

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

Monday, May 13, 2024

7:00 P.M. Regular Session

MINUTES

Place: Commissioners' Chambers, Second Floor, Durham County Government Administrative Complex, 200 East Main Street, Durham, North Carolina

Present: Chair Nida Allam, Vice-Chair Nimasheena Burns and Commissioners Heidi Carter, Brenda Howerton and Wendy Jacobs

Presider: Chair Nida Allam

Zoom Hybrid
Participants: 13

Opening of Regular Session - Pledge of Allegiance

Vice Chair Burns asked for a moment of silence to honor gun violence victims in Durham.

Agenda Adjustments

Chair Allam announced that there were no agenda adjustments.

Announcements

Monica Wallace, Clerk to the Board read the following announcements:

1. **Resident Feedback Needed on Recommended Budget** – Durham County residents are invited to make comments on the Durham County Manager's Fiscal Year 2024-2025 Recommended Budget (presented during tonight's meeting) by accessing the County's FY2024-2025 Citizen's Budget Survey at <https://dconc2.jotform.com/240335313520038> or by participating in the Budget Public Hearing during the Board of County Commissioners' Regular Session on Tuesday, May 28, 2024. For more information, contact the Clerk to the Board's office at 919-560-0025 or clerk@dconc.gov.
2. **North Carolina New SUN Bucks Program** - Families with school age children may be eligible for the Sun Bucks program this summer. Sun Bucks are a debit-like card with \$120 for each student that qualifies for free/reduced meals and attends a school that participates in the USDA School Lunch program. Students that attend a participating school and already receive SNAP/EBT (FNS), Medicaid/SHIP, or are in foster care are automatically enrolled. Families that filled out a free/reduced lunch form for the 2023-2024 school year and qualified to receive free/reduced lunch will also receive a card. Those that attend a participating school that uses the community eligibility provision (all students eat lunch for free) and are not on SNAP/EBT

(FNS), Medicaid/SHIP, or in foster care must fill out an application online or through a paper application at their school. Families can apply at the Sun Bucks website <https://www.ncdhhs.gov/sunbucks> when the application opens in May.

3. **NC Voter Photo ID Session at East Regional** – The Durham County Board of Elections and Durham County Library invite you to attend a Voter Photo ID Session at East Regional Library, 211 Lick Creek Ln, on Saturday, May 18 from 12-3 p.m. Come out and learn about the NC photo identification requirements in North Carolina and get a free Voter Photo ID card! More information by contacting Phil Locey at plocey@dconc.gov or visiting <https://durhamcountylibrary.libcal.com/event/11822287>.
4. **NCHSAA Lacrosse Championships at DCo Stadium** – The 2024 North Carolina High School Athletic Association will hold its 2024 men’s and women’s state championships at the Durham County Memorial Stadium on Friday, May 17 (5 and 8 p.m.) and Saturday, May 18 (11 a.m. & 2 p.m.). Tickets can be purchased at the gates, 750 Stadium Drive. For more information, visit <https://www.nchsa.org/championships/lacrosse-state-championships/>.
5. **RTP South Rezoning Neighborhood Meeting** – Did you miss the May 7 open house regarding a zoning map change of a 458-acre area (RTP South) located south of the HUB RTP between NC Highway 54, Davis Drive, Hopson Road, and South Miami Boulevard? The Durham City-County Planning Department invites everyone to attend a virtual session on Tuesday, May 21 from 6-7 p.m. The purpose of the zoning change is to encourage transit-oriented development; support future publicly funded multimodal projects (like bus rapid transit, passenger rail, or bicycle and pedestrian improvements); and promote equitable development using the affordable housing density bonus. Take the survey, find out more information, and get the Zoom link at: <https://www.durhamnc.gov/5240>.
6. **Memorial Day Remembrance Event** – The Durham County Veteran Services Department invites all residents and visitors to attend its annual Memorial Day Remembrance Event on Monday, May 27 at 9 a.m. in front of the Administration I Building, 200 E. Main St. We will commemorate the National Day of Mourning with a ceremony honoring America’s military service members who died while serving their country, including a roll call of the more than 350 known active-duty service members from Durham County who died at war. The event is free, seating will be available, and light refreshments will be served. For more information, call 919-560-8387 or email veteranservices@dconc.gov.
7. **Fair Chance Employment Resource Fair** - The Fair Chance Employment Resource Fair is an event designed to connect individuals with criminal records to employment with employers who indicate that they are committed to providing fair job opportunities. This fair held on Wednesday, May 29th from 11am – 3pm will be located at the Durham County Library, 300 N. Roxboro St and will feature resources and services aimed at helping attendees navigate the job market, including resume assistance, interview preparation, skills training, and networking opportunities. Visit <https://docs.google.com/forms/d/e/1FAIpQLSdqhR4GWu73Shv3ATokAF5769o9vuDqqqk1JraHEE2wQV2n4Q/viewform> to register.

