



Durham County

200 E. Main Street
Durham, NC 27701
(919) 560-0025

Meeting Minutes

Board of County Commissioners

Monday, May 14, 2018

7:00 PM

Commissioners' Chambers

Regular Session

Opening of Regular Session - Pledge of Allegiance

Agenda Adjustments

Chair Jacobs stated there were no agenda adjustments.

Announcements

Chair Jacobs read the following announcements:

1. Aging Well in Durham is inviting citizens to attend a free community event and resource fair on Saturday, May 19, 2018. The event will be held at the Durham County Human Services Building located at 414 E. Main Street from 10:00 a.m. – 2:30 p.m. with participant check in starting at 9:00 a.m. This event is free of charge however, registration is limited and required. All citizens are asked to register by calling 919-560-7393 or by emailing seniors@dconc.gov.
2. Libraries ROCK – Summer Reading 2018
Join Durham County Library for a spectacular summer reading kickoff at Northgate Mall, (on the plaza) at 1058 W. Club Blvd on Saturday, June 9th from 10:00 a.m. – 2:00 p.m. There will be activities, performers, face painters and crafts planned during this event. For more information please visit <http://durhamcountylibrary.org/>
3. Durham Host 3rd Annual Tire Recycling Drive on June 2, 2018. If you have old or unused tires around your home, now is the time to get rid of them at no cost. Durham residents are encouraged to dispose of old tires at the City of Durham Waste Disposal and Recycling Center, 2115 E. Club Blvd., on Saturday, June 2 from 8:00 a.m. until noon. Tire disposal is free and open to the public.
4. Durham County's General Services Department will temporarily close the Rougemont Convenience Site located at 108 Bill Poole Road, on Thursday, May 17, 2018, at 2 p.m. for maintenance. Additional convenience sites operated by the County will remain open during the Rougemont Convenience Site temporary closure. Residents who normally use the Rougemont

Site may visit any of the three open sites. Convenience site users are reminded that it is prohibited to leave trash, garbage or recyclables outside the gates of any closed convenience site.

The three convenience sites that will remain open are located at:

- Parkwood Site #1 – 5928 Highway 55
- Bahama Site # 2 – 9008 Quail Roost Road
- Redwood Site # 3 – 100 Electra Road

For more information regarding this closing, contact Solid Waste Program Manager for the Durham General Services Department Chrissie Koroivui, at (919) 560-0433 or via email at mkoroivui@dconc.gov.

5. The Durham City-County Planning Department is hosting a public information meeting to discuss proposed revisions to Durham's sign regulations, there will also be an opportunity to ask questions and provide comments. This event will take place on May 31, 2018 from 4:00 – 6:00 p.m. (a brief presentation will be made at 4:15 and then again at 5:15) in the City Council Chambers, 1st Floor of City Hall, 101 City Hall Plaza. For additional information please contact Michael Stock at 919-560-4137 ext. 28227
6. Commissioner Reckhow provided the Board with copies of her completed conference report which highlighted major milestones and achievements in Charleston County, South Carolina. She stated that this report outlined strategies Charleston County were undertaking as well as many they already had in place. Commissioner Reckhow stated the County had many opportunities to gain greater efficiency and effectiveness in certain areas and that she would be happy to discuss the report in further detail.
7. Chair Jacobs announced Durham Public Schools would be closed on Wednesday, May 16, 2018 to allow teachers to support the public education in Raleigh. She added that the community organized meals for students in need at the following 13 locations: Bethesda, Club Blvd, Eastway, Eno Valley, Glenn School, R. N. Harris, Hillandale, Sandy Ridge and Southwest Elementary Schools: Githens, Lake Montessori, Shepard Middle Schools and Southern High School. Chair Jacobs announced that breakfast would be served from 7:30 a.m. – 9:30 a.m. and lunch would be served from 11:00 a.m. – 1:00 p.m.

Minutes

Commissioner Carter moved, seconded by Commissioner Howerton to approve the April 21, 2018 PAC – 1 Meeting minutes.

The motion was carried unanimously.

