

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

Tuesday, May 27, 2008

7:00 P.M. Regular Session

MINUTES

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

Present: Chairman Ellen W. Reckhow, Vice-Chairman Michael D. Page, and Commissioners Lewis A. Cheek, Philip R. Cousin Jr., and Becky M. Heron

Absent: None

Presider: Chairman Reckhow

Opening of Regular Session

Chairman Reckhow welcomed everyone to the Tuesday, May 27, 2008 Regular Session of the Board of County Commissioners. She requested that persons rise for the Pledge of Allegiance to the Flag.

Agenda Adjustments

Chairman Reckhow noted the revised lease (pertaining to the Scarborough and Hargett Funeral Home) and the supplemental material for Angier Haven, both of which had been placed at each Commissioner's station. She requested that in the future, the Planning Director submit critical information to the Commissioners on the Wednesday prior to the regular session.

Announcements

Commissioner Cheek mentioned a newspaper article which stated that, according to a recent study, child abuse has declined by 48 percent. He congratulated the efforts of the Department of Social Services and other organizations on their success.

Chairman Reckhow thanked Commissioner Cheek for referencing the article. She spoke about the fifth annual "Making a Difference for Durham Families Community Breakfast and Awards Ceremony" held on Thursday, April 24, 2008, at the Durham Armory. Individuals, programs, and organizations were recognized for working through Durham's System of Care with families in Durham to help their children be safe and successful at home, at school, and in their community.

Vice-Chairman Page stated that he attended an event honoring the Department of Social Services and its Food and Nutrition Services Team for maintaining a 100 percent Quality

Accuracy Rate for the review period of October 2006 through July 2007; he commended the DSS staff for this significant achievement.

Vice-Chairman Page remarked about the positive comments he had heard from employees regarding Durham County's First Annual Employee Appreciation Event. He expressed disappointment in not being able to attend and encouraged the County to continue the annual event.

Commissioner Heron stated that she attended the Soil and Water Conservation District Banquet where elementary, middle, and high school students presented environmental projects, which reflected the arduous work of Durham Public School students.

Commissioner Heron mentioned that she and Vice-Chairman Page attended the fifth annual Golden Leaf Awards Ceremony where the 2007 Golden Leaf Award recipients were honored. "It was a great event."

Chairman Reckhow thanked Vice-Chairman Page for acting in her stead while she was out of town.

Minutes

Commissioner Heron moved, seconded by Commissioner Cheek, to approve as submitted the April 28, 2008 Regular Session, May 5, 2008 Worksession, and May 12, 2008 Regular Session Minutes of the Board.

The motion carried unanimously.

Hunger Awareness Month Proclamation

Chairman Reckhow announced that the Department of Social Services (DSS) is proclaiming June as Hunger Awareness Month to raise awareness about hunger in the community. The Food and Nutrition Services staff at DSS will distribute food bags on June 11 to 100 clients. Staff is also conducting outreach to help more families get connected to the Food and Nutrition Services program. Chairman Reckhow thanked DSS for its efforts. She read the following proclamation into the record:

PROCLAMATION

WHEREAS, Durham County is home to more than 246,896 residents; and

WHEREAS, there are 37,170 individuals in Durham County living at or below the poverty level, representing 15.6% of Durham's residents; and

WHEREAS, the US Department of Agriculture estimates that 35.5 million Americans live in households considered to be food insecure, meaning their access to enough food is limited by lack of money and other resources; and

WHEREAS, over one-third of those in hungry and food insecure households (13.3 million in 2003) are children; and

WHEREAS, hunger has adverse consequences for all Americans, but particularly for children and mothers; and

WHEREAS, hunger impedes growth and development; and

WHEREAS, hunger is a significant predictor of adverse health conditions; and

WHEREAS, hunger is associated with behavioral problems among preschoolers and school-aged children; and

WHEREAS, during the five-year period from FY2001 to FY2006, the Food Bank of Central and Eastern North Carolina experienced a food distribution growth of 58.2% in Durham County; and

WHEREAS, the Department of Social Services has experienced an 82% increase in the number of recipients of Food and Nutrition Services (Food Stamps) since 2001; and

WHEREAS, more than 23,000 Durham County residents have food on their tables, thanks to the Food and Nutrition Services Program (Food Stamps) at the Durham County Department of Social Services; and

WHEREAS, half of all food stamp recipients are children; and

WHEREAS, 18 percent of food stamp households contain an elderly person, and 23 percent contain a disabled person; and

WHEREAS, every resident of Durham should have enough to eat and sufficient nutrition to carry out the daily tasks of life and work; and

WHEREAS, the Food Bank of Central and Eastern North Carolina, the Community Kitchen at Urban Ministries of Durham, and other nonprofits help to fill the gap for those who struggle to put food on their tables in Durham; and

NOW, THEREFORE, BE IT RESOLVED that I, Ellen W. Reckhow, Chairman of the Durham County Board of Commissioners, do hereby proclaim June 2008 as

“HUNGER AWARENESS MONTH”.

I commend this observance to our residents and urge all citizens, community agencies, faith groups, and businesses to join with the Department of Social Services to commit to participate in food drives and to promote and participate in activities that raise awareness about hunger in our community.

