

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

Monday, June 3, 2013

9:00 A.M. Worksession

MINUTES

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

Present: Chairman Fred Foster, Jr., Vice-Chair Brenda A. Howerton, and Commissioners Wendy Jacobs, and Ellen Reckhow and Michael D. Page

Presider: Chairman Fred Foster, Jr.

Citizen Comments

The Board of County Commissioners provided a 30-minute comment period to allow Durham County citizens an opportunity to speak.

The following citizens signed up to speak:

James G. Chavis, Jr. asked the Board not to accept the Durham Public Schools budget.

Eddie Davis spoke about the World War I monument and requested the Board add a plaque with names of WWI veterans.

County Manager Ruffin was requested to direct staff to research Mr. Davis' requests and present findings at a future worksession.

Philip Azar and Julia Borberly-Brown spoke in support of tax credits for the Concord Hotel project.

Gayle Erdheim asked the Board to await the recommendations of the MDC on youth programs before giving additional support to the Youth Opportunity Initiative.

John Tarantino presented a musical presentation to the Board.

Request for Increase in the Number of Adult Care Home Community Advisory Committee Volunteer Positions

Carmelita Karhoff, Triangle J Long Term Care Ombudsman requested that the Board increase the number of Durham County Adult Care Home Community Advisory Committee volunteers from 13 to 20.

Vice-Chair Howerton asked if Ms. Karhoff's organization reported to the Board in the past and would return to report on the volunteers regularly. Ms. Karhoff replied that the committee is

statutorily bound to report back to the Board with an annual report each year. Vice-Chair Howerton asked specifically about reports regarding the quality of the Adult Care facilities. Ms. Karhoff replied that the committee would report if the Board so wished.

Commissioner Jacobs thanked Ms. Karhoff for her involvement in the movie “Alive Inside” and commented on the work of the Durham Center for Senior Life (DCSL). Commissioner Jacobs asked if the evaluations for the adult care and nursing homes were available on the Durham County website or only on the Department of Social Services (DSS) website. Ms. Karhoff replied that a link was provided on the DSS website. The nursing home evaluations were only available on the Medicare website. Commissioner Jacobs requested that links on the DCSL and DSS websites be made available on the Durham County website.

Request from Partnership for Durham Seniors

Roslyn Pettiford, Durham County Delegate to the Senior Tarheel Legislature, thanked the Board for its interest in Community Resource Connections for Aging and Disabilities (CRC).

Joan Pellettier, Director of Area Agency on Aging Triangle J Council of Governments and Co-Chair of Partnership for Seniors gave a brief background of the Partnership for Seniors. Ms. Pellettier requested \$20,000 from the Board to support the creation of a new CRC Coordinator position.

Dr. Mitch Hefland, Medical Director of the Geriatric Evaluation and Treatment at the Duke University Health System spoke in favor of the CRC initiative and the creation of the CRC Coordinator position.

Gina Upchurch, Senior PharmAssist, spoke about the need for the creation of a new CRC Coordinator position and that ideally it would be housed in the Human Services office. She stated that the position would initially be part-time, but could grow into a full-time position.

Vice-Chair Howerton asked for clarification on how seniors who are not seeing a doctor would facilitate the service. Ms. Pellettier responded that seniors would access through the “no wrong door” approach. Ms. Upchurch added seniors would not need a specific referral to “tap into” the system but could gain access at any entry point.

Vice-Chair Howerton expressed appreciation for the programs and concern about how the community will be informed of what is available. Ms. Upchurch offered to return in a year and report on how seniors have accessed the system.

Vice-Chair Howerton asked about marketing for the programs. Ms. Pellettier responded that marketing has been a key component in the work of existing CRC’s. She added that marketing has been a common message and agreed upon by all the organizations in the network. Marketing plans are updated annually.

Commissioner Reckhow supported the creation of the CRC Coordinator position.

Commissioner Jacobs suggested a “one call” phone number for services for seniors. Commissioner Jacobs asked Ms. Pellettier if the County contributed the \$20,000, how much she would envision needing going forward. Ms. Pellettier responded that they would use \$20,000 Lead Contact Agency funding for two years, and other support from private entities. Ms. Upchurch added that non-profit hospitals doing needs assessments would include the Partners for Seniors’ needs in the future.

