

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

Monday, May 6, 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. and Commissioners Wendy Jacobs, Michael D. Page, and Ellen Reckhow

Absent: Vice-Chair Brenda A. Howerton

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.

Jeff Goll Chair of Durham County Advisory Committee for Adult Care Homes spoke briefly regarding the function of the Advisory Committee and informed the Board of a movie called "Alive Inside." Mr. Goll requested that one of the County Commissioners serve as a liaison to the Advisory Committee.

Commissioners Reckhow and Jacobs thanked Mr. Goll for his promotion of the event, and Commissioner Jacobs volunteered to act as liaison.

John D. Swansey, representing the Board of the Trinity Park Neighborhood Association, spoke in support of the Concord Hotel.

John Tarantino spoke about the Durham CAN festival and the need for transportation for low income residents.

James G. Chavis, Jr. spoke about the proposed tax increase not being on the County or City websites.

Commissioner Reckhow directed the County Manager to look into the information available on the website.

Bill Kalkhof spoke in support of the Concord Hotel. He asked the Board to consider the County/City split on \$2 million needed to complete the McPherson Project.

Yasmin M. Fozard, a vendor with the Department of Social Services, informed the Board of her formal complaint that her partnership with DSS has damaged her business. Ms. Fozard said that she was not informed of the vendor process.

Chairman Foster directed the County Manager to respond in writing to Ms. Fozard.

Chairman Foster noted that the allotted time for Citizen Comments had been exceeded.

Commissioner Reckhow moved seconded by Commissioner Jacobs to extend the citizen comment period.

The motion was carried unanimously.

Commissioner Reckhow asked the County Manager to work with the Director of Social Services to develop key benchmarks and a report tallying these types of contracts with Social Services and how resources and monies are being used for this type of programming.

Commissioner Page requested that the response time to RFPs be addressed.

Commissioner Jacobs stated that this program is in transition and that it is necessary that Michael Becketts come before the Board to present on the matter.

Wendy Hills, Preservation Durham, Matthew Coppedge, Downtown Durham Incorporated, and Patrick Byker, Convention Center Authority, spoke in favor of the request for incentives for the Concord Hospitality project.

Don Mason, Rougemont resident, asked that the Lake Winds areas be added to the Rougemont Village plan.

Victoria Peterson alleged that deaths have occurred in the Durham County Detention Center. Ms. Peterson requested the demographics of contractors and subcontractors for the new courthouse and Human Services building by race and minority status.

The County Manager will look into Ms. Peterson's concerns.

Commissioner Reckhow asked the County Manager to follow up on her request for an explanation as to why people were in jail for large numbers of years awaiting trial.

Commissioner Jacobs asked for estimates of what the cost would be for temporary sleeping cots during times of overcrowding.

Commissioner Page moved, seconded by Commissioner Jacobs, that Commissioner Howerton be excused from the meeting.

The motion was carried unanimously.

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

The Board was requested to discuss and consider under N.C.G.S. 153A-376 Concord Hospitality Enterprises Company's request for financial support of its Marriott Residence Inn project located at 1108 West Main Street.

Marqueta Welton, Deputy County Manager; Tim Osieke, President of Architecture and Construction; and John Stannus of Concord Hospitality shared the Concord Marriott Residence Inn Project presentation.

Ms. Welton summarized the history and lifespan of the Concord Hospitality project and pointed out the historical significance of the site and the attempt of Concord to preserve a portion of the original building. Ms. Welton introduced the request of the Concord Hospitality group's need of \$2 million to be split by the City and County in order to make the project a viable investment for their investors.

Mr. Osieke shared a brief overview of the Concord Hospitality group and the history of the development of the McPherson Hospital building project.

George Stanziale, Stewart Architects, commented regarding structure and added costs of the various parking solutions for the hotel. Mr. Stanziale also stated that the additional design necessary for the preservation of the historical part of the building added substantially to the costs.

Mr. George Quick, Finance Director, stated that the \$2 million that Concord requested would secure a higher return on investment than the 15% presently being anticipated for investors. Mr. Quick explained that the 70 to 75% occupancy rate being promised would generate approximately \$200,000 annually in occupancy and property taxes for the County. With the assumption that the County and City would split the \$2 million requested equally, the \$1 million would be repaid in 5 years. After the 5 years, the \$200,000 or any increase thereof; would continue to come to the County. He indicated that this would not be a long period of time to wait for a return on an investment of this nature. He also reported of the intention that the property would be sold in 8 years and that the appreciation at that time would push up the return on investment.