This the 27th day of May, 2008.

/s/ Ellen W. Reckhow, Chairman

Sammy Haithcock, DSS Director, stated appreciation for the opportunity to educate the community about hunger throughout the world and in Durham County. This spring, newspaper articles have been prevalent regarding hunger locally, in the United States, and in other countries. Even Wal-Mart announced they are rationing sales of rice in the U.S. Hunger is serious news - even in Durham.

In the United States, hunger is, generally, less severe than in developing nations. This is in part because established programs – like Food and Nutrition Services (Food Stamps) and the Women, Infant and Children’s Program (WIC) – help to provide a safety net for many low-income families.

Despite the good work of those programs, too many Americans and Durhamites are hungry. Hunger occurs when people are unable to obtain sufficient food for their household. Some may find themselves skipping meals or cutting back on the quality or quantity of food they purchase. This recurring and involuntary lack of access to food can lead to malnutrition. Hungry children struggle in school. Hunger in elderly adults can lead to serious health care problems.

More than 23,000 people in Durham have food on their tables, thanks to the Food and Nutrition Services program, yet the State estimates that only 60.74% of those potentially eligible for the program are enrolled. Many more receive meals and non-perishable food from local non-profit organizations.

Mr. Haithcock expressed appreciation for the opportunity to raise community awareness of the need for good nutrition to support the health and well-being of everyone in our community.

Pinkie Davis-Boyd, Program Manager, Food and Nutrition Services, echoed the comments of Mr. Haithcock.

Mr. Haithcock and Ms. Davis-Boyd accepted the proclamation on behalf of DSS.

FY2008-2009 Recommended Budget

Durham County Manager Michael M. Ruffin formally presented the recommended budget for FY2008-2009 to the Board of County Commissioners. This is in accordance with N.C.G.S. § 159-12(Board), the Local Government Fiscal Control Act.

The County Manager gave the following presentation:

“Thank you, Madame Chairman. Good evening to all of you. For our staff, this is the culmination of the staff process related to budget preparation. We look forward to working with the Board as we now begin to move forward from a recommended budget to an approved budget.

I do want to say that each year for me gets a little easier. The reason is each year our staff becomes more experienced with the preparation process. All of these individuals now have several years of experience with Durham County’s budget process and it shows. They provide very good analysis and make recommendations that are consistent with their findings. They understand me and the parameters in which I am willing to work – We make a good team. Thank you for the outstanding professional work that you log throughout the year for us.

Several years ago, this Board and the Durham City Council jointly agreed on eight community-wide outcomes that are inevitably addressed in both our County and City budgets. This past year we added a ninth outcome for senior adults, which is why the process has been so successful. For a process as complicated as this one to be successful, it must be fluid and able to adapt to changing conditions. Every service we provide touches on one and, in some cases, several of these outcomes. If our community is to prosper genuinely, these are outcomes that the public must not just read but see and experience throughout our community. That’s why we have citizen groups who have helped us develop indicators to measure how we’re doing.

1. Durham citizens are safe
2. Durham enjoys a prosperous economy
3. Durham citizens enjoy a healthy environment
4. Durham's citizens enjoy a community that is vibrant, rich in aesthetic beauty, and embraces and promotes its cultural heritage
5. Children are ready for and succeeding in school
6. Every citizen in Durham has access to adequate, safe, and affordable housing
7. Durham citizens are healthy
8. Durham enjoys sustainable, thriving neighborhoods with efficient & well-maintained infrastructure
9. Senior adults in Durham have optimum choices for the highest quality of life

And each year since 2005, we reported on that progress. This fall, we will release our 4th Report. I like the annual report because it engenders the transparency that a process like this must have. Durham is not perfect. We are making great progress, and the reports show it,

but it also shows that a lot of work must be done every year to continue to make the progress we are seeing.

As I mentioned, this year a new outcome and work group was added to improve the quality of life for our senior adults. Also, the County and City was awarded 15 mini-grants totaling \$97,000. The mini-grant program was created to help fund programs that will help us reach our goals related specific outcomes.

The citizen workgroups who assemble around these community-wide outcomes work very hard; and they have pointed out the need for new members who can bring new ideas and a fresh look at what they are doing. We will continue to work with our community partners as we develop strategies that move us ever so closer to realizing the Durham that we know we can become.

Interestingly, these outcomes translate into thousands of personal victories through the services we provide. Last year, we chronicled some outstanding work that our employees are registering. This year, we continue to applaud our employees for the life-changing work they are doing, but we also wanted to share some personal stories of citizens we have served – citizens with whom we celebrate the personal victories they have won.

Our first victory comes from the Department of Social Services. The story is a great story to tell and amplifies the important work that our Department of Social Services logs every day in our County. Nigeria Shaw and her children became involved with Child Protective Services due to inappropriate discipline. At the time, she was having difficulty sustaining her family financially and had low self esteem. She was struggling to take care of the daily needs of her family and herself. We assigned a CPS case Management specialist to work with this family. During DSS involvement, the mother became employed at Duke in a position that she loves and how has hope and holds a dream. She has become a mentor to other single mothers that she has met at work and tells them about the importance of being a good parent and meeting your children's needs as well as setting goals for yourself. She is also currently in a nursing program and taking steps to become an RN. She is a very motivated individual who states that through the help of DSS she has learned that all things are possible when you believe in yourself, work hard, and have a good support network. Ladies and gentleman, would you welcome Ms. Nigeria Shaw.