Ceremonial Items

Proclamation - Foster Care Awareness Month

Chair Jacobs read the following proclamation:

FOSTER CARE MONTH | 2018

WHEREAS, the family, serving as the primary source of love, identity, self-esteem and support, is the foundation of our communities and our State; and

WHEREAS, over 400,000 American children are in foster care because their own families are in crisis and unable to provide for their essential well-being; and

WHEREAS, there are 10,236 children in foster care in North Carolina because their own families are in crisis and unable to provide for their essential well-being; and

WHEREAS, foster families, who open their homes and hearts and offer help to children whose families are in crisis, play a vital role in helping children and families to heal and reconnect and launching children into successful adulthood; and

WHEREAS, in Durham County, there were 288 children and youth in foster care on April 1, 2018 being provided with a safe, secure, and stable home along with the compassion and nurture of a foster family; and

WHEREAS, the needs of the foster care population result in a greater call for skilled foster families, community resources and partnerships; and

WHEREAS, the Durham County foster care system depends on the active support and involvement of the Durham community; and

WHEREAS, the Durham County Department of Social Services is joined by numerous individuals, public, and private organizations who work to increase public awareness of the needs of children in and leaving foster care, as well as the enduring and valuable contribution of foster parents, the Durham County Department of Social Services acknowledges that the foster care “system” is only as good as those who choose to be part of it. Therefore, partnerships on the state, county, and community levels are critical to the success of the foster care “system”.

NOW, THEREFORE BE IT RESOLVED, I, Wendy Jacobs, Chair of the Durham Board of County Commissioners and on behalf of the Durham County Board of Commissioners, do hereby proclaim **May 2018** as

“FOSTER CARE MONTH”

in Durham County. I commend this observance to our community and urge all citizens to come forward and do something positive that will help raise hope and foster dreams of children and youth in foster care.

The 14th day of May, 2018.

Wendy Jacobs, Chair
Durham Board of County Commissioners

Ben Rose, Social Services Director, thanked the Board for bringing the Foster Care Month to the public’s attention. He added that this community service work could not be done without the foster families, court system and local government support.

Sharyn Flood, Program Manager stated as of May 4th, there were 301 children in foster care in Durham County and 124 children outside of the County. She added that the month of May was used to bring awareness to the Foster Care and help enhance the campaign. Chair Jacobs inquired about the activities planned. She also asked who citizens could get in contact with regarding Foster Care. Ms. Flood responded there would be a Foster Families Celebration at Frankie’s Fun Park. She added those interested in fostering a child should contact Deborah Cousin, Foster Care Recruiter at 919-560-8092.

Commissioner Howerton inquired about the children outside of Durham County. Ms. Flood stated the County worked with private providers which sometimes place children outside of the Durham. She added workers were still mandated to make visits and be aware of their locations at all times.

Proclamation - National Drug Court Month

Commissioner Howerton read the following proclamation:

NATIONAL DRUG COURT MONTH | 2018

- WHEREAS,** there are now more than 3,000 treatment courts nationwide; and
- WHEREAS,** treatment courts are a cornerstone of justice reform sweeping the nation; and
- WHEREAS,** treatment courts have served more than 1.4 million individuals; and
- WHEREAS,** they are now recognized as the most successful justice system intervention in our nation's history; and
- WHEREAS,** they save up to \$27 for every \$1 invested and up to \$13,000 for every individual they serve; and
- WHEREAS,** treatment courts significantly improve substance use disorder treatment outcomes, substantially reduce addiction and related crime, and do so at less expense than any other criminal justice strategy; and
- WHEREAS,** treatment courts improve education, employment, housing and financial stability, promote family reunification, reduce foster care placements, and increase the rate of addicted mothers delivering babies who are fully drug free; and
- WHEREAS,** treatment courts facilitate community-wide partnerships, bringing together public safety and public health professionals; and
- WHEREAS,** treatment courts demonstrate that when one person rises out of substance use and crime, we all rise; and
- WHEREAS,** the time has come to put a treatment court within reach of every eligible person in need.

NOW, THEREFORE BE IT RESOLVED, I, Wendy Jacobs, Chair of the Durham Board of County Commissioners and on behalf of the Durham County Board of Commissioners, do hereby proclaim the month of **May 2018** as

“NATIONAL DRUG COURT MONTH”

in Durham County, and urge all citizens to observe this month with appropriate programs, activities and ceremonies to support this year's theme: **“JUSTICE FOR ALL”**

The 14th day of May, 2018.

Wendy Jacobs, Chair
Durham Board of County Commissioners

Roshanna Parker, Assistant Director for Criminal Justice Resource Center stated Drug Court, represented a team approach that provided wrap around services and support. She stated a reception was being planned and once the date was finalized and it would be published online and shared with the Commissioners.