8. **DCo to attend first-ever Local Government Career Expo** - DCo will join over 40 other city, town, and county government employers at the first-ever Local Government Career Expo on Saturday, June 8, from 1-4 p.m. at the NC State University McKimmon Center, 1101 Gorman St., Raleigh. Job seekers will have the opportunity to attend information sessions on various local government careers, including public safety, business, health sciences, transportation, arts, communications, and hospitality and learn about upward mobility, the mission and purpose of local government careers, and more. For complete details and to register for this event (highly encouraged), visit <https://logocareerexpo.com/>.
9. **Watch the latest “In Touch with Durham County”** – The latest edition of the Durham County Public Information Office’s “In Touch with Durham County” show features Durham County Sheriff Clarence F. Birkhead and Senior PharmAssist Executive Director Gina Upchurch. Watch it here: <https://youtu.be/YyhYf77VNws>.
10. **Naloxone Vending Machines** – A reminder to Durham County residents that Naloxone vending machines are located at the Durham County Human Services Building at 414 E. Main St. (regular business hours of Monday-Friday, 8 a.m-5 p.m.) and the Durham County Detention Center, 219 S. Mangum Street (24 hours a day/7 days a week). For more information on opioid, substance use, and addiction services, visit <https://www.dcopublichealth.org/services/health-education/opioid-substance-use-and-addiction-services>.

Commissioners shared the following additional announcements.

- Volunteers from Durham received the Governor’s Medallion Award presented by the North Carolina Commission on Volunteerism and Community Service on May 6th at the North Carolina Museum of History.
- CNN highlighted Durham County Elections for the new Elections Operations Center for increased security to reduce threats and harassment in the volatile environment around elections.
- North Carolina Central University offered summer programs and camps for youth in Durham.
- Congratulations to the Class of 2024 graduates in the Durham community.
- The Naloxone vending machine was located in the entry lobby at the Durham County Detention Center.

Minutes

Commissioner Howerton moved, seconded by Commissioner Carter, to approve the April 29, 2024, Regular Session minutes.

The motion carried unanimously.

Ceremonial Items

24-0200 Proclamation – Emergency Medical Services Week

Chair Allam read the following proclamation:

EMERGENCY MEDICAL SERVICES WEEK | 2024

- WHEREAS,** emergency medical services is a vital and essential public service in Durham County; and
- WHEREAS,** the members of emergency medical services team are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and
- WHEREAS,** access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and
- WHEREAS,** the emergency medical services system consists of first responders, emergency medical technicians, advanced emergency medical technicians, paramedics, community paramedics, 911 telecommunicators, firefighters, police officers, educators, administrators, emergency nurses, pre-hospital nurses, emergency physicians, trained members of the public, and other out of hospital medical care providers; and
- WHEREAS,** the members of emergency medical services teams, whether career or volunteer engage in thousands of hours of specialized training and continuing education to enhance their patient care and lifesaving skills; and
- WHEREAS,** it is appropriate to recognize the value and the accomplishments of emergency medical services providers in the Durham County emergency medical services system by designating Emergency Medical Services Week.

