

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

Monday, February 7, 2005

9:00 A.M. Worksession

MINUTES

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

Present: Chairman Ellen W. Reckhow, Vice-Chairman Becky M. Heron, and Commissioners Lewis A. Cheek and Michael D. Page

Absent: Commissioner Philip R. Cousin Jr.

Presider: Chairman Reckhow

AW North Carolina Inc.—Introduction of New President

Mr. Will Collins, General Manager of Human Resources, Administration, and Purchasing, AW North Carolina Inc., introduced the Board to Mr. Kanji Asai, the new President of AW North Carolina Inc.

Mr. Asai made brief introductory remarks.

The Commissioners welcomed Mr. Asai to the Durham community.

Motion to Excuse Commissioner Cousin from the Worksession

Commissioner Cheek moved, seconded by Commissioner Page, to excuse Commissioner Cousin from the meeting due to an illness.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, and Reckhow

Noes: None

Absent: Cousin

Triangle Transit Authority (TTA) Annual Update

Triangle Transit Authority General Manager John Claflin presented the TTA Annual Update to the County Commissioners as follows:

TRIANGLE TRANSIT AUTHORITY

- **Organization**
 - Jurisdiction includes Durham, Orange, & Wake Counties
 - 13 member Board of Trustees
- **Regional Funding Source**
 - \$5 Vehicle Registration Fee
 - ✓ subsidizes bus, vanpool
 - ✓ approximately \$5M/year
 - 5% Rental Car Tax
 - ✓ subsidizes regional rail project
 - ✓ approximately \$7M/year
- **Regional Programs**
 - Bus, Shuttle & Para transit Service
 - Commuter Resources: Vanpool, Carpool & Transportation Demand Management (TDM)
 - Long Range Transportation Planning
 - Regional Rail Transit System (2008)

PERFORMANCE INDICATORS

- **Bus / Shuttle Service**
 - 711,117 annual boardings – up 6.5% from '03
 - 8 average passengers per hour – up 17% from '03
 - 2,680 average weekday boardings
 - Implemented a new regional pass program for regular riders, and a pass program at UNC & NC State
- **Vanpools**
 - 320,694 riders – up 5% from '03
 - Currently running 58 vanpools
- **Para transit**
 - Ridership up over 692% over '03

FUNDABLE MASTER TRANSIT PLAN

- **Objectives**
 - To document and prioritize major investments in region-wide transit projects
 - Serves as regional master plan for transit development, land use policies and programs to support transit
 - Used to advocate for funding to support major transit investments
- **Process**
 - Outgrowth of the MPO LRTP process
 - Input from decision makers, community and stakeholders
 - Identifies financing and costs, project schedules, and responsible agencies

REGIONAL RAIL PROJECT SCOPE CHANGES

- **Project Re-scoped**
 - From 16 stations (35 miles) to 12 stations (28 miles)
- **Primary Factors**
 - Rental Car Tax revenue source has remained flat, and in some years declined

- Lease/lease-back transaction option on the rail cars was projected to net approximately \$28 million in revenue, direction from FTA to remove it from financial plan
- Increasing costs for steel, cement and other materials has affected construction costs, causing an increase in the budget

REGIONAL RAIL PROJECT

- **Project Consists of:**
 - 12-stations
 - 28.1 route miles
 - 27 bridges
 - 33 grade crossings

RAIL PROJECT STATUS

- **Final Design**
 - 90% complete plans for all nine sections submitted for review to TTA and Stakeholders
 - Station site plan submittal process underway
- **Rail Operations Maintenance Facility**
 - Design-Build method of procurement
 - One responsive price proposal received. Negotiations (within state bidding laws) underway
- **Rail Car Procurement**
 - TTA Board award to UTS at November 17 Board meeting
 - Negotiating purchase of 14 married pairs in initial order with options to purchase two additional pairs
- **Construction**
 - ROMF – Contingent upon LONP sate
 - Rail Project – As soon as fall '05
- **Art in Transit**
 - Selection of artists in spring '05
- **Revenue Operations**
 - Schedule opening in late-2008

