

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

Monday, June 20, 2005

9:00 A.M. Budget 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, Philip R. Cousin Jr. (arrived late), and Michael D. Page

Absent: None

Presider: Chairman Reckhow

Review of Nonprofit Budget Recommendations

Chairman Reckhow welcomed everyone to the June 20, 2005 Budget Worksession.

Heidi Duer, Assistant County Manager, was directed by Chairman Reckhow to briefly review the requirements of nonprofits as stated in the Nonprofit Agency Funding Policy adopted by the Board on January 14, 2004.

Ms. Duer spoke to portions of the policy, particularly the "Accountability" section which states that the nonprofits must:

- Comply with all financial requirements including the submission of a mid-year and end-of-year report/audit as the contract specifies; and
- Comply with all other terms of the contract including meeting all deadlines.

Chairman Reckhow read the list of nonprofits that requested FY 2005-06 funding:

The Commissioners removed the following for discussion/questions:

- Healing With CAARE (Commissioner Page)
- Healthy Connections (Commissioner Page)
- Lifetime Connections (Commissioner Page)
- JRUTH Inc. (Commissioner Page)
- Planned Parenthood of Central North Carolina (Chairman Reckhow)
- Read Seed (Commissioner Page)
- Schoolhouse of Wonder (Commissioner Page)
- Teen Court and Restitution (Commissioner Page)
- Operation Breakthrough (Commissioner Page)

- Eno River Association (Vice-Chairman Heron)
- Council for Senior Citizens (Vice-Chairman Heron)

Eno River Association

Ms. Duer provided the following justifications for recommending no funding increase for the Eno River Association (County funding—\$12,350 in FY 2004-05; requested—\$15,000 in 2005-06; recommended—\$12,350):

- Recommended no increase due to late application submittal
- February 15, 2005 quarterly report submitted March 30
- Does not apply for funding from City nonprofit process

The consensus of the Board was to maintain the recommended funding.

Council for Senior Citizens

After discussion, no funding increase was recommended by the Commissioners.

Healing With CAARE

Ms. Duer provided the following justifications for recommending no funding for Healing With CAARE (County funding—\$25,000 in FY 2004-05; requested—\$79,000 in 2005-06; recommended—\$0):

- The quarterly report due to finance on February 15, 2005 was submitted on April 8.
- The application was incomplete:
 - the “schedule of positions” was incomplete and gave no salary information for agency staff;
 - did not acknowledge the \$25,000 from Durham County and \$114,000 from the City of Durham for job readiness and housing acquisition; and
 - the status of revenue sources (pending, confirmed, etc.) was not noted as the instructions directed.
- Several resumes were attached, which the application did not request.
- Duplication of services: The County Health Department provides HIV testing and counseling as an “essential public health service” under G.S. 130A-1.1.
 - Testing is provided both in-house, as a component of clinic services, as well as in the community through health education initiatives.
 - Health Department HIV testing and counseling services are provided during non-traditional work hours by extending the clinic hours and providing outreach events in the community in high-risk areas.
- There is some collaboration with the Health Department, but CAARE neither attends the Health Education Community Taskforce meetings nor participates in the department’s outreach events on a regular basis.
- The reviewers had hesitation about a mobile unit, stating that the availability of outside grants for this work is abundant.
- Results: last year 125 individuals tested; proposing to test 525 in FY 2006 with the mobile unit.

After considering the rationale of the recommendation, the Commissioners could justify no funding for Healing With CAARE.

Healthy Connections

Ms. Duer provided the following information relative to Healthy Connections (new request of \$50,000, recommended—\$0 funding):

- Site visit conducted in April revealed that the program is currently operating out of the ground floor of the Lincoln Apartment complex rental office at 1502 Lakeland Street. A residence at 722 Kent Street provides affordable housing to those with Sickle Cell Anemia.
- This request is for one staff person—a case manager. However, this program currently provides affordable housing, which may be a better fit for the City to fund. The County has worked with this agency through the affordable housing exemptions for impact fees under Durham Community Land Trustees, the parent organization for this program.
- No collaboration with County human services.
- Similar services can be provided by DSS, the Durham Housing Authority, and the NC Comprehensive Sickle Cell Center based in Durham through Duke.
- No funding sources are listed other than this \$50,000 request.
- This \$50,000 request for a case manager will benefit the eight individuals living in the Kent Street apartments, although the application mentions 30 clients as goal.

