

**DURHAM COUNTY BOARD OF COMMISSIONERS
SPECIAL BREAKFAST MEETING WITH
DURHAM COUNTY LEGISLATIVE DELEGATION**

Wednesday, April 30, 2008

8:00 A.M.

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

House Members: Larry Hall, Henry Michaux Jr., and W.A. (Winkie) Wilkins

Senate Members: Bob Atwater and Floyd B. McKissick Jr.

Presider: Chairman Reckhow

Welcome and Introductions

Chairman Reckhow welcomed everyone to the April 30, 2008 Joint BOCC/Durham Legislative Delegation meeting, stating that no introductions were necessary.

Chairman Reckhow informed the Delegation members that the Board appreciates their keeping the Commissioners and staff apprised of important items. The Commissioners and staff will do likewise.

Items and Discussion Regarding the 2008 Legislative Agenda Package

Chairman Reckhow requested that Assistant County Manager Deborah Craig-Ray begin by reviewing the high-priority items on the agenda.

Seek Legislation to Allow Boards of Education to Obtain Refunds of Sales and Use Taxes

Representative Michaux stated that the first item of business is being considered by the subcommittee and is at the top of its agenda.

Chairman Reckhow informed the group that the County Manager would be arriving shortly; he had another breakfast which he had to attend.

County Attorney Chuck Kitchen explained the process currently in place whereby Durham County acts as the project manager for the Durham Public Schools (DPS). County Attorney staff routinely spends an average of 10 hours per project providing contract management for DPS projects. Approximately 180 hours of services have been provided in the last year. This is cumbersome and expensive and reduces funding for students. In addition, substantial time is added to the completion time of each project due to this practice.

Representative Michaux stated that five subcommittees have been meeting in the interim. Their targets will be given to them by next week.

Commissioner Heron informed Representative Michaux that all nonprofits receive sales and use tax refunds except for Durham Public Schools.

Discussion ensued regarding the legal charade and the burden being placed on the County Attorney's Office.

Seek Prepared Food Tax

Ms. Craig-Ray introduced the item.

The group held a conversation about the following breakout of how the 1% prepared food tax proceeds would be used:

- 10% for marketing
- 5% for workforce training
- 5% for community cleanup
- 80% for civic and cultural amenities

Chairman Reckhow stated that the Durham Convention and Visitors Bureau (DCVB) informed the Commissioners that the food and beverage folks would have major concerns if a portion of the revenue is not spent on marketing, workforce training for the hospitality industry, and community cleanup related to fast food restaurants generating a great deal of litter. Discussion concerning this issue has occurred with the City administration, which has subsequently discussed it with the City Council. Mr. Reyn Bowman with the DCVB now feels more comfortable about the tax.

Senate Member McKissick stated that he is okay with the tax provided everyone is "on board".

Seek Legislation for Increases to Durham County's Court Expenses to Assist in the Following Areas:

- Management audit and funding to address problems identified in the Office of Probation to ensure proper staffing, training, supervision, and better use of technology to assure adequate monitoring of probationers;
- Funds to prepare evidence for presentation in court (charts, diagrams, maps, PowerPoints, etc.);
- Funds for witness protection and accommodation during trials (lodging, meals, transportation, etc.); and
- Additional Court personnel to include: one district judge; six clerks; five ADAs; four magistrates; three victim witness liaisons, along with funds for State's probation office.

Ms. Craig-Ray spoke briefly about the items.

Chairman Reckhow stated that bullets two and three are relatively small items; however, the District Attorney has pointed out that trials are sometimes delayed because he is waiting for approval of funds from the Administrative Office of the Courts (AOC) to prepare technical evidence for trial.

Representative Michaux conveyed that pressure should be placed on the AOC to appeal to the Legislature for the requested increases. He recommended contacting AOC Director Ralph Walker, as he is the point person.

Regarding bullet three, Chairman Reckhow mentioned that the District Attorney uses his own personal money to put witnesses in hotels.

Support Continuation Funding for JCPC

Representative Michaux remarked that the subcommittee has already recommended that the \$23 million funding continue.