STATUS OF AGREEMENTS

- **Railroads Agreements**
 - NCRR & CSX Agreements – Completed
 - Norfolk Southern O&M and Construction Agreements forecast completion February 2005
- **Master Utility Agreement**
 - Final draft to be submitted to NCRR in February 2005
- **Status of Interlocal Agreements**
 - Final draft agreement released to stakeholders for review
 - Meetings with local governments ongoing

STATUS OF FTA NEW STARTS—REPORT TO CONGRESS FOR FY'06

- Project information sent to FTA in August 2004
- Cost Effectiveness = \$20.68

- Project Budget = \$631 million (2004)
- Opening year (2008) ridership = 4.1 million
- Transportation modeling issues raised by FTA in fall 2004. Work plan to resolve model issues developed by FTA & TTA

New Starts Report/Model Issues

- TTA working with FTA and consultants to evaluate model elements
- Due to deadlines, FTA will assign a “not rated” rating in the February report to Congress (“not rated” preferable to “not recommended”)
- FTA will evaluate other project elements and provide undated rating to Congress upon resolution of model issues
- Impact on project schedule undetermined
- Strong Congressional support - \$20 million in the federal FY '05 budget; federal appropriations to date – approximately \$85 million

Mr. Claflin answered questions posed by the Commissioners.

Chairman Reckhow requested future updates from Mr. Claflin.

Durham Workforce Development Board (DWD) Annual Report

Chairman Reckhow recognized Director Alan DeLisle, Office of Economic and Employment Development, and Workforce Development Administrator Pat Sturdivant to present the Durham Workforce Development Board Annual Report to the Board.

Tanya Hill-Woods, Durham JobLink Coordinator, provided an overview of the JobLink Career Center.

Ms. Hills-Woods stated that the goal of JobLink is to provide a one-stop resource center where a business can find skilled, work-ready employees, and where potential workers can go for training and job placement. The JobLink Career Center is a unique partnership that brings workers from across the community together with potential employers. For employers, it is the convenient and efficient place to find labor market information, recruitment assistance, and outplacement assistance. For employees, it is the best place to go for job listings, career counseling, and for information about education and financial assistance.

Durham’s JobLink Career Center brings together an array of service geared to

1. Help area residents find employment;
2. increase the education and training of the local workforce; and
3. assist area employers in filling job openings.

JobLink offers the following services:

- JobLink Resources
 - On-Line Electronic Services
 - Job listings from across the state and nation
 - Learn about service provided throughout the community
 - Find out about training opportunities and financial support to enhance your education
 - Create an effective resume

- Learn successful interview techniques
- Access current labor market information
- Learn more about what employers expect from their employees.
- Job Search Assistance
 - Take part in job seeking workshops and seminars
 - Practice effective resume and interview techniques
 - Focus on employment options important to you
 - File for Unemployment Insurance Benefits.
- Career Development and Counseling Services
 - Find out what careers best match your interests and abilities
 - Take advantage of career guidance and counseling
 - Learn more about education and training options that lead to employment.
- Educational Information and Financial Assistance
 - Learn about educational programs and training opportunities
 - Find out if you are eligible for financial assistance and how to apply.
- Supportive Services
 - Gain the latest information on resources available for
 - Child care
 - Domestic assistance
 - Transportation.
- Specialized Services
 - Participate in services tailored to meet the special needs of individuals including
 - Disabled workers
 - Dislocated workers
 - Veterans
 - Older workers
 - Economically disadvantaged persons.

James Wragge, Workforce Investment Act (WIA) Performance Analyst, reported on statistics for four programs offered by JobLink: Adult Workers, Dislocated Workers, Incumbent Workers, and Youth.

Ms. Sturdivant introduced the Workforce Development Board staff to the Commissioners.

Victor Watts, Director, presented the following information on Catalyst IT Solutions:

The Workforce Development Board developed a partnership with Catalyst IT Solutions to provide training opportunities to 20 Durham residents. The program guarantees participants training in programming for healthcare, insurance, and related occupations. Catalyst IT Solutions provides 12 weeks of training and a 2-4 week of internship. Once a student successfully completes training, the graduate is guaranteed a starting salary of at least \$20,000 with benefits as an employee of Catalyst IT Solutions.