NOW, THEREFORE, I, Nida Allam, Chair and on behalf of the Durham Board of County Commissioners, do hereby proclaim the week of May 19-25, 2024 as

“EMERGENCY MEDICAL SERVICES WEEK”

in Durham County. We are also recognizing 2024 as the 50th anniversary of EMS Week and call upon all citizens to join with us in recognizing the vital and essential services provided by members of the Durham County emergency medical services system to care for our residents and visitors.

This 13th day of May 2024.

Nida Allam, Chair
Durham Board of County Commissioners

Mark Lockhart, Office of Emergency Services Director thanked the Board for the proclamation and introduced Gordon Smith, OES/Emergency Medical Services Interim Chief Paramedic. Mr. Smith highlighted the key initiatives and challenges for the EMS Department and explained the role and importance of EMS in the Durham community.

The Board thanked Mr. Lockhart and Mr. Smith for the dedicated services provided by the OES/EMS Departments to keep the community prepared and safe.

24-0223 Proclamation – Memorial Day 2024

Commissioner Carter read the following proclamation:

MEMORIAL DAY | 2024

- WHEREAS,** Memorial Day each year serves as a solemn reminder of the scourge of war and its bitter aftermath of sorrow; and
- WHEREAS,** on Memorial Day, America undertakes its solemn duty to remember the courageous men and women who made the ultimate sacrifice in defense of our nation and the cause of freedom around the world; and
- WHEREAS,** on May 5, 1868, Major General John A. Logan established Decoration Day as a time to decorate the graves of war dead with flowers; and
- WHEREAS,** in 1971, the US Congress declared Memorial Day a federal holiday and decreed that it be observed on the last Monday of each May; and
- WHEREAS,** as we honor those who have died in our Nation’s service so that war might end, we understand and appreciate the values of patriotism, citizenship, commitment, honor and duty; and
- WHEREAS,** we must pledge to never forget the names of the 375 known soldiers, sailors, Marines, and airmen of Durham County who gave the ultimate sacrifice in defending our freedoms.

NOW THEREFORE, I, Nida Allam on behalf of the Durham Board of County Commissioners do hereby proclaim May 27, 2024, as

“MEMORIAL DAY”

in Durham County. We urge all citizens to observe Memorial Day 2024 by displaying respect and gratitude for our veterans, both living and deceased, participating in remembrance ceremonies, and observing a moment of silence at 3 p.m. during the National Moment of Remembrance.

This the 13th day of May 2024

Nida Allam, Chair
Durham Board of County Commissioners

Lois Harvin-Ravin, Director of Durham County Veterans Services shared a letter from a Veteran in Durham County praising the services provided and staff helpfulness. She invited residents to attend the Durham County Memorial Day Ceremony on May 27th at 9 a.m. in front of the Administrative Building I located at 200 E. Main Street. Linzie Atkins, Veteran Services Office Supervisor thanked Ms. Harvin-Ravin for her leadership and guidance for the Veterans Department. He added that in the event of inclement weather, a tent would be set up for the Memorial Day Program.

The Board thanked Ms. Harvin-Ravin and Mr. Atkins for assisting and providing services for Veterans in Durham.

24-0273 Proclamation – Mental Health Awareness Month

Commissioner Howerton read the following proclamation:

MENTAL HEALTH AWARENESS MONTH | 2024

WHEREAS, the mental health of every citizen is essential to the emotional and economic prosperity of our families, communities, and businesses in the Durham County community and mental health is a key component of every individual’s overall physical health and emotional well-being; and

WHEREAS, mental illness affects people of all ages, races, ethnicities, and socio-economic backgrounds. Symptoms of mental illness are not only common, but they are also treatable, and early and effective intervention can save lives and change the trajectories of people experiencing symptoms of mental illness; and

WHEREAS, feelings of personal shame and fears of social stigma and discrimination prevent many living with symptoms of mental illness from seeking help; and

WHEREAS, stigma leads to family discord, job discrimination, and social rejection and greater public awareness about mental wellness can positively transform attitudes about, and towards people with mental illness, making it easier for our citizens to seek help; and

WHEREAS, untreated mental illness leads to higher rates of arrests, emergency department visits, hospitalizations, and suicides; and

