

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

Monday, January 28, 2002

9:00 A.M. – 4:00 P.M.

Commissioners' Retreat

MINUTES

Place: Museum of Life and Science , 433 W. Murray Avenue, Durham, NC

Present: Chairman MaryAnn E. Black and Commissioners Joe W. Bowser, Philip R. Cousin Jr., Becky M. Heron, and Ellen W. Reckhow

Staff Present: County Manager Mike Ruffin; Deputy County Manager Wendell Davis; Deputy County Manager Carolyn Titus; Assistant to the County Manager, Heidi Duer; County Attorney Chuck Kitchen; Budget Director Pamela Meyer; Tax Administrator Steve Crysel; Area Mental Health Director Steve Ashby; Public Health Director Brian Letourneau; Finance Director George Quick; Social Services Director Dan Hudgins; Public Affairs Director Deborah Craig-Ray; Administrative Officer Kimberly Simpson; and Clerk to the Board Garry Umstead

Facilitator: John Ott

Agenda

John Ott opened the retreat by reviewing the objectives established by the County Commissioners: The objectives follow:

1. To review progress made on the Commissioners' 2001 goals
2. To develop shared understanding of the budget realities for the current and upcoming fiscal years
3. To develop agreement about budget priorities for the upcoming fiscal year
4. To explore a theory of change for achieving long-term outcomes
5. To develop agreement about action priorities for upcoming year, and perhaps beyond
6. To develop agreement about next steps

Mr. Ott briefly reviewed the agenda, which included the following:

1. Opening session
2. Reviewing our 2001 goals and progress made
3. Fiscal realities and budget priorities
4. Fiscal realities and budget priorities, continued

5. Action priorities for the coming year and beyond.
6. Action priorities for the coming year and beyond, continued
7. Next steps
8. Evaluation and final reflections

Commissioners' Goals for 2001 Calendar Year

County Manager Michael M. Ruffin reviewed the Board of County Commissioners' Annual Goals Report.

At last year's annual Board of County Commissioners retreat, four goals were set for the 2001 calendar year:

1. To invest in our community and our citizens by the successful implementation of the Capital Improvement Program
2. To enhance community livability
3. To help prepare our citizens for the jobs of the future by working with the school system, Durham Technical Community College, and other related agencies
4. To provide more efficient and effective county services, including the restructuring of human services

Over the past year, County Departments have carried out these goals through numerous accomplishments.

County Manager Ruffin reviewed for the County Commissioners some of the highlights accomplished by the departments.

Mr. Ott asked the Commissioners and the staff members to provide feedback to the progress report that the County Manager shared with the retreat participants.

The facilitator wanted responses to three questions:

1. What impressed me about the progress report,
2. Questions for clarification, and
3. Concerns I have that may require discussion today.

The Board of County Commissioners asked questions and made remarks about the Progress report. A lengthy discussion was held. Numerous ideas and suggestions were raised relative to the report.

Tax Administration Collection Plan

Kimberly Simpson, representing the Tax Administration Department, presented to the County Commissioners the new operation and collection plan developed that was implemented on August 1, 2001 in the Tax Administration Department. The plan was

developed and implemented to address deficiencies that caused a decline in the collection rate for motor vehicles.

There were several questions and comments from the County Commissioners about the report relative to the collection rate.

Budget Highlights and Fiscal Year 2003 Forecast

Pamela Meyer, Director, Budget and Management Services, presented Budget Highlights and the Fiscal Year 2003 Forecast. The presentation included the following:

1. Review of 2nd Quarter Revenue and Expenditure Reports – Fiscal Year 2001-2002
2. Fiscal Year 2002-03 Revenue Outlook
3. Capital Financing Plan Revenue Requirement
4. Fiscal Year 2002-03 Expenditure Outlook
5. Fiscal Year 2002-03 Budget Challenges
6. Setting Budget Parameters and Guidelines

The County Commissioners had several questions and comments about the financial report presented by the Budget Director. Ms. Meyer responded to the questions and comments.

After the lunch break, Budget Director Pam Meyer made another presentation concerning the Fiscal Year 2002-03 budget challenges. Her remarks covered three categories, which were:

1. Policy Issues Affecting County Services,
2. Staffing Requirements/Pressures, and
3. Operational Needs.

Summary of Commissioners' Retreat

John Ott provided the Commissioners a summary of the retreat for their information and permanent record.

