

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

Monday, May 3, 2010

9:00 A.M. Worksession

MINUTES

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

Present: Chairman Michael D. Page and Commissioners Joe W. Bowser, Becky M. Heron, and Brenda A. Howerton

Absent: Vice-Chairman Ellen W. Reckhow

Presider: Chairman Page

Citizen Comments

Chairman Page recognized the following speakers who requested time on the agenda to address the Commissioners about the Mental Health Budget:

- Ms. Betsy MacMichael
- Mr. David Smith
- Mr. Earl Phillips
- Ms. Karen Crumbliss

Commissioner Heron responded to comments made by Mr. Phillips.

Ms. Joyce Evans requested time on the agenda to address taxes; however, she was not in attendance.

Ms. Melody Scarborough and Mr. Jerry McClain requested time on the agenda to discuss roads; however, they were not in attendance.

Chairman Page thanked the citizens for their remarks.

Presentation: Project Access of Durham County, a Coordinated Specialty Care Access Program for the Uninsured

Gayle Harris, Public Health Director, Vice Chairman of Project Access, introduced this item stating that the Board requested to receive a program update and a request for continued funding from Project Access of Durham County (PADC), Inc.

Ms. Harris enlightened the Board about PADC completing its second operating year on June 30, 2010. During the two-year period 1,964 patients, 842 newly enrolled patients in year two, have been enrolled for specialty care that has been provided by donated care in the

form of 3,645 episodes of care, 2,209 episodes of care in year two, from Duke Medicine and community physicians.

Ms. Harris highlighted that enrollment continues to be limited to the uninsured patients of Lincoln Community Health Center with incomes less than 200% of the Federal Poverty Level, approximately \$44,000 for a family of 4 or \$22,000 for a single person.

In addition to donated episodes of care and County funding, Project Access of Durham County is supported by BCBSNC Foundation, The Duke Endowment, and individual donations.

Ms. Harris stated that for FY 10 – 11, Project Access of Durham County requested county funding in the amount of \$359,126.

Dr. F. A. Barada, Chairman of PADC Board of Directors, gave the following presentation:

Goal

- To improve the health of low income, uninsured residents of Durham County by providing an organized system of donated specialty medical care and services, and care coordination and disease management

Project Access of Durham County—Improving Care for the Uninsured

- Comprehensive, integrated system of care
- Educate patients about:
 - Importance of medical care home
 - Appropriate use of different types of medical care
 - Keeping medical care appointments
 - Being active participant in maintaining one's health
- Support primary care providers by:
 - Reducing time spent trying to find specialty care for patients
 - Reducing visits by patients returning for unresolved specialty care needs
- Support specialists and hospitals by:
 - Creating coordinated system for charitable care
 - Improving communication between providers
 - Reducing preventable ED visits and hospitalizations
 - Reducing barriers to patient follow-through on treatment plans
- Provide access to low-cost medications

Statewide Context

- Care Share Health Alliance aims to be a nationally recognized model for healthcare access and improved outcomes that engages people in their own health
- Project Access of Durham County (PADC) is one of a number of access projects across the State
- PADC is recognized for:
 - Broad-based, collaborative leadership

- Comprehensive approach to patient care, with prospective disease management
- Plan for evaluation

Overview

- Physicians in Durham committed to donate over 2,800 episodes of care in first year of operations, and over 3,000 episodes of care this second year (episode of care = treatment provided to a patient over three month period, could be one or more visits)
- Duke University Hospital, Durham Regional Hospital and North Carolina Specialty Hospital committed to donate diagnostic tests and hospital services
- LabCorp, Spectrum Laboratory, Durham Diagnostic Imaging, Skin Pathology Associates, Triangle Aftercare, Active Healthcare, Inc., Kight’s Medical Corporation, LensCrafters, DonJoy, Liberty Home Care, and Duke HomeCare and Hospice, and other agencies or businesses are donating services or equipment

Patients Referred to PADC by LCHC July 1, 2008 – March 31, 2010 (Graph)

Patients Enrolled in PADC July 1, 2008 – March 31, 2010 (Chart)