WHEREAS, we strive to create connections in Durham County that will support mental wellness by increasing access to treatment, educating ourselves and our communities about mental wellness and mental illness, and supporting our citizens as they seek to improve their mental health; and

WHEREAS, we strive to improve public safety, reduce recidivism and improve the quality of life for citizens experiencing symptoms of mental illness by increasing participation in effective treatment by offering specialty courts and to focus on stabilizing individuals and providing ongoing mental health treatment in the Durham County Detention Center; and

NOW THEREFORE, I, Nida Allam, Chair and on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May as

“MENTAL HEALTH AWARENESS MONTH”

in Durham County and urge all citizens to join in recognizing the necessity of accessible and appropriate mental health services for all citizens.

This the 13th day of May 2024

Nida Allam, Chair
Durham Board of County Commissioners

Roshanna Parker, Director, Justice Services Department thanked the Board and the Detention Center for their support of mental health awareness. Ms. Parker stated her department looked forward to providing residents with needed services for mental health. Marc Strange, Clinical Services Manager stated half of the residents admitted to the Detention Center were referred for mental health services.

The Board inquired about the Forensic Community Support Team. Ms. Parker responded that her department worked with partners in the community to launch the program in the upcoming months. The Board asked if the stigma against mental health illness was an obstacle in the community. Ms. Parker stated the department worked to reduce stigma in the community; however, more residents were willing to accept and receive care.

The Board thanked Ms. Parker and Mr. Strange for creating a model mental health program in Durham and providing awareness of mental health for the community.

24-0274 Proclamation – Treatment Court Month

Chair Allam read the following proclamation:

DURHAM TREATMENT COURT MONTH | 2024

- WHEREAS,** treatment courts have been restoring lives and families for more than three decades and have transformed the way the justice system responds to people with substance use and mental health disorders by combining accountability with evidence-based treatment; and
- WHEREAS,** according to *All Rise*, treatment courts are the most successful intervention in our nation’s history for leading people with substance use and mental health disorders out of the justice system and into lives of recovery, stability, and health; and
- WHEREAS,** treatment courts are the cornerstone of justice reform sweeping the nation; with more than 4,000 treatment courts nationwide having served more than 1.5 million individuals; and
- WHEREAS,** treatment courts annually refer more than 150,000 people to lifesaving treatment and recovery support services; and
- WHEREAS,** treatment courts save an average of \$6,000 for every individual they serve; and
- WHEREAS,** treatment courts significantly improve substance use disorder treatment outcomes, substantially reduce addiction and related crime, and do so at less expense than any other criminal justice strategy; and
- WHEREAS,** treatment courts improve education, employment, housing, and financial stability, promote family reunification, and reduce foster care placements; and
- WHEREAS,** treatment courts facilitate community-wide partnerships, bringing together public safety and public health; and

WHEREAS, treatment courts demonstrate that when one person rises, we all rise. *All Rise* is a promise that all people will be treated with dignity and humanity by a system where accountability and compassion coexist.

NOW THEREFORE, I, Nida Allam, Chair and on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May 2024 as

“TREATMENT COURT MONTH”

in Durham County and urge all citizens to join in recognizing how important it is to help justice involved individuals remain drug and alcohol free and to become productive members of society.

This the 13th day of May 2024

Nida Allam, Chair
Durham Board of County Commissioners

Roshanna Parker, Director, Justice Services Department thanked the Board for their continued support for Durham Treatment Court. Lentora Rogers-Duncan, Adult Drug Treatment Court (ADTC) Coordinator thanked the Board for the proclamation and shared a brief overview of the program, statics and events planned for participants. Judge O. Dave Hall, ADTC Presiding Judge thanked the Board for funding a treatment court that helped to assist Durham residents; adding, the program celebrated their 1000th graduate at the most recent ceremony.

The Board thanked Ms. Rogers-Duncan and Judge Hall for providing a needed program and assisting justice involved residents in the community.

