater number of the electorate participate in his election.

# **Government Structure Minority Report**

**T.E. Austin**

**December 2, 1999**

The structure and electoral process of a merged government for Durham County have been given considerable scrutiny over the last few months. The committee has tried to reach a consensus on the size, shape and functionality of these elected officials. How these officials will be elected has dominated many discussions. Committee members have used as their guide City Council, the Board of County Commissioners or something new. Combining these diverse groups into a whole has been daunting.

I propose a simple solution. This proposal uses aspects of both bodies but should be easily understood by people who have not been involved in this process.

The new group would be called the "County Council." The government form would be council-manager. There would be a Mayor and eight Council Members. All would be elected at large, with the Mayor serving a two year term and Council Members serving staggered four year terms. The election would be partisan; held in even years; and involve the Mayor and four Council Members. The Mayor would appoint all sub-committee chairs and the Mayor *Pro Tem*.



## **SUPPLEMENTAL REPORTS**

Submitted by Lee Mortimer (December 15, 1999)

The task force report reflects some good compromise agreements for a merged government structure. There are certain areas that I believe could strengthen our recommendations. They include the following:

1. Enhanced authority for the mayor
2. Realistic salaries for mayor and governing board
3. Public financing for elections

### **Enhanced authority for the mayor**

A stated objective of merger is to give Durham a stronger, more coherent voice in dealing with other local governments in the region. One way to optimize that voice is to give the mayor some additional authority in dealing with day-to-day governing. Such a proposal received favorable discussion by the 1994 merger task force, as well as in the local press.

To provide leadership and accountability in an inherently more complex merged government, the mayor needs to be more than a figurehead. The proposal I submitted for an "Enhanced Mayor" represents an incremental increase by one vote in the mayor's authority, compared to the current mayor. It would not elevate the mayor to the status of "strong mayor." An enhanced mayor could:

#### **(a) Appoint/remove the manager**

The mayor can appoint or remove the manager. The governing board can disapprove the appointment by a majority, plus one vote

The board can appoint or remove the manager by a majority, plus one vote

#### **(b) Appoint boards and commissions**

The mayor can appoint boards and commissions. The board can disapprove appointments by a majority, plus one vote

The board can appoint boards and commissions by a majority, plus one vote

(c) Veto governing board decisions

The mayor can veto decisions made by the board. The board can override the mayor's veto by a majority, plus one vote.

Nothing in the proposed arrangement would preclude the mayor and the governing board from jointly discharging their responsibilities.

**Realistic salaries for mayor and governing board**

Because a merged government will be more complex than city and county governments, more will be expected from a merged governing board. The task force has not given much attention to salaries for the governing board members, though the issue got some attention in recent city elections. During the 1994 task force, a recommendation for higher salaries gained tentative approval, but was deleted in a close vote at the final meeting.

The recommendation then was for a \$40,000 annual salary for the mayor and \$25,000 for board members. One task force member in 1994 suggested that the money be considered either as salary for the member, or as funding for the member to hire staff to assist with the projected additional workload. Serious consideration should be given to providing realistic salary levels that (1) match the challenges inherent in a merged government, and (2) enable people to run for office who are not wealthy or retired.

**Public financing for elections**

Also during the 1994 merger study, a recommendation was tentatively approved for "limited public financing for candidates who agree to a spending cap." Again, that recommendation was deleted at the final task force meeting. But as campaign costs continue to soar, the need for some form of alternative campaign financing has become even greater today.

Publicly financed campaigns have gained broad public acceptance--as a way of leveling the playing field for average citizens to compete with candidates financed by special-interest money. An eight-state public opinion poll conducted by the Ellman Group found 66 percent support in North Carolina for publicly financed campaigns. To date, four states have passed such "Clean Elections" measures.

Durham's own state Sen. Wib Gulley, supported by 56 other General Assembly co-sponsors, is the leading advocate of the Clean Elections Act for state elections. Recently, the city of Boulder, Colorado, adopted a local public financing program. Chapel Hill has an ordinance limiting contributions to local campaigns. And the incoming mayor of Cary, Glen Lang, has made enacting public financing a priority for his administration.

Under most proposals, candidates who demonstrate broad voter support and agree to strictly limit their spending would be eligible to receive public financing. In view of the momentum for campaign finance reform at all levels, some form of public financing should be considered for a Durham merged government. More information is available in a booklet entitled "Local Campaign Finance Reform," published by the National Civic League.

## ELECTING A MERGED GOVERNMENT

This proposal for electing a merged government is organized in three modules. It could be adopted in whole or in part, one module at a time.

The assumptions of the proposal are a nine-member board (including a mayor), elected for four-year terms in staggered election cycles.

Certain refinements might be proposed if the board size were increased to 11 members, or if the nine-member board were elected for concurrent terms, rather than staggered terms.

### **NOMINATING DISTRICTS** (*Module 1*)

Nominating districts provide a bonafide district focus but still allow "everybody to vote for everybody." Eight nominating districts could be drawn (corresponding to eight board members, exclusive of the mayor). Candidates file for election the same as they do in city council wards. Two candidates are nominated in each district. Only the residents of the district vote in the primary to select the district nominees.