With us this evening is Sammy Haithcock, DSS Director, and Tammy Castro-Yelton of our Child Protective Services staff that worked to restore hope in the heart of Ms. Shaw and help her find the pathway to her dream. Thank you both for what you do for our citizens each and every day.

Welcome Baby, one of the County's most popular programs, provides parenting education and support to families with young children. The program is free to all Durham County residents with newborns and children to age 5. Ellie Kehoe and her daughter, Jillian Kehoe, attended an 8 week Positive Discipline series at Welcome Baby. Ellie registered for the series to gain skills that would be helpful in caring for her grandson and her clients. Ellie wanted her daughter to attend because she thought the information could be helpful for both

of them. As a mother, Ellie really enjoyed seeing her daughter participate in class and come to want the information and skills. Ellie has seen the difference the series made in her daughter's interactions with her son, Shawn. When she talked about the series with Jillian she recognized these changes. Jillian told her that the whole program made a huge difference with Shawn in handling frustrating situations. Prior to taking the classes the same situations would have made her really angry. She felt she didn't have solutions for changing his behaviors and this increased her feelings of frustration and anger. Jillian now feels that she has an understanding of her child's behaviors and has techniques for getting the behaviors she wants. She also gained skills in dealing with her own anger and is able to respond in a positive manner. She recognizes that when she is positive everyone is happier including herself. Ellie commented, "Before the class it was like a snowball effect, bad things were happening and they would snowball and more bad things would happen. When positive things happened it resulted in more positive things happening!" Ellie personally gained skills in disciplining her grandson that helped her be positive versus being short tempered. This approach has been very beneficial for her grandson as well. As an Occupational Therapist, she has been able to apply these skills in her work as well. At times Ellie has children with very challenging behaviors on her caseload. She has been able to use the skills she learned in Positive Discipline with the children and had tremendous success in dealing with their behaviors. Ellie has been able to share the skills with the parents as well. She has seen positive behavior changes in the children she works with as a result of the techniques learned in Positive Discipline. Ladies and gentleman, would you welcome Ms. Ellie Kehoe.

Along with Delphine Sellars, Director of Cooperative Extension, our Welcome Baby staff is here as well. Please stand. Thank you for what you do for our citizens each and every day.

Project Restore is a 12-week vocational skills training program. 12 to 14 individuals with criminal records receive a weekly stipend while obtaining general employability skills and an introduction into light construction trades. The project offers six weeks of classroom training ranging from Cognitive Behavior Interventions, Employment Skills to Budgeting, and six weeks of onsite construction training. Our partners are Durham Technical Community College, Durham Affordable Housing Coalition, and Habitat for Humanity. The City of Durham has appropriated CDBG funding to pay for stipends and tools. CJRC staff first met Terry Brandon when he applied for Project Restore in July of 2007. During his interview Terry presented that he was residing at the Durham Rescue Mission and had a history with drugs. Terry had been using crack cocaine since 1995 and although he had attempted recovery a few times he was still using when he came to an information session for Project Restore. During the information session he was warned that he must be drug free to participate. He has not used since. Terry was accepted in Project Restore based on his excitement, eagerness to work and humility. Terry began Project Restore with enthusiasm and appreciation. During the program Terry worked through issues with Child Support with open communication and dedication to do the right thing for his children. He voluntarily paid child support while receiving his stipend check from Project Restore. At the end of the project, graduates competed for an opportunity to work with Durham County General Services. In last year's budget, the County Commissioners had approved the creation of a temporary laborer position specifically set aside for a CJRC client. Terry was chosen for this position and has been working with General Services for 5 months now. His supervisor

reports that he is an excellent employee. At this time, he has obtained stable housing, is seeing his children regularly, and is paying child support. He is working with CJRC's Employment Specialist to seek permanent employment. While Terry hopes to get a permanent position with Durham County, he is thankful for all the opportunities afforded him through his connection with Durham County's Criminal Justice Resource Center and General Services Department. Ladies and gentleman, would you welcome Mr. Terry Brandon.

I also want to recognize Gudrun Parmer, Director of the Criminal Justice Resource Center. I think Gudrun is the best in the state at what she does. With Gudrun tonight is Robin Heath, Client Services Coordinator for the Project Restore program. Thank you both for what you do for our County each and every day.

Now to the numbers and specific recommendations:

For all 21 funds that comprise our budget, I have recommended a \$792.5 million appropriation. \$683.5 million of that appropriation is found in the General Fund, which serves as the home fund for most of the County services we deliver. Notice how lean our budget is for next years – only a 3.45% increase in the General Fund. That's lower than what we are now seeing in cost of living indexes for this region of the state.