Impacts on LCHC Providers (Graph)

Feedback from LCHC Providers

- “Makes it easier to provide best quality of care to patients”
- “Very significant” and “huge” improvement
- “Increased comfort” and reduced stress in knowing patients would get specialty medical care and services
- Specialty medical care referrals no longer a “black hole”
- Patients have been able to “get chronic debilitating conditions treated” and some have experienced “phenomenal change of life” as a result

Donated Specialist Consults

- 1,436 episodes of care provided in Year 1
- 2,209 episodes of care provided in Year 2 to date
- All medical specialties represented except oral surgery, dentistry, and psychiatry
- Highest number of specialist referrals = orthopaedics, gastroenterology, ophthalmology, neurology, dermatology, and general surgery
- Referrals exceeded availability in endocrinology, pulmonary, ophthalmology, and general and vascular surgery

Value of Medical Care & Services—July 1, 2008 – March 31, 2010

	<i>Year 1</i>	<i>Year 2 to Date (4 months of claims)</i>
Professional Claims (includes office visits, radiology, lab, pathology)	\$585,523	\$545,821
Facility Claims (includes radiology, lab pathology)	\$871,659	\$665,697

Total	\$1,457,182	\$1,211,518
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*Value of services reported using Medicare rates, significantly lower than billed rates.

Pharmacy Services & Medications

- With County Funds through PADC:
 - Lincoln Pharmacy expanded its formulary to include medications commonly prescribed by specialists
 - Lincoln Pharmacy hired bilingual staff person to manage applications to prescription assistance programs and medications for PADC patients
 - Lincoln Pharmacy provided prescription medications valued at \$108,356 AWP (purchased for \$9,709) in Year 1 and medications valued at \$177,795 (purchased for \$10,798) in Year 2 to date
 - Duke Pharmacy donated \$3,919 prescription medications in Year 1 and \$9,611 prescription medications in Year 2 to date

LATCH Care Coordination

- Program of Duke Community Medicine
- Two Health Education Specialists provide care coordination to PADC patients
 - Arrange transportation (funded by grant from BCBSNC Foundation)
 - Arrange or provide interpretation
 - Make reminder and follow up phone calls to assure appointments kept and treatment plan followed (~6.5% no show rate in first year)
 - Make referrals to DSS (Medicaid, food stamps), agencies for mental health counseling

LATCH Disease Management

- Nurse Case Manager provides care coordination and disease management for:
 - Patients with diabetes, high blood pressure and/or high cholesterol not well controlled
 - Frequent users of emergency department
 - Patients being discharged from hospital
- Communicates with patient, specialist, primary care provider, and (as needed) discharge planners
- Develops Plan of Care to assure medication adherence, improve self-efficacy in managing health, and improve health knowledge

PADC Funds

- July 2010 – July 2011
 - County: \$388,364 (\$29,238 carry-forward plus \$359,126 new funds)
 - The Duke Endowment/Care Share Health Alliance: \$323,093
 - BCBSNC Foundation: \$75,000
 - Total Funding: \$786,457

PADC County Budget—July 2010 – June 2011

County Expenses	
Audit, accounting, payroll	\$8,000.00
Claims processing	\$45,000.00
Conferences, staff travel	\$2,450.00
Equipment, furniture, supplies	\$5,400.00
IT, software, tech	\$8,000.00
Liability insurance	\$3,163.60
Marketing & outreach	\$2,000.00
Meeting expenses	\$4,400.00
Miscellaneous	\$600.00
Pharmacy services, medications	\$70,000.00
Physician recruitment, recognition	\$12,000.00
Postage & delivery	\$2,000.00
Printing & photocopying	\$4,200.00
Salaries & benefits	\$218,750.00
Telephone & internet	\$2,400.00
Total Expense	\$388,363.60

Dr. Barada and staff responded to several questions asked by the Board.