Durham Public Schools - Surplus of Morris Street Facility

Hugh Osteen, Chief Operations Officer for Durham Public Schools, stated the Board of Education was seeking to remove the Morris Street facility from its holdings (located at Morris and Hunt Streets). Mr. Osteen asked the Board for approval to designate the building as surplus property. He added the first right of refusal comes to the County Commissioners, and if declined, he would move to sell it according to state statutes.

Commissioner Reckhow asked where the employees currently housed in the building would be relocated. Mr. Osteen replied that the majority of them would go to the Staff Development Center’s classroom wing. Commissioner Reckhow asked if the building had been appraised recently. Mr. Osteen replied that an appraisal from a certified MAI appraiser was received in fall of 2012 for \$875,000.

Commissioner Jacobs expressed her pleasure at the Board of Education being resourceful and consolidating employees and asked where the approximate \$900,000 estimated from the sale would go. Mr. Osteen replied that the funds would go into capital funds and the Board of Education would decide on how to apply.

County Manager Ruffin asked the Board if the item should be placed on the June 10 consent agenda, to which they agreed.

Village of Rougemont Plan Recommendations

Laura D. Woods, Senior Planner, stated that she met with Robert Brown, Durham County Health Department, in response to a Board directive requesting further research into the one acre minimum land use recommendations. She reported that Mr. Brown did not believe that the majority of the soil would support the one acre lot minimum size. Ms. Woods added that each lot would have to be tested individually as some areas may be able to support the one acre lot size.

Commissioner Reckhow expressed concern regarding setting expectations that may not be achievable. She asked Ms. Woods to be very clear in informational meetings with residents going forward. Aaron Cain, City-County Planning Department, stated that they could add language in the ordinance that directed residents that they would need a permit in order to develop any lots of one acre.

County Manager Ruffin asked staff to explain the “consumer protection” quality for the homeowners. Mr. Cain explained that legally they are limited as to how much they can do.

Currently residents are not required to obtain permits or soil test for septic tanks. Mr. Cain added that he consulted with Bryan Wardell, Assistant County Attorney, to see if residents could be required to obtain permits. Mr. Wardell said the County had the power to do so. If the Board directs, the amendment can include language to provide proof of suitability of soils for the requested lots.

Durham County Coordinated Public Transit – Human Service Transportation Plan Approval

Meg Scully, Mobility Manager, Cooperative Extension, gave an overview of Durham County Access transportation and the federal grants it receives. Ms. Scully asked the Board to accept and approve the Durham County Coordinated Public Transit - Human Service Transportation Plan.

Commissioner Reckhow asked Ms. Scully to clarify the number of trips for T-links for Durham County. Commissioner Reckhow asked Ms. Scully to research how many Durham County households are being served by the service. Ms. Scully explained to Commissioner Reckhow that T-links and DATA share the transport of passengers to be more efficient. Commissioner Reckhow suggested that the T-links logo be represented on the service vans as well.

Vice-Chair Howerton asked about citizens who called for transportation service but were not in place at the time of pick up and were being charged. Ms. Scully clarified that the City had a policy where citizens are charged “no show” fares on the DATA service. Ms. Scully explained that the County service called passengers who did not show or cancelled to stress the importance of cancelling in advance, but they are not charged.

Commissioner Jacobs asked about management, coordination and how improvements that were identified during workshops or surveys would be made. Ms. Scully answered that the improvements are outlined in the plan that is being presented for approval. Delphine Sellars, County Extension Director, commented that prior to the funds being depleted, the management and coordination that Commissioner Jacobs asked about was handled by a Mobility Manager. She stated that some of those responsibilities are currently handled by the Cooperative Extension.

County Manager Ruffin asked the Board if the item should be added to the June 10 consent agenda, to which they agreed.

Consideration of Concord Hospitality Enterprises Company Request for Support for a Marriott Residence Inn

Marqueta Welton, Deputy County Manager, provided a recap of the request from Concord Hotel that was made at the May 6, 2013 Worksession.