Commissioner Page wished to clarify, for the record, that the agency is called Bridges Point Foundation. Why is it listed as Healthy Connections?

Ms. Duer explained that Healthy Connections is the program name. Two nonprofits, Bridges Point Foundation and Durham Community Land Trustees, collaboratively manage the Healthy Connections program.

Chairman Reckhow suggested that Healthy Connections services be piloted with the new Adult System of Care.

Commissioner Page emphasized that he would continue to advocate for persons with Sickle Cell Anemia and other disabilities. He asked that the Commissioners give extra consideration to nonprofits that address the human needs of citizens.

Chairman Reckhow delayed a recommendation on this item until staff contacts the Social Services, Public Health, and Mental Health Departments to seek opportunities for collaboration.

JRUTH Inc.

Ms. Duer stated that the recommendation to provide no funding was based upon the site visit and the second staff review. The site visit conductor expressed his opinion that the facility and staffing were inadequate; it appeared to be a one-woman agency. The staff review, conducted by the Criminal Justice Resource Center, reflected that a partnership had been created with the STARR program; however, in April 2004, JRUTH stopped attending the meetings, would not

return phone calls, and has had no further contact. Issues also exist with the funding request in relation to the salaries, specifically for the executive director, administrative assistant, and case manager.

Subsequent to discussion, no funding was recommended by the Commissioners.

Planned Parenthood of Central North Carolina

Chairman Reckhow recommended that a telephone call be placed to the agency to determine whether less funding than requested would benefit the agency.

Read Seed

Commissioner Page stated, for the record, that he is Read Seed's Chairman. He clarified that the original application was signed; however, the duplicate applications were not signed.

Commissioner Page suggested that the funding recommendation of \$5,000 be increased by \$10,000 (to the requested \$15,000).

County Attorney Chuck Kitchen advised that nonprofits act as agents of the County. Only agencies that provide services not provided by the County can be funded.

Ms. Duer responded to a question by Vice-Chairman Heron that 33% of Read Seed's budget is administrative costs.

The Commissioners consented to a funding increase of \$10,000 to Read Seed.

Schoolhouse of Wonder

Commissioner Page withdrew his request for funding Schoolhouse of Wonder.

Teen Court and Restitution

Ms. Duer explained that increases to nonprofits were recommended at no greater than 5%. The \$31,500 to Teen Court reflects a 5% increase. She added that Teen Court met all required deadlines, has good collaboration with the Juvenile Day Reporting Center, and has strong performance measures.

Chairman Reckhow asked the Clerk to review the testimony by Teen Court representative Sabrina Cates at the June 13 Budget Public Hearing. The matter would be deferred until the substance of her statement is conveyed.

Operation Breakthrough

Ms. Duer provided the following information regarding Operation Breakthrough: County funding—\$97,375 in FY 2004-05; requested—\$178,376 in FY 2005-06; recommended—\$97,375. Additionally, the County is paying for the YMCA Building, which houses Head Start and Operation Breakthrough. To date, the County has expended \$363,575, and is committed to two annual payments of \$181,250 in FY 2006, and one in FY 2007. Renovation work was completed through the capital project totaling \$379,277.

- Quarterly report for February 15, 2005 submitted April 4.
- Good collaboration with County DSS
- Diverse funding sources
- Performance measurements are weak—application describes Operation Breakthrough’s plans, but does not reflect any current performance measurement data and no stated outcomes
- Schedule of positions incomplete

County Attorney Chuck Kitchen stated that he would review the contract to see if the County is paying Operation Breakthrough’s utilities.