Durham Public Schools Board of Education Movement of \$1 million of Capital Outlay fund to Current Expense Funding for Durham Public Schools

H. Hank Hurd, Interim Superintendent Durham Public Schools The Durham Public Schools Board of Education requests the FY 2009-10 county appropriation for Durham Public Schools be amended to reflect the need of the schools to move \$1,000,000 designated for Capital Outlay to Current Expense. This amendment does not change the total appropriation for the Durham Public Schools.

The total local appropriation for Durham Public Schools for FY 2009-10 is as below:

	Adopted Budget	Proposed Amendment	Amended Budget
Current Expense	\$ 99,807,663	\$ 1,000,000	\$ 100,807,663
Capital Outlay	\$ 2,370,000	\$ (1,000,000)	\$ 1,370,000
Total Appropriation	\$ 102,177,663	\$ 0	\$ 102,177,663

The following State budget actions have taken place since the adoption of the initial budget by the Board of Education:

- Indirect cost rate (decrease of over 50%) change by DPI = \$706,000
- DPS was notified of rate change in October 2009
- State cut of Non-Instructional support – difference in ARRA Stabilization funds received and actual cut = \$241, 000
- State Transportation cut larger than anticipated in original budget = \$373,000

Total unanticipated state reductions to-date = \$1,320,000. It is necessary to redirect capital outlay funding to cover these state related operating budget deficits at this time.

Hugh Osteen, Assistant Superintendent of Operational Services, Durham Public Schools, discussed the capital outlay fund. He responded to the Board's concerns.

Mr. Hurd replied to questions posed by the Board.

Directives

1. Place this item on the May 10 consent agenda for final approval.
2. Consider ways to replace the funds.

Durham County Transit Plan

Mark Ahrendsen, City of Durham/DCHC MPO, introduced this item. He stated that the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) and Capital Area Metropolitan Planning Organization (CAMPO) 2035 Long Range Transportation Plans include a rail project connecting Wake, Durham, and Orange counties. Implementation of this plan would require federal, state, and local funding. House Bill 148, Congestion Relief/Intermodal Transport Fund, would allow for a ½ cent sales tax for transit projects subject to approval in a referendum and requires the development of county transit plans in Wake, Durham, and Orange counties. The county plan would need to be approved by the county and the MPO before the referendum is scheduled in each county.

Triangle Transit, the MPOs, and the counties have begun the development of county transit plans. The plans need to be coordinated across the region, include public involvement, and be consistent with the technical Alternatives Analysis effort being led by Triangle Transit. MPO staff would provide an update on the status of these plans, the schedule for development of the plans and the referendum, services that are under consideration for inclusion in the plans and issues that would need to be discussed and resolved.

Mr. Ahrendsen gave the following presentation:

Today's Agenda

- History (How we got to where we are)
- Process for developing the County Transit Plans (Wake, Durham, Orange)
- Regional Transit Plan

- Issues
- Schedule

Pre-STAC (2006 and Before)

- Triangle Region Fixed Guideway Plan
- Light rail transit from Durham to Chapel Hill
- Diesel multiple unit (DMU) from Durham to NE Raleigh
- NEPA work completed from Durham (Duke) to NE Raleigh
- Design work on Minimum Operable Segment
- FTA announces in 2006 that project does not meet minimum thresholds for federal funding

Special Transit Advisory Commission (STAC)

- 29 member commission jointly established by DCHC MPO and CAMPO in 2007
- Purpose: Develop a vision for transit in the Triangle (long-term look at transit needs in the Triangle)
- STAC report published in May 2008
 - Buses, circulators, 51 miles of rail (\$2.27B in 2007)
 - DMU from Durham to NE Raleigh
 - Light rail from Durham to Chapel Hill
 - Recommended ½ cent sales tax and increase in motor vehicle fee
 - Strong linkage between land use and transportation (and 1.2M additional residents in Triangle by 2035)

2035 MPO Long Range Transportation Plans

- Approved June 2009 (single transportation plan for the Triangle approved by DCHC MPO and CAMPO)
- Expanded local and regional bus service (including circulators)
- Light rail from Chapel Hill to Durham to NE Raleigh
- ½ cent sales tax, increase in motor vehicle fees, federal and state funding