County Manager Ruffin stated that while this project would be a good project for Durham, he would recommend that the Commissioners decline support. His comments follow:

"This has been a very difficult project for the staff to evaluate and even more difficult for me to offer a recommendation. It is a good project for Durham and will help in part to preserve the original home of a landmark institution. The easy decision for me would be to support the County's financial participation in the project and move on. However, there are broader public policy implications that are too important for us to ignore – implications that have helped to shape my recommendation to you to decline financial participation in the project. Let me offer a brief explanation.

Until recently, we have never financially participated in hotel projects. In truth, this project was in the planning stages years before the County decided to consider incentives for hotel projects. Our reason to consider incenting hotel projects was to generate more rooms in the downtown area so that our Convention Center's marketing team could expand its marketing efforts, bringing more convention to Durham and helping to shave down and ultimately eliminate what was once an almost \$600,000 operating subsidy for the City and County. I supported this strategy. It makes good business sense for the County and so far we have provided incentives for the 21C Museum Hotel and Gentian.

Both of these projects are within close walking distance of the Convention Center and made good sense for us to participate. This project, however, is considerably farther away. In fact, at your March Worksession, you looked at considering incentives for projects located within ¼ mile and ½ mile of the Convention Center. This project falls outside both of those distances.

I realize the Board in its discussion has decided that an incentive under the economic development statutes is no longer possible, but I still think any decision to financially participate in hotel projects must

bear some direct relationship to how much it will induce conventioners to stay in its hotel. I do not argue that this project will attract conventioners, but I also do not believe it will compete favorably with hotels much closer in walking distance and hotels that have full-service restaurants for its customers.

I realize that your consideration now is out of the interest in historically preserving the old McPherson Hospital. I remember coming many times to this facility with my dad who had cataracts and poor eyesight. I support this effort and I commend the City for its consideration of helping to preserve this historic landmark for Durham. Historic preservation is typically a City function and not a County function. We certainly have done this for facilities that we own, like Whitted School, but we have not provided grants for historic preservation for privately-owned projects. Absent a policy to address whether the County should elect to participate in such activities, and under what circumstances, I think the Board would be setting a precedent without first examining just what the requisite conditions should be for us to consider financial participation. What do we tell the next project that brings such a request? I can tell you this: If you decide to incent projects for their historic significance, this is not the last one you'll see.

Finally, we have never seriously considered a \$1 million incentive for any reason. As far as I know, our consideration to date has been in a range of \$250,000 to \$400,000. As you heard from George Quick, this level of participation is not going to get the Return on Investment to the threshold percentage range that the owner had told us it needs to be.

Is it a good project for Durham? Of course. Has a strong case been put forward for the County to participate? I don't think so, and I don't think it's going to materially accomplish our original goal for considering financial participation in hotel projects: Lowering the operating subsidy at the Durham Convention Center; nor do I think it is preserving very much of the McPherson Hospital that we all remember. For this and the other reasons, I have cited. I respectfully recommend that you decline financial participation in the project.

Thank you, Mr. Chairman. Staff and I will be happy to respond to questions that you and the Board may have."

Commissioner Reckhow stated that she was interested in looking at helping this project to the degree that the costs are increased due to the historic preservation effort. She said that she was told the cost would be \$400,000 to retain the façade and provide an elegant approach for this important gateway to the downtown area. Commissioner Reckhow commented briefly on the distance from the proposed hotel to the Convention Center. She stated that the City Manager was quoted as saying an offer from the City was made. Although she mentioned it was an undisclosed amount, she asked if it would be enough if the County were to come forward with \$400,000.

Mr. Osieke touched briefly on the question of distance and described solutions proposed to address those concerns including shuttles. He also explained that the amount of \$400,000 was an incremental cost just to preserve the historic portion of the building. The actual cost is quite larger due to the design to make the hospital a prominent part of the structure.

Commissioner Jacobs concurred with Commissioner Reckhow's suggestion that the County do all it could to support the preservation of the site in question. She added that the site had been unoccupied for eight years and would be vital to the area for the project to go forward and utilize the site. Additionally, the guests at the hotel would benefit from the affordability of the rooms. Commissioner Jacobs compared the present annual property tax being paid on the site of \$21,000 to a

collection increase to \$ 136,000 and stressed the urgency to act quickly to prevent further tax loss and the loss of \$155 million in occupancy taxes over an eight year period.

Commissioner Page asked for clarification on how long it would take the County to recoup the investment.

Mr. Quick reiterated that based on an investment of \$1million, the tax revenue generated would repay the investment in 5 years.

Commissioner Page asked the Manager for clarification on his comment that we do not typically incentivize hotels.

County Manager Ruffin replied that until recently it was not something that was done. He also explained that incentives were being considered because of the observation two or three years ago that more hotel rooms would need to be generated to service the Convention Center or the area would risk the loss of the entity.