Catalyst enrolled a total of 20 Durham residents over three training cycles during the 2003 program year. To date, seven trainees have been hired by Catalyst, two have been

hired by outside companies, and the remaining nine are still in training. All trainees hired make at least \$10.10 per hour plus benefits.

Catalyst IT Solutions is headquartered in Baltimore, Maryland with an office in Philadelphia, Pennsylvania. The company located to Durham specifically for this initiative with the commitment of the Durham Workforce Development Board to support them in their search for 80 new employees.

Karen Mortimer, Executive Director, briefed the Board on the Sales and Service Training Center.

The Durham Workforce Development Board partnered with Northgate Associates, the Durham Chamber of Commerce, the Durham JobLink Career Center, Durham Technical Community College, and the National Federation of Retailers (NRF) to open a Sales and Service Training Center at Northgate Mall during program year 2003.

The goal of the center is to address one of the fastest growing industry sectors in the United States, Retail Sales and Customer Service. All aspects of workforce have some component of customer service. In the Durham area alone, there has been tremendous growth in this area with the new South Point mall, the Renaissance Center, Target and other planned stores. Retail businesses, as well as hotels, restaurants, and other hospitality-related businesses all stand to gain from consistent quality training in customer service. This center will be a resource in not only preparing residents for retail/customer service jobs and careers, but also a JobLink satellite site.

To date, two classes completed with nine students in first and twelve students in second. Ten students have been moved into employment and one entered school full-time.

Willie Gibson, Department of Social Services, enlightened the Board on DSS involvement with the Durham Workforce Development Board. DSS provides unemployed participants with job skills and training via DWDB.

Hubie Mercado, JobLink Satellite Site Support, DWDB, and Tim Moore, Youth Council member, introduced several program participants to share their success stories with the Board.

Lizzie Ellis-Frolong, Durham Literacy Center, briefed the Board about the Teen Career Academy. The Academy is a yearround, 5-day-a-week GED program for students ages 16 to 18. The program's goals are GED attainment followed by enrollment in college or another post-secondary education program for teenage students who have dropped out of high school. Ms. Ellis-Frolong invited several participants to comment.

Jeff Stern, Executive Director for Laboratories for Learning, presented a brief overview of Biotechnology Business Simulation (BioBizSim) as follows:

The Durham Workforce Development Board, Durham Public Schools, and “Laboratories for Learning” partnered to provide a Biotechnology Business Simulation to a group of 24 high school students. Participants of the program came from Durham Public Schools as

well as the School of Mathematics and Science.

On November 13, “Laboratories for Learning” begun BioBizSim, a team-based business competition designed for high school students. The competition was held over three weekends in the fall of 2004. Students learned the basics of business planning, financial statements, and entrepreneurship. Teams made decisions about productions, marketing, hiring, research, and other important business issues. These decisions were run through a computer simulation to see which team was able to capture the market. Three teams of eight students competed for small prizes and gift certificates to the local mall. The first program ended December 4, 2004 with a short ceremony honoring the 24 students who participated. The Durham Workforce Development Board plans to continue this partnership in 2005. This experience provides a valuable lesson in business development as well as an introduction to Biotechnology.

James Dickens, Youth Program Coordinator, and Khalil Hill, Lakeview Alternative School student, presented the Working Hard on Achieving (WHOA) program. The DWDB Youth Council works with Lakeview Alternative School, the Department of Social Services, and other agencies to identify at-risk students who may not otherwise graduate from secondary school. The primary focus of WHOA is to enhance the summer employment program and to tie summer employment into year-round academic achievements. Each student will be assessed at the beginning of the program and again at the end of the school year. The student’s salary for summer employment depends on his/her achievements during the school year. Office of Economic and Employment Development staff currently works with North Carolina Central University to provide tutoring services for students in need. The program goal is to enroll 40 students from grades 9-12.

Kelly Roden, former student of Lakeview, synopsised the NovaNET Credit Recovery program. The DWDB Youth Council partnered with Durham Public Schools (DPS) to provide NovaNET credit recovery to WIA eligible students who had failed one or more courses before dropping out of school. These students were encouraged to “recover” these credits using Durham Public Schools’ established NovaNET program during the school day and in after-school labs at DPS high schools. They were also encouraged to take advantage of summer school scholarships given to both traditionally taught and NovaNET Credit Recovery students. Of the 30 students, 22 received credit recovery with ten being promoted to the next grade; nine graduated. The remaining three did not complete the credit recovery program.