2035 LRTP—Transit Service (Map)

Light Rail Transit

- Durham to RTP to Raleigh
- Durham to Chapel Hill

Bus Transit

- Express bus service
- Local bus service improvements e.g. more frequent service
- Circulator bus service in employment centers
- Feeder service to light rail transit

Transit Funding

- HB 148 (Congestion Relief/Intermodal Transport Fund legislation) approved by General Assembly and signed by the Governor – August 2009

- Authorizes ½ cent sales tax by referendum in Wake, Durham, and Orange Counties and ¼ cent sales tax in surrounding counties
- Authorizes \$10 increase in motor vehicle fees (\$7 County, \$3 TTA)
- Requires development of County transit plans

Development of County Transit Plans

- Plans must be approved by Board of County Commissioners, MPO, TTA
- Regional Transit Leadership Group established (4 Mayors, 2 Commission Chairs, 2 MPO Chairs, TTA Chair)
- Discussions begin in Wake, Durham, and Orange Counties (local elected officials, business groups—chamber and RTA, grass roots—Durham-Orange Friends of Transit, Capital Area Friends of Transit, etc.)

Wake County Transit Plan

- Most robust revenue stream
- Multiple local governments with different transit needs
- Wake County Transit Group formed in September 2009 (Wake County staff, CAMPO staff, TTA staff)
- Elements of Transit Plan
 - Governance/Interlocal Agreement
 - Existing Transit baseline
 - Development related factors (land use/housing, population projections)
 - Proposed service plan
 - Proposed financial plan
 - Completed by December 31, 2010 (for fall 2011 referendum)

Wake County Transit Plan—Interlocal Agreement

- All municipalities in Wake County would:
 - Agree to local tax sources
 - Agree on transit funding principles
 - Agree on governance
 - Acknowledge that funding would be tied to affordable housing distribution
 - Acknowledge that land use decisions affect transit decisions

Wake County Transit Plan—Preliminary Plan

- 187,500 annual hours of additional bus service
- Express/commuter rail (TMC to Clayton)-2018
- Light Rail—Fairgrounds to NE Raleigh-2020; Fairgrounds to Apex or TMC-2031

Orange County Transit Plan—Purpose

- Supports efforts to secure long-term stable transit funding
- Supports light rail in the Triangle
- Fits the regional financial model
- Facilitates policy level discussion of transit
- Advances urban public transit in the Triangle

- Local bus
- Regional bus
- Light rail

Orange County Transit Plan—Goals

- Support on-going Chapel Hill Transit operations
- Provide a funding alternative to property tax
- Introduce new services
 - Expand local services
 - Introduce regional connecting services
- Fit within regional financial model

Orange County Transit Plan—Assumptions

- Allocate funds to offset growth of cost
- Sales tax used to support local services (local and regional that connect smaller communities)
- Sales tax support for bus services phased from 100% to 50% (three years)
- Emphasize operating projects or capital local match

Orange County Transit Plan—Preliminary

- 34,000 annual hours of additional bus service
- Bus rapid transit (BRT) on Martin Luther King, Jr. Blvd.
- Light rail from UNC Hospital to Leigh Village

Durham County Transit Plan

- In the middle
 - Disproportionate share of regional rail system relative to population/sales tax revenue
 - Financial challenges
 - Affected by actions of neighboring counties

Durham County Transit Plan—Revenue Assumptions

- ½ cent sales tax
- \$10 vehicle registration fee
- Regional car rental tax
- 33% federal funding to construct light rail
- 25% state funding to construct light rail

Durham County Transit Plan—Draft June 2009

- 141,000 annual hours of additional bus service (included 40,000 “rail dividend” hours)
- Light rail from Durham to TMC (RTP) – 2023
- Light rail from Durham to Chapel Hill – 2023

Durham County Transit Plan—Draft November 2009

- Light rail from Leigh Village (CH) to TMC (RTP) not financially feasible under revised revenue assumptions
- 105,000 annual hours of additional bus service (includes 40,000 “rail dividend” hours)
- Express rail from Duke to TMC (RTP)—2019
- Light rail from Alston Avenue to Leigh Village (Commissioner Heron)-2023

