

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

Monday, December 6, 1999

9:00 A.M. Worksession

MINUTES

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

Present: Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Election of Chairman and Vice Chairman of the Board of County Commissioners

County Attorney Chuck Kitchen presided over the election of the Board's chairman.

Attorney Kitchen opened the floor for nominations.

Commissioner Heron moved, seconded by Commissioner Reckhow, to elect Commissioner MaryAnn E. Black as the Chairman of the Board of County Commissioners for the ensuing year.

The motion carried unanimously.

Chairman Black thanked the Commissioners for reappointing her for another year. She asked that the Commissioners not hesitate to talk to her about issues of concern.

Chairman Black opened the floor for the election of vice chairman.

Commissioner Bowser moved, seconded by Commissioners Bell and Heron, to elect Commissioner Reckhow as Vice Chairman of the Board of County Commissioners for the ensuing year.

The motion carried unanimously.

Vice-Chairman Reckhow thanked the Board for its continued confidence. I will continue to work hard with the Board to move us forward. We face a challenging year.

Public Official Bonds

The General Statutes of North Carolina and the Rules of Procedures adopted by the Durham County Board of Commissioners require that the Board annually review the Public Official Bonds.

Upon approval by the Board of County Commissioners, the bonds will be filed in the Clerk of Superior Court of Durham County as required by statutes.

County Manager's Recommendation: A motion to approve the Public Official Bonds as required.

Commissioner Heron moved, seconded by Vice-Chairman Reckhow, to approve the Public Official Bonds as submitted.

The motion carried unanimously.

The Public Official Bonds certificate follows:

NORTH CAROLINA
DURHAM COUNTY

CERTIFICATE

As Chairman of the Board of County Commissioners of Durham County, North Carolina, this is to certify that on Monday, December 6, 1999, the following Public Official Bonds were approved by the Board of County Commissioners of Durham County; the Public Official, the amount of bond, and the bond number with the name of the surety were set forth:

<u>Position</u>	<u>Public Official</u>	<u>Amount of Bond</u>	<u>Surety</u>	<u>Bond #</u>
Financial Officer	Patricia Gravinese	\$ 250,000	Hartford	20BSBAA7555
Tax Collector	Charles A Clark	250,000	Hartford	20BSBAA7556
Sheriff	Worth Hill	25,000	Hartford	20 SUN 318477
Register of Deeds	Willie L Covington	50,000	Hartford	20 SUN 318478
Employees Blanket Bond	Employee Dishonesty	250,000	Hartford	20 PEB GV 3814
	Forgery or Alteration	250,000		
	Theft, Disappearance and Destruction	250,000		

Each bond is executed under seal in the name of the surety by an agent or attorney in fact. The Clerk of the Durham County Board of Commissioners has been instructed to record

each of the bonds enumerated herein with the power of attorney attached thereto in the office of the Register of Deeds of Durham County, together with a copy of this Certificate attached to each bond. After said bonds have been duly recorded in the office of the Register of Deeds, the original of bond together with the power of attorney and a copy of the Certificate shall be deposited with the Clerk of Superior Court of Durham County.

/s/ MaryAnn E. Black
CHAIRMAN, BOARD OF COUNTY COMMISSIONERS

Sworn to and subscribed before me this
The 6th day of December, 1999.

/s/ Susan B. Page
NOTARY PUBLIC

My Commission expires: 12-20-2000

Citizen Comment—Ralph McKinney

Mr. Ralph McKinney requested time on the agenda to make comments to the Commissioners.

Mr. McKinney, 500 Fairfield Street, spoke to the Commissioners about racism, sexual abuse, street violence, the protection of citizens, quality of life, standard of living, and safety. He urged the Commissioners to answer the questions he submitted.

Presentation of Triangle United Way 1999 Chairman's Achievement Award

Angela G. Gadelmann, Assistant County Attorney, appeared before the County Commission to present The 1999 Chairman's Achievement Award as a result of the County's successful United Way campaign. The 1999 goal for the employees of Durham County Government was \$69,367, a 3 percent increase over the amount raised in 1998. Durham County employees actually raised \$89,601, which is an increase of \$22,301 or 32 percent. In addition, our fair share givers increased from 46 employees to 66 employees, which is an increase of 43 percent. NOTE: Though the Durham Herald-Sun had a statement in an article that if every employee in County Government gave their "fair share," it would cost the County \$184,000 in time off for this contribution, the real cost for these 66 employees will be closer to \$7,618 based on an average County salary of \$30,000. This also assumes that all of these employees will use this time off.