In the general election, the nominees from each district join the nominees from other districts in a "group" at-large election. Voting proceeds the same as in the general election for county commissioners, except that four members rather than five are being elected. The group-election method is how we elect most of our local government representatives today.

*Note:* Candidates could be required to be residents of a nominating district. But that's really not necessary because voters who reside in the district should be capable of deciding who they want their nominees to be.

With no legal requirement for population equivalence, there is considerable flexibility for drawing districts that reflect geography, neighborhoods, economic status, urban/non-urban differences, and racial balance. Within those parameters, the districts should be kept as close as possible in population.

### **PARTISAN/Non-PARTISAN COMBINATION** (*Module 2*)

The problem with current partisan elections is that the only option for candidates who don't run as Democrats is to run as Republicans. In a combination partisan/non-partisan election, candidates could file and run as Democrat, Republican, or "Non-Partisan." As with current partisan

elections, combination elections would likely attract a full slate of Democratic nominees. But moderate to conservative candidates, who don't want to run as Democrats, could choose to run as Republican or as Non-Partisan.

One candidate is nominated in each category. The top candidate in the Democratic, Republican, or Non-Partisan primary would be the nominee for that category. Thus, up to three candidates could be nominated in a district, with up to three nominees possible for mayor. There could also be up to three sets of primaries—though with the expanded opportunities for candidates to run, fewer primaries may actually be needed.

The addition of the Non-Partisan category won't automatically add more candidates to the election. What it will add is flexibility for moderate to conservative candidates who have felt at a disadvantage when the Republican label is their only option for running. It may turn out that more names appear on the ballot with "NP" beside them than with "R".

### **CUMULATIVE VOTING** (*Module 3*)

In assessing the disadvantage Republicans and conservatives feel, it's important to understand that the real problem is not partisan elections; it's winner-take-all elections. For example, in 1992 Democrats and Republicans both ran full slates of candidates for five county commissioner seats. No Republican won a seat on the board, even though the five Republican candidates together garnered 37 percent of the total vote.

Cumulative voting offers a simple means to rectify that discrepancy. In county elections, voters can cast up to five votes for commissioner candidates. If cumulative voting were used, voters would have the same five votes. But their votes would be divided among whatever candidates they selected. For example, if a voter chose two candidates, each candidate would receive 2-1/2 votes. The allocation is done automatically by the voting equipment without the voter even perceiving a difference in how they vote.

If Republicans had cumulated their votes in 1992 for, say, two candidates, they would surely have won one seat and possibly two seats. Cumulative voting can be used by any minority group of voters (Republicans, African-Americans, non-city residents, etc.) to win a fair share of representation and elect their candidates of choice.

## PROPOSAL FOR IN-PLACE MERGER

In-place merger means merging the City and County governing boards without changing the structure of those governing boards. This is how it would work: Five members would continue to be elected in partisan, at-large races, every two years on even years, like the present county commission. Three representatives would be elected at-large from residency wards, and four representatives elected purely at-large, like the City Council, after the reduction takes place. The difference between the present system and this system would be that all representatives would serve on the same board instead of separate boards. In other words, Durham would have a 12 member board made-up of 5 partisan representatives elected at large, 3 non-partisan representatives elected at-large from residency wards, and 4 non-partisan representatives elected at-large generally.

What about tie votes? I suggest that a tie vote be called a "no" vote. What about the Mayor vs. Chairman problem? This makes little difference to me. I would like to see a Mayor for the county elected by all of the people, but if it would make the system work, I personally would support a Chairman system in which the Chair is elected by the members of the board. The practical effect would not be significant, since we presently do not have a strong, or enhanced Mayor system and the Mayor only gets one vote. How would ward lines be determined? I suggest that the three wards being drawn for the City just have their lines extended to the existing County line. Won't there be racial vote dilution if the entire population of the County is allowed to vote for the at-large non-partisan representatives? Probably not, since the additional non-minority population is only about 5% and the continued existence of the five partisan representatives should reassure the minority population that it will have the same opportunity to elect minorities to the merged council.

There may have to be some tinkering around the edges to make all of this work. For example, the extension of the ward lines to the County limits. Also, the Mayor presently serves a two-year term while everyone else on the City Council serves a 4 year term. If we choose not to have the Mayor's seat be the titular head of the merged board, then that seat probably should be converted into a regular 4 year term. However, this problem disappears if the Mayor is the "chair" of the new merged board. That seat can continue to be a two-year non-partisan seat. The point is that small tinkering around the edges can be done without completely overturning the system and everyone can feel that their interests are being protected, even if they are not being enhanced.

One further suggestion is that this idea be advanced with the understanding that the merged city and county of Durham will have a local constitutional convention five years after the merger is completed for the purpose of examining the system of government to decide whether it ought to be changed.

Some will complain that this proposal is not bold enough. To them I say that boldness is not the point. Merger is the point, and the fact of merger should be bold enough. Some will say that this system will be too confusing. To them I say that it is no more confusing than the system we have now, because it is essentially identical to the system we have now. The difference is that all 12 local government representatives will have to speak with one voice on behalf of one community, the administration will receive policy directives from one source, and the destructive divisions between the City and the County which are exploited ruthlessly by our regional competitors will be eliminated.