Preliminary Assumptions of Regional Transit Plan

- Bus expansion first with early deployment
- Connect Chapel Hill, Durham, Cary, Raleigh with rail transit
- Build rail investments as early as possible, starting with best performing segments
- Maximize potential Federal and State funding
- New transit revenue generated in each County, with some degree of flexibility, is assumed to be spent in that county
- Assume referendum in fall 2011
- Share benefits of transit equitably throughout the region
- Provide flexibility to modify rail and bus service to respond to future growth patterns
- Coordinate bus and rail services across jurisdictional borders
- Match transit technologies to corridors and markets (“right tool for the job”)
- Plans must be financially solvent and bondable
- Revenue assumptions
 - ½ cent sales tax
 - \$10 vehicle fee
 - Regional rental car tax
 - 33% Federal funding to construct light rail
 - 25% State contribution to light rail construction

Elements of the Plan (Preliminary)

- Expanded bus service
- Light Rail Transit (LRT)
- Express Rail
 - Amtrak
 - HSR
 - Commuter

Draft Regional Plan Summary

- 113 new buses (286,500 bus hours), with 65% in first two years
- 41 miles of new Commuter Rail service
- 42 miles of new Light Rail service

All plans are solvent, but have debt service requirements that must be met.

Plan Rail Investments (Draft)

Light Rail & Express Rail

- Light rail links neighborhoods for intra-city travel, short trips
- Express Rail links job centers, pulling two sides of region closer together

Light Rail vs. Express Rail—(Land Use/Development Density)

- Appropriate transit service technology to serve projected development/land use
- Trips by travel markets
- Florida TOD design guidelines
- Forecast ridership
- FTA thresholds for light rail transit
- RTP “redevelopment”

Light Rail vs. Express Rail—Travel time

- Durham to Raleigh—28 miles
- Station spacing
 - Light rail - \leq 1 mile
 - Express rail- $>$ 2 miles

<u>Technology</u>	<u>Speed</u>	<u>Stations</u>	<u>Travel Time (min)</u>
LRT	55	28	53
Commuter Rail	79	12	35
Piedmont	90	3	22
Hi Speed Rail	90	2	20

Light Rail vs. Express Rail Cost

- Light rail - \$50M per mile
- Express/commuter rail - \$12M per mile
- Light rail throughout Durham not financially feasible under current revenue assumptions – would require additional revenue
- Impact on bus service expansion
- Recent LRT New Starts generally less than 15 miles (7 to 14)

Durham County Transit Plan-Issues

- Goals for transit in Durham
- Process for developing Durham County Transit Plan (assumptions)
- Public input/involvement of others (business groups, major employers, citizens, DOT Transit, universities, RTP, etc.)
- Bus/rail funding mix
- Light rail vs. express/commuter rail
- Express/Commuter rail operational responsibilities
- Coordination with Orange and Wake Counties
- Financial responsibility for rail service that crosses County lines
 - TMC to Wake County
 - Leigh Village to Orange County
- Financial responsibility for bus service that crosses County lines
 - Mebane to Durham

- Chapel Hill to RTP
- Other
- Use of new revenue sources (sales tax or vehicle registration fee) to offset increase in cost of operating existing bus service
- Financial impact to entities operating bus service as ridership shifts from bus to rail
- Development of recommended bus service improvements
- Schedule for approving the Plan
- Timeline for increasing motor vehicle registration fee
- Timeline for authorizing a referendum for a ½ cent sales tax for transit

Alternatives Analysis

- Led by Triangle Transit
- Follows federal guidelines
- Examines all reasonable transportation alternatives
- Conducts a fair and impartial evaluation
- Recommends a locally preferred alternative (LPA)
 - Stations
 - Vehicle technology
 - Alignment

Alternatives Analysis – Schedule (Chart)

Durham County Transit Plan – Schedule

- Present to August 2010 – Begin plan development.
- September – December 2010 – Engage public in review of emerging plan elements.
- January 2011 – Release draft plan for public comment.
- January – March 2011 – Public, business groups, BOCC, City Council, and MPO review.
- March 2011 – BOCC and DCHC MPO approve plan.

