

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

Tuesday, May 22, 2018

10:00 A.M. Budget Work Session

MINUTES

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

Present: Chair Wendy Jacobs, Vice-Chair James Hill and Commissioners Heidi Carter, Brenda Howerton and Ellen Reckhow

Presider: Chair Wendy Jacobs

Budget Overview/Outlook/Fund Balance

Chair Jacobs welcomed the Board to open discussion about the Budget Overview.

Commissioner Reckhow stated the Museum of Life and Science budget was non-controversial and asked that less time be spent discussing that item. She requested more focus be placed on the Durham Public School request.

Chair Jacobs stated there were many budget requests not funded and many initiatives that needed to be on the Commissioners radar. She continued to say, of the three priorities mentioned at the budget retreat, only one was funded in the budget. Chair Jacobs asked how those priorities were being handled. Keith Lane, Director of Budget and Management responded that the department was planning to discuss those items soon.

Commissioner Reckhow stated it was two years since the latest Capital Improvement Plan (CIP) was adopted. She inquired about the next update and review. Jay Gibson, General Manager stated he anticipated a conversation would take place during the fall. Commissioner Reckhow stated she did not want to lose track of the joint CIP effort with Planning and the School District. Mr. Gibson assured the Board that more conversations would take place in the Fall.

Mr. Lane shared a presentation titled “*FY 2018-19 Budget Overview*” with questions to follow.

Commissioner Reckhow questioned the assumptions between the City and the County. She stated citizens were told the growth would allow significant initiatives without increasing taxes; adding every year the County was asked to re-evaluate fees. Commissioner Reckhow mentioned after reviewing the fees herself, changes were very sporadic with no changes occurring in the Sheriff’s Department and questioned when the last adjustments were made.

Chair Jacobs questioned the occupancy tax “FY 2018-19 Other Revenue” slide. Commissioner Reckhow asked if the Sports Commission funding was based off the occupancy tax as well. Mr. Lane responded they would continue to be funded; however, they would not experience any

growth. Commissioners asked was there a plan to address it and if the estimate decreased, would it be safe to add more to the fund balance. Susan Tezi, Chief Financial Officer responded that the estimate was assuming 100 percent for revenue collections which showed estimated growth. She continued to say the assumption for expenditures was 95 percent. Wendall Davis, County Manager stated that at the mid-year point, after reviewing the trend line; if adjustments needed to be made as a result to the expenditure pattern, they would be done at that time.

Capital Financing Plan

Douglas Carter, DEC Associates shared a presentation titled “*County Financial Planning, Debt Affordability and Credit Standing*”.

Chair Jacobs suggested ways the County should manage the Capital Improvement Process (CIP) and work closer with the schools for greater insight. She mentioned sharing a portion of the presentation with the schools and possibly having a discussion with them. Chair Jacobs also inquired about what was being spent/not spent and how closely the County was working with the school system. Wendell Davis, County Manager responded the schools were doing a good job of spending the money for maintenance; however, there was a substantial project with no movement. Chair Jacobs stated there was a discussion at the last joint meeting to issue another bond on more debt. She added this would be good information to share.

Commissioner Carter requested clarification on the methodology chart.

Commissioner Reckhow mentioned she did not recall reviewing the pay as you go projects. Keith Lane, Director of Budget and Management responded those were a part of the Capital Improvement Plan (CIP) from two years ago. Commissioner Reckhow noted the Bethesda Fire District stating it should not be listed as a pay as you go project. Chair Jacobs and Commissioner Carter echoed comments by Commissioner Reckhow, adding an explanation on other budget documents were needed for clarification.

Directive:

- **Commissioner Reckhow requested additional discussion and written rational statements on the pay as you go projects.**

Public Feedback from Survey & Community Conversations

Keith Lane, Director of Budget and Management shared website information on the feedback received from different community engaged events.

Chair Jacobs stated she did not agree that some of the projects were not in the Strategic Plan and asked how the information was being used and shared with County departments. Wendell Davis, County Manager responded the purpose was to look at best management practices. He added this information was to inform the Board that there was more work to be done as staff navigated through the strategies.

Durham Technical Community College

John Burness, Board Chair shared a presentation titled “*Durham Tech FY 2018-19 Durham County Budget Presentation*”.

Commissioner Reckhow mentioned she was not aware that the County was supplementing pay for Durham Tech employees. Mr. Burness responded there were a number of employees that worked in maintenance and building grounds and the County was responsible for those positions.

Commissioner Howerton questioned whether the schools were/were not participating in ConnectFunds. Mr. Burness stated students from all schools were participating; however, Southern High School showed the strongest partnership.

Chair Jacobs suggested changing the name of the scholarship and asked that they promote it better in the community for more participation. She also questioned the plans for Northern Durham Tech and the pipeline between Durham Public Schools Career and Technical Education and Durham Tech.

Directive:

- **Commissioner Howerton requested information on the number of students that attended ConnectFunds from different schools.**

Museum of Life and Science

Berry Van Deman, President and CEO shared a presentation titled “*FY 2018-19 Budget Request to the Durham Board of Commissioners*”.