Here's a pie charts that details how the recommended appropriations are received and allocated by function. By the way, pass-through funds, largely federal dollars for Medicaid and Food Stamps, have been excluded so as not to distort how local funds are being used. Notice that 68 cents of every dollar we receive next year will come from property taxes or sales taxes. Out of all the revenue we receive, you only control one of them – the property tax. I'll have more to say about property taxes in just a moment.

There are two major drivers in our revenue budget. As I mentioned property taxes and sales taxes make up 68 cents of every dollar we receive in the General Fund. Next year, we have budgeted \$200.5 million in property tax collections and \$50.5 million in sales tax collections.

Due to the Medicaid Swap legislation next year, we will see a \$2.96 million drop in sales tax revenue. That number isn't too alarming because we are also seeing a \$5.4 million reduction in the County's share of Medicaid. However, even with a Medicaid reduction, we need to see our revenues grow, not shrink. Shrinking revenues put stress on our property tax rate.

Here's how recommended expenditures are allocated by function for next year. Education and Human Services will get the majority of the funds we appropriate – 64 cents of every dollar we plan to spend. Public Safety, Sheriff, EMS, Fire Marshall, excluding fire districts, will receive over 13 cents of every dollar we spend. Again we have deducted pass-through funds so we accurately report how the local dollar is being spent.

Speaking of pass-through funds - largely Medicaid and Food Stamps – once we deduct these funds, we really get to see the local County budget, which for next year is \$364.1 million. By the way, the vast majority county governments in North Carolina report their budgets this way, so this number is a great number if you're comparing our budget to budgets in other counties.

There are only two major drivers in our expenditure budget next year – current expense for Durham Public Schools and increased debt service. Next year, I have recommended \$7,238,543 for the Durham Public Schools. Debt service next year will increase by more than \$3.5 million. Both of these increases amount to 3.8 cents on our property tax rate.

Here's a summary of other major recommendations:

Next year, I am proposing a 3.97% increase in the tax rate from 68.82 cents to 71.55 cents – 2.73 cents. On a \$186,000 home, this will mean an additional \$4.23 per month, or \$50.78 per year.

Most of the larger counties released their budgets last week. Obviously, in the larger counties, shrinking sales tax revenue along with growing debt and school expenses are creating great stress on property tax rates. Cabarrus County, for example, which has a similar student population to Durham County, like us, revalued this year. Their manager recommended that the Board retain the existing tax rate of 63 cents after revaluation – that's an 11 cents increase. Here's a synopsis of the tax rate increases in the counties we know.

Seven Volunteer Fire Districts serve our county. Five of the seven districts have requested a tax rate increase from their revenue neutral tax rates. The New Hope and Eno Tax Districts span both Orange and Durham Counties and their rates are set by the Orange County Board of Commissioners. Because Orange County did not revalue, Durham County taxpayers in either of these districts will experience higher tax bills due to our revaluation. I have shown the effective tax rate increases on the Durham County side of both of these districts.

The Real Property valuation percentage of increase of 30.74% is a result of historical growth and revaluation. Obviously, most of the increase is the direct result of revaluation. Normal growth accounts for 3.5 to 5 % of this amount. Personal Property valuation percentage is a result of discoveries for business personal property audits. The value may include discoveries for prior tax years and this amount will grow as our fiscal year progresses. Motor Vehicle valuation has not increased due to the economy; we have not seen as much growth as in the past in this category. Remember, vehicles depreciate fairly rapidly over time. The only way this can grow is for new vehicle sales growth to be strong, which is not the case so far.

I do want to focus a moment on the impact of revaluation. When the County publishes an average increase of 30.74%, that is an average. The revenue neutral rate of 68.82 cents is computed on the average increase. The specific impact of revaluation on a tract of property can only be calculated by computing the specific increase in value that tract of property has experienced. For example, property owners who experienced only a 10% increase in value due to revaluation will actually see a \$70.43 reduction in their tax bill at the recommended tax rate of 71.55 cents. Conversely, property owners who experienced a 60% increase in value due to revaluation will see an increase of \$466.20 in their property tax bills at the recommended tax rate. Revaluation by state law is designed to equalize tax burdens across classes of property. This feature is often ignored, or not realized, until the tax bill arrives in the mail.

As I mentioned earlier, I have recommended 20.35 new positions. 11.5 of these are grant-funded. If approved, this will increase our FTE's to 1,918.38, a small increase of 1%. These are positions I believed are needed to further County services.

These are 2 very important recommendations in next year's budget. I have recommended an appropriation for the Project Access initiative. This is the County's share of funding needed to kick off a program designed to provide affordable health care for the poorest of our citizens. Private sector involvement and the Duke University Health System are partnering with us to make this happen. It represents a promising beginning to an initiative we will all look back upon with a great deal of pride. I have also recommended a \$25,000 contribution to an innovative approach put together by the Durham Congregations in Action to begin to bring an end to poverty by 2025. This initiative has come from a similar initiative launched in Greensboro and has enjoyed great success. End Poverty Durham plans to establish the Durham Economic Resource Center. The Center will provide discounted products to member non-profit and faith-based organizations to alleviate basic needs among the poor, ill, and elderly by using products from the International Gifts in Kind Program. This will stretch the resources of Durham's poor residents by providing products at a discount that ordinarily they just purchase at full cost. Poor residents are then able to use their limited cash to purchase other basic needs. The End Poverty Durham effort also includes a workforce training component. The Greensboro initiative saw 7% of its graduates earning more than \$15,000 per year increase to over 30% by the fourth year. Again, we are partnering with the community to address common problems. Partnerships, I believe, are the best answer to solving community problems. Neither group can do it alone.