Judge Fred Battaglia stated it was always a privilege to see someone overcome addiction and it felt even better to help someone restore themselves.

Chair Jacobs thanked the team for their role in making the Drug Court possible. She mentioned a recent segment of *“In Touch with Durham County”* which highlighted the program. Chair Jacobs also stated a

candidate recently joined the team to offer peer support to others.

Commissioner Howerton stated that this was an initiative brought back from a conference attended by Commissioner Reckhow and herself. She was glad to see the work being done.

Commissioner Reckhow stated funding was not originally available from the State so the County stepped in. She added that the County was always looking for ways to improve and this program provided the perfect opportunity.

Chair Jacobs highlighted the addition of Mental Health Court and thanked all key players for making this a success.

Proclamation - Older Americans Month 2018

Commissioner Carter read the following proclamation:

OLDER AMERICANS MONTH | 2018

WHEREAS, Durham includes a community of over 50,000 older Americans who abundantly contribute to our county, state, and nation; and

WHEREAS, the older residents of Durham County represent a remarkable and expanding movement in our nation, our state, and our community's demographic makeup; and

WHEREAS, Durham recognizes that older adults are visionaries—who continue to contribute to their family, their community, our county, state, and nation's social and economic well-being as they live longer, healthier, and more prolific lives; and

WHEREAS, Durham is attuned to the opportunities and challenges that lie ahead which require us to think differently about health and wellbeing, aging in place and long-term care, and will work together to ensure that older adults can age strong, long and with dignity; and

WHEREAS, we appreciate the value of inclusion and support in helping older adults successfully contribute to and benefit from their communities and will work toward creating an Age Friendly Durham; and

WHEREAS, our community can provide opportunities to ENGAGE AT EVERY AGE by:

- Nurturing an age-friendly community through the recognition and engagement of older adults;
- Seeking the mentorship of someone with more life experience;
- Involving older adults in re-defining aging well in our community;
- Emphasizing that you are never too old (or too young) to take part in activities that can enrich your physical, mental and emotional well-being
- Providing assistive technologies and support systems that allow older adults to participate in social activities in the community.

NOW, THEREFORE BE IT RESOLVED, I, Wendy Jacobs, Chair of the Durham Board of County Commissioners and on behalf of the Durham Board of County Commissioners, do hereby proclaim the month of **May 2018** as

“OLDER AMERICANS MONTH”

in Durham County. We commend this observance to our residents and urge all citizens, community agencies, faith groups, medical facilities and businesses to join with the Department of Social Services, The Durham Center for Senior Life, Dementia Inclusive Durham, and Durham's Partnership for Seniors Committee to honor older adults, and those who care for them, during May and throughout the year. We urge all to promote and participate in activities that contribute to helping older Americans make choices for a healthy and satisfying future.

The 14th day of May, 2018.

Wendy Jacobs, Chair
Durham Board of County Commissioners

Chair Jacobs reminded citizens of the Aging Well in Durham Summit held on Saturday, May 19, 2018. She also highlighted the livability report discussed at the May Joint City-County meeting.

Ben Rose, Director of Social Services discussed the importance of keeping older and disabled adults safe. He stated that although funding was limited, Durham County contributed hundreds of dollars to provide several services.

Commissioner Reckhow stated that she was pleased the County moved forward to make Durham an age friendly community. She mentioned an increase in pedestrian fatalities and stressed the importance of improving the walking grounds to make it safer for seniors and children.

Other Business

FY2018-2019 Manager's Recommended Budget Presentation

County Manager Davis shared the “*2018-19 County Manager's Recommended Budget*” and provided the following summary:

“Good evening Chair Jacobs, members of the Board County Commissioners, County Staff, and Durham County residents. It is an honor to present to you my recommended budget for fiscal year 2018-19. What a difference a year makes. Changes at the national, state, and local levels remind us that the only constant...is change itself. Guided by a Strategic Plan, realigning funds and priorities based on Managing for Results, and continually reimagining what it means to live, grow, and thrive in Durham County, is part of THAT change. My recommended budget, through funding decisions, reflects Durham County's response to internal and external pressures in order to continue developing into a results based organization that is a point of pride and a community of choice for all residents.

