

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

Monday, May 3, 2010

9:00 A.M. Worksession

AGENDA

1. **Citizen Comments**

35 min.

1. Ms. Betsy MacMichael has requested time on the agenda to address the Commissioners regarding the Mental Health Budget;
2. Mr. David Smith has requested time on the agenda to address the Commissioners regarding the budget;
3. Ms. Karen Crumbliss has requested time on the agenda to address the budget for The Durham Center;
4. Mr. Earl Phillips has requested time on the agenda to address the Mental Health budget;
5. Ms. Joyce Evans has requested time on the agenda to address taxes;
6. Ms. Melody Scarborough has requested time on the agenda to address roads;
7. Mr. Jerry McClain has requested time on the agenda to address roads.

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

30 min.

The Board is requested to receive a program update and a request for continued funding from Project Access of Durham County (PADC), Inc.

PADC will complete its second operating year on June 30, 2010. During the two year period 1,964 patients (842 newly enrolled patients in Year 2) 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 2) from Duke Medicine and community physicians. (Note: one episode of care equals three months of service.) 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.

For FY 10 – 11, Project Access of Durham County has requested County funding in the amount of \$359,126.

Resource Person(s): Dr. F. A. Barada, Chairman of PADC Board of Directors, and Gayle Harris, Vice Chairman

County Manager's Recommendation: The County Manager recommends that the Board receive the Project Access of Durham County, Inc. program update and provide staff direction regarding the request for continued funding.

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

20 min.

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.

Resource Person(s): H. Hank Hurd, Interim Superintendent Durham Public Schools

COUNTY MANAGER'S RECOMMENDATION: The County Manager recommends the Board review the request and if approved move the item to the May 10th Consent Agenda for final approval.

4. **Durham County Transit Plan**

45 min.

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 will 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 will need to be discussed and resolved.

Resource Person(s): Mark Ahrendsen, City of Durham/DCHC MPO, Andy Henry, DCHC MPO, Ellen Beckmann, DCHC MPO

County Manager's Recommendation: The County Manager recommends that the Commissioners receive a presentation on the Durham County transit plan.

5. **Tax Base Fiscal Year 2010-11**

15 min.

The Tax Administrator requests to make a presentation to the Board of County Commissioners on the tax base for the upcoming budget year.

Resource Person(s): Kimberly H. Simpson, Tax Administrator; Pam Meyer, Budget Director; and George Quick, Finance Director

County Manager's Recommendation: The Manager recommends that the Board of County Commissioners receive the presentation from the tax valuation working group.

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

10 min.

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.

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.

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.

In addition, there is a report that all County's 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 will still record the activity in the general ledger (trial balance) for historical data archiving purposes and for the departments' monitoring purposes, the GM Module will 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 will 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 will be reflected in the County's Department of Social Services' budget. The actual activity will be reclassified to a new

fund center/cost center (5300643099, Public Assistance – Direct). There will 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 will also allow for easier comparisons between counties throughout the State on the State's website.

Resource Person(s): George K. Quick, Finance Director; Pam Meyer, Budget Director

County Manager's Recommendation: The County Manager's Office recommends that the Board of County Commissioners consider this item to be included as a budget ordinance amendment on the consent agenda for the May 10, 2010 regularly scheduled BOCC meeting reducing the County's General Fund Budget by the amount of direct payments/pass-through funding in the amount of \$368,752,979 with the actual activity being reclassified to a new fund center/cost center excluded from budgetary control.

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

10 min.

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.

Over the past two years the Office has made significant progress including:

- 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

Resource Person(s): Tobin L. Freid, Sustainability Manager; Glen Whisler, P.E., County Engineer

County Manager's Recommendation: The Manager recommends that the Board suspend the rules and reauthorize the Interlocal Agreement with the City of Durham regarding the joint City-County Sustainability Office.

8. **Citizen Comment Period**

15 min.

On April 5, 2010, the Board directed the County Attorney to research the law as it relates to citizen comments at public meetings. The County Attorney is prepared to discuss the law on this matter.

Resource Person(s): Lowell Siler, County Attorney

County Manager's Recommendation: The County Manager recommends that the Board receive the presentation regarding the citizen comment period from the County Attorney.

9. **Discussion of Board and Commission Appointment Survey and Possible Changes to Board and Commission Appointment Procedures**

30 min.

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.

Based on discussions by the Board of County Commissioners at the December 7, 2009 worksession and the survey results, the County Manager has made 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 will 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.

Resource Person(s): Mike Ruffin, County Manager; Laura Jensen, Assistant to the County Manager

County Manager's Recommendation: The Manager recommends that the Board review and discuss the core recommendations and advise staff if any changes to the board and commission appointment procedures are desired.

10. **Review of April BOCC Directives**

10 min.

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.

Resource Persons: Mike Ruffin, County Manager, and Laura Jensen, Assistant to the County Manager

County Manager's Recommendation: The Manager recommends that the Board review the April BOCC directives and make comments to staff as necessary.

3 hrs. 35 min.