Commissioner Page expressed concern about the amenities offered at the hotel.

Mr. Osieke assured the Board that Concord would provide shuttle service and added that the room rate would be lower than the full service Marriott and Marriott Rewards members (over 30 million members) would likely choose them as a preferred location because of the value. Mr. Osieke said that guests would receive a free breakfast and that the rooms would be 50% larger with full kitchenette.

County Manager Ruffin asked for financial clarification from Mr. Quick. He asked Mr. Osieke to confirm whether his internal rate of return would be satisfied and if the project could move forward if the County was to supplement the \$1.2 million being offered by the City with \$400,000 mentioned by Commissioner Reckhow.

Mr. Osieke responded that it would be unlikely because the real need was driven not only by investors, but lenders as well and that \$2 million would be the minimum needed to meet the requirement.

Commissioner Reckhow stated that she was interested in looking at more of Concord's financial paperwork, particularly cash flow, cost per square foot evidence and a price comparison for comparable hotels.

Mr. Osieke offered to make all financials available and made a comparison between a Raleigh North Hills Hyatt Extended Stay set to open during the summer of 2013 as costing \$165,000 per key as opposed to the McPherson project which is costing \$206,000 per key.

Commissioner Jacobs stated that she was interested in knowing the cost of renovating and preserving of the 32% of the original McPherson building in relation to the \$400,000 being considered by the County.

Chairman Foster asked for confirmation as to whether the project would not move forward without the Board's support and Mr. Osieke confirmed its unlikelihood. Chairman Foster then asked Deputy

Attorney Carol Hammett to expound on the legal ramifications if the County provided funds for the project.

Ms. Hammett explained that the Board was speaking about this project in this forum because of the use of Community Development Statute primarily for the historic preservation of the old McPherson Hospital. Under that authority, the County could provide grants, loans, subsidization of interest payments and guarantee of loans, so the decision is whether or not the Board wants to participate and what form that participation would take. Ms. Hammett remarked that the Board would need more information and reminded the Board of fiscal responsibility based on reasonableness and possible use of public funds. She said that while the need is apparent, the form of funding was something the Board would have to determine. As far as the requirements under Community Development, it would be for the historical preservation of the property. She would recommend provisions in any contract for the 33% restoration and bode to Durham History as well the Hospital. Payment of course, would be upon completion with a recommendation for claw back for a number of years to be sure that the terms were made. As far as whether or not the project should move forward, it would be the Board's decision. The developers have met the elements and to extent that we could negotiate a contract for some participation, if that is the Board's wish, we can do so. She added that the discussion was to determine if staff should be directed to move forward.

Commissioner Reckhow reiterated her interest in due diligence and the finances that the developer has agreed to supply regarding the costs as they are related to preserving historic façade.

Commissioner Jacobs added that if in fact the property had been deemed a landmark, the developer would have to pay less property tax to the County demonstrating the benefit to the County that the building is considered historical. Ms. Welton further explained that due to a discussion she had with City representatives, the exact amount that would be needed from the County after the amount that the City promised the developer would be \$ 755,000.

County Manager Ruffin asked Mr. Osieke if the issue could be brought back before the Board during the June 3, 2013 Work session.

The Board directed the Manager to address the questions and bring the item back to the June 3, 2013 Work session. The Manager added that any information or discussions would be shared with all involved prior to the June 3, 2013 Work session.

Village of Rougemont Recommendations

Laura Woods, City/County Planning Project Manager for the Village of Rougemont Plan, presented recommendations on the Village of Rougemont.

Staff conducted six community meetings in Rougemont from May 2012 to February 2013 to determine the needs and desired changes of the community residents. Ms. Woods shared the following recommendations:

Future Land Use Map Recommendations:

Moving most of the commercial land use designation to the village center at a gathered point of US Highway 501 and Red Mountain Road; this proposal is in line with the water issues being studied at the moment.

The UDO be altered to allow for a one acre minimum as opposed to the three acre minimum that is currently in place for the watershed protection overlay. Residents have commented that they would like to subdivide. This recommendation would allow for subdivision.

Ms. Woods commented that one the residents asked that the boundaries of the town be changed. She continued that the boundaries had been established in the 2005 Comprehensive plan and were “tweaked” in two small areas where the boundaries split lots. The boundary of 498.6 acres represents just under 2% of the protected watershed protection.

Commissioner Reckhow commended Ms. Woods on her efforts and expressed her support for the lot size reduction and impervious surface increase particularly as it related to the area where there are plans to extend community well water. Commissioner Reckhow asked that when Ms. Woods consulted Mr. Brown, was it his opinion that it was likely that residents would be able to do a well, septic tank and repair field on one acre. Ms. Woods explained that only 50% of the properties in questions would allow this according to Mr. Brown as proposed.