We continue to wrestle with a host of vexing social challenges such as in-migration at the rate of 20 new residents per day, a growing child poverty rate, homelessness, income inequality, low educational achievement and increasing opioid addiction, to name a few. The jobs and human capital needed to face these issues cannot be ignored. To navigate these complex dynamics, and to keep Durham County on course for a brighter tomorrow, the Board of County Commissioners has a guiding Strategic Plan. The document consists of five strategic goals, and related objectives and strategies which tie together service delivery within departments. This plan places a higher priority on collaboration among departments and the community, but also puts performance management the Managing for Results model at its core.

This budget addresses important issues while protecting our fiscal standing. It also represents a strategic realignment of existing dollars within departmental operating budgets of nearly \$2 million, which supports new positions and inflationary costs. The recommended budget also supports critical program and service delivery needs for Durham Public Schools and the important and expensive task of providing increased Pre-K support to Durham County children. And it also recognizes our greatest asset, our human capital, by proactively dealing with compensation and classification issues. Further, it provides for operational increases in public safety areas to address mental health support at our Detention Center, Emergency Medical Services training needs, and fire service in the County. Funding is also provided to replace and update vital public safety equipment and vehicles to ensure quality service delivery.

To do all these necessary things I am recommending a 1.9 cent property tax increase for fiscal year 2018-19. From current year to next, we project county-wide total property valuation growth of just under 4% or \$1.4

billion. This is more than double the property valuation growth seen in recent years. That is a reflection of the change seen in Durham County and Durham's skyline over the last several years. This growth adds property tax revenue of \$10.9 million before any potential property tax rate increase. Places like Downtown and Research Triangle Park, while extraordinarily important to the economic vitality of Durham County, continue to evolve, as does the valuation of those properties. We are projecting our tax collection rate to stay at 99.60%, which is exceptional, and a true testament to the skills of Kim Simpson, Tax Administrator, and her staff in the Tax Administration department. Keep in mind, valuation growth and the associated new residents, brings with it increasing demands for County services.

We budget property tax revenue in two categories, one to support General Fund expenses and the other to support the Capital Financing Fund, which funds capital projects, and debt service. The overall property tax rate is recommended to increase by 1.9 cents to support General Fund needs including: additional funding for Durham Public Schools, operating increases across a number of departments, compensation and benefits increases, and new position support. For a \$200,000 home this tax rate increase equals \$38 per year. The cost to support expanded County services, and also provide for a fast growing population...puts continued pressure on property tax as the main source of Durham County funding while other revenues are slowing in growth.

As part of developing an interlocal agreement with the City to consolidate fire protection and first responder services in the Southern part of the County, a two (2) cent increase in the property tax rate for the Durham County Fire and Rescue Service District is required. This increase, which would have been necessary even without this merger, is needed to pay for the consolidated services which will maintain, or lower insurance rates for residents and businesses in the district. Property tax rates for all other County special tax districts remain unchanged for fiscal year 2018-19.

The total amount of budgeted sales tax revenue for next fiscal year is \$81.8 million. For perspective, this is the equivalent of 22 cents of property tax revenue. The estimated current year collections is expected to grow minimally and next year we are estimating a 1.9 percent increase in total budgeted sales tax. This is lower growth than experienced in previous years, largely due to state legislative changes that moved a portion of sales tax from urban to more rural counties. We must be aware of this trend and adapt budget choices now and in the future that can be sustainable within this new environment.

While the General Fund is where the vast majority of daily activity and spending for government services occurs, there are a number of other funds that serve specific County financial and operational purposes. These include the already mentioned special tax districts, the Debt Service fund, and our Sewer Utility fund. The total County budget, including all of these funds, increases 1.8% to over \$644.5 million, while the General Fund, a subset of that total amount, increases 0.16 percent to \$435.5 million.

Annual debt service amounts to \$73.4 million for fiscal year 2018-19. You can see the largest single amount of the debt service payment supports County related capital projects, largely because of two major projects currently under construction, the renovated Administration II building, and the renovation of the Main Library. Durham Public School debt comes in at the next highest amount. Debt service payments are expected to increase in future years as recently approved bond referendum dollars are issued. During an upcoming budget work-session, the Board will review the current capital financing plan supporting this debt.