Resource Person(s): Angela G. Gadelmann, Assistant County Attorney, 1999 Employee Campaign Manager for Durham County Government.

County Manager's Recommendation: Recommendation is to commend our Employee Campaign Manager Angela Gadelmann, our Triangle United Way Loaned Executives,

and most importantly, our employees for their efforts during this year's campaign. Their contributions directly impact many of the same service problem areas that County Government targets in our goals and objectives.

County Manager David F. Thompson introduced Ms. Gadelmann. He announced that the Commissioners and Durham County Government have received the 1999 Chairman's Achievement Award from Triangle United Way. The goal for Durham County was \$69,367, which was a 3 percent increase over the amount raised in 1998. Durham County employees actually raised \$89,601, which was an increase of \$22,301 or 32 percent. The fair share givers increased from 46 employees to 66 employees, which was an increase of 43 percent. The actual cost for the days off for the fair share givers amounts to \$7,618.

County Manager Thompson said that the main reason we are here today is to present the award to Chairman Black. Chairman Black will present the award to Ms. Gadelmann to place in her office.

The Commissioners congratulated Ms. Gadelmann for the successful campaign.

Agenda Adjustments

Commissioner Bowser requested an item be added to the agenda.

County Manager Thompson said that staff would update the Board on a tax situation that hopefully was finalized last Friday.

Report on the Operations and Financial Progress of the Alcoholic Beverage Control Board

ABC Board Chairman Mary E. Williams and General Manager Randy Mills updated the Board of County Commissioners on the status of the ABC system operations. They were prepared to answer Commission questions on their current financial situation and plans for the future of the system.

Mr. Mills began the presentation by presenting a chronology of operating results, comparing the current fiscal year's budget to the prior five years.

Mr. Mills said the history and recent pattern of progress is best reflected by the item Profit (Loss) Before Distributions. From the low point of a \$75,000 loss in fiscal year 1997, the ABC Board has rebounded to a \$623,962 profit for 1999 and an expected \$734,000 for fiscal year ending June 30, 2000. This is still about \$148,000 below 1995 results. Likewise, Net Cash Provided From Operations has risen in the same pattern.

Cash available for profit distributions, represented by the item Net Cash Before Profit Distributions, however, now lags the 1995 amount by about \$292,000. The expectation for Fiscal Year 2000 is about \$594,000 compared to \$885,638 in 1995. The difference is annual payments on the operating load, which total \$169,920 for principal and interest. Also, for Year 2000, \$100,000 is budgeted for expenditures related to fixed assets. This includes the cost of major facility repairs as well as outlays for various initiatives that will help further reduce facility expenses for future years. The profitability of the stores in the Durham County system was compared to stores in similar systems.

The Commissioners asked questions and made comments about the financial overview.

Ms. Williams presented the following chart relative to 1999 total income and revenue distribution:

TOTAL INCOME FOR DURHAM COUNTY ABC STORES FOR 1999
\$13,649,115

Durham County—1999
Revenue Distributed As Follows

Cost of Liquor	\$ 7,311,530
Taxes to the State of NC	3,015,764
Operating Expenses and Capital Obligations	2,674,178
Law Enforcement, Rehabilitation, and Education	243,900
City of Durham Profits	40,374
County of Durham Profits	<u>363,369</u>
	\$13,649,115

In order to increase profits, the only line item we have to work with is operating expenses and capital obligations.

County Manager David F. Thompson briefly discussed the financial statements of the ABC system.

The Commissioners praised the work of Chairman Williams and Manager Mills.

The Commissioners suggested the loan be paid so the interest expense will decrease.

Mr. Mills said inventory management is going very well.

The Commissioners received the report and no action was required.

Space Needs Analysis and Facility Master Plan for Durham County

This item is an update on the Durham County Space Needs Analysis and Facility Master Plan project.

On November 1, 1999 the BOCC received a project update focused on four facility configurations which were developed to meet Durham County's needs for the next 20 years. The BOCC requested that a fifth scenario be developed which included a Human Services building. The project consultant, O'Brien/Atkins Associates, PA in conjunction with GSA, Ltd., presented the additional scenario and reviewed the four scenarios presented previously.

Resource Person(s): Glen Whisler, County Engineer
Sandra Phillips, Director of Purchasing
Kevin Montgomery, O'Brien/Atkins Associates, PA
Howard Geisler, GSA, Ltd.