Commissioner Reckhow expressed concern that if the plans to subdivide to one acre lots that are not be serviced through the current water plans, there may be pressure on the County to provide water and wells to a wider geographical area than the County has the money to do.

Mr. Ruffin questioned whether or not 1 acre lot sizes would accommodate space requirements (i.e. a 100 ft pollution free radius around wells and drain fields).

Commissioner Reckhow requested further investigation as to whether or not 2 acre lot sizes would be preferable.

Commissioner Jacobs expressed reservation about 1 acre lot size propositions. She added that in her experience, the minimum should be 1.5 acres. Commissioner Jacobs asked that a soil expert visit the area and confirm what kinds of accommodations would need to be made for the soil. She mentioned that rules and requirements for repair fields have changed.

Commissioner Reckhow, stating that while she believed that one acre lots would be fine near the area where the water extension is being addressed, she would like to know if it is advisable to have one acre lots across the entire village.

Chairman Foster asked that the item be brought back to the June 3 Worksession in order to provide more clarity.

Update on Public Behavioral Health Services in Durham County

Ellen S. Holliman, Chief Executive Officer, Alliance Behavioral Healthcare, introduced her organization’s management team. Ms. Holliman gave a brief history and an update of Alliance Behavioral Healthcare. She spoke on the merger between Durham, Cumberland, Johnson and Wake Counties as of July 1. An Interlocal agreement is in place between Cumberland and Johnson where they are contracted to do certain managed care functions. The total population for the four county area is about 1.7 million people making it the largest MCO in North Carolina, with 186,000 of those being people covered by Medicaid.

She listed the following key accomplishments:

- Last March and April a new board was seated
- Developed new IT system that began in October
- Currently, 275 Staff Members
- Began waiver contract February 1st
- Request from Cumberland to merge; in process of due diligence

Commissioner Reckhow questioned Alliance funding, and Ellen Holliman clarified that their funding did in fact decrease by \$1 million.

Ms. Holliman added that “Voices Together” (who used to be funded by Alliance for several years) lost their funding due to the decrease. Mental Health of America of the Triangle is not funded by Alliance. Threshold is funded based on a fee for service.

Chairman Foster asked if there were any other non-profit organizations losing funding. Ms. Holliman offered none, but did add that TROSA is funded by her agency’s state dollars as well.

Manager Ruffin added that Threshold submitted a non-profit application, which the County is funding through mental health procreation which will not affect non-profit dollars. He mentioned that TROSA funding would be reviewed again as well.

Ms. Holliman expressed a concern regarding the Medicaid rate. The Medicaid rate is amount paid to them per member/per month that the state pays them to perform the Medicaid service.

Commissioner Reckhow expressed that she was very worried about the administrative rate from the state and not receiving the proper funding would be unacceptable.

Ms. Holliman assured the Board that issue with the rate is working itself out and that it was premature to speculate. Commissioner Reckhow reminded Ms. Holliman of the \$4 million that the County provided Alliance with to start. Ms. Holliman reassured the Board that she felt that financially Alliance was still on track.

Ms. Holliman described how Alliance had been using Durham County’s funds (\$6.6 million.)

- Crisis services – measured through Durham Center Access (DCA), Downward then flat trend
- Emergency Room admissions – Duke and Durham Regional (highest cost service)
- State hospital admissions – these have gone down and are stabilizing
- CJRC – positions funded to support mental health in the Criminal Justice System
- Peer drop in center – trains peer support specialists
- Pharmacy program - \$120,000 spent - reduced cost name brand medication for seniors
- Indigent population support who do not qualify for Medicaid

Mr. Ruffin pointed out that about a third of the funds that Alliance received were being spent on Medicaid for Mental Health.

Commissioner Reckhow asked if Durham County funds were being kept in a separate account. Alliance staff responded that there is a separate ledger structure for the County’s funds; each consumer is assigned a County code for tracking purposes.

Commissioner Reckhow asked what happens at year end if all of County Funds have not been spent. Staff stated that under the present agreement, all funds that have not been spent go towards the allocation for the next year.

Commissioner Reckhow asked the Manager if he reviewed the ledgers. The Manager replied that he, Susan Tezai, and George Quick just completed their review. A financial statement will be provided to the Board near the end of September after the Alliance audit closes.

Commissioner Jacobs commented that the Durham Center Access numbers declined from 1100 to approximately 700. Rob Robinson responded that they became aware of this decline last week and expressed that jail numbers have gone up and they are in the process of examining whether or not there is a correlation between the two numbers. Mr. Robinson also expressed the hope that people are perhaps receiving the help they need and or are stabilizing and therefore are not in need of Durham Access.