Courtney McCollum, Offender Specialist for the DWDB, highlighted the Ex-Offender Initiative program. The Ex-Offender Initiative provides re-entry job search and job placement for individuals with a criminal background. Two-hundred sixty-six ex-offenders have been served in areas such as case management, interviewing skills, and job retention. Seventy-one ex-offenders have moved into employment. Ms. McCollum listed the Ex-Offender Initiative Goals as follow:

- Reduce recidivism rate to reduce crime
- Maximize the employability of this underutilized population
- Establish relationships with “offender-friendly” employers

- Improve the workforce of the Durham community

Chairman Reckhow directed County Manager Ruffin to send a copy of the Workforce Development Board Report to Ms. Victoria Peterson to fulfill her regular inquiries about programs for ex-offenders.

Chairman Reckhow invited Mr. DeLisle to return to the Board to present the DWDB strategic plan when it is completed.

Ms. McCollum informed Commissioner Page of the Ex-Offender Initiative location – JobLink Career Center, 1105 South Briggs Avenue, Durham.

Advertising of Tax Liens

Tax Administrator Kenneth Joyner requested that the Board authorize him to provide public notice and advertise the 2004 delinquent tax liens. N.C.G.S. 105-369 states that the advertisement of tax liens shall be made during the period March 1 through June 30. As required by Statute, the county tax collector’s report is due to the governing body the first Monday in February.

Levy	Fund	Outstanding
\$ 131,474,772.55	County	\$ 8,606,570.18
\$ 16,484,052.72	Capital	\$ 1,061,574.13
\$ 940,719.36	Bethesda	\$ 46,410.35
\$ 541,390.36	Lebanon	\$ 42,528.88
\$ 970,256.89	Parkwood	\$ 27,084.73
\$ 405,473.56	Redwood	\$ 44,537.00
\$ 38,185.79	New Hope	\$ 2,295.23
\$ 15,214.12	Eno	\$ 674.24
\$ 427,948.38	Bahama	\$ 32,236.11
\$ 313,394.01	RTP Special	\$ 7,942.42
\$ 81,276,703.90	Durham City	\$ 5,454,796.20
\$ 1,579,694.36	Town of Chapel Hill	\$ 53,397.09
\$ 4,949.96	Butner	\$ 939.22
<u>\$ 177,229.19</u>	<u>City of Raleigh</u>	<u>\$ 5,184.42</u>
\$ 234,649,985.10		\$ 15,386,170.20

Mr. Joyner addressed Commissioner questions pertaining to the tax liens.

Mr. Joyner informed the Board that he is negotiating with The Herald-Sun to publish a Delinquent Tax Liens section instead of publishing as an advertisement within a pre-existing section. The announcement could also be placed in The Carolina Times.

In response to Vice-Chairman Heron’s request, Mr. Joyner responded that a report would be given to the Board by the end of February that compares last year’s tax liens to this year’s.

Chairman Reckhow requested that a report on the current status of delinquent tax liens versus last year's status be submitted to the Board at the County Commissioners' Annual Retreat on February 14, 2005.

Vice-Chairman Heron moved, seconded by Commissioner Cheek, to suspend the rules to approve this item.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Vice-Chairman Heron moved, seconded by Commissioner Cheek, to approve the Tax Administrator's request to begin advertising the 2004 tax liens in the month of March.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Amendment to Total Billings Contract

Tax Administrator Kenneth Joyner briefed the Board on the amendment to the Total Billings Contract. The Tax Administration Department entered into a contract with Total Billings Inc. for the printing, mailing, and design of all bills and notices. The Board of County Commissioners approved the contract on June 28, 2004 for \$79,000 for the actual printing, design, and mailing of the notices and \$100,000 for postage. The original calculation of the contract amount was based on an estimate of notices anticipated for mailing for the year. Due to the following, an amendment to the contract is needed: the department increased the number of notices sent to Total Billings Inc. for printing this year such as Debt Setoff letters; an increase in the number of enforcement notices mailed; implementation of the Doc View program to retrieve images of the notices on One/Tax; the use of E-check through the Internet; and an increase in the number of inserts placed within the notices that affected the weight of the envelope.