Support Continuation of Funding for CJPP

Vice-Chairman Page asked whether this funding has any implications for the Second Chance Federal Legislation Act.

Representative Michaux replied that he was unsure.

Commissioner Heron noted that the County has a fantastic program directed by Gudrun Parmer.

Representative Michaux stated CJPP is not in jeopardy. He would find out what action the subcommittee has taken on the continuation review and then inform Ms. Craig-Ray.

Seek Prepared Food Tax (continued)

Chairman Reckhow requested that the Delegation work closely with the County Attorney in wording the legislation. She stressed that the list be viewed as a concept list, since the community is evolving and changing. Flexibility is requested to be able to use the money for capital and operating costs in the sense that the Civic Center expansion will result in mammoth increases in operating costs.

Chairman Reckhow explained for Representative Michaux that civic and cultural amenities mean amenities used by both visitors and residents; they are not buildings which house Durham's basic, core governmental functions. These are illustrative types of projects. The County wishes to have the flexibility to use discretion.

The group spoke briefly about the enabling legislation and when the referendum would be placed on the ballot.

The consensus was that the prepared food tax would be placed on the November ballot.

Seek Legislation to Impose an Impact Fee to Fund School Construction

Chairman Reckhow informed the group that this legislation was again included in the package as a response to Durham's citizens. It is more popular than either of the two revenue sources that were granted.

Representative Michaux stated that he has no problem with impact fees and has seen no negativity in the Delegation concerning impact fees.

Senator McKissick concurred with Representative Michaux.

Oppose SB1180 Limiting Local Government Authority to Charge Development Related Fees

Chairman Reckhow stated that in the past two years, developers have proffered to the County and City over \$2.5 million voluntarily.

Senator McKissick conveyed that he vehemently opposed the bill in the Senate and alerted Representative Paul Luebke that it was coming to the House.

County Attorney Kitchen clarified that the bill is being interpreted as outlawing the voluntary proffer.

County Transportation Legislation—SB 1513

Ms. Craig-Ray stated Durham County's position that county governments "should not get into the road business; that should be left with the Department of Transportation." The North Carolina Association of County Commissioners (NCACC) developed a policy proposal to amplify the County's position. DOT should operate more efficiently and use their funding.

Chairman Reckhow stated that the first official position of the NCACC is opposition to the legislation. However, any attempt to change the responsibility of funding for the roads should result in giving the counties a new revenue source.

Commissioner Heron interjected that the responsibility of the counties to build schools is a great enough burden.

The consensus of the group was that this legislation would be most disastrous for rural counties.

Payment of Filing Fees

County Attorney Chuck Kitchen voiced his concern about this provision in the budget bill by the AOC which would require counties to pay filing fees upon the filing of a court action. He stated that at the County Attorney's meeting at the School of Government, a representative of AOC stated that the reason for this action is so that women seeking child support from absent fathers would have to pay the \$89 filing fee. In addition to child support, all cases involving child abuse or other Department of Social Services (DSS) cases would require the payment of filing fees at the inception of the action. The AOC has stated that its intention was not to include DSS cases, and the Clerks of Court should ignore the law. In addition to DSS cases, any cases filed by the County would require that the fee be paid. Durham County is seeking legislation to repeal the section of the budget bill that affects the statute which provided that counties did not have to pay advance fees. Essentially, a technical correction inserted in the bill before it goes into effect is needed. This bill has a strong financial impact on county services departments such as Animal Control's collection of small fess, DSS child abuse case filings, and more. This law goes into effect July 1, 2008.

Discussion followed involving whether the payment of filing fees is to deter the filing of court actions or for financial reasons.

County Attorney Kitchen stated that the desire of the County is to return to the old system.

Telephone System in the Courthouse

Ms. Craig-Ray commented that another provision in the budget bill will require counties to furnish telephone systems in the courthouses to specifications by the Administrative Office of the Courts (AOC). This provision also becomes effective on July 1, 2008.