County Manager's Recommendation:

The County Manager's recommendation is that the BOCC receive the project update and provide direction to staff and the consultant regarding the five scenarios of facility configurations. Selection of a preferred scenario will allow the plan to be finalized. The Board may find it helpful to participate in a tour of the different geographic areas that these scenarios will impact. If so, staff needs to have some dates that are feasible for the Board. Staff understands that adoption of a plan will be a major policy statement by this Board of County Commissioners which will allow needed facility projects identified in the Master Plan to be incorporated into the Durham County Capital Improvement Plan.

Mr. Whisler introduced the Space Needs Analysis and Facility Master Plan. He gave the Commissioners a brief overview of the project.

Mr. Whisler said the Commissioners requested one additional scenario which has been prepared by O'Brien/Atkins Associates, PA and Howard Geisler, GSA, Ltd.

John Atkins and Kevin Montgomery, O'Brien/Atkins Associates, PA briefly reviewed the four scenarios from last month and spent most of their time on the fifth scenario that had been developed. The other part of the presentation would be a review of the jail bed demand. Howard Geisler made the bed demand presentation.

Mr. Montgomery reviewed the fifth scenario which was a direct response to the November 1 meeting. The bottom line was to build a Human Services Complex downtown. If we were to go forward with a Human Services Complex that would require a 260,000-square-foot building, we would have surplus space in existing buildings. We propose demolishing the existing Social Services Building. That building has the least efficiency and smaller footprint. A plaza could be built on East Main Street and Roxboro

Street as an entryway. The fifth scenario provides for two large parking decks. The Justice Facility would remain on the corner of the Mangum, Dillard, and Roxboro Street site adjacent to the existing Detention Facility. The Judicial Building would continue to be used. Five of seven floors would be needed; therefore, the jail area and sixth floor would not be renovated. The proposed project would require ten years. Scenario five is the most expensive scheme. The total cost would be \$148,000,000. You would lose buildings currently occupied.

The Commissioners asked questions and made comments about scenario five.

Chairman Black requested that a walking tour of East Main Street be conducted so the Commissioners could see the area as it exists today.

Vice-Chairman Reckhow asked the Commissioners to agree to locate the Justice Facility near the existing Detention Facility. She suggested the Commissioners focus on scenarios four and five. More work should be done on those.

Commissioner Heron agreed with Vice-Chairman Reckhow about the location of the Justice Facility.

Commissioner Heron suggested the Youth Home be relocated to the Justice Facility area and the Animal Control Department be moved to the Animal Shelter in order to sell the Broad Street property.

County Manager Thompson said part of the plan was to sell the Broad Street property. He said to buy property surrounding the existing Detention Facility would be fairly substantial. County Manager Thompson said the walking tour would be a big help in the decision-making. The Board needs to concentrate on scenarios four and five, taking into account the preservation of those buildings on the south side of East Main Street. A close relationship should be maintained with Public Health, Mental Health, and Social Services. Scenario six could be prepared using the existing Public Health building for the Social Services Building and using the next block for new construction.

Commissioner Bowser said the Board should look at scenarios four and five. I do not want separate buildings for Human Services. The Justice Center should be near the Detention Facility on Mangum Street. The walking tour is a good idea.

Chairman Black wants the walking tour of East Main Street to take place in early January.

Mr. Geisler made a presentation on the projection of the jail bed demand that was done ten years ago and he brought it up to date. The jail bed demand working draft is an analysis of what has happened over the last ten years, and what that means for the future.

The Commissioners asked questions and made comments throughout the presentation.

Investment of Community Health Trust Funds

Patricia J. Gravinese, Durham County Finance Director, made a presentation to the Board concerning the investment objectives, investment process, and investment plan for these funds. Ms. Gravinese and our Financial Advisors have developed a general investment strategy for the protection and growth of the proceeds.

Ms. Gravinese requested that the Board accomplish the following during this worksession:

- Receive the presentation regarding the stated investment objectives, the overall process and investment cycle, and the investment plan and policy as established.
- Analyze and deliberate the key considerations of the report.
- Consider for approval the investment plan and policy as presented in the report.

Should the Board authorize staff to move forward with the investment plan and policy, RFQs for investment managers will be developed and distributed. The proposals received in response to the RFQs will be analyzed and an appropriate number of fixed income and equity managers will be selected. These will be brought forward for Board approval at a later meeting. Under the present plan, a decision on reinvestment and utilization of investment earnings does not have to be made until the FY 2001 budget process.