Mr. Ahrendsen explained the \$10 increase pertaining to motor vehicle fees per Commissioner Bowser's request.

The following questions were asked by the Commissioners:

- Is there a plan for HOV lanes on Interstate 40?
- Can TTA levy additional funds without the local governing bodies' approval?
- Has the governor signed the bill?
- What has happened to the rental car tax?
- Who established the Regional Leadership Transit group?

Chairman Page thanked staff for the report.

Tax Base Fiscal Year 2010-11

Kimberly H. Simpson, Tax Administrator gave the following presentation to the Board of County Commissioners regarding the tax base for the upcoming budget year:

What is the Tax Base?

- All Taxable Real & Personal Property
- All Taxable Registered Motor Vehicles
- Public Services Companies
- Property Tax Base has increased 1.9% versus the average of 3% growth seen in previous years.
- Economic Factors continue to have impact on the tax base:
 - New Construction Permits
 - Business Personal Property
 - Public Service Values
 - Marker Value of Motor Vehicles

2009-10 Budgeted Tax Base		2010-2011 Estimated Tax Base	
Class		Class	Estimate
Real Property	\$24,001,391,153	Real Property	\$ 24,457,564,864
Personal Property	\$ 2,839,459,382	Personal Property	\$ 2,806,047,732
Public Service	\$ 480,000,000	Public Service	\$ 512,746,790
Registered Motor Vehicles	\$ 1,706,590,960	Registered Motor Vehicles	\$ 1,690,000,380
Total Tax Base	\$ 29,027,441,495	Total Tax Base	\$ 29,466,359,766

FY2011 Tax Value Estimates	FY2011 Tax Value Estimates February 2010	Revised FY2011 Tax Value Estimates April 2010	Variance
<u>Assessed value</u>			
Real property	\$24,409,561,732	\$24,457,564,864	\$48,003,132
Personal value	\$2,806,047,732	\$2,806,047,732	\$-
Public service	\$512,746,790	\$512,746,790	\$-
Auto value	\$1,690,000,380	\$1,690,000,380	\$-
Total Assessed Value	\$29,418,356,634	\$29,466,359,766	\$48,003,132

Pam Meyer, Budget Director continued the presentation discussing the following:

Comparison of FY 10 & FY 11 Tax Values	Final Approved FY 10	FY 11 Revised Tax Value Estimates	Variance FY 10 to FY 11
<u>Assessed value</u>			

Real property	\$24,001,391,153	\$ 24,457,564,864	\$456,173,711
Personal value	\$2,839,459,382	\$2,806,047,732	\$(33,411,650)
Public service	\$480,000,000	\$512,746,790	\$32,746,790
Auto value	\$1,706,590,960	\$1,690,000,380	\$(16,590,580)
Total Assessed Value	\$29,027,441,495	\$29,466,359,766	\$438,918,271
Tax Rate	70.810	73.810	
Tax Levy	\$205,543,313	\$217,491,201	
Collection Rate	97.75%	97.75%	
Expected Revenue	\$200,918,589	\$212,597,649	\$11,679,061
Prior Year Taxes	\$1,750,000	\$2,000,000	\$250,000
1 Cent Valuation	\$2,837,432	\$2,880,337	
Budgeted Levy in GF	\$187,373,101	\$190,217,419	\$2,844,319
Prior Year in GF	\$1,750,000	\$2,000,000	\$250,000
Budgeted Levy In CFP	\$13,545,488	\$22,380,230	\$8,834,742
Total Budgeted Taxes (Current & Prior)	\$202,668,589	\$214,597,649	\$11,929,061

The Board thanked staff for the update.

Reduction of General Fund Budget for Direct Payments/Pass-Through Funding to Individual Recipients by the State from Federal and State Monies

George K. Quick, Finance Director, introduced this item. He stated that in the past, Durham County has accounted for all payments to individual recipients, both direct and indirect, and has reported this activity in our Annual Budget as well as in our Comprehensive Annual Financial Report (CAFR) with full footnote disclosure. These funds, budget and actual, are accounted for and reported in the Department of Social Services.