Next year's budget also includes increases in the appropriation for Durham Tech and the Museum of Life and Science. We're fortunate to have both of these institutions as our partners. I have also set aside \$122,480 for the employment of School Social Workers. This amount will ultimately need to be moved to the DPS current expense appropriation. However, staffs from DPS and DSS are working together to finalize the cost. Additional information will be presented to you during the hearings.

I mentioned earlier that the County's share of Medicaid is down by more than \$5.4 million. That decrease allows us to absorb the decline in sales tax revenue related to the state picking up 50% of our local share of Medicaid next year. I have also included \$285,000 for document imaging. A digital environment just makes good sense. Our goal is for all our records to be housed in a digital environment in Social Services, Public Health and Mental Health agencies when we move into the Human Services Complex in 2011. Finally, the cost of fuel shows up in all our budgets. Next year, all of our fuel budgets for County vehicles will require an outlay of \$835,879.

Fire services in our County can and must be provided more efficiently. To assist in developing an approach for more efficient fire service, I have recommended a \$100,000 appropriation to study our fire service system. I am happy to report that City Manager Patrick Baker has included a similar appropriation in his recommended budget. I am not saying that City and County fire service should be merged. But I don't think you can study

our system without studying all of the alternatives, and merger of city and county fire service along with merger of the five county fire departments, or at least operating under a single tax rate, deserve to be studied. This is an important step that we must take. I have also recommended full funding for the Civic Center. We agreed with the City to share 50% of the cost and the day has arrived for us to step up to the line and meet our obligations. Our commitment to the 10 year plan to end homelessness is also included in next year's budget. I have also recommended a 1% cost of living adjustment for all County employees, effective July 2008. Our employees are our most valuable resource and they have been greatly affected like all of us by recent spikes in fuel prices. We also promise our work force to evaluate our market every couple of years to make sure we are competitive. Next year, I've recommended pay adjustments for employees like paramedics where we are experiencing recruiting wars with our neighbors who are now paying more than we are. These adjustments will be effective on January 2009.

Non Profit organizations are important partners in our service deliver system. Next year, I have recommended \$927,170 in non profit funding. 33 agencies have been recommended for funding – 3 of those are first-year funding recipients. If approved by you, AnimalKind, Durham Community Penalties Program, and Milestone Culinary Institute will join our non profit service network next year.

Other non profit recipients are:

- Achievement Academy, Alliance of AIDS Services, American Red Cross, Big Brothers Big Sisters of the Triangle, Child & Parent Support Services, Child Advocacy Commission, Child Care Services, Communities in Schools, Coordinating Council for Senior Citizens, Durham Companions, Durham Council for Children with Special Needs, Durham County Teen Court, Durham Crisis Response Center, Durham Literacy Center, Durham's Partnership for Children, El Centro Hispano, Eno River Association, Genesis Home, Inter-Faith Food Shuttle, John Avery Boys & Girls Club, Operation Breakthrough, Planned Parenthood, Project Graduation, Salvation Army, Senior PharmAssist, Triangle Radio Reading Service, TROSA, Victorious Community Development Corporation, Volunteer Center, Women In Action

And...It should be noted that we fund other non profits such as Meals on Wheels, Urban Ministries, Downtown Durham, and the Greater Durham Chamber of Commerce. There are others funded through service contracts in a host of departments, but these are some of the most notable.

I am going to move fairly quickly through the next eight panels, all of which concern school funding.

I have recommended a 7.57% increase in current expense funding for the Durham Public Schools. This is an excerpt from the requested budget we received from the school system. The numbers in red are the recommendations I have included in my recommendation. The increase I am recommending does not include the amount shown for the 4 additional social workers. As I mentioned earlier, School personnel and DSS personnel are working through

this request. We will have more information for you when the School System budget hearing is held later this week.

In additional to normal increases related to current expense funding, this year, Superintendent Carl Harris asked us to consider the two additional classes for the More at Four Program – \$216,000 along with the employment of 4 additional social workers for the high schools – both are recommended. I think it’s important to note how well this board and my administration work with the school system. We receive reasonable budget requests from them, and I, for one, am happy that we do not have the bickering in our public school budget approval process that I see in other counties. This is due to hard work by you and me and my staff to forge relationships that are built on trust and common goals. It’s refreshing and I do not take it for granted.

Here’s a graph we’ve shown for several years at the request of Commissioner Cousin. If every dollar of funding for the school system had to come from property taxes (and one could argue that this is not the case), it would take almost 64 cents from every property tax dollar we collect.

I thought you might find this information of some interest. Obviously Wake County, due to a lower tax rate and a rapidly growing school system, would spend almost 78 cents of every property tax dollar for its school system.