Almost 79 percent of our General Fund budget is generated from taxes, with property and sales taxes comprising most of that category. The amount of overall revenue supported by taxes continues to grow as a percentage of the General Fund budget as other revenue sources grow at slower rates or even decrease. We will need to pay close attention to how we fund future needs, given this emerging trend. Intergovernmental revenue, which comes from local, state, and federal partners, is the next highest category, with most of those dollars supporting our human services operations. Fees make up a smaller, but important portion of our total revenue. The largest fee collectors include Emergency Medical Services and the Register of Deeds. Appropriated Fund balance is the largest part of "other" revenue, and is budgeted at \$16.5 million, lessening the need for use of revenue sources including property tax.

The County's largest expenditure area continues to be Education, which includes Durham Public Schools and

Durham Technical Community College. The next largest function is General Government, but largely due to transfers of dollars to other funds which accounts for 54% of the total. Some examples include transfers to the capital finance fund, debt service fund, risk management fund and benefits fund. Human Services is where the Social Services and Public Health departments reside. After that comes Public Safety, whose two (2) largest departments are the Sheriff's office and Emergency Medical Services.

Goal One: Community Empowerment and Enrichment

The single largest expenditure for Durham County, is Durham Public Schools, with funding of \$137 million, or 31.5% of the entire General Fund budget. I am recommending a total DPS budget increase of \$3 million, using a combination of property tax dollars and Article 46 sales tax, as directed by County Commissioner policy.

County financial support for Durham Public Schools extends farther than just annual current expense funding. The County supports 27 School Resource Officers, also known as SROs, at \$2.5 million and Public Health school nurses at \$2.9 million. An additional \$77,500 supports education-related non-profits. And finally the County will pay an estimated \$33.2 million in debt service related to DPS voter approved General Obligation bonds issued for school capital support.

Durham Public Schools enrollment is estimated to grow 165 students in the upcoming year, while Charter Schools are expected to decrease by over 310 students. Overall, the number of students within both systems that will receive County funding decreases by a net of 145. We have consistently stayed among the top five North Carolina county governments in local funding per student and with my recommendation Durham County will maintain that position with local funding of \$3,400 per pupil, an increase of \$88.

When comparing the top funded county school systems in North Carolina, Durham ranked number 3 in 2017-18, behind Dare and Orange. Among the largest school systems in the state, Durham has the highest local per pupil funding. Our neighbor Wake County, is \$783 lower for 2018-19, while Forsyth, a demographically similar county, is over \$1,000 lower per pupil. Illustrated differently, Durham County will spend \$37 million more next year on public school education, controlling for school population, than Forsyth County.

For Durham Technical Community College, increased funding supports salary adjustments and other operational and capital costs. As the County continues to collect revenue from the quarter cent Article 46 sales tax, Durham Technical Community College will receive over \$1.3 million for student scholarship support in the upcoming year. Total County support for DTCC is \$7.5 million. County funding for the Museum of Life and Science is \$1.8 million, continuing operating support for one of Durham County's most unique learning environments. Also, the recently approved General Obligation bond referendum supports a little over \$14 million for Museum capital improvements.

For a second year, my budget recommendation includes \$1.5 million for operation of eight additional pre-school classrooms at the renovated Whitted School. I am also proposing continued support for Duke's Durham Children's Data Center, as we look to carefully evaluate pre-school and other key childhood investments over time. To continue toward universal Pre-K support for all Durham children, I am recommending an additional \$3.7 million be allotted for expansion of Pre-K services, for a total Pre-K funding amount of \$5.2 million. While acknowledging that the financial burden of making high quality pre-school available to every four year old in Durham is heavy, the alternatives for our most vulnerable and underserved children are unacceptable.

To support the Durham's Community Education/Preschool Task Force recommendations, I want to put these resources forward as a challenge grant, with the hope that they can be matched by private and philanthropic funding and re-investment of public school funding so that universal Pre-K in Durham is supported by multiple community partners. Together, we can find resources to address this important issue, with the ultimate goal of providing every child access to Pre-K education, which positively impacts our entire community.

Goal Two: Health and Well-being for All

Your support for Health and Human Services continues to be demonstrated by the significant funding provided

for programs and nonprofit organizations that support this strategic goal. We continue to focus on the cross-sector work that must be done to create a “Healthy Durham” – a Durham where all residents have the opportunity to achieve optimal health outcomes. We understand that “good health is a state of physical, mental and social well-being and not merely the absence of disease or infirmity” and we are working hard to address the disparities in health and quality of life outcomes that exist in our community.