Commissioner Cousin asked for a history of the funding amount designated to Operation Breakthrough for the past few years.

Directives

1. Notify nonprofits to advise that they will receive no funding next year if deadlines are not met.
2. Nonprofits should seek private funding.
3. Only nonprofits that complement Durham County’s goals should be given financial support.
4. Communicate to the nonprofits the rationale for the County Manager’s recommendations.
5. Consider co-hosting workshops with the Center for Nonprofits at Duke to help build community capacity associated with the nonprofits. Invite applicants who are currently funded, as well as applicants who received no funding.
6. County departments should articulate their expectations to nonprofit agencies.
7. Implement a plan whereby the Health Department collaborates with the nonprofit health agencies, the Criminal Justice Resource Center collaborates with relevant agencies, etc.
8. More funding should be considered for pro-active nonprofit agencies.

Durham Public Schools

Chairman Reckhow announced that she and County Manager Mike Ruffin met with Durham Public Schools’ officials last Wednesday afternoon. At that meeting, DPS agreed to use Department of Public Instruction (DPI) enrollment estimates instead of the Average Daily Membership (ADM) numbers, which will reduce the Schools’ budget next year. Chairman Reckhow stated that alternatives were considered for funding the teachers’ salary supplement, whereby an agreement was reached to fund the \$500,000 classified salary increase and the \$1,221,340 revision to the local supplement.

County Manager Ruffin expounded on Chairman Reckhow’s comments by stating that DPS requested \$1,318,125 for 555 new students next year even though DPI forecasts an increase of 247 new students. This means only \$586,625, instead of \$1,318,125 will be needed next year, leaving a balance in the Manager-recommended appropriation of \$731,500. As Chairman Reckhow mentioned, the School System is willing to use that amount against the cost of classified salary inequities and an increase of \$1,221,340 for a proposed revision to the local

supplement. The increase necessary to support these two additions is \$989,840 (\$1,721,340 minus \$731,500 = \$989,840). In addition, DPS has agreed to use DPI enrollment estimates in future budget requests; however, a deviation (increase or decrease) of more than 10% in the projection will result in an adjustment.

Pam Meyer, Director of Budget and Management Services, reviewed Durham Public Schools' continuation budget (salary and benefit estimates) with the Commissioners.

County Manager Ruffin stated that the information on the spreadsheet indicates that a 2 percent raise affects the supplement by \$70,066 less.

The County Commissioners agreed to the 2% raise.

FY 2006 Adjustments to the County Manager's Recommended Budget

County Manager Ruffin gave an overview of his recommended budget changes to date.

Commissioner Page asked the Board to consider funding \$13,000 to extend the hours of the Library's Developmental Officer.

After the County Manager shared his rationale for not recommending the extended hours, the Board decided not to fund the \$13,000.

Directives

1. Animal Control collection increase—determine the impact of the increase relating to the number of fee payments in FY 2005-06 compared to FY 2004-05.
2. Animal Control collection increase—inform the Animal Control Advisory Committee of the increase.
3. Inform the Commissioners of the total cost to run the Sheriff's communication center to dispatch his Deputies (salaries, equipment, etc.).
4. The County Manager would contact the Sheriff in an attempt to compromise regarding the Sheriff's request for additional Detention Officers.

Court System

Chairman Reckhow gave a summary regarding her conversation with Representative Mickey Michaux. Three positions were deleted in the final House budget (judge, assistant DA, and clerk). Representative Michaux expressed his opinion that the judge, assistant DA, and clerk in the House budget will remain; he will attempt to obtain funding for an additional judge, assistant DA, and clerk.