County Manager's Recommendation: As the Board will recall, Ms. Gravinese made a presentation during the August worksession. At that time, the Board was deliberating over the recommended reinvestment and utilization of investment earnings percentages. Under the current plan, a decision on these percentages will be made on an annual basis during the budget process, which will be after analysis of an investment performance year of January through December. This approach gives the Board maximum flexibility with respect to decisions regarding the investment earnings. Ms. Gravinese is seeking authorization to implement the investment plan and policy as presented. Keep in mind that she is not recommending investment managers at this time but intends to move forward with the RFQ process.

Ms. Gravinese began the presentation by introducing Jessica Brown-Linton, Investment Manager, and two representatives from Davenport & Company, LLC who have been hired to be the County's financial advisors.

Ms. Gravinese made the initial presentation at the August Worksession regarding the investment of Community Health Trust Funds. At that time, the Board was mainly deliberating over the recommended reinvestment and utilization percentages. Under the plan being brought forward today, the decision regarding these percentages will be made

on an annual basis after an analysis of the investment performance over the previous calendar year. We believe this plan will give the Board maximum flexibility regarding the investment earnings.

A book was presented to the Commissioners that contained a visual presentation of objectives, the investment process, and the investment plan. It also included the revised investment policy and a graphical representation of the investment portfolio assuming certain expenditure levels. Ms. Gravinese did a walk-through of the pertinent information contained within the book.

Chairman Black requested a quarterly review of the quarterly report. She requested a quarterly presentation by the Finance Department.

Ms. Gravinese asked the Board to approve the process as presented today and to authorize staff to distribute Request for Qualifications and begin the process of interviewing and choosing investment managers for Board approval in January 2000.

Commissioner Bell requested a list of the persons the RFQs will be distributed to.

County Manager Thompson suggested the list be prepared for the December 13, 1999 Regular Session. The Board will be asked to approve the initial asset allocation for the trust funds of 50 percent equities and 50 percent fixed income securities. The 50 percent statutory limit will not be exceeded. Staff will ask the Commissioners to approve and adopt the investment policy as presented today.

Representatives from Davenport & Company presented the remainder of the investment plan relative to investment limitations, asset allocation of similar funds, estimate portfolio growth, historical rates of return, and equity performance.

Jessica Brown-Linton reviewed the Health Trust Fund Investment Policy.

The Commissioners asked questions and made comments about the investment strategy.

The staff and Davenport officials responded to the questions and comments.

Commissioner Bell requested a copy of the RFP before it is distributed.

County Manager David F. Thompson suggested that the County do a Request for Proposal for both the financial management side and the money management side of the program. These proposals would be brought to the Commissioners at the first meeting in January along with a list of people who will receive the proposals. I would not release copies of the RFP prior to that Board meeting. The Commissioners and media will get the RFP prior to the Board meeting. The cost of the financial advisors for the next calendar year should be included, as well as the list of firms to receive the proposals.

Update of Proposed Renovation and Expansion of Community Shelter for H.O.P.E./Request for Qualifications from Architectural Firms

As the County Commissioners will recall, prior to being sidetracked by the financial shortfalls of the Community Shelter for H.O.P.E., the Board had been furnished with a proposal for improvements at this County-owned facility. The project, at that point in time, consisted of renovating the existing structure and adding a new structure for families. The building renovation was going to consist of 10,389 sq. ft. which would provide accommodations for 46 single men and 24 single women. The new construction was planned to consist of 5,722 sq. ft that would accommodate 12 families and be segmented from the existing structure. The estimated project was at \$1.55 million. This project was slated for review in the County's FY 2000-2005 Capital Improvement Program for discussion and approval depending on funding source availability.

Since that time, the Board of County Commissioners has worked with the Shelter for H.O.P.E. Board of Directors to bring stability to their short-term operational budget. The North Carolina Housing Finance Agency has approved a 0% interest loan in the amount of \$399,193. In addition, City Council has approved an allocation of \$300,000 from Housing Bond funds with an additional \$10,000 for project coordination. The County currently is planning to utilize three sources of funding: (1) \$60,000 from 1986 Bond funds; (2) \$260,000 from Federal HOME funds; and (3) \$281,278 from PAYG funds. The Shelter for H.O.P.E Board will be considering their ability to raise capital funds to make up the difference in the project budget.

County Manager's Recommendation: The request is for the Board to give the Manager the authority to issue a Request for Qualifications for Architectural Services to begin movement on this project again. An internal selection committee will be appointed by my office which will include representatives from Shelter for H.O.P.E. Let me emphasize here, that an architectural contract will not be brought forward to the Board of County Commissioners until the following has been accomplished.