Mr. Quick explained that direct payments are payments made directly to individual recipients by the State from Federal and State monies. After the payments have been made, the State sends monthly reports to the County listing the programs/services and the amounts disbursed on behalf of the County. These reports are reviewed and recorded to the County's general ledger. Since the implementation of SAP, this activity is also recorded in the Grants Management (GM) Module for Single Audit reporting requirements. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State.

Mr. Quick continued to state that indirect payments are payments made to the County by the State and transmitted to their intended final individual recipients by the County from Federal and State monies. County personnel are involved with certain functions, primarily providing pass-through resources, and should recognize such revenue when all eligibility requirements have been met and the resources become available.

Durham County is the last of the five largest Counties to continue budgeting and reporting the direct payments (e.g., the other four County's are Wake, Mecklenburg, Guilford and Forsyth). The County has always recorded this activity in the general ledger (e.g., trial balance) for archiving of historical data purposes as well as for monitoring purposes. In the past, our financial systems could not account for this financial activity without budgetary control being in place which then meant the budget as well as the activity had to be reported. Thus, the County included the direct payments in the Annual Budget as well as in the CAFR with full footnote disclosure at the CAFR level.

Mr. Quick added that there is a report that all counties must complete and submit to the Local Government Commission (LGC); the Annual Financial Information Report (AFIR). These reports are then put on the State's website. Because the County's report includes these direct payments where others do not, the comparison of the on-line data is not "apples to apples" unless an adjustment is made using the County's CAFR which defeats the purpose of the on-line data.

This fiscal year, we researched further the SAP system and found that this system does have a method whereby the direct payments accounting activity can be recorded without requiring budgetary control. In implementing this setup, the County would still record the activity in the general ledger (trial balance) for historical data archiving purposes and for the departments' monitoring purposes, the GM Module would continue to be updated for Single Audit reporting requirements (which was the primary reason for the County purchasing this module in SAP), no formal approval of the direct budget is required and the direct payments can be excluded from the Annual Budget, from the CAFR (but with footnote disclosure only) and from the AFIR. Therefore, Finance and Budget request that the Board approve this change for the current year, and staff would bring a budget ordinance forward at the May 10, 2010 regular meeting for approval of the budgetary and financial changes needed, reducing the County's General Fund Budget by the amount of the direct payments budgeted. The changes would be reflected in the County's Department of Social Services' budget. The actual activity would be reclassified to a new fund center/cost center (5300643099, Public Assistance – Direct). There would be no change required in the reporting of the direct payment activity in the GM Module.

This is a more efficient method of accounting and reporting for the direct payments while still maintaining proper controls for monitoring, historical data archiving and single audit reporting. This change would also allow for easier comparisons between counties throughout the State on the State's website.

Mr. Quick responded to questions asked by the Board.

Directive

Include this item as a budget ordinance amendment on the consent agenda for the May 10 Regular Session

Interlocal Agreement between Durham County and the City of Durham to Continue the Sustainability Office

Tobin L. Freid, Sustainability Manager, brought this item before the Board. She stated that the Board is requested to reauthorize the Interlocal Agreement with the City of Durham regarding the joint City-County Sustainability Office.

The Durham City-County Sustainability Office was created in April 2008 to oversee the implementation of the Durham Greenhouse Emissions Reduction Plan and other sustainability initiatives. The Interlocal Agreement between the City and County creating the joint office focuses mainly on setting up the office and needs to be updated to reflect the current functions and expectations of the office. In addition, the Agreement initially covered a two year period that ends in June 2010. The revised Agreement would extend the terms for five years, consistent with other City-County Interlocal Agreements.

Ms. Freid discussed the following progress that has been made over the past two years:

- Creating City and County Green Teams
- Developing several policies to improve environmental performance within government operations including high performance buildings, idle reduction, environmentally preferred purchasing policies
- Tracking and reporting on greenhouse gas emissions
- Applying for and receiving over \$2.5 million in grant funding
- Hiring an Energy Program Specialist with grant funding to assist in managing energy use
- Organizing education events for employees and the public including, Earth Month activities

Ms. Freid replied to questions asked by the Commissioners.