County Manager Ruffin clarified that his recommended 2.9-cent tax increase did not include funding for Tiers 1, 2, and 3 of the court system's request. He identified the outstanding positions and costs as follows:

Tier 1

2 Deputy Clerks = \$ 67,092

Tier 2

3 Deputy Clerks = \$100,638

2 Assistant DAs= \$146,872

Tier 3

1 Deputy Clerk = \$ 33,546

1 Assistant DA = \$ 73,436

Total: \$421,584

75% of Total for funding beginning October 1 \$316,188

Amount of Tax Rate to Fund (\$316,188/\$2,074,450) .0015

Commissioner Cheek stressed that the Board should fund the additional resources requested by the Durham County Court System; he was unwilling to compromise on this issue.

Vice-Chairman Heron, Chairman Reckhow, and Commissioner Cousin expressed their opinions that Durham County should wait for the State's funding decision before Durham County makes a determination.

Commissioner Page concurred with Commissioner Cheek.

Chairman Reckhow summarized the discussion by stating that the Board is making a \$543,000 investment to fund two Assistant DAs, recording equipment, and pre-trial and fingerprinting initiatives. The Board will revisit the issue after the Legislature makes its decision.

The Commissioners agreed to fund the Youth Treatment Court program for one-half year at \$30,000. (The program is currently funded through December 2005.)

Directives

1. Report from the Youth Treatment Court program by May 15, 2006 to include outcome data.

Chairman Reckhow recessed the meeting for lunch.

Sheriff's Budget Request

County Manager Ruffin stated that he spoke with the Sheriff during the lunch break. The Sheriff agreed to support fingerprinting misdemeanants provided the Commissioners support five additional Detention Officers (DOs) beginning October 1, 2005. Funding for the DOs would be subtracted from the Sheriff's overtime (approximately \$92,777) which results in no net increase.

Directives

1. Encourage the Sheriff to send a representative to the Public Safety Center field trip in Raleigh on June 29.

Review of Nonprofit Budget Recommendations (continued)

The Commissioners revisited the nonprofits, which had been discussed earlier in the meeting, and assented to the following:

- Teen Court and Restitution: increase funding from \$31,500 to \$35,000
- Healthy Connections:
 - Inform Healthy Connections of the Commissioners' recommendation that the agency collaborate with County organizations that provide similar services and come back with a request next year.
 - Ellen Holliman, Director, The Durham Center, will invite Healthy Connections to collaborate with the Adult System of Care function. (Ms. Duer contacted the Social Services and Public Health Departments during the lunch break but received no response.)
- Planned Parenthood: Ms. Duer was unable to contact Planned Parenthood during the lunch break.
- Operation Breakthrough: The County is charging \$1 rent per year and paying 60% of the utilities and \$181,250 in building payments. Funding history: The County has been funding \$97,375 since FY 2002-03. Inform Operation Breakthrough that the Board will consider a funding increase in FY 2006-07 if performance measures improve.

FY 2006 Adjustments to the County Manager's Recommended Budget (continued)

County Manager Ruffin reviewed the budget adjustments to date as follows:

FY 2006 Adjustments to Recommended Budget

Expenditure Adjustments—Board Reviewed

<i><u>Name</u></i>	<i><u>Amount</u></i>	<i><u>Description</u></i>
County Manager	\$ 81,876	County match request for Durham/Chapel Hill/Carrboro Metropolitan Planning Organization (FY 2005 amount not spent was \$35,168 + FY 2006 match request of \$46,708).
Emergency Communications	\$ (6,968)	Reduction for 4 telecommunicators beginning October 1.
City/County Planning	\$ (51,677)	Reduction from recommended; funding EAB \$500; DOST \$1,000; Appearance Comm. \$1,000; Intern \$6,000.
County Clerk	\$ (1,000)	Appearance Commission support moved to Planning.
County Clerk	\$ (950)	DOST funding moved to Planning.

Durham Public Schools	\$ 919,774	Current expense funding for additional supplemental increases and classified salary inequities.
Courts	\$ 30,000	Youth Treatment Court—January through June 2006 funding (District Court).
Sheriff/Detention	\$ 92,775	3 new Detention Officers beginning October 1, including operating costs.
Sheriff/Detention	\$ (92,775)	Reduction in overtime costs in Detention to cover additional 3 new Detention Officers.
Non Profit funding	\$ 3,500	Teen Court additional funding—bring to a total of \$35,000.
	\$ 10,000	Read Seed additional funding—bring to a total of \$15,000.