Commissioner Reckhow asked for clarification on the acronyms ADR and REVPAR. Ms. Welton and Mr. Tim Osieke, President of Architecture and Construction, clarified that ADR stood for Average Daily Rate and REVPAR stood for Revenue per Available Room.

Mr. Osieke explained that a number of hotel matrixes were used to project both the rate and occupancy. He briefly explained the way the projected numbers are arrived at.

Commissioner Reckhow asked for a description of the internal rate of return on invested cash. Mr. Osieke replied that Concord would usually look for an unlevered rate of 10% or better and they would not reach that rate on this project.

Commissioner Reckhow asked for explanation of the cost summary for the additional work related to the historic preservation. Mr. Osieke explained that this particular project would cost an additional \$4-5 million more than it would to build a traditional Marriott.

Vice-Chair Howerton inquired as to whether the community had an effect on design, therefore raising the costs of the project. Mr. Osieke responded to her concerns.

Attorney Kenneth Spaulding, representing the applicant, expounded on the need for the Concord project and the benefit to the Durham Community, and that in three years, Durham County would be made whole through return on investment and would then profit from taxes paid through the property.

Commissioner Jacobs spoke about the location of the proposed hotel to downtown. She expressed her support for the project and the opportunity the hotel would offer for university interns. Commissioner Jacobs asked Mr. Osieke and the Concord team to propose a formalized process for employing interns.

Chairman Foster asked Mr. Osieke how many hotel projects in the Concord portfolio received government assistance to build. Mr. Osieke asked that he be able to research the question to avoid speculation. He mentioned that a few projects received assistance; Pittsburgh and Washington D.C. Chairman Foster asked Mr. Osieke why the McPherson project could not be funded from the revenue in Concord's portfolio. Mr. Osieke replied that each project was treated as a separate entity/project that is not co-mingled. Chairman Foster asked why the County was being asked for assistance when the project would not offer the 18 percent return on investment that he said his investors would require. Mr. Osieke explained that with the County's contribution, 15 percent would be enough to entice his investors and would not need a commitment from the County on those dollars unless the project was to go forward.

Chairman Foster asked Mr. Osieke for clarification on the incremental costs that brought the needed grant amount from \$400,000 to \$700,000. Mr. Osieke explained the cost components.

Chairman Foster asked Mr. Osieke for an answer to a question posed at the prior meeting. If the County did not approve this grant, would the McPherson project move forward. Mr. Osieke responded no.

Commissioner Reckhow commented that if the economic development methodology for 5-year return on investment was used, that this project would be considered a good investment for Durham County.

Vice-Chair Howerton expressed concern that there was no room for negotiation with Concord on the amount needed to move forward. A Concord representative responded that there was very little room for deviation from the amount needed because of the neighborhood involvement and contribution that the historical value be preserved; the brick façade go all the way around, parking provisions, a privacy wall (which has already been constructed), the ordinances, design district requirements and courtyard construction. He added that these factors added to the costs.

Attorney Spaulding made additional comments concerning the benefits that the hotel would bring to the County.

Vice-Chair Howerton asked County Manager Ruffin what would be done when other projects asked the County for funding. Mr. Ruffin replied that the numbers would be reviewed and then recommendations would be made.

Carol Hammett, Deputy County Attorney, remarked that the legal issue before the Board was the preservation of McPherson as a historical property. Vice-Chair Howerton asked if this project would set a precedent for other developers who requested assistance to build on historical sites. Commissioner Reckhow interjected that the Whitted School was such a project.

The Board and County Manager discussed the County's participation and when the Board would take action on the County's participation.

Commissioner Jacobs moved seconded by Commissioner Reckhow to defer action until June 24 to allow Mr. Spaulding to meet with the Manager.

The motion was not voted on.

Commissioner Page asked for clarification on why the original funding request of \$400,000 doubled.

Mr. Osieke responded that the request was never \$400,000. He and Ms. Welton added that the cost of \$400,000 was brought up and discussed in answer to a question that was posed by the Board regarding the cost to preserve the McPherson façade alone.

Commissioner Jacobs reiterated her interest in the student internship program with Concord and Ms. Welton and Osieke confirmed that a program would be in place.

Commissioner Jacobs moved seconded by Commissioner Reckhow to defer action until June 24.