In February, the Department of Social Services received approval for six (6) new positions within Child Protective Services to move us closer to the caseload standard of one (1) worker per ten cases. Since 2013, compensation and pension dollars captured by the Veterans Services office for County Veterans has increased 40%, but the unmet need is still significant. The recommended budget includes 1 additional Veterans Services Officer to continue supporting Veteran access to rightful benefits.

Public Health staff realigned existing resources after evaluating program performance, deciding to transition staff from the Healthy Futures Program to the School Health Program. This retains highly qualified public health nurses within the department, while reducing the nurse to student ratio, continuing an on-going commitment by the Board to increase school nurses in Durham Public Schools.

The number of restaurants and food trucks continue to increase in our community. We are a “foodie” destination for a reason. As a result, staff have an increased number of mandated inspections to conduct and I am recommending the addition of three (3) new positions to respond to this increased inspection workload.

Extensive renovations and expansion to the current Main library facility are well under way and we are continuing to prepare for its’ unveiling. I am requesting final year funding to support the purchase of the opening day collection for a planned 2019 opening. I am also recommending a Librarian position at the East Regional branch library.

Goal Three: Safe Community

Protecting residents and creating a safe community continues to be a top priority of the County’s Strategic Plan. Increased investments in the Sheriff’s Office, the Detention Center, Emergency Medical Services (EMS), and Emergency Management are the primary new investments for Goal 3. The proposed new or reallocated spending I am recommending will continue to address our critical public safety needs.

Well-trained EMS staff are essential to providing high quality clinical care to residents in need. For staff to maintain high quality care, I am recommending a Training Division be created using reallocated positions. This new training division will provide continuous education to the County’s EMS System. Having an in-house training resource provides greater opportunity to transition Emergency Medical Technicians into paramedics, supporting the goal of reducing the chronic difficulty in hiring new paramedics. I am recommending an additional Community Paramedic, also from a reallocated position. As we continue to analyze the outcomes of this pilot program, it has become apparent that there are a significant number of patients who could benefit from this proactive approach to preventative medicine. In addition, I am proposing continued replacement and upgrading of EMS ambulances by replacing five at a cost of over \$1.1 million using appropriated Community Health Fund dollars.

For the Sheriff’s Office I am recommending a total of 20 new positions and equipment to address critical safety and security needs. Five new School Resource Officers are included in response to the City of Durham no longer providing these services. With this investment, the County will be funding 27 School Resource Officers in Durham’s middle and high schools. I also am recommending funding for body cameras for all SROs bringing the County’s total investment in School Resource Officers to \$2.5 million. Additionally, two new deputies are recommended to strengthen support for victims of domestic violence and meet existing workload demands. In fiscal year 2016-17 the Board approved funding to open a mental health unit for male detainees in the Detention Center. The unit opened in fall 2017 and has proven to be a valuable resource in addressing the needs of detainees with mental health issues. The Sheriff’s Office has requested funding to open a mental health unit for female detainees as well. I support this request and recommend that 13 new detention officers be hired to staff this expanded service.

Additional proposed public safety investments focus on the Fire Marshal's Office, City/County Emergency Management and the Fire and Rescue Division. I am recommending a Hazmat planner to manage hazardous material plan submissions, and to assist Durham businesses with federal regulatory compliance. Per the existing agreement with the City the cost of this position will be split evenly. We are also supporting a new fee related to the type of hazardous material stored, estimated to generate \$40,000 this year. As discussed earlier, I am continuing to support the consolidation of Durham County's Fire and Rescue services with the City. Capitalizing on existing infrastructure of the City's fire department will provide more sustainable and efficient fire protection and first responder services for these residents.

Goal Four: Environmental Stewardship and Community Prosperity

This fiscal year, the County will continue to focus on strategic environmental and infrastructure investments aligned with our Strategic Plan and community goals. This work includes improvements to our utility systems in Research Triangle Park, supporting our reinvestment in Park Center and economic growth in RTP. Additionally, we will make investments in infrastructure for Treyburn Business Park as the park is a significant asset in attracting diverse manufacturing jobs.