- A revised estimated construction budget has been established and verified to the extent possible prior to contracting with an architect.
- Sources of funding have been verified and/or estimated to an acceptable level of risk.
- County Attorney's Office has approved letter of commitment for Board execution of HFA financing agreement.
- Project team has been formalized including contracted position of Project Coordinator that will report directly to Deputy County Manager Wendell Davis.
- County Attorney's Office has approved proposed architectural and contracted services' agreement formats.

County Manager David F. Thompson was the resource person on this agenda item. The Manager reviewed in detail his recommendation.

The Commissioners gave the County Manager permission to move forward with the Community Shelter for H.O.P.E. renovation and expansion project.

Wastewater Treatment Plant Improvements – Phase 1 Update

This item is an update on Phase 1 of the Triangle Wastewater Treatment Plant Improvements Project. The design contract for this project was awarded to McKim & Creed earlier this year. The contract provides engineering services to design and construct an influent pump station, an effluent pump station, ultraviolet disinfection, and post aeration facilities at the County's wastewater treatment plant on Highway 55 in southern Durham County.

The Board requested that two issues be reviewed prior to proceeding with the design. The first is an evaluation of the option to pump some or all flow to the City treatment plant on Farrington Road, and the second is an update of the state requirements for the County plant to remove nitrogen in accordance with House Bill 515.

Based on the memorandum and report addressing these issues, it is recommended to proceed with the design of Phase 1 as previously approved. This includes a relocated Influent Pump Station, a new Effluent Pump Station, an Ultraviolet Disinfection Process, and Post Aeration Facilities.

Resource Person(s): Glen Whisler, County Engineer
Charles Hill, Jr., Division Manager
Tim Baldwin, McKim & Creed

County Manager's Recommendation:

Receive the report and authorize staff to proceed with the design for Phase 1 of the Wastewater Treatment Plant Improvements. This project addresses two major issues (flooding and permit compliance) related to the County's Wastewater Treatment Plant.

County Manager Thompson said the Commissioners should move forward on this project. We don't want to be in a situation where our allocation is running out. The evaluation of the option to pump some or all flow to the City treatment plant on Farrington Road has been determined to be more costly. The City Manager could consider this proposal one more time to determine if there is anything the City can do to reduce those cost figures. This project is getting more and more time sensitive.

The Commissioners asked questions and made comments about the wastewater treatment plant to which the County Manager and staff responded.

Mr. Whisler introduced Charles Hill Jr. from the County's Utility Division, Bryan Blake, Project Engineer, McKim and Creed, and Tim Baldwin, Project Manager, McKim & Creed.

Mr. Whisler made the presentation to the Commissioners.

Vice-Chairman Reckhow requested information be provided on the project that would look at cost and revenue sides and how the Board can make the match up.

Chairman Black told staff to proceed with the design for Phase I of the Wastewater Treatment Plant Improvement.

CIP Timeline and Review Criteria

At the Board's November 1 meeting, Budget Director Claudia Odom discussed the timeline and framework for the upcoming Capital Improvement Plan (CIP) process. The FY 2000-2005 Capital Improvement Plan (CIP) process will focus on ensuring requests are consistent with Board of Commissioners' goals, County Comprehensive 20/20 Plan, and County Facilities Plan. The Board directed staff to bring this item back to further discuss the proposed CIP timeline and review criteria.

Resource Person(s): Claudia Odom, Budget and Management Services Director

County Manager's Recommendation: Direct staff on the proposed review criteria and timeline. Board consensus is needed on the timeline and review criteria as we work towards a successful CIP process.

Ms. Odom presented a Capital Improvement Project timeline and a rating proposal schedule that was shared at the November Worksession. She reviewed the documents with the Commissioners.

County Manager Thompson discussed in detail the evaluation forms the Commissioners would use to rate the CIP projects. The Commissioners would be responsible for prioritizing all the CIP projects.

Chairman Black stated that this is a project that the Commissioners should do as a Board.

County Manager Thompson said this would be a good process if you set what is important to the Board of County Commissioners before you begin looking at individual projects. Don't spend a lot of time looking at the years because based on what you say are your priorities and the financial capabilities, the years will change. The Board needs a Worksession to talk about the criteria. The Board needs to go through the CIP process in order to familiarize the Board members with the process.