Commissioner Jacobs commented on the positive feedback that she received from law enforcement and EMS about the benefits of having people trained to deal with crisis management with repeat users. She asked for numbers of users for service from Criminal Justice Resource Center as well as those who drop in for peer support.

Ms. Holliman stated that 350 first responders have been trained and over 250 community members have been trained on how to identify and what to do if they believe someone has a mental illness.

Commissioner Page asked if Ms. Holliman contracted out to facilitate these programs. Stephanie Williams, Alliance Behavioral Healthcare, replied that they do not contract out directly; they administer the program through the Housing Specialist and services that are done within the home are done with their contract providers. In home services are done by their contract providers but their housing specialist administers the program and determines if people are eligible for the program.

Commissioner Page asked if Housing for New Hope was involved. Ms. Williams responded no and added that they use Embrace Durham, Dash, and Housing for New Hope or some other of their contractors to make sure that those individuals are stable in their housing.

Ms. Holliman concluded her presentation.

Update of BECOMING and Presentation of Youth Opportunity Proposal

County Manager Ruffin introduced the proposal coming from the recommendations made by IBM Smarter Cities process.

Ann Oshel, Director of Community Relations, Alliance Behavioral Healthcare explained that Durham was one of 33 cities across the world chosen by IBM Smarter Cities to focus on building a smarter planet and that Durham has been progressive in Youth Programs for several years. Ms. Oshel explained how the program focused on youth ages 14-25 that are disconnected from school or employment pathways.

Ms. Oshel discussed past programs and how Durham's System of Care (SOC) is different. She stated while Alliance is fiscally responsible for the SOC, it is very much community owned and operated. She referenced the IBM report; "BECOMING Durham and System of Care programs are excellent examples of programs that take a holistic view, which should be scaled to all the youth population."

Ms. Oshel briefly described the System of Care (started in 2002 for the children service system and expanded in 2007 for the adult service system) philosophy, and principals and collaborative efforts that are currently being discussed. She detailed the Youth Initiative and the reasons for proposing the creation of two (2) positions, a Youth Services Director and a Youth Opportunity Coordinator. She added that the initiative would benefit from adding a Strategic Plan Facilitator and that Alliance would establish a Youth Services Steering Committee. She presented a draft of proposed the system structure.

Commissioner Reckhow expressed her appreciation and interest in evaluation of success. She expressed her dissatisfaction in the past with the lack of data showing the impact of System of Care. Commissioner Reckhow told Ms. Oshel that she will be interested in seeing how success would be measured with the program.

Ms. Oshel stated that they would set up a data infrastructure similar to that of BECOMING.

Commissioner Reckhow commented that her expectation for the program would be that the program would be available to all disenfranchised youth and not only those with mental health issues or substance abuse issues. She presented as an example, youth that are at risk due to an inability to read.

Ms. Oshel spoke about how the program would leverage literacy advances made by BECOMING.

Commissioner Page asked for confirmation that the students who belong to the youth council do not necessarily belong to BECOMING. He also asked if they were getting students from all over Durham. Ms. Oshel responded that there is a good mix of youth that come to the programs.

Commissioner Page wanted to ensure that the programs did not focus on only a few Durham areas. He went on to ask if the proposed Youth Coordinator positions would work directly with participating students. Ms. Oshel made the distinction between the Youth Director and Youth Coordinator position.

Commissioner Page read citizen comments and questions.

- Whether all relevant stakeholders were part of the proposal development process.
- Why the Durham Youth Coordinating Board concept was not considered with the inclusion of a data management system to track effectiveness of service providers and community efforts?
- Whether there is a long term commitment by an elected and appointment official.
- What are the long term funding plan to ensure longevity and success?

Commissioner Page wanted assurance that this program would remain in place long term.

Ms. Oshel referenced IBM's recommendations, the level of expertise and technology being made available, BECOMING, bank involvement, and data available through MDC. She continued by listing relevant stakeholders who were consulted and asked for feedback.

Mr. Ruffin interjected that the Youth Coordinating Board was dissolved at the request of some of the founding members: Sheriff Hill; Chief District Court Judge Ken Titus; Mary Ann Black former Chair of the Board. Mr. Ruffin stated that at this point, eleven years later, the initiative is at a very different place due to System of Care, the IBM initiative, BECOMING and various collaborations.

Commissioner Page commented that he remembered the Youth Coordinating Board and admonished that the right individual should be hired to galvanize the resources and keep this initiative for long term.

Commissioner Jacobs voiced her confusion regarding MDC and the Workforce Development Board, private sector meetings and how that relates to this issue. She expressed apprehension related to disconnected and over arching efforts.