24-0275 Proclamation – National Foster Care Month

Commissioner Jacobs read the following proclamation:

NATIONAL FOSTER CARE MONTH | 2024

WHEREAS, the family, serving as the primary source of love, identity, self-esteem, and support, is the foundation of our communities and our State; and

WHEREAS, over 390,000 children in foster care nationwide because their own families are in crisis and unable to provide for their essential well-being; and

WHEREAS, more than 10,042 children live in foster care, and approximately 841 young adults ages 18 -21 in extended foster care in North Carolina because their own families are in crisis and unable to provide for their essential well-being; and

WHEREAS, foster families, who open their homes and hearts as a support to families and not a substitute for parents, play a vital role in helping children and families to heal and reconnect and launching children into successful adulthood; and

WHEREAS, in Durham County, there were 243 children and youth in foster care on April 30, 2024, being provided with a safe, secure, and stable home along with the compassion and nurture of a foster family and 30 young adults ages 18 -21 in extended foster care; and

WHEREAS, the needs of the foster care population result in a greater call for skilled foster families, community resources and partnerships; and

WHEREAS, the Durham County foster care system depends on the active support and involvement of the Durham community; and

WHEREAS, the Durham County Department of Social Services is joined by numerous individuals, public, and private organizations who work to increase public awareness of the needs of children in and leaving foster care; and

WHEREAS, Foster Care Month is an opportunity to recognize the foster parents, kinship families, child welfare professionals, and advocates working to ensure children’s safety, permanence, and well-being, and to spread awareness on behalf of children in foster care while “Engaging Youth. Building Supports. Strengthening Opportunities.; and

WHEREAS, The Durham County Department of Social Services encourages residents to volunteer their time, energy, and talents on behalf of children and their biological families, kinship caregivers, and foster parents during this month and throughout the year.

NOW THEREFORE, I, Nida Allam, Chair and on behalf of the Durham Board of County Commissioners do hereby proclaim the month of May 2024 as

“NATIONAL FOSTER CARE MONTH”

in Durham County and commend this observance to our community and urge all citizens to come forward and do something positive that will help raise hope and foster dreams of children and youth in foster care.

This the 13th day of May 2024

Nida Allam, Chair
Durham Board of County Commissioners

Maggie Clapp, Department of Social Services Director thanked the Board for supporting Foster Care Month. Susan Lee, Social Work Program Manager stated the theme for 2024 was “Engaging Youth, Building Supports, and Strengthening Opportunities.”

The Board thanked Ms. Clapp, Ms. Lee and the DSS staff for assisting children in the community in foster care and foster care families.

Other Business

24-0281 FY 2024-2025 Manager’s Recommended Budget Presentation

County Manager Dr. Kimberly Sowell Shared the “2024-2025 County Manger’s Recommended Budget” and proved the following summary:

“Good evening, Chair Allam, members of the Board, County staff, and County residents. It is an honor to present to you my recommended budget for fiscal year 2025-25.

This proposed budget helps guide the County through the harrowing straights of infinite needs and finite resources. It is also the result of thousands of hours of work across all County departments, shared city and county agencies, and a significant number of partner agencies that support vital County goals. So, to all County employees and partner agencies that helped with this process, I give a heartfelt THANKS!

The budget development process can be seen as a consensus of County needs, an annual evaluation of County direction, and a fiscal application of County resources. The annual budget process is a series of considered decisions culminating in comprehensive solutions, as reflected in this recommended budget.

We must be a resilient government that can not only perform during the best of times, but also, and possibly more importantly, during economic, environmental, or social struggles.

And while there are so many areas where the County can expand or add additional services, or invest time, there are limitations of finite resources. Therefore, my recommended budget must make targeted decisions that offer what staff and I consider to be the best County investments.

As any Board meeting will attest, the County is working in many different areas. One meeting may include an agenda item about the future of the Research Triangle Park, while the next item may see an impassioned discussion of the critical needs around affordable housing. Another item might be a push for increased utilization of supplier diversity, with another evaluating approaches to address eviction diversion or food insecurity.

Such a varied Board meeting reflects the many priorities of the Board and residents, as well as the complexities of supporting close to 30 different agencies that provide a myriad of services and programs.