Per Commissioner Howerton's request, County Manager Ruffin explained why the County was going with a five-year contract.

Commissioner Bowser moved, seconded by Commissioner Howerton to suspend the rules.

The motion carried with the following vote:

Ayes: Bowser, Heron, Howerton, and Page
Noes: None
Absent: Reckhow

Commissioner Bowser moved, seconded by Commissioner Heron to reauthorize the Interlocal Agreement with the City of Durham regarding the joint City-County Sustainability Office.

The motion carried with the following vote:

Ayes: Bowser, Heron, Howerton, and Page
Noes: None
Absent: Reckhow

Directives

1. Look carefully at how employees are utilizing the bus passes.
2. Like to see more involvement with Durham County's Sustainability Office as it relates to leading the community in the focused effort.

Citizen Comment Period

County Attorney Lowell Siler led this item. He stated that on April 5, 2010, the Board directed the County Attorney to research the law as it relates to citizen comments at public meetings.

County Attorney Siler discussed the following statute:

“G.S.153a-52.1—The board of commissioners shall provide at least one period for public comment per month at a regular meeting of the board. The board may adopt reasonable rules governing the conduct of the public comment period, including, but not limited to, rules (i) fixing the maximum time allotted to each speaker, (ii) providing for the designation of spokesmen for groups of persons supporting or opposing the same positions, (iii) providing for the selection of delegates from groups of persons supporting or opposing the same positions when the number of persons wishing to attend the hearing exceeds the capacity of the hall, and (iv) providing for the maintenance of order and decorum in the conduct of the hearing.”

County Attorney Siler discussed the handouts that were given to the Board. He also offered A. Fleming Bell's, Professor of Public Law and Government, position on the matter. He entertained comments and concerns from the Commissioners about the matter.

Chairman Page addressed issues of creating dialogue during a Board of County Commissioners meeting.

The Board continued discussions about citizen's comments.

Directive

1. County Attorney Siler to research other counties to determine their procedures as it pertains to citizen's comments and bring back to the Board for discussion.
2. Place on the August Worksession.

Discussion of Board and Commission Appointment Survey and Possible Changes to Board and Commission Appointment Procedures

County Manager Mike Ruffin introduced this item. He stated that at the December 7, 2009 worksession, the Board of County Commissioners asked for staff to survey boards and commissions for their suggestions on improving board and commission appointment procedures. Four boards or commissions responded, and the Board of County Commissioners received the results of the survey on January 20, 2010 via e-mail.

County Manager Ruffin discussed the following core recommendations for changes to the board and commission appointment procedures:

- 1) Continue to accept recommendations for appointments from the board or commission which has vacancies, but emphasize that the Board of County Commissioners is under no obligation to appoint individuals recommended by the board or commission. This is currently part of our board and commission procedures, but language would be strengthened to emphasize the point.
- 2) Do not conduct regular interviews for all individuals nominated to fill vacancies on boards or commissions. Commissioners may request interviews with nominees as necessary.
- 3) Do not pay for advertisement for board and commission vacancies, and continue to pursue free advertisement opportunities through e-mail distribution lists, the County website, the County television channel, and free space in local newspapers.

The Board discussed the recommendations that were presented as well as the legalities regarding the boards and commissions applications.

Chairman Page raised concerns about the lack of attendance at a recent boards and commissions ethics training that was held in the Commissioners' Chamber.

Directives

1. Make necessary modifications to the application as directed by the board.
2. Have a discussion with local newspaper about free advertisements.

Review of April BOCC Directives

It was requested that at each month's worksession, the Board of County Commissioners have the opportunity to review the previous month's directives for staff and make comments as necessary.

No directives were given.

The Board thanked staff for the directives.

Adjournment

There being no further business, Chairman Page adjourned the meeting at 1:07 p.m.

Respectfully submitted,

Angela M. Pinnix
Administrative Assistant
Clerk to the Board's office