Ms. Oshel clarified that the MDC recommendations from the initial report were the basis for this initiative. She mentioned that MDC was willing to work together but would be careful to identify each organization's audience.

Mr. Ruffin added that one of the areas that the IBM study identified as a weakness was the database. All the organizations should be working from a common database providing that confidentiality issues can be worked out.

Commissioner Jacobs said she would like to see more stakeholder involvement and earlier intervention as far as age. Commissioner Jacobs also raised the question of funding.

Mr. Ruffin stated that the cost would be \$66,000 a year for the County, City and Durham Public Schools (DPS) to each contribute.

Commissioner Page asked if this item could be moved to the May 13 agenda.

Chairman Foster asked if the requested positions were new positions, and where the positions would be housed.

Ms. Oshel responded that they would be located in the Alliance Durham office in the Human Services Building.

Chairman Foster asked if space was already available. Ms. Oshel responded that it was ready. She added that BECOMING and System of Care staffs are located in the same building.

Mr. Ruffin asked if it should be placed on the May 13 agenda as a regular item for public comment. Commissioner Page replied that he would prefer this.

Commissioner Page asked if Ms. Oshel fell under the Alliance and the grant as well. He asked if the grant would fund any of the positions.

Ms. Oshel stated that while the grant would not fund the positions, it would fund ancillary support and resources, another reason that it is housed under System of Care.

Commissioner Page asked how these new positions and grant funded positions would work together. Ms. Oshel clarified that there are two separate missions. These positions would establish a standard of care of the age range that is to be defined.

Mr. Ruffin confirmed that the item would be placed on the May 13 agenda as a regular item and asked Ms. Oshel if she would be available to attend that meeting and answer questions. Ms. Oshel replied that she would attend.

Ms. Oshel made brief remarks regarding BECOMING, their \$5 million six year SAMSA grant and the fact that they are at their midpoint (3½ year mark). The goal is to develop a system of care for transition age youth. Eligibly criteria are no diploma and not in school; Durham Tech and DPS are partners in this effort, pregnant or parenting, criminal justice encounter; the largest number of referrals come from the Durham Police Department and the Detention Center. Those who also meet the criteria are those exiting foster care, jobless, homeless or at risk of being homelessness, having a mental health diagnosis or suspected of having mental illness diagnosis.

Commissioner Reckhow suggested that the third of the youth that Ms. Oshel was reporting on was just as important as the other two-thirds of the youth. Commissioner Reckhow wanted to know how those youth were faring and how they were being engaged.

Ms. Oshel pointed out that the two-thirds that Commissioner Reckhow referenced were 18 and 19 years old and often did not consent to being evaluated or helped.

Commissioner Reckhow reiterated that the program should begin earlier and reach out to children that are middle school age, 11 year olds or 6th graders.

Ms. Oshel mentioned that BECOMING is involved and consults on cases of middle school age children. She went on to list where other members involved with Network of Care work and the good work being done through the Care Review Process.

Durham YouthWork Internship Program

Manager Ruffin summarized that after being asked by some Board members, additional youth workers would be added by the County. The current number is 31 and DSS would provide an additional six.

Commissioner Jacobs pointed out that initially when she asked the Manager to increase the County's participation with youth workers, she was anticipating the number to be 50 total in comparison to the City's approximate youth workers numbering over 300.

Manager Ruffin replied that the County is very different from the City in terms of workplace and what can be provided. The Manager also stated that when discussing these opportunities with Department Heads, he was clear that he did not want the youth workers to have "busy work" but to have meaningful work with close supervision. He admitted that the City was in a better position to provide more of those opportunities because of their service venues.

Manager Ruffin explained his idea was to induce the private sector to be involved. He asked what if the County could provide the funding as an inducement grant (either 100% or 50%) to the private sector for one year to see if those employers could offer better opportunities for the youth. He pointed out that small businesses are reluctant at first, but believed the program would sell itself.

Commissioner Reckhow questioned what the youth would be doing for Social Services.

Drew Cummings, Assistant County Manager, replied that because the request was to use Temporary Assistance for Needy Families (TANF) funds for the additional positions and that those planning did not want youth coming from the DSS systems forced to work in the DSS slots, the plan was to place the youth based on their interests.

Commissioner Reckhow said that she agreed with the Manager's plan; however she would like to see the private sector participation be 50/50 with the County. She thought planning this for next year would be best. Commissioner Reckhow thought the initiative should be highlighted and marketed, but ultimately the private sector should share in the responsibility of paying for the program.

Kevin Dick, Director, Office of Workforce Development, clarified that a good percentage of the 300 positions that are funded by the City are within Parks and Recreation and not in City departments. Mr. Dick went on to say that 27 youths will be working with NCCU, 5 to 10 with the Housing Authority, and 19 will be working with the Durham Bulls (they are subsidizing). Mr. Dick expressed that the focus should be on private sector participation as well and mentioned that Blue Cross Blue Shield has signed up to host a youth.