Rank	County	FY 07-08 % of Property Tax for Schools
1	Wake	77.91%
2	Orange	68.77%
3	Granville	70.39%
4	Durham	62.82%
5	Chatham	60.30%
6	Person	47.33%

We’re third only to Orange County and Chatham County and way ahead of the other counties in our region, including Wake County.

Durham ranks first among NC’s 10 most populous counties.

Rank	County	2005 Population	FY 2007-08 Current Expense Per Pupil
1	Durham	242,210	\$2,757
2	New Hanover	180,358	\$2,518
3	Mecklenburg	796,232	\$2,469
4	Guilford	441,428	\$2,262
5	Wake	755,034	\$2,119
6	Forsyth	326,340	\$1,967

7	Union	161,332	\$1,873
8	Buncombe	216,738	\$1,650
9	Cumberland	305,173	\$1,295
10	Gaston	193,886	\$1,148

We rank right one lower than we have for the last several years - #4 among NC's 100 counties.

Rank	County	FY 2007-08 Current Expense Per Pupil
1	Dare	\$3,718
2	Orange	\$2,946
3	Chatham	\$2,818
4	Durham	\$2,757
5	New Hanover	\$2,518
6	Mecklenburg	\$2,469
7	Guilford	\$2,262
8	Wake	\$2,119
9	Forsyth	\$1,967
10	Union	\$1,873

No. 1 here as well. By the way, Union just passed us in student population and Cabarrus County will likely pass us in student population in the next five years.

Rank	County	Population	FY 2007-08 Current Expense Per Pupil
1	Durham	34,688	\$2,757
2	Union	37,843	\$1,873
3	Buncombe	30,531	\$1,650
4	Cabarrus	32,615	\$1,373
5	Gaston	33,451	\$1,148

We project a decrease in our general fund balance from 17.26% to 13.94%. But we continue to enjoy a very strong financial position. I told you last year that our fund balance would drop as we used part of it to fund the renovations to the substance abuse initiative that will be run of the Oakleigh facility on the campus of the Durham Regional Hospital, as well as some of the costs we were incurring with other capital projects. All that said, we are in great financial shape and this is a very strong financial statement.

The public hearing on the recommended budget will be held at the Board's first regular meeting in June – June 9th at 7 PM here in the Commission Chambers.

The Budget is scheduled to be adopted at the Board's last regular meeting in June - June 23rd. The meeting is at 7 pm here in Commission Chambers.

Hearings on various budget recommendations will be held on Wednesday, Thursday, and Friday of this week. Hearings will resume on June 2nd from 1 pm to 5 pm, June 12th from 9 am to 5 pm, and if necessary, on June 16th from 10 am to 4:30 pm. All hearings will be held right here in Commission Chambers.

Finally, there are a number of locations where the public can review the recommended budget. Effective tomorrow morning, copies of the Recommended Budget will be available in the reference section at all of our public libraries; the office of the Clerk to the Board and the County Manager, both of which are located in this building and on this floor – the second floor; and today's message and presentation will also be made available tomorrow morning on the County's website, www.durhamcountync.gov.

Thank you for setting time aside for me to present next year's budget. I look forward to working with you in the weeks ahead.”

Chairman Reckhow thanked the County Manager and budget staff for creating the draft budget document. As indicated by the Manager, the Board will be scrutinizing the draft budget over the next three weeks (until the budget is scheduled for adoption on June 23). The Commissioners will look at balancing the needs of the County and the impact on Durham's property tax payers.

Commissioner Heron mentioned the County's allocation of \$2,700 per pupil, in addition to the State's portion.

County Manager Ruffin stated to Commissioner Heron that he would provide her with information regarding the State's funding per pupil.

Commissioner Cousin commented that Durham County has a fine system of funding its students.

Consent Agenda

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve the following consent agenda items:

- *b. Property Tax Releases and Refunds for Fiscal Year 2007-2008 (accept the property tax release and refund report for April 2007 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report);
- c. Construction Contracts for Morehead and Mangum Elementary Schools (award construction contracts with

Bordeaux Construction Co. Inc. for the Mangum Elementary School project for \$3,629,600 with 15% for contingencies for a total project amount of \$4,174,040, and the Morehead Elementary school project for \$3,771,991 with 15% for contingencies for a total project amount of \$4,337,789; authorize the County Manager to execute the construction contracts; and authorize DPS to approve change orders which are within the scope of work and do not exceed the respective total project amounts);

- d. Replacement Vehicles and Equipment Loan (authorize the County Manager to execute the required documents with SunTrust Bank in order to close the loan for the equipment and vehicles authorized in the FY 2008 budget; the loan will be in an amount not to exceed \$1.7 million for 48 months at an interest rate of 2.675%); and
- e. Raleigh-Durham Airport Authority Grant Offer (accept the \$3,483,220 grant offer from the Federal Aviation Administration).

The motion carried unanimously.

*The document related to consent agenda item No. b follows:

Consent Agenda Item No. b. Property Tax Releases and Refunds for Fiscal Year 2007-2008 (accept the property tax release and refund report for April 2007 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report).

Due to property valuation adjustments for over assessments, listing discrepancies, duplicate listings, and clerical errors, etc., the report details releases and refunds for the month of April 2008.