The motion carried 3-2 with the following vote:

Ayes: Jacobs, Page and Reckhow

Nays: Foster and Howerton

Recommendation to Amend the Animal Ordinance to Repeal the Animal Tax

Kimberly Simpson, Tax Administrator, asked the Board for approval to repeal the Animal Tax as of July 1. Ms. Simpson provided a brief overview of the item which included issues with tax collection and data corruption.

Commissioner Reckhow asked if there would be a savings to the tax staff if the animal tax was repealed. Ms. Simpson responded in the affirmative.

This item will be placed on the June 24 agenda for action.

Budget Ordinance Amendment No. 13BCC000082 Public Health: Recognize Grant Funds in the Amount of \$28,085 from the NC Department of Health and Human Services Division of Public Health for the Health Education Division

The Board was requested to approve Budget Ordinance Amendment No. 13BCC000082 to recognize funds in the amount of \$24,085 from the NC Department of Health and Human Services Division of Public Health Women's Health Branch. Funds will be used to convene two listening sessions for the purpose of (1) gathering feedback on the health disparity; (2) soliciting input into the update of the NC Preconception Health Strategic Plan; and (3) gathering input on issues salient to the health and well-being of African Americans, especially related to preconception health.

Commissioner Reckhow asked why this item was on the agenda. Gayle B. Harris, MPH, Public Health Director, responded that it was a time sensitive item.

Commissioner Reckhow moved and Commissioner Page seconded a motion to suspend the rules to take action on the item.

The motion passed unanimously.

Commissioner Reckhow moved and Commissioner Page seconded a motion to approve the item.

The motion passed unanimously.

Public Health: The Purchase of Patagonia Patient Management Software Discussion

Gayle B. Harris, MPH, Public Health Director, requested approval to purchase Patagonia's Patient Management Software with funds from the Home Health sale proceeds.

Commissioner Reckhow asked how much money was left from the Home Health sale proceeds. Ms. Harris responded \$1.9 million, which included budgeted items.

Jane Everson-Harper, Senior Business Analyst, provided a brief description of the current software analysis and how they arrived at the decision to purchase the Patagonia Patient Management Software.

Commissioner Page asked Ms. Harris what amount would be left in the Home Health sale proceeds. Ms. Harris replied that \$1.2 million would be the remainder.

Commissioner Reckhow asked if the information would be available to medical providers and Ms. Harris responded that it would.

This item will be placed on the June 24 agenda for action.

Consideration of a Resolution Authorizing the City of Raleigh to Issue Pyrotechnics Permits within the City of Raleigh Corporate Limits

Lowell Siler, County Attorney, asked the Board to approve the transfer of permitting authority for fireworks displays which are held within the City of Raleigh. Mr. Siler added that Jeff Batten, Fire Marshall, was in favor of the grant authority. Mr. Siler stated that this item was time sensitive as it was probably being sought out in preparation for July 4 festivities.

Commissioner Reckhow moved and Commissioner Howerton seconded a motion to suspend the rules.

The motion passed unanimously.

Commissioner Reckhow moved and Commissioner Jacobs seconded a motion to authorize the City of Raleigh to Issue Pyrotechnics Permits.

The motion passed unanimously.

Board Directives

Michael Davis, Strategic Plan Manager, presented the Board Directives for the last four months. The Board had no questions of Mr. Davis regarding the directives.

There being no further action, the meeting was adjourned.

Respectfully Submitted,



Sheila Devis
Administrative Assistant II

FY2013-2014 BUDGET SESSIONS – DURHAM COUNTY BOARD OF COMMISSIONERS

2013 – 2014 Durham Public Schools (DPS) Budget

Dr. Eric Becoats, Superintendent of Durham Public Schools (DPS); DPS Board of Education Members: Chair Heidi Carter, Vice-Chair Minnie Forte-Brown, Natalie Beyer, Leigh Bordley, Nancy Cox, Frederick, A. Davis, and Omega Curtis Parker were present for the 2013-2014 DPS budget presentation.

Chair Carter provided an introduction of the proposed budget.