The Tax Department anticipated that the amount needed to complete the 04-05 fiscal year is \$35,000 for mailing services and \$58,000 for postage.

Mr. Joyner responded to questions posed by the Commissioners.

To prevent contract amendments due to overusing funds, Vice-Chairman Heron advised County Manager Mike Ruffin to carefully review contracts to ensure that monies are available throughout the duration of the contract.

Vice-Chairman Heron moved, seconded by Commissioner Page, to suspend the rules to approve this item.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Commissioner Cheek moved, seconded by Commissioner Page, to authorize the amendment of the contract with Total Billings Inc. in the additional amount not to exceed \$35,000 to cover the cost of printing and mailing services and the additional amount not to exceed \$58,000 for the cost of postage for the remaining fiscal year.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Commissioner Cheek concurred with Vice-Chairman Heron's concern about amending contracts due to overspending.

Presentation from Correct Care Solutions (CCS)—Update on Medical Services at the Detention Facility and the Youth Home

Brian E. Letourneau, MSPH, Health Director, offered background information on Correct Care Solutions' involvement with the Durham County Detention Facility. Over the past three years, the Health Department experienced growing difficulty in recruiting and maintaining adequate staffing for the Jail Health Program. Inmates with increasingly complex health conditions are frequently housed in the Durham County Detention Facility. Consequently, health care costs for jail inmates have increased at an alarming rate. The Health Department proposed contracting with a correctional health care company to control costs while providing high-quality medical care in the Jail Health Program.

Following Board approval last summer, a contract was signed with Correct Care Solutions (CCS) to provide medical services for the populations housed at both the Durham County Detention Facility and the Youth Home. CCS is to be commended for its ability to implement services on September 1, less than six weeks from the time of Board approval.

To date, the program has operated as agreed-upon. The infirmary is open; staff is present 24 hours/day, 7 days/week; and the number of emergency room visits, hospital admissions, and other visits for external referrals is significantly lower. Regular

communication between staff in the Sheriff's Department, Youth Home, Health Department, and CCS helps to address issues as they arise.

Mr. Letourneau introduced Patrick Cummiskey, Executive Vice President of CCS, to give an update on the current status and costs of jail health care services since implementation of CCS' service delivery model.

Mr. Cummiskey addressed the Commissioners' questions.

County Manager Mike Ruffin praised CCS for its achievements.

Community Assistance Data Base

Sharon Hirsch, Assistant Director for Customer Access and Program Support, DSS, introduced the Community Assistance Data Base (CADB) to the Board. The Department of Social Services (DSS), Information Technology (IT) Department, and community partners developed the CADB which allows DSS staff and partner agencies that provide emergency assistance to coordinate and share information to improve services for families. The development of this system is part of the County's Work First Plan. It is a web-based application developed by IT staff that is accessible to DSS staff and community partner agencies. By working together to design the system, the system can also serve as Durham's Homeless Management Information System, saving the community up to \$1 million that other NC communities have spent to meet federal requirements. Working together, partner agencies applied for HUD grant funding to purchase a needed security device (F5 Firepass) and were recently awarded \$60,000. This device will allow non-County partners secure access to the server and will reap dividends for other County departments.

Ms. Hirsch shared that the development and implementation of this system has been a true partnership that meets the needs of each agency and has enabled DSS to work smarter in service to Durham's most vulnerable families.

Ms. Hirsch; Stan Holt, Executive Director, Genesis Home; and Barbara Torian, County IT Department, provided an overview and demonstration of CADB via PowerPoint presentation.

Commissioner Cheek requested a copy of the presentation.

Ms. Hirsch answered questions by the Board.

Mental Health Report: Substance Abuse Treatment Analysis and Planning for Durham County

Chairman Reckhow noted that a cost of \$1.5 million is associated with the plan; however, Mental Health has appropriated funds to implement the program, eliminating the need to request additional funds from the Board.