Releases & Refunds for 2008 Taxes:

Personal	\$ 2,726.45
Total for 2008 Taxes and Fees	\$ 2,726.45

Releases & Refunds for 2007 Taxes:

Real Estate	\$ 63,814.62
Personal	\$ 17,972.99
Registered Vehicles	\$ 30,524.87
Vehicle Fees	\$ 590.00
Solid Waste	\$ 85.00
Total for 2007 Taxes and Fees	\$112,987.48

Prior years' (2001-2006) releases and refunds for April 2008 are in the amount of \$1,381.94. The total current year and prior years' releases and refunds amount to \$117,095.87.

(Recorded in Appendix A in the Permanent Supplement of the May 27, 2006 Regular Session Minutes of the Board.)

Consent Agenda Item Removed for Discussion

Consent Agenda Item No. a. Approve the Recommended JCPC/DJJDP Program Funding for FY 2008-2009, which is contingent on approval of state funding in the amount of \$547,019.

Chairman Reckhow removed this item to ask the status of “A New Day” structured day program.

Angela Nunn, JCPC Chair, stated that “A New Day” did not submit an application for grant funding this year.

Deputy County Manager Carolyn Titus commented that “A New Day” no longer met the funding criteria for the target population for the JCPC. The program has been retooled to serve a different population (a population with an unmet need, i.e. children who are not in juvenile court, but who need services); the changes will be effective July 1.

Chairman Reckhow and Commissioner Heron requested that a memo be sent to the Commissioners to describe the changes, give justification for the changes, and provide information about the children who are no longer being served by the program (how are they currently being served).

Karen K. Thompson, JCPC Treasurer, clarified that the JCPC did not make the decision to stop funding “A New Day” program. “A New Day” decided not to apply for funding after it analyzed its population.

Commissioner Cousin moved, seconded by Commissioner Cheek, to approve the Recommended JCPC/DJJDP Program Funding for FY 2008-2009, which is contingent on approval of state funding in the amount of \$547,019.

The motion carried unanimously.

Public Hearing—Zoning Map Change—Angier Haven (Z05-45)

Scott Whiteman, Planning Supervisor, City-County Planning Department, stated that this zoning map change for a 33.5-acre site was continued from the April 28, 2008 Regular Session. The site is located on the east side of Angier Avenue, west of Ruritan Road and south of Glover Road with the effective date of the amendment delayed until the ordinance is approved by both Governing Bodies. Request: RS-20 and CG; F/J-B (partial) to RS-M(D); F/J-B (partial).

Mr. Whiteman informed the Board of the additional committed elements proffered by the applicant as follows:

1. Open Space and tree save areas shall be provided as shown on sheet D-2.
2. Minimum lot size shall be 5,500 sq. ft.
3. Provide one tot lot, 40' x 40' fenced area with one play structure.
4. Provide 4-foot bike lane for the frontage on Angier Avenue

The committed elements have been vetted through the departments responsible for enforcement, and the language has been approved by the Planning Director. Staff and the Planning Commission recommend approval of the request.

Commissioner Heron, Vice-Chairman Page, and Chairman Reckhow voiced concerns about the impracticality and the potential danger of creating an interrupted bike lane along Angier Avenue. The consensus of the Board was to support the original proposal of two feet of additional asphalt without a stripped bike lane.

Chairman Reckhow reopened the public hearing that was properly advertised.

Cliff Zinner, 1548 Iredell, Raleigh, NC 27608, developer, spoke about the background of his company. He addressed the stormwater issue from the last meeting by offering a committed element to install skimmer basins in lieu of the more common sediment riser basins, as recommended by Glen Whisler, County Engineer. In addition, he requested an exception to the committed element No. 1 for a 20-foot right-of-way for the sewer.

Mr. Whiteman stated that Mr. Zinner's request is reasonable.

In response to Vice-Chairman Page and Commissioner Heron, Mr. Whiteman replied that sidewalks are required by Ordinance along Angier Avenue and on one side of all streets.

Commissioner Heron mentioned several reasons she disliked the project. She spoke about and requested additional tree save areas to compensate where the sewer line will be installed, an additional tot lot, a pedestrian bridge over the stream, and preservation of the hardwood trees. Commissioner Heron stated that although this project is labeled an affordable community, it must also be a livable community.

The Commissioners, the developer, and staff addressed the concerns brought up by Commissioner Heron.

Chairman Reckhow recommended a location for the second tot lot, which backs up to an open space area.

After considerable discussion, the developer agreed to the following revisions to the committed elements:

1. Open Space and tree save areas shall be provided as shown on sheet D-2, **with the exception as may be required for sewer access.**
2. Minimum lot size shall be 5,500 sq. ft.

3. Provide one tot lot, 40' x 40' fenced area with one play structure. **A second tot lot shall be provided on the western side of the stream as shown on sheet D-2, with a 40' x 40' fenced area with one play structure.**
4. Provide **two-foot-wide outer lanes** for the frontage on Angier Avenue.
5. **Skimmer basins shall be used for stormwater management purposes as approved by City or County engineering staff.**

Mr. Whiteman stated that the developer must submit a revised development plan before the request is presented to the City Council for its approval.