Expenditure Adjustments—Manager Recommended

Cooperative Extension	\$ 78,000	Coordinated Transportation capital cost not entered.
County Manager	\$ (37,500)	Transportation Demand Management program costs.
County Manager	\$ 8,500	TJCOG request- continuation of Center of the Region (CORE) & Triangle Air Quality Partnership Initiatives.
Court Supportive Services	\$ 75,000	Court recording equipment.
Sheriff/LEO	\$ 125,000	Add Overtime funding to LEO side (original request).
Sheriff/Detention	\$ 61,851	2 Detention Officers beginning October 1, including operating costs.
General Services-SW	\$ 19,337	Keep Durham Beautiful funding with City. County share is 25%.
Economic Development	\$ 37,000	Chamber of Commerce increase to \$115,000.
Court Ordered Care	\$ (50,000)	Reduce appropriation for court-ordered care for FY 2006 to \$75,000.
Nondepartmental Pay Plan Adjustments	\$ (500,000)	Move to April 1, 2006 implementation rather than January 1, 2006.
Nondepartmental Board Contingency	\$ 100,000	Increase BOCC Contingency account.
Total Net Expenditure Change	\$ 901,743	

Revenue Adjustments—Board Reviewed

<u>Name</u>	<u>Amount</u>	<u>Description</u>
EMS	\$ 46,837	Various fee increases proposed by agency & presented to BOCC.
Animal Control	\$ 50,000	Animal Control collection increase proposed by BOCC.
General Services/SW	\$ 72,384	Solid Waste fee increases recommended by BOCC.
Non-Departmental-Transfers	\$ 2,000,000	Transfer additional \$2 million to GF from Community Health Trust Fund to cover EMS.

Revenue Adjustments—Manager Recommended

Sheriff/LEO	\$ 450,000	State Prisoner fee revenues error entry in requested amount for total of \$500,000.
Tax	\$ -	Increase tax collection % to 98.06%.
Tax	\$ 78,413	County share of orthophotography GIS project for Revaluation-Tax Interlocal Revenue.
Tax	\$ 6,000	Tax Interlocal Revenue for technology.
Animal Control	4,500	Increase revenue—impoundment fees, fee increase waiting for Advisory Board approval & ordinance change.
Tax	\$(1,972,910)	Decrease in tax levy based on reduction of tax rate to 80.9 cents (a 1.9 cent increase over FY05).
Finance	\$ 66,519	Increase miscellaneous revenue estimate
Finance	\$ 100,000	Increase fund balance appropriation to cover BOCC Contingency increase.
Total Net Revenue Change	\$ 901,743	
Net Changes to FY2006	\$ -	

County Manager Ruffin stated that the current tax rate increase is 1.93 cents.

Commissioner Cheek asked the amount of increase in the tax rate to fund Tiers 1, 2, and 3 of the Court System's request.

County Manager Ruffin responded that the cost would increase the tax rate to 2.08 cents.

Appointment—NACo Annual Conference Voting Delegate

The Board of County Commissioners was requested to designate a voting delegate and alternate (County Commissioner or other official) for the Annual Conference of the National Association of Counties.

Traditionally, the Board has designated the County Commission Chairman as the voting delegate.

Commissioner Cheek moved, seconded by Commissioner Cousin, to suspend the rules.

The motion carried unanimously.

Commissioner Cheek moved, seconded by Vice-Chairman Heron, to appoint Commission Chairman Ellen W. Reckhow as the voting delegate and County Manager Michael M. Ruffin as the alternate.

Adjournment

Chairman Reckhow thanked the Commissioners for their input and for the progress made on the budget at today's meeting.

There being no further business, Chairman Reckhow adjourned the meeting at 1:25 p.m.

Respectfully submitted,

Vonda C. Sessoms
Clerk to the Board