Dr. Al Mooney, Local Management Entity (LME) Medical Director, reported that in May 2004, the Technical Assistance Collaborative Inc. (TAC) submitted an analysis of substance abuse services in Durham County. This report addressed the challenges to creating a seamless continuum of addiction treatment and identified deficiencies in the Durham County system that existed at the time of the study. Some of these deficiencies included issues related to underdeveloped and fragmented core services and residential programs (particularly for adolescents), the inability to track treatment services, underdeveloped relationships with the self-help community, inadequate numbers of qualified substance abuse professionals, and insufficient training opportunities for people who work with individuals with addictions.

Since completion of that report, The Durham Center has made substantial progress in addressing many of the recommendations identified in the TAC document. These efforts include filling The Durham Center's Medical Director position with a nationally recognized The American Society of Addictive Medicine (ASAM) certified physician, implementing The Durham Center Access program, developing additional residential treatment options, and creating a dialog for cooperative efforts with faith-based agencies, law enforcement, medical establishments, social agencies, and health care providers. Numerous Requests for Proposals (RFPs) are also currently being developed to enhance significantly the substance abuse service delivery system in Durham County.

An important endeavor will be the development of a Recovery Institute that will ultimately function as an independent entity within Durham County. This agency will be empowered with the responsibility of advocating for changes necessary to achieve a nurturing environment for recovery services. The Recovery Institute will include representation from all major stakeholders and will be structured to promote a countywide enthusiasm for addressing substance abuse issues. The Recovery Institute will also champion such causes as addressing social inequity, embracing ethnic and cultural sensitivity, reducing the stigma of addictive illness, and identifying and promoting best practices.

An array of comprehensive services is also being developed that will feature a variety of innovative community-based treatment options, service planning, and delivery built upon the strengths and resources of the consumer and family, a highly organized and integrated support system, and interagency/community collaboration at the system level. Another innovative and important initiative will be the development of treatment opportunities for individuals with co-occurring disorders. These include high-risk individuals who suffer from both a serious emotional handicap and an addictive disorder. Additional information regarding these services is included in the report appendix.

The continuum of care shall be developed in accordance with ASAM Levels of treatment and will be evaluated by The Durham Center's Quality Improvement Section and Contracts Management Team to ensure that services are provided in accordance with best practice standards and evidenced-based treatment models. The Durham Center, as the local management entity (LME) and the County agency responsible for alcohol and drug addiction services, is positioned to be the catalyst for achieving the goals outlined in the report. This document describes a plan for implementing the TAC findings and redesigning the substance abuse service delivery system in Durham County.

The Commissioners asked questions of Dr. Mooney.

Chairman Reckhow recommended that the plan be placed on the February 14 Consent Agenda for formal adoption.

Vice-Chairman Heron endorsed Chairman Reckhow's recommendation.

Bringing Income Maintenance Salaries Up to Market Rate

County Manager Mike Ruffin briefly introduced this item and recognized Pamela Glean, Vice Chair of the Social Services Board, to enlighten the Board on increasing Income Maintenance salaries.

Ms. Glean reported that DSS is experiencing a 30-35% annual turnover rate in Income Maintenance (IM) positions. A 2004-05 HR benchmark study indicates the IM positions are 9% behind the market (Orange and Wake Counties). These positions provide critical services that have seen a dramatic increase in demand, particularly in Medicaid and Food Stamps. Caseloads and vacancy rates are high; staff retention is increasingly difficult. Resolution of this issue is particularly important in the Income Maintenance area, where the pressure of working in an "entitlement" environment that serves tens of thousands of Durham County residents is intense and the pace is non-stop. Unlike other program areas, the impact of excessive workloads in entitlement programs cannot be "managed" by reducing services, delaying benefits, or asking individuals to "come back another day". DSS is making this request outside of the normal budget cycle because the turnover crisis is severely impacting service delivery, accuracy, and processing times. This request is consistent with the planned HR benchmark study that will further document the crisis in Income Maintenance positions.