The Commissioners asked questions and made comments about the CIP process to which Ms. Odom and County Manager Thompson responded.

The CIP Worksession date will be established by the Commissioners at the January 10, 2000 Regular Session.

Merger Steering Committee Meeting—Friday, December 3, 1999

Commissioner Bowser, Merger Steering Committee Cochair, said there is some confusion about the vote that was taken concerning the next meeting. The next meeting will not be an action meeting. It will not be a joint meeting of the Board of County Commissioners and City Council as was stated in the Herald-Sun on Saturday. The next meeting will be a meeting of the Merger Steering Committee with an invitation to each City Council member who is not on the Merger Steering Committee to be in attendance. That was my understanding of the vote taken on December 3, 1999.

Commissioner Bowser said Council member Blyth made a motion that we have a joint Council and Commissioner meeting in order to hear the presentation from the consultant. There was a second motion made by me. Vice-Chairman Reckhow amended my motion. The second motion is the one I am speaking about. It was a motion that the Merger Steering Committee would call a meeting and invite those City Council members. Vice-Chairman Reckhow amended that motion to invite the City Council members who were not on the Steering Committee. That was the motion that passed.

Commissioner Bowser said that is his position on that. This body does not need to take any action.

The next Merger Steering Committee meeting is January 3, 2000 at 4:00 p.m. in City Council Chambers at City Hall.

Chairman Black asked County Manager Thompson to get verbatim meeting minutes.

Commissioner Bowser does not want the next meeting to be an action meeting.

Access Managers—Investment of Community Health Trust Funds

Commissioner Bell expressed concern about going out with a RFQ or a RFP. There is a difference with what the Board is trying to accomplish. Commissioner Bell said a RFP should be distributed in lieu of a RFQ. The RFP will provide the information the Board is seeking.

County Manager Thompson said the staff can send out RFPs and RFQs.

Ted Stone Message

Commissioner Heron conveyed a message from Ted Stone relative to drug abuse. He asked the Commissioners to join him on Thursday, December 16, 1999 on the Courthouse steps at 10:30 a.m. to sign a commitment card to a lifestyle free of drug abuse.

Hospital Corporation Board and Board of County Commissioners—Joint Meeting

Chairman Black said the joint meeting would be held on Monday, December 13, 1999 at 5:00 p.m. Two representatives from the Hospital Board of Trustees would attend the meeting.

Chairman Black said a response letter would be written to Charles Blackmon, Chairman, Durham County Hospital Corporation Board of Trustees.

Lakehurst Tax Situation

County Manager David F. Thompson said he has asked Wendell Davis to research the Lakehurst tax situation. The reason for the quickness here as far as time frames is that tax bills are scheduled to go out in this next week.

Mr. Davis, Deputy County Manager, identified the problem for the Commissioners. In April of 1999, the City and the County were in the process of finalizing implementation of the GIS system in our land records section of the Tax Office. At that time, a discrepancy was discovered between the old tax maps and the new digital tax maps, which of course are the products of the GIS system. The specific discrepancy is in the Lakehurst subdivision, which is located in southern Durham County. The City annexed Lakehurst on December 31, 1996. Lakehurst is made up of 108 parcels. Individual property owners own 58 of those, and either the developer or the builder owns the remaining 50. The problem with Lakehurst is that the annexation ordinance was not recorded with the Register of Deeds until September 20 of this year. Therefore, the 108 parcels have not been billed for City taxes for the past three years.

Staff calculated the City taxes for each parcel for each tax year. That amount is approximately \$177,000 in City taxes. On average, what that means is that for the individual 58 property owners, they will receive a tax bill of approximately \$2,400.

No official action was taken on this agenda item.

Closed Session

The Board was requested to adjourn to closed session pursuant to G.S. § 143-318.11(a)(3) & (5) in order to consult with an attorney and to preserve the attorney-client

privilege and to instruct staff concerning the position to be taken in negotiating for the acquisition of real property.

Commissioner Heron moved, seconded by Commissioner Bowser, to adjourn to closed session pursuant to G.S. § 143-318.11(a)(3) & (5) in order to consult with an attorney and to preserve the attorney-client privilege and to instruct staff concerning the position to be taken in negotiating for the acquisition of real property.

The motion carried unanimously.

Reconvene Into Open Session

Vice-Chairman Reckhow said that in Closed Session the Board gave direction to the County Manager to negotiate for the purchase of the First Union Building. Directions were also given to the County Attorney.

Adjournment

Chairman Black adjourned the meeting at 2:08 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board