Superintendent Becoats reviewed a PowerPoint presentation, *Durham Public Schools Board of Education 2013-14 Budget Recommendation*. The presentation consisted of the following sections:

- Budget Philosophy
- Budget Process
- Who Are We (District)
- Student Demographics
- Funding: A Historical Perspective
- Budget Proposal

Referencing the student demographics portion of the presentation, Commissioner Reckhow asked if the average daily membership was expressed in local dollars. Dr. Becoats answered in the affirmative. Commissioner Reckhow thanked the Board of Education, Dr. Becoats and staff for the presentation. Citing page 81 of the *2013-2014 DPS Superintendent's Priority-Driven Budget* proposal, Commissioner Reckhow questioned why overall funding decreased 3.2 percent and local support decreased \$4.7 million. Mr. Paul LeSieur, DPS Executive Director for Budget/Management Services responded stating that the figures represent research conducted in August 2012 and current projections. Mr. LeSieur continued stating that the information in question represents a combination of federal, state and local funds that are being strategically used.

Commissioner Reckhow requested data regarding the number of classroom teachers during FY 2012-13 versus the number of classroom teachers during FY 2013-14. Referencing page 54 of the budget proposal, Mr. LeSieur commented that DPS is maintaining the same number of teachers, but noted a distinction regarding teacher salaries. He continued saying that experienced teachers who were at a higher salary, were being replaced with newer teacher who were being paid at lower salaries.

Referencing page 83 of the budget proposal, Commissioner Reckhow questioned the trend of an increased amount of local funds being allocated toward non-instructional support. Mr. LeSieur stated that was an area of the budget with continuous increases due to insurance premiums and utilities that are rising. Commissioner Reckhow asked if there were any further “efficiencies” to be discovered. Mr. LeSieur responded that additional research could be conducted, but that there were no further reductions to be made in contracted custodial services and that the cost of buildings and building maintenance will continue to increase. Dr. Becoats added that DPS cut \$2

million within the budget area in question and implemented a program within schools and the central office building to increase efficiency and offset expenses.

DPS Vice-Chair Minnie Forte-Brown discussed the efficiencies being used by DPS to reduce associated costs.

Commissioner Reckhow referenced page 84. She questioned the \$1.2 million increase in funding for school building administration for FY 2012-13. Mr. LeSieur responded that there were changes in salary levels due to turnover and promotions, as well as benefit increases. Commissioner Reckhow asked if school administrators received a larger salary increase than classroom teachers. Mr. LeSieur stated that classroom teachers would receive the same salary increase percentage as school administrators.

Referencing page 97, Commissioner Reckhow asked Mr. LeSieur to expound on the budgetary reductions for the System of Care. He explained that \$1 million was shifted from child and family support teams to the exception children's program, where it would be better suited for instructional support. Commissioner Reckhow asked why Dr. Becoats' initial budget proposal of \$2.4 million was increased to \$4.8 million by the Board of Education. DPS Board Chair Carter responded that the increased amount represented requests for per-pupil expenditures for 969 new students within the school system, salary increases and square footage increases at Lucas Middle School.

Commissioner Reckhow discussed an education-related news article published in the News & Observer on June 2, 2013. Commissioner Reckhow asked Manager Ruffin to explain why he felt that DPS should take \$2.4 million of the budget request from their fund balance. Manager Ruffin stated that he agreed that additional funds were necessary for FY 2013-14, but that the source of the funds was in question. He continued to state that the Board of Education should decide whether to use \$2.4 million or \$4.8 million from reserved funds and revisit funding at a later time during the fiscal year if there is an issue. DPS Chair Carter cited concern with the continued use of their fund balance.

DPS Vice-Chair Minnie Forte-Brown discussed the May 31 newspaper article in the Washington Post entitled *The Way Out of the Black Poverty Cycle*. She continued to comment on the need for funding the budget request, so that DPS may provide various services for students.

Commissioner Jacobs expressed her satisfaction with the statistical information presented as it showed significant progress. She commented on the yearly educational-related budget cuts made by the state to a variety of service areas and praised the Board of Education for continuing to allocate funds toward professional development. Commissioner Jacobs asked if funds continued to be withdrawn from the DPS fund balance, how they would be replenished. DPS staff replied that there was not future prospect of how the funds would be replenished. Referencing page 112, Commissioner Jacobs praised DPS for the use of magnet schools and other innovations, but recognized that such programs cost extra money. She cautioned against starting any new programs, but building upon what was already in place.