Chuck Harris, DSS Interim Director, defined "Income Maintenance Staff" as employees working in the following program areas: Food Stamps, Medicaid, Health Choice, and Work First Family Assistance. He offered the following solutions:

1. Amend the Education and Experience Requirements so those individuals with a Bachelor's degree in Human Services, Health, Public Administration, or related field are fully qualified;
2. Increase the Hiring Rate from \$24,811 to \$27,044; and
3. Provide a 5% salary adjustments for existing IM staff (including supervisors and program managers) to maintain current salary relationships.

Mr. Harris stated that because Income Maintenance positions are funded with 50% of federal revenue, the cost to the County for the last four months of FY05 is \$31,701, which will be paid from an existing source—the Medicaid At-Risk Case Management cost settlement fund. In this fiscal year, there will be no increased cost to the County. The annualized cost to the County would be \$95,104.

Jennifer Hrycyna, Income Maintenance Worker, Food Stamps Division, discussed reasons for turnovers in IM positions.

Chairman Reckhow asked Jackye Knight, Human Resources Director, to address the market rate for IM positions.

Mr. Harris addressed Vice-Chairman Heron's interest in salaries for supervisors.

Commissioner Cheek proposed placing this item on the February 14 Regular Session agenda for Board approval.

Vice-Chairman Heron emphasized her concern about nonrecurring funds being used and the process by which this issue was presented to the Board.

County Manager Ruffin assured the Board that a pay equity (classification/compensation) study is being conducted and that those issues would be addressed in the upcoming fiscal year budget.

Chairman Reckhow supported moving the item to the February 14 agenda. She encouraged Commissioners to use the upcoming week to seek answers or additional information if needed.

Closed Session

Commissioner Cheek moved, seconded by Commissioner Page, to adjourn to Closed Session pursuant to G.S. § 143-318.11(a)(5) & (6) to instruct staff concerning the position to be taken on the terms of possible acquisition of 247 S. Mangum Street owned by U-Haul Real Estate Company and 306 S. Roxboro Street owned by Scarborough and Hargett Funeral Home; and to consider a personnel matter.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, and Reckhow
Noes: None
Absent: Cousin

1:15 P.M.

Telecommunications System Upgrade

Perry Dixon, Director of Information Technology, stated that staff is proposing to upgrade Voice Communications from Centrex to Voice-over-IP and to upgrade Durham County's Data Infrastructure. This new system is projected to cost \$1,410,000. It is anticipated that the funds for this project can be borrowed and financed over a 48-month period at a rate of 4% with an annual payment of \$384,958. The efficiency created by this upgrade is expected to provide operational savings in excess of the annual debt service. The pro-forma compares the budgeted operational expenses for FY2005 to the projected operational expenses after the upgrade to produce the savings.

George Quick, Finance Director, discussed the financing aspects of the new system. He stated that it is expected that the process for obtaining financing for the project will take up to 90 days; as such, staff requested that an appropriation from fund balance for \$1,410,000 be approved so that the equipment can be ordered. Once the financing is approved and closed, the project will be funded by the loan and the fund balance appropriation reversed.

This project was bid through RFP 04-028 on 04/08/04 and closed on 05/13/04. Verizon's proposal was selected as the best solution based on criteria including price, support, and technology. Since that time, staff had been working with Verizon to conduct a detailed analysis of the telecommunication requirements of each County site.

County Attorney Chuck Kitchen reminded the Board that a Reimbursement Resolution must be prepared for approval if the item is placed on the February 14 Regular Session Agenda.

The Board concurred to place the item on the February 14 agenda.

Community Health Trust Fund

George K. Quick, Finance Director, presented the performance of the Community Health Trust Fund for the calendar year ending December 31, 2004.

In a February 2, 2005 memorandum to the Board of County Commissioners, Mr. Quick stated:

“Please find attached a chart reflecting the performance of our Health Trust Fund managers for the year ending December 31, 2004 and since the inception of the Fund (September 30, 2000). You will note that all of our manager exceeded the index for the period currently under review (January 1, 2004 through December 31, 2004). For the period September 30, 2000 through December 31, 2004, both of our equity managers did an excellent job and far exceeded the index set. In this area, we recommend no changes.