Work on the Administration II building renovations has progressed and occupancy is anticipated in late summer/early Fall 2018. Construction is also well underway on the Main Library renovations with completion currently anticipated in late 2019. Additionally, we are now at a point where key investments must be made in public safety facilities. With these issues and current and projected workloads, coupled with the demand for additional special studies and initiatives, I am recommending two project manager positions be added to the Project Management team.

Durham County continues to be a location of choice for employers. With that in mind, I have recommended an increase in Economic Development incentive support of over \$500,000 for agreements signed within the last year. Additional grant funding from the "One North Carolina Fund" will support needed infrastructure investments, while additional County funding of \$250,000 will support infrastructure preparations for Treyburn Business Park.

The Enterprise Fund Utility Division continues to expand the extension of reclaimed water services and interlocal agreements with surrounding municipalities and Research Triangle Park businesses. We will be adjusting user rates over the next several years to allow for a number of future projects. I am also recommending a new Utility Technician position to provide support services in a number of areas from field work to the compliance lab. We will also be implementing a new Capital Fee structure related to legislative changes.

Goal Five: Accountable, Efficient and Visionary Government

During the past year the County has made major strides in developing tools and investments to further the implementation of the Managing for Results initiative, while also more closely aligning MFR with the County's goal of accountable and visionary government. Ultimately, departmental workplans and even employee workplans will support strategic plan goals and objectives. Tools like SAP enterprise software upgrades, use of data collection and analysis programs such as ClearPoint and PowerBI, and even dedicated positions to support MFR implementation, all support Goal 5.

As part the current fiscal year's budget, the Board approved a Compensation and Classification study, which will offer a multi- pronged approach to employee compensation that meets the changing nature of work in the coming decade. The objective is to implement a consistent, competitive classification and compensation system that allows the County to attract, reward and retain high quality employees. Proposed funding to begin adopting study recommendations is \$3 million for the upcoming fiscal year. The recommended budget also raises the percentage of pay for performance salary increase from 2-3% to 2-4%. We must be able to adequately recognize and support our best employees. Strategic changes in the County's benefits provider saved the County a multi-million dollar increase in health insurance costs this current fiscal year. However, due to benefits plan enrollment and health care premium cost increases, the total fiscal year 2018-19 health benefits increase is approximately \$3.2 million. I am personally having conversations with Aetna to find reasonable ways to limit cost increases to our benefits

package, and I will continue to keep the Board updated throughout the budget process in June.

With the new Admin. II building becoming operational soon after the beginning of the new fiscal year, our General Services staff has been preparing for this additional 168,000 square feet of space, including new staff and other operational costs. Through continued focus on budget reallocation and work efficiencies, the General Services department was able to absorb nearly half of the \$1.2 million operational cost of Admin II. As Durham County continues its journey to become a data driven organization, informed by our performance management system, business process improvements and data analytics will need to come to the forefront of technical services provided. To meet this demand, the IS&T budget supports bringing a Senior Business Analyst position up to full time, along with increases in software licensing for support of these services. The next several years will see a growing application of business intelligence. In order to meet the ambitious goals and objectives of the Strategic Plan, the County must collect, protect, analyze, and act on ever increasing amounts of data, and do all of this more efficiently.

The foundation of any organization is its employees, and for Durham County this is especially true. The varied services carried out by our departments are largely borne from the daily effort of its dedicated workforce. As I continuously say, human capital is our greatest asset. To that end I am recommending a total of 40.97 new positions. Eight (8) new positions are supported by the realignment of vacant positions, while 4.72 are eliminated, largely due to the ending of grant support. 53 positions that were part of Durham County Fire and Rescue will transition to the City Fire department per the soon to be presented Interlocal agreement. The net effect is an overall reduction of 24.75 positions for fiscal year 2018-19, but be prepared for continued requests for position support in future years as we respond to challenges today and tomorrow.

In Closing:

Durham County is more prepared than any other time in modern history to become a results-driven, outcomes-centered organization. A refreshed Strategic Plan, a strategy for organizational innovation, a systematic approach for collecting and using data, along with a host of talented staff, has our organization prepared to guide Durham County through substantial changes in the coming years. I am excited about our future and the decisions we are making to ensure Durham County is a community of choice for everyone!