A shifting landscape of resources and needs supports the County’s investment in a renewed strategic plan. Our strategic plan division has been hard at work on developing this "forward-thinking" vision, seeking input from departments, leadership teams, and community members.

DCO Forward 2029 will help position the County to address community priorities for years to come.

Durham County is fortunate to have a strong economy. With that being said, we are seeing revenue growth rates, returning to patterns experienced before the coronavirus pandemic. And as a result, the key priorities built into this recommended budget attempt to apply this limited revenue growth to the most important areas that will provide the best outcomes.

My number one priority, given such slowing revenue growth, is continuing to support and grow educational and workforce opportunities for all Durham County residents, with support of Durham Public Schools at its core.

All other priorities are considered within the framework of long-term financial stability and affordability.

Every year, fiscal strength and fiscal stress balance precariously between the levered ends of revenue collection and expenditure growth. The budget development process tries to move the pendulum towards fiscal strength, through judicious revenue projections, while also supporting sustainable expenditure growth through strategic choices.

The unpredictability of budget development comes from predicting the future with limited data. In turn, that variability — between prediction and reality — can quickly swing the pendulum back towards fiscal stress.

And indeed, this is what happened, and quite quickly, in the current fiscal year.

Actual revenue collection compared to estimated collection was not as strong as initially predicted. As previously stated, revenue growth patterns are returning to levels seen before the pandemic.

These new financial realities require a shift in the organization's expenditure growth to align with projected revenues.

A view of revenue changes shows ongoing growth in property tax revenue, before any property tax rate increase, of \$22 million for the General Fund and Capital Financing Fund. That continues a trend of annual strong “natural growth” of property tax. However, when looking at other major revenues, the growth is significantly lower. General Fund sales tax growth is only \$1 million, while several other revenue sources are seeing an estimated reduction. It’s these key revenue sources and their natural growth that fund many “built in” costs in the County. Without higher annual natural growth in revenue sources, the County must raise the property tax rate to collect more revenue, or slow expenditure growth, or a combination of both options.

While such revenue changes can affect the pendulum swing, spending changes, unplanned or expansion, can enhance the swing.

Employee compensation changes represent the single largest increase in the budget at \$13.3 million.

Educational and workforce development funding increases mark the second biggest increase in the General Fund budget at nearly \$14.2 million, including Durham Public Schools, Durham Technical Community College, and Pre-K support.

Those two spending areas alone cost more than the revenue growth shown on the previous slide. To help limit expenditure growth, I am recommending a freeze on all vacant positions that are not critical, and support approximately \$1 million in operating reductions from departments.

This is the second year in a row that departments have reallocated existing dollars and also had operational dollar reductions to support other funding needs.

Current year projections of property tax collections have the County surpassing budgeted amounts by approximately \$10 million. This additional revenue comes from growth in property valuation.

The high growth in tax collection for the current fiscal year is largely fueling property tax revenue growth for the upcoming fiscal year.

This translates into estimated additional property tax revenue of over \$22 million for the General Fund and Capital Financing Fund before any property tax rate increase. That’s equivalent to over 4 cents on the property tax rate.

We must continue to recognize that the foundation of effective local government is the employee working to make Durham County an exceptional place to live, and work to address resident service needs.

Last year, the County implemented a minimum 7% across- the-board salary increase, along with a 3-4% merit increase for eligible employees, in response to a classification and compensation market study. The full impact of those expenses is recognized in the current budget, resulting in a

\$6.2 million increase. For next year, while wanting to support increases in employee compensation but restricted by slowing revenue growth and expenditure growth in other areas, I am recommending a 3% cost of living increase for Durham County employees, which is an estimated cost of \$7.1 million.

Health insurance costs have increased significantly this year as well. In reaction, for next year the County is expecting benefits costs for the General Fund to increase by over \$3 million. I am also proposing a dual premium plan for employees to offset some of these rising health insurance cost.

I would like to recognize that it is important that the County, where possible, limit property tax rate increases, and their impact on residents. We do this by maximizing efficiencies and limiting expansion of services to areas that provide the highest return on investment for all residents.