Commissioner Jacobs requested an explanation of the funding request for Lucas Middle School. DPS Chair Carter stated that the funds were not requested in the FY 2012-13 budget proposal and that there additional utility and maintenance costs associated with the extra square footage of the new school building. Commissioner Jacobs discussed the racial demographics of the school system and teacher retention related to salary concerns.

DPS Chair Carter cited concern with the school system paying for state mandated funding for charter schools from the fund balance.

2013 – 2014 Durham Technical Community College (DTCC) Budget

Dr. William Ingram, President of Durham Technical Community College (DTCC) and Mr. Robert Keeney, Vice President for Finance and Administrative Services were present for the 2013-2014 DTCC budget presentation.

Dr. Ingram thanked the Board and staff for their previous support of DTCC. Dr. Ingram reviewed the budget formation process and the funding request, which increased approximately 9 percent from FY 2012-13. He continued stating that an analysis of enrollment and local support showed an increase in enrollment by 25 percent, but flat levels of funding between FY 2007-08 and FY 2011-12. Dr. Ingram cited increased enrollment, aging facilities and rising utility costs as reasons for additional funds requested.

Dr. Ingram continued saying that he agreed with the Manager Ruffin's recommended funded amount for FY 2013-14. He stated that DTCC would continue to operations within the parameters of the financial support provided by the Board.

Commissioner Howerton questioned the current status of the Gateway to College Program at DTCC. Dr. Ingram stated that DTCC continued the program although DPS signed a partnership agreement last year with The Magic Johnson Bridgescape Program to address dropout recovery. Dr. Ingram continued saying that private and funding was used to continue assisting approximate 100 students, with positive results. He said that future plans include "remodeling" the DTCC traditional adult high school program into a Gateway to College Program model.

Commissioner Jacobs inquired as to whether support services were offered to students in the Gateway to College Program. Dr. Ingram responded stating that the services offered to students in the program were very intensive, inclusive and tailored to their individual needs. The Board discussed alternatives to fund the financial difference between the funding amount requested by DTCC and the amount recommended by County Manager Ruffin. Commissioner Jacobs commented on the need for further discussion regarding public transportation to the DTCC northern Durham campus and its utilization.

Commissioner Reckhow questioned the current expense funding increase of \$1.6 million or 39 percent over the last two years. County Manager Ruffin explained that the amount in question

included funds from the Durham ConnectFunds sales and use tax for education. Commissioner Reckhow requested information on the previous and future use of the County funds provided. Dr. Ingram stated that FY 2013-14 funds would be used for utilities, security services, other operations-related items and replenishing the fund balance.

Dr. Ingram stated that future plans for the northern Durham campus consisted of a City-County emergency services training facility, but that there was difficulty in obtaining usage and training agreements from both municipalities. Commissioner Reckhow expressed her displeasure with the lack of a joint venture for training between the organizations. County Manager Ruffin clarified stating that the lack of a joint venture was likely not due to non-cooperation, but because of the Triangle J Council of Government proposed regional fire, emergency medical services and law enforcement academy. Commissioner Reckhow requested that Dr. Ingram include County Manager Ruffin in the discussion regarding the proposed emergency services training facility at DTCC. She asked if programming had been considered at the DTCC in conjunction with DPS. Dr. Ingram replied that several years ago he discussed the prospect of a public safety academy with Dr. Becoats, but that nothing materialized as a result of that discussion.

Review of Board Directives


County Manager Ruffin introduced Ms. Katie Martiniuk, Intern for the County Manager's Office. Manager Ruffin also introduced Mr. Samuel Williford, Assistant to the County Manager.

Michael Davis, Strategic Initiative Manager, stated that the Board requested to review the previous directives for staff and make comments as necessary. This set of directives covers February, March, April, and May of 2013.

The Board thanked Mr. Davis for the directives.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in black ink that reads "James N. Jackson". The signature is written in a cursive style with a large, looped initial "J".

James N. Jackson
Deputy Clerk to the Board