His summary is an integral part of the minutes. The summary is as follows:

I. Feedback to Progress Report

- A. What impressed you about the report
 1. Impressive list of activities and achievements; represents a lot of work
 2. Good partnership between the Commissioners and staff
 3. Great overview: note that report is only a sampling of activity by County departments
 4. Commitment to substantial equivalency
 5. Officers helping with collections: \$267k

6. PIO is communicating about reevaluation
 7. Giving good attention to human services
- B. Ways to improve the report
1. Put the report on the Website
 2. Add the Chamber of Commerce's initiatives and efforts
 3. Add school efforts
 4. Add documentation of child care activities that County supports—e.g., Head Start
 5. Should highlight the managers' roles more with the successful budget year
 6. Given that the report is organized by Commissioner goals, does not adequately capture collaborative efforts
 7. Also does not capture efforts that do not relate to the Commissioners' goals
- C. Questions and Concerns from the report & other issues
1. Want to focus more on outcomes, less on activities out of context
 2. Don't know what's really happening to the families who leave our caseloads—e.g., Child Protective Services, Work First
 3. Should offer health exams as well as mental health exams to adjudicated young people
 4. E&R Board is still meeting
 - a. Have now scheduled all of the appeals
 - b. Expect for them to be completed by the end of February
 - c. Regardless of the outcome of these appeals, should have trivial impact on revenues
 - d. Manager's work plan includes an assessment of how to improve this process
 5. Want to integrate training between City and County employees
 6. Concerned that we are still using deputies to provide security at the library at time and ½
 7. How do we tract, document, and capture cost savings
 8. Larger issues (see below)
 - a. Mental health: issues of governance and issues of reform (see below)
 - b. Issues of HIPPA regulations (see below)
 - c. Medicaid funding
 - d. 730% increase in the Hispanic population

II. Issues that will impact this year's budget process

- A. Revenues and expenses
1. Have made significant improvements in collections of motor vehicle and real estate fees
 2. Are aggressively communicating with employees the expectation that all County employees are up to date on payment of County taxes
 3. Note: Sales tax numbers are the most optimistic; will likely be lower

4. Decision: Pursue conversation with City to recoup costs of collecting City taxes
5. Decision: Develop a report documenting income from the fees charged and collected by each department
6. Decision: Letter from the Commissioners to State delegation about pending budget decisions and potential impact on County services
7. Decision: Manager to develop contingency plans to preserve core services in event of State budget cuts that impact County

B. Policy issues and decisions

1. Mental Health

a. Issues

- (1) Director leaving
- (2) State plan is confusing and potentially devastating

b. Decisions

- (1) Manager, County Attorney, and key department heads should prepare a briefing paper analyzing the potential issues and implications of the state's plan.
- (2) Paper should be shared with Commissioners, Mental Health Board, and Association of County Commissioners
- (3) Meeting between County Commissioners and Mental Health Board by the end of February to discuss strategy. Want to discuss:
 - (a) Postponing hiring new director until issues around state proposal are resolved
 - (b) Discuss responses to, and strategy to impact state plan
 - (c) Discuss Medicaid issues as part of this meeting

2. HIPAA

- a. Dates will likely slip
- b. Will impact most major departments
- c. Plan will be submitted to Manager by March 1; will be incorporated into Manager's budget proposal to Commissioners

3. Increasing demand for social services and health services will put pressure on the County Budget

- a. Increased demand for services because of economic downturn
- b. Increased demand for services because of Work First time limits
- c. Increased demand for child care services
- d. Example of increase in health services: more staff for TB clinic

4. 911 is still not fully staffed

5. Staffing issues generally

- a. Addition of 40 staff equals about \$0.01 tax increase
- b. Current turnover rate is about 14%; directly related to economy. As economy improves, turnover rate increases.
- c. Need for bi-lingual staff. Decision:
 - (1) Carolyn Titus works with HR and others to develop an aggressive recruitment plan for bi-lingual staff.

- (2) Plan includes recruitment in border states: Florida, Texas, California
 - (3) Plan will be connected to budget process
 - d. Decision: redo market comparisons for setting salary ranges
 - (1) Manager will take the lead on developing this analysis with HR and other departments
 - (2) Analysis should include salaries, benefits, and cost of living
 - (3) Analysis should be done by position, taking into account different responsibilities, stress, workload, and other issues
 - (4) Should reflect commitment to substantial equivalency
 - 6. Technology
 - a. Report on leasing vs. purchase options will be completed by March 1
 - b. Decision: IT will develop an analysis of technology training needs and a plan to meet those needs.
 - 7. Security. Decision: Manager's office will develop an analysis of security needs and options, including a countywide contract.
- III. Next Steps: Commissioners will meet in a ½ day retreat within the next 6 weeks to explore a process for building a countywide commitment to outcomes for children, families, and communities. The County Manager will poll the Commissioners to set a date.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board