But when slowing revenue growth meets higher service demand or higher costs, the options to fill that gap are limited to property tax increases.

With those realities, I am proposing a 3.25 cent General Fund tax rate increase for this recommended budget. This increase will add an additional \$17.3 million in new revenue to support education needs, employee compensation and benefits, and a host of other service obligations.

We budget property tax revenue in two areas - one to support General Fund expenses and the other to support the Capital Financing Fund, which pays for capital projects and debt service.

I would like to remind the Board and residents that the property tax rate is the primary revenue source controllable by the Board and is the only significant way to raise additional revenue in future years. Future tax rate increases may also be needed to support ongoing County goals, including our significant commitment to Durham Public Schools, capital planning, and other initiatives.

Strong growth in property valuation continues across all special tax districts. Most districts are not requesting a tax rate increase. Redwood fire district is requesting a half cent increase to support personnel costs and other pressures. And the Durham County Fire & Rescue district, covering the Southern area and RTP region, is able to provide services with a one and a half cent property tax rate decrease for the upcoming fiscal year due to strong property valuation growth.

The value, and the valuation, of a strong and vibrant local economy cannot be overstated.

The total amount of budgeted sales tax revenue for next fiscal year is \$131 million. For perspective, this is the equivalent to almost 25 cents of property tax revenue. Sales tax revenue is our second largest revenue source and is entirely related to economic activity.

Unprecedented actual collection growth since the pandemic provided a windfall of additional available revenue. However, unlike the previous three fiscal years, actual collections for the current year are trending lower than the growth of recent years. This means actual sales tax collection will struggle to meet projected amounts. This trend not only impacts the current year but limits the estimated revenue growth available for next fiscal year.

The effect of slower sales tax growth can be seen in this chart. For each of the previous three years, sales tax revenue grew by over \$11 million, with last year seeing close to \$22 million. This was equivalent to just over 4 cents of property tax rate. That growth in revenue funded a whole host of County needs before adding any pressure to increase the property tax rate.

But for the upcoming fiscal year, sales tax growth is only estimated to bring in \$3.3 million, less than one cent of property tax rate.

This is as clear an example that I can provide to show the slowing revenue growth that is constraining our ability to expand services more broadly this coming year.

Here's another major County revenue source. Medicaid Hold Harmless revenue quickly grew to \$12 million annually over the last several years, equivalent to over two cents on the property tax rate. But the current fiscal year has seen that revenue collection drop to \$9.3 million, which is \$3 million under budget. This loss increases pressures on property taxes and in turn affects expenditure needs across the County.

It is also essential to recognize some other revenue trends for the upcoming year.

EMS patient fees are projected to increase by \$1.4 million, while Register of Deeds fees decrease by \$2 million due to higher interest rates, slowing home buying, and limited housing inventory.

In contrast with Register of Deeds fees, an actual positive for the County is the increase in investment revenue due to higher interest rates on cash accounts.

The allocation for fund balance will need to be reduced to align with the projected revenue and expenditure trends and to ensure reserves are maintained at levels that keep the County in a sound fiscal position.

These factors contribute to the limited growth of the expenditure budget.

While the General Fund is where the vast majority of activity and spending occurs, there are a number of other funds that serve specific County financial and operational purposes.

These include the already mentioned special tax district funds, the Debt Service fund, and our Sewer Utility fund.

The total County budget, including all of these funds, increases 7.3% to \$954 million, while the General Fund budget, a subset of that total amount, increases 6.8% to \$641 million.

Historical new position growth within the County has been significant. New positions reflect growing needs pushed by an increasing population and are funded with additional revenue.

However, since the development of the current year's budget, I have tried specifically to limit new position growth, understanding that increasing efficiency is valuable and necessary as revenue growth slows. In the current year, only 20 new FTEs were created; however, with new Medicaid legislation, an additional 35 DSS positions were added mid-year.

Next year, I am recommending 10 new positions, significantly lower than previous years.