Commissioner Howerton inquired about the five percent free memberships asking if that percentage would be increased. Julie Rigby, Vice President of External Relations responded the percentage was increased to 10 percent. Commissioner Howerton commended them on the great job in advertising for their location and keeping track of their attendance.

Commissioner Carter stated the museum was doing an outstanding job at increasing the number of free memberships. She also highlighted the adult events held at the museum adding how quickly they were selling out.

Commissioner Reckhow appreciated the fact that staff were including adults in the events that were being expanded throughout the museum and expressed excitement that the museum was a certified zoo. She asked for clarification on the utilization by the school district. Mr. Van Deman stated for many years they refurbished kits for the science fair program; however, the school system decided to take that in-house. He continued to say the museum offered Science Technology Engineering Mathematics (STEM) days which was a field trip experience where staff set up experiences for the visiting school field trips. Mr. Van Deman added they were looking forward to doing more of those events and exploring ways to incorporate other programming.

Chair Jacobs asked if there was a partnership with the Department of Social Services (DSS). Ms. Rigby responded no. Chair Jacobs suggested DSS as a good partnership, more specifically with foster families and other families in need of support. She also inquired about public

access/transportation. Mr. Van Deman stated the bus drop off was currently on Roxboro Rd. He added they were working with the City of Durham to remedy the situation.

Durham Public Schools

Dr. Pascal Mubenga, Superintendent shared a presentation titled “FY 2018-19 Budget Request” with the discussion to follow.

Commissioner Reckhow asked would the \$1.5 million and the extra \$500,000 for Pre-K be severed from the total before distribution. Dr. Mubenga responded yes. Commissioner Reckhow asked for elaboration as to why Durham was ranked 81 out of 115. Dr. Mubenga responded smaller districts received less funds than Durham. He added some schools had higher turnover which he believed was because the substitute teachers were not being compensated fairly.

Chair Jacobs questioned why the County books showed \$132 million while the DPS request showed \$125 million. Dr. Mubenga explained DPS showed more because \$22.8 million would go to Charter Schools. Chair Jacobs inquired about the request for Student Resource Officer funding. Commissioner Reckhow responded that was a temporary cost used in hiring until the positions were filled. She added it was discussed to fill the temporary staff as the new employees were trained.

Commissioner Reckhow questioned the longevity pay stating she thought it no longer existed. Dr. Mubenga responded longevity pay was taken away from principals, teachers and certified staff; other classified employees still received it. Commissioner Reckhow stated she appreciated the outline on the program budget mentioned on page 126 and asked for metrics to be included from pre-k (pre/post-test and kindergarten) assessments.

Commissioner Howerton asked if the County received funding for SROs from the state, where would that extra money go. Dr. Mubenga responded he was not sure, but there was discussion about providing additional officers.

Vice-Chair Hill inquired about the starting pay for custodians and in-house staff. Dr. Mubenga stated the State set salary for part-time staff was \$11.44 and \$13.38 for full-time staff. He continued to say current DPS full-time pay ranged between \$13-14/hour and \$9-10/hour for part-time.

Commissioner Howerton asked if students were dropping out or transferring to charter schools. Dr. Mubenga stated it was a 50/50 split; however, many students were being enrolled into charter schools.

Chair Jacobs appreciated the budget book and the transparency of the items. She questioned the transfers on page nine asking for clarification. Dr. Mubenga stated DPS was only eligible for out of state funds for yellow school buses, anything outside of those (activity buses) would have to be transferred.

General Government Questions or Comments

Commissioner Carter requested a break-down of information regarding the changes from FY 17-18 and FY 18-19 budget. She also asked if there was a way to show overall spending instead of functional spending. Keith Lane, Director of Budget and Management referenced page 13-14 for that information. Commissioner Carter asked regarding the 2-4 percent evaluation salary increase, if an employee did not meet expectations, were they still eligible for an increase in pay. Wendell Davis, County Manager responded if an employee does not meet expectations, their rating would be “needs improvement” and that does not qualify them for an increase. Commissioner Carter asked when increases were budgeted, was there a pot of money placed to the side then divided up amongst the employees. Mr. Lane stated there was a built-in program that helped calculate and determine the amount of money needed for the annual increases.

Vice-Chair Hill expressed his concerns about the Alcohol Beverage Control (ABC) Board and asked if documents were received. Mr. Lane responded no documents were received. Vice-Chair Hill asked Terri Lea Hugie, County Clerk to send Mr. Lane and all Commissioners the budget information (audit, current and previous year budget documents).

Directive:

- **Commissioner Reckhow referred to page 12 and questioned the overall increase in General Government. She would like an explanation on departments with more than four percent and have them provide a full statement. Commissioner Reckhow requested by email how many Pre-K classrooms were available and how many kids were enrolled.**

Respectfully Submitted,



Monica W. Toomer
Deputy Clerk to the Board