Staff and I look forward to working with you during these budget deliberations as we continuously aim to make Durham the place to live, grow and thrive. Budget work-sessions will begin on Tuesday, May 22 where we will provide an overview of the budget, the environment in which it was built, and discuss Goal 1 areas including Durham Public Schools, Durham Technical Community College, and the Museum of Life and Science. The May 24th work session on Thursday will be a full day and will begin the review of departmental budgets. After the holiday weekend, we will return to work-sessions on Thursday, May 31, and then another on Monday, June 4. We will have the public hearing on Monday June 11th and a last work-session on June 14.

Budget adoption is planned for June 25.

Document copies can be found on the Durham County Website, at the Clerk to the Board's Office and at the Durham County Regional Libraries.

I want to thank our Departments and other staff for their efforts in developing this recommended budget. Durham County is fortunate to have such dedicated employees. I would also like thank Budget staff and Budget Director, Keith Lane, General Managers Gayle Harris, Deborah Craig-Ray, Claudia Hager, Jodi Miller, Jay Gibson, Chief of Staff Drew Cummings and our Public Information Office for helping facilitate this process. I look forward to the upcoming conversations with the Board as we plan for next fiscal year."

Chair Jacobs thanked the Manager for the presentation. She stated that this was a ground up process and thanked everyone for their role during the budget season. Chair Jacobs asked that the Budget Worksessions and public hearings be placed on all announcements.

County Manager Davis added that the budget portal was open online for those not able to attend any sessions.

Consent Agenda

Chair Jacobs asked the Board if they requested to comment or pull any items from the Consent Agenda. Hearing none, Chair Jacobs entertained a motion for approval.

Commissioner Reckhow moved, seconded by Commissioner Howerton to approve the following items on the Consent Agenda.

18-0673 Contract Amendments for RND Architects and Progressive Contracting Co Inc.

18-0689 Request to Award Contract for Sole Source Purchase of Firefighter Protective Clothing

*18-0751 Budget Ordinance Amendment No. 18BCC000035 - Recognize Durham County Library Grant Revenue: "LSTA EZ Edge Technology Grant"

18-0752 Standard Non-Reimbursable Utility Contracts for the Extension of the County Sanitary Sewer System

*18-0765 Capital Project Amendment No. 18CPA000009 - Appropriate \$500,000 of Collection System Rehabilitation Fund fund balance to Project SE051.

18-0793 Durham County Juvenile Crime Prevention Council Recommendation for FY 2018-2019 DJJ Local Funding Plan

18-0795 Repair and Maintenance of Fire Apparatus

*18-0798 Budget Ordinance Amendment No. 18BCC000036 to Recognize \$485,633 in Medicaid Cost Settlement Funds for Increased Funding for Public Health SFY 2013 Medicaid Cost Settlement Payback

18-0800 Provide Additional Funding for Stadium Event Janitorial Services

18-0802 Request to Appoint an Alternate Member to the Special Board of Equalization and Review

18-0810 Additional Funding for Contract with Womble Bond Dickinson, LLP (formerly "Womble Carlyle Sandridge & Rice, LLP)

The motion carried unanimously.

Consent Agenda Item #18-0751

**Durham County, North Carolina
2017-2018 Budget Ordinance
Amendment Number 18BCC000035**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2017-2018 budget ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$60,484,968	\$8,000	\$60,856,968

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Cultural and Recreational	\$13,054,424	\$8,000	\$13,062,424

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 14th day of May 2018

Consent Agenda Item #18-0765

**DURHAM COUNTY, NORTH CAROLINA
2017-18 Capital Project Ordinance
Amendment Number 18CPA000009**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY:

That the 2017-18 capital project ordinance is hereby amended to reflect budget adjustments for the following projects.

Project	Current Budget	Increase/Decrease	Revised Budget
Collection System Rehabilitation Project (SE051)	\$1,965,134.67	\$500,000	\$2,465,134.67
Totals	\$1,965,134.67	\$500,000	\$2,465,134.67

Adopted this the 14th day of May 2018.

Consent Agenda Item #18-0798

**Durham County, North Carolina
2017-2018 Budget Ordinance
Amendment Number 18BCC0000036**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2017-2018 budget ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$60,856,968	\$485,633	\$61,342,601

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Human Services	\$97,519,916	\$485,633	\$98,005,549

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 14th day of May 2018

Adjournment

Commissioner Reckhow moved, seconded by Commissioner Howerton to adjourn the Regular Session meeting.

The motion carried unanimously.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Monica W. Toomer".

Monica W. Toomer
Deputy Clerk to the Board