In the area of Fixed Income, U.S. Trust has continued to perform above the index. Our other manager MDL appears to have turned around in the current period, but as expected still trails the index from inception. During our last review, we agreed to give MDL an opportunity to improve its performance which is reflected in the current return. While progress has been made, continued progress is needed over and above what the index may require. As such, it is recommended that MDL be placed on probation and required to achieve a level of performance 115% or fifty basis (.50%) points above the index for the given period. MDL's performance will be evaluated at the end of each quarter. If it becomes apparent that the required level of performance cannot be reached during the interim, a new manager will be recommended to the BOCC.

Contribution to FY 2006 Budget:

Fund Balance	December 31, 2003	\$27,639,190
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Minus Fund Balance December 31, 2004 \$27,934,000
 Growth times 45% \$ 294,810
 Available for FY 2006 Budget \$ **134,664**"

HEALTH TRUST FUND
 AS of DECEMBER 31, 2003

	BEGINNING BALANCE	BALANCE 12/31/2003	YIELD YTD 12/31/03	INDEX *	SINCE 9/30/2000	INDEX *
FIXED INCOME						
MDL #	\$5,000,000	\$9,366,437	1.50%	4.30%	7.30%	8.30%
US TRUST #	\$8,000,000	\$6,752,111	4.50%	4.30%	8.70%	8.30%
Total	\$13,000,000	\$16,118,548				
EQUITIES				#		#
WEDGE	\$6,000,000	\$7,565,399	32.30%	28.70%	-8.80%	-7.00%
SOVEREIGN	\$4,000,000	\$3,955,243	20.50%	28.70%	1.50%	-7.00%
Total	\$10,000,000	\$11,520,642				
Grand Total	\$23,000,000	\$27,639,190				

On November 26, 2001, \$3,000,000 was taken from US TRUST and given to MDL.

* Lehman Intermediate Gov't/Credit

S&P 500

HEALTH TRUST FUND
 AS of DECEMBER 31, 2003

	BEGINNING BALANCE	BALANCE 12/31/2003	YIELD YTD 12/31/03	INDEX *	SINCE 9/30/2000	INDEX *
FIXED INCOME						
MDL #	\$5,000,000	\$7,651,489	3.01%	3.00%	6.28%	7.00%
US TRUST #	\$8,000,000	\$8,138,657	3.80%	3.00%	8.20%	7.00%
Total	\$13,000,000	\$15,790,146				
EQUITIES				#		#
WEDGE	\$6,000,000	\$7,977,414	11.20%	10.85%	9.40%	-12.40%
SOVEREIGN	\$4,000,000	\$4,166,440	11.00%	10,85%	16.60%	-12.40%
Total	\$10,000,000	\$12,143,854				
Grand Total	\$23,000,000	\$27,934,000				

On November 26, 2001, \$3,000,000 was taken from US TRUST and given to MDL.

On August, 2004, \$1,500,000 was taken from MDL and given to US TRUST.

Total withdrawals for FY2005 is \$1,310,000

Available for FY2006 budget \$132,664

Fund started September 30, 200

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Chairman Reckhow suggested including the year-by-year withdrawals in the charts.

Mr. Quick explained the charts to the Commissioners.

Chairman Reckhow asked Mr. Quick to send a follow-up memo to the Board for further information.

Mr. Quick answered Commissioners' questions.

Commissioner Cheek requested additional information on the equity managers' duties.

ERP Project

George K. Quick, Finance Director, reported to the Board that the Finance Department would like to enter into a contract with SAP Public Service Inc. to develop instructional material for the training of Durham County employees in the operations of the new financial system. Funding for this contract will be in an amount not to exceed \$39,100 and from funds currently budgeted in the Finance Department. This contract is essential for the timely implementation of the new system.

Commissioner Cheek moved, seconded by Vice-Chairman Heron, to suspend the rules to approve this item.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Commissioner Cheek moved, seconded by Vice-Chairman Heron, to approve the contract with SAP Public Service Inc.

The motion carried with the following vote:

Ayes: Cheek, Heron, Page, Reckhow
Noes: None
Absent: Cousin

Adjournment

Chairman Reckhow announced that direction was given to staff in the Closed Session; no action was taken. There being no further business, Chairman Reckhow adjourned the meeting at 2:25 p.m.

Respectfully submitted,

Yvonne R. Gordon
Deputy Clerk to the Board