He listed his goals for the program as follows:

- Get a private sector companies to host interns and pay for them
- Write a check to support placement in other businesses
- Funding from the City and County to pay for slots

In 2013, there were a total of 1200 applications for the summer programs. Approximately 550 of those applicants came through his office. The 1200 applicants filled out 1700 applications. He noted that community members, including private sector individuals, participated in the interviews as volunteers. He said that he knew that we would have a greater demand than available slots. If the Board decided to use TANF funds they would be able to add the additional six (6) slots.

Commissioner Reckhow asked if Mr. Dick had contacted DPS. Mr. Dick replied yes and that he also contacted Child and Nutrition.

Commissioner Jacobs would like the County to subsidize more positions and contribute more than an additional six (6).

Mike Ruffin asked the cost of one slot. Mr. Dick responded that eight weeks at \$8.25 an hour is about \$2,400. He said that he had been discussing the cost with the private sector and offering partial subsidy.

Mr. Ruffin remarked that the Commissioners had a contingency fund that they could choose to use to fund additional position.

Mr. Ruffin pointed out that each additional slot would cost \$2,400. Mr. Dick added that \$2,400 represented the amount at eight weeks. Assignments can be flexible and/or made shorter.

Mr. Ruffin stated that the cost of \$7,200 for the budget amendment could be added to the May 13 Consent Agenda for three (3) additional YouthWorks workers.

Commissioner Jacobs asked if the additional slots had placements available already and Mr. Dick said that he would provide an updated hiring log to the May 13 meeting.

Commissioner Reckhow expressed that she would rather Mr. Dick come back with the actual placements for the additional three (3) youths before the money was allocated.

Mr. Dick said he would return on Tuesday, May 28 at Mike Ruffin's direction.

Durham Striders Proposal to Host Russell E. Blunt East Coast Invitational

Frank Davis, President and Head Coach of the Durham Striders requested support for the Russell E. Blunt East Coast Invitational. He introduced Mr. Steve Williams, a former athlete and Striders Board Member.

Mr. Davis made the distinction between his grant proposal and the Durham Striders Grant Proposals.

Mr. Davis described how the Russell E. Blunt East Coast Invitational came up for bid and how he won the bid from Maryland. He described how Duke used to support the invitational and touched briefly on his budget constraints and various costs in the absence of Duke's support.

Mr. Davis requested that \$7,390, the cost to use Durham County Stadium, either be waived or contributed by County.

Mr. Davis offered that most track meets that he was instrumental in bringing to North Carolina were being hosted in Greensboro. He stated that Durham is adequate to host and would benefit from bringing the meets here. Competing venues were not as adequate as the Durham County Stadium.

Commissioner Reckhow commented that perhaps the Board could work with Stadium officials to get the fee reduced and suggested a hotel near Northgate in an effort to reduce Mr. Davis' costs.

Commissioner Reckhow expressed her disappointment at how underused the Stadium is and how it would benefit from exposure. She stated that when the issues of events for youth are proposed in Durham, she would be interested in offering some level of support because she agreed that it would be beneficial to have people using, seeing and appreciating the value of the Stadium.

Commissioner Jacobs pointed out that other counties have a Sports Authority that supports these types of events, which puts Durham at a disadvantage. Commissioner Jacobs said that she viewed this event as an economic development issue. Commissioner Jacobs also described how several restrictions apply to event funding.

The Board discussed the funding and benefits of having a Sports Authority. Chairman Foster asked how the Sports Authority receives funding. Mr. Davis said the Sports Authority get their funding through hotel room taxes (at least in Greensboro).

Ms. Hammett stated that Wake County's Sports Authority is a private group of hoteliers, conventioners and private entities that fund and subsidize sporting events. Ms. Hammett stated that Durham could have a governmental sponsored Sports Authority that would be managed by both the County and the City to jointly operate the sports venues here.

Mr. Ruffin asked if the Stadium Authority would have the right to waive part or the entire fee.

Ms. Hammett stated that the Stadium Authority does not have a procedure to waive the fee. She advised against setting precedence and waiving the fee.

Commissioner Reckhow said that the cost is minimal in comparison to the revenue that the County would benefit. She asked the Manager to approach Duke and see if they would be willing to provide support for the event during the transition period while Duke no longer has a facility to host.

Mr. Ruffin asked if Mr. Davis had contacted Duke regarding support. Mr. Davis said that Dr. Armstrong was in the process of asking Duke for support.