As no one else requested to speak on the agenda item, Chairman Reckhow closed the public hearing and referred the matter back to the Board.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve Zoning Map Change—Angier Haven (Z05-45).

The motion carried unanimously.

AN ORDINANCE AMENDING THE DURHAM UNIFIED DEVELOPMENT
ORDINANCE BY TAKING THE HEREAFTER DESCRIBED PROPERTY OUT OF
RS-20 and CG ZONING DISTRICT AND ESTABLISHING THE SAME AS RS-M(D)
DISTRICT

BE IT ORDAINED BY THE DURHAM COUNTY BOARD OF COMMISSIONERS:

SECTION 1. THAT THE DURHAM COUNTY BOARD OF COMMISSIONERS HELD A PUBLIC HEARING ON ZONING CASE Z05-45 AND VOTED ON May 27, 2008 TO APPROVE THE ZONING MAP CHANGE REQUEST DESCRIBED HEREIN.

SECTION 2. THAT THE DURHAM ZONING ATLAS AND UNIFIED DEVELOPMENT ORDINANCE IS HEREBY AMENDED BY TAKING THE FOLLOWING DESCRIBED PROPERTY OUT OF RS-20 and CG ZONING AND PLACING THE SAME IN AND ESTABLISHING THE SAME AS RS-M(D) ZONING.

Beginning at an existing iron pipe, said pipe being on the eastern side of Angier Avenue N33°45'42"W 487.02' from the westernmost corner of the Jesus Morales Mendoza property, as recorded in Plat Book 29, Page 6, thence with the following courses and distances;

S87°53'24"E 1442.10'; S86°49'29"E 6.61'; S05°06'00"W 641.82'; S49°08'44"E 113.16'; S39°54'43"W 587.35'; N50°10'28"W 310.06'; N07°37'19"W 334.50'; N03°25'41"E 278.56'; N43°43'40"W 160.60'; S71°02'55"W 159.98'; N71°17'28"W 137.04'; S58°35'00"W 200.0; N33°45'42"W 487.02', to the point and place of beginning, being in the County of Durham and containing approximately 19.12 acres.

SECTION 3. THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE.

SECTION 4. ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE ARE HEREBY REPEALED.

Approval of Lease Extension for Scarborough and Hargett Funeral Home Inc.

Chairman Reckhow noted the amended lease. She requested that the County Attorney describe the change in the amendment.

County Attorney Chuck Kitchen stated that Scarborough and Hargett Funeral Home has requested an extension of its lease with the County through December 31, 2008. The lease expires on June 30, 2008. All terms and conditions as presently expressed would remain in force and effect including the monthly payment of \$9,250. County staff has ascertained that the extension will not create any additional delays or cost to the Justice Center project. County Attorney Kitchen explained that the major change is item No. 3, describing the remedy for late payments, which has been added because it has become an issue.

Commissioner Cheek expressed disappointment that the project was not moving along quicker. His understanding was that when the lease was previously approved, the timing was such that the project would be moved forward at the expiration of the lease (June 30, 2008).

County Manager Ruffin offered Commissioner Cheek a brief explanation. Staff has been approached by Scientific Properties about adding several hundred additional parking spaces to the deck at the new Justice Center. Current negotiations are causing a delay in the design.

County Engineer Glen Whisler briefly apprised the Board about the schedule for the Justice Center. The building and the parking deck design is currently underway. The design of the building is on schedule; the Board will be briefed at the June 2 Worksession regarding building development. The parking deck was originally ahead in schedule of the building design; it is now on the same pace. Both the building and parking design will move forward together provided the number of parking spaces is resolved in the near future. From a demolition standpoint, plans are being made to demolish the U-Haul facility this summer. Delaying the demolition of the Funeral Home is not a significant cost issue.

Per Chairman Reckhow's request, Mr. Whisler confirmed that the building schedule has not changed. The schedule for the deck will be delayed somewhat.

Vice-Chairman Page moved, seconded by Commissioner Cousin, to approve the lease extension for Scarborough and Hargett Funeral Home Inc., subject to the compliance with all terms and conditions of the present lease and lease amendment.

The motion carried unanimously.

Board and Commission Appointments

Vonda Sessoms, Clerk to the Board, distributed ballots for the Board to vote on appointments to various boards and commissions. The following appointments were made (incumbents are underlined):

Adult Care Home Community Advisory Committee:

Barbara Gillespie (Recommended by ACHCAC)

Sharon Mosley (Recommended by ACHCAC)

Durham City-County Appearance Commission:

Mark Hough (Recommended by JCCPC)

Durham Planning Commission:

George Brine (Triangle Township)

Wendy Jacobs (At-large)

LaDawna Summers (Oak Grove/Carr Townships)

Memorial Stadium Authority:

Jim Hendrick

Women's Commission:

Mary Jo Dunnington

Shauna Johnson

Adjournment

There being no further business, Commissioner Reckhow adjourned the meeting at 8:41 p.m.

Respectfully submitted,

Vonda Sessoms, CMC
Clerk to the Board