Chairman Reckhow stated that Durham County views this as an equity issue; the State funded about 2/3 of counties (Mecklenburg and Wake included) before it backed out of this expense, leaving other counties such as Durham County to pay the expense. She noted that the NCAAC is taking a strong issue on this item. Chairman Reckhow appealed for help.

Raise Compulsory School Attendance Age

Ms. Craig-Ray stated that that the County supports the act to increase the compulsory school attendance age to 17 in 2008-2009 and further increase to 18 in 2010-2011. This act was introduced, and a few similar bills were filed in 2007. HB1790 to Raise the Compulsory Attendance Age, reduce the dropout rate, and establish a task force for 100% graduation by age 18 passed the House and was left in the Senate at the close of session. In Durham, for school year 2006-07, the high school graduation rate was 66.3%, a decrease from the preceding year, compared to 69.5% for the state. To increase the graduation rate, the County is providing assistance to Durham Public Schools in the implementation of its High School Completion Plan and supporting other efforts to raise the attendance age to 18.

Chairman Reckhow requested that, in association with this bill, more money be given to Durham County for vocational and technical education.

Senator Atwater noted that while he favors the increase, many school systems are not in favor of raising the age, because it allows many unsuccessful students to remain in school.

Senator McKissick added that school administrators feel that in order to serve these students adequately, more fiscal resources must be added for specialized programming.

Vice-Chairman Page asked about the likelihood of increased funding for vocational education as a result of this particular bill.

The Delegation responded to Vice-Chairman Page's question.

Support Legislation to Build a Comprehensive, High-Quality, Early Childhood System

Ms. Craig-Ray stated that Durham County received no new money last year, according to Partnership for Children Executive Director Marsha Basloe. Durham County is requesting that programs provided for its youngest residence be fully funded so working families can be supported and high-quality day care can become available universally.

Senator Atwater agreed that many of the programs have never been fully funded as they should have been. There is a great need to provide appropriate child care to help working parents.

Make Clarifying Technical Corrections to the New Circuit Breaker Exclusion HB 1499—
Property Tax and PUV Changes and Studies

Ms. Craig-Ray informed the group that this bill was passed last year. Problematic, technical issues are anticipated by the Tax Administrator Association. Durham County supports reasonable corrections that will come forward from the Association; this is more of a policy issue.

Support for Possible State Legislation Regarding Conservation and Facilities of Regional Partnerships

Ms. Craig-Ray briefly stated that the County supports legislative initiatives that might come forward in the short session to promote water conservation.

Discussion followed regarding the regulation of growth within counties.

Senator McKissick noted a study bill being proposed by Senator Basnight to take a good look at regional planning. This is an area to watch in the upcoming session.

Oppose Changes to Mental Health System

Chairman Reckhow clarified that Durham County is not opposed to all change. The County does suggest, however, that major changes be first addressed through pilot programs to determine their efficacy before a new approach is mandated.

The Commissioners discussed how the mental health system is still trying to recover from problems caused by prior reform efforts.

County Attorney Kitchen pointed out the following two issues with the proposal: (1) where the savings would occur; and (2) if a regional effort is mandated, a loss of revenue will result.

Senator Atwater suggested that any changes being put forward at this time should use an evidence-based proposal to mental health oversight. Given that this is the short session, this is not the best time to make any major strategic changes to the system.

Delegation members stated that no policy changes are recommended for the short session. Policy changes are going to be slow in coming, likely prior to the long session. Currently, the plan is to prop up the existing monetary system with about \$60 million more until something substantive can be done.

In conclusion, Senate Member Wilkins indicated that the members will be together as a delegation in the short session. Various pieces of Durham's agenda will be assigned to various members. "We will work hard for you. Our track record shows that we do."

Chairman Reckhow thanked the Delegation for coming to the meeting. She asked that the good relationship continue with an open line of communication.

Delegation members spoke highly of the way the Durham County Commissioners and its staff interact with them.

Adjournment

The meeting adjourned at 9:28 a.m.

Respectfully submitted,

Vonda C. Sessoms, CMC
Clerk to the Board