Commissioner Reckhow said that if Durham wants to compete with Wake and Greensboro, there would need to be a similar mechanism to what they use in place, a private authority.

The Board discussed funding options and the desire to partner with Duke. The Board pledged their support; however they preferred to be a partner. The Manager was directed to contact Duke, the City of Durham, and Durham Regional to determine their willingness to help fund this event.

Chairman Foster asked when Mr. Davis would need his answer. Commissioner Jacobs asked if an answer could be given Monday during the Regular Session. Mr. Ruffin said he would do his best to have an answer by then.

Tax Base Fiscal Year 2013-2014

Manager Ruffin advised the Board that the numbers presented would be the tax base estimate that would be used for the Fiscal Year 2013-2014 budgets.

Teresa Hairston, Deputy Tax Collector spoke briefly about how some of the figures were higher than the numbers presented at the retreat and the projection/estimated number is \$30,641,144,478.

Commissioner Reckhow felt that real property base and tax proceeds were underestimated. She voiced her concerns that revenue is underestimated and therefore causing citizens to be taxed at a higher rate. She asked that the budget representatives compare against past year estimates and actual numbers and provide more information at the next meeting. She asked for a better total.

Ms. Hairston replied that the numbers are calculated with the following in mind:

- The status on the new construction process
- The status on on appeals

- Board of Equalization and Review just adjourned on the 24th of April therefore all of the appeals have not been worked

Commissioner Reckhow asked if Ms. Hairston backed the personal property value down by \$100 million because of depreciation with equipment. Ms. Hairston replied yes because of depreciation of equipment, legislative changes, IBM and House Bill 462.

Commissioner Reckhow asked if revenue estimates would raise automobile collection rates above where it has been due to new legislative approach. Ms. Hairston replied yes, that it was the intention although it may not be seen this fiscal year. The impact would be seen next year.

Ms. Meyer explained that the guidance from a budget perspective from the School of Government in this transition year is we still have to abide by the Fiscal Control Act and we do this blended rate and we're at 98.8%. Ms. Meyer added that moving forward, tax administrators would not be responsible for that portion of the collection once the state fully takes it over. The County will transition to, from a budget perspective, looking at the prior year collection rates on the other three categories; those that the Tax Administrator is responsible for.

Ms. Meyer added that the adopted or the values budgeted for in the current year were based on revised estimates from tax so the County is at a much higher percentage relatively speaking in comparison to where it was last year at this time. The auto value bump is 1.93%.

Mr. Ruffin stated that for every \$100 million collected, the County gets about \$740,000; so for \$550 million, we will get \$4.26 million.

Commissioner Reckhow stated that what bothered her was that the actual was \$400 million more than what we adopted; so we generated \$3 million more than we thought we were going to have.

Mr. Ruffin said if it was actual to budget, it would only be about \$200 to 300 million more; you pay for that the following year in the increased costs. The actual is \$30.4 Billion against \$30.6.

Mr. Ruffin added that a couple of property tax commission appeals could knock that revenue down quickly. It's only about a 1.4% difference.

Ms. Meyer stated that part of the job of the Tax Administrator was to make sure there is enough cushion for these pending appeals because if we have to write a big check, we are happy when we have some fund balance to do it, and Finance doesn't have to go out and borrow for it.

Commissioner Jacobs asked if there was a certain recommendation, as to how much you have to allow for cushion in terms of the rating agencies.

Mr. Ruffin stated the built in cushion is that we only project collections of whatever the collection rate was for the previous fiscal year. For next year, what you're seeing here is 100% value. What we put in the budget, 98.8% of that is, by law, all that we can budget. That is the most we can budget.

Ms. Hairston interjected that the County will meet or exceed last year's collection rate. We have reached 99% in real property.

Board Directives

Michael Davis, Strategic Plan Manager, spoke on the directives from the last four month's that were compiled and followed up on.

Commissioner Jacobs said that one of the directives had been addressed. She mentioned having received a response from Gudrun Parmer regarding CJRC and the item could be marked complete.

Commissioner Reckhow asked if the list contained all of the pending directives. She asked about those from before January.

Mr. Davis explained that typically the previous four months is gathered. He said that he could not speak to those in 2012, but there may be some outstanding.

Manager Ruffin offered to have the pending directives scanned and compiled into an email to Commissioner Reckhow.

Commissioner Reckhow responded that she would like to have all the items cleaned up from last year.

Mr. Ruffin explained that most likely the items that are pending have not happened yet. He said he would list them out for her. He said he was pleased with what the staff had done with directives.

Commissioner Reckhow moved seconded by Commissioner Jacobs to adjourn the meeting.

The motion carried unanimously.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'SD', with a small dot at the end.

Sheila Devis
Administrative Assistant II