The County's commitment to education continues to be unwavering. The recommended budget, while recognizing the many needs of Durham Public Schools, supports an additional \$13 million for Current Expense funding, bringing the total FY 2024-25 support for DPS to \$200.9 million, a 6.9% increase. Keeping Durham in the top 5 across the state, per pupil funding for next year increases \$380 to \$5,063 per student, an 8.9% increase. DPS continues to be the single largest expenditure for Durham County Government at 33% of the entire General Fund budget.

Enough additional local funding is provided for state salary increase-related costs as well as funding for a local teacher supplement increase and the related Charter School surcharge amount. The County also provides approximately \$62 million in additional indirect support for DPS through a number of different departments and programs.

For decades, Durham County Government has funded Durham Public Schools among the highest in the state.

The table shows current expense allocations per student for counties ranked among the top twenty in the state.

Staff compiled this information using data from the NC Association of County Commissioners annual budget and tax survey, with Average Daily Membership (ADM) gathered from the NC Department of Public Instruction.

In FY 2022-23, Durham County's current expense funding per student was ranked No. 3.

The table also captures the assessed valuation per County capita. Durham County had the twenty second-highest assessed valuation per capita in FY 2022-23.

In a challenging budget year, it was essential to fund one of our most valuable resources, Durham Public Schools, at the highest level possible, considering the organization's fiscal constraints. With this appropriation, Durham Public Schools' annual County funding will have increased by almost \$47.8 million over four years.

While we have made substantial progress with these funds, I am aware of the remaining funding gaps within the district. One area of concern is the funds required for deferred maintenance, repairs, and renovations. However, I am optimistic about the future. In the coming months, I will collaborate with DPS leadership to

update our capital improvement plan, with the aim of identifying potential funds to address some of the most urgent needs before a potential 2026 bond referendum.

Another integral part of Durham County's support for education and workforce training is funding for Durham Technical Community College. This educational institution provides a myriad of services, degrees, and opportunities that either continue education after high school and towards college, or towards a high paying, stable, and lifelong career.

Total funding for DTCC increases a little over 1.8 percent.

A total of \$2.3 million of total County funding to DTCC is for Durham student scholarships, supported by dedicated sales tax.

Like Durham Public Schools, additional County funding is supporting salary increases and a small increase in capital support. Also, like DPS, funding increases are limited in the recommended budget due to revenue constraints and funding needs elsewhere.

DTCC will continue to provide a pipeline of trained workers for technical jobs with continued funding of \$500,000 for the "Back-to-Work Initiative" and the "BULLS Initiative."

As companies have chosen to locate in Durham, there have been discussions among various economic development groups, the County, and DTCC around providing them with the workforce needed. These programs will help provide and enhance the skills of local residents so they can get, and keep, these jobs.

More jobs filled by local workers means more dollars in the local economy, which means a more vibrant economy for all Durham residents.

This budget also sees the County supporting an increase of over \$965,000 for Pre-K. This additional funding will add Durham Pre-K seats at the new Murray-Massenburg elementary school. The goal of our Board has been to reach universal Pre-K for all Durham County children. The estimated cost of universal Pre-K support across the County is more than \$30 million annually.

In total, the County is supporting education with over \$220 million dollars allocated between DPS, DTCC, and Pre-K. We have, and we continue to offer, possibility and independence for all residents through our continued support of education.

Let's now look at our community focused areas. For Community Prosperity, I recommend adding two Food and Nutrition Educators in Cooperative Extension, in partnership with NC State and NC A&T State University. The program is implemented to reduce the incidence of preventable, diet-related diseases and reduce nutrition insecurity in individuals with lower incomes.

In Durham in 2023, more than 90% of youth and adults participating in this program identified as people of color, either Black, Hispanic, or other non-White groups. These two positions will be bilingual educators allowing them to continue to do this remarkable work in English and Spanish in communities not currently reached by other County programs.

Within Community Safety, the Sheriff's Office has significant operating expenditure increases for next fiscal year largely due to inflation-related cost increases and higher demand for Sheriff services.

Some of the key areas requiring new funding are additional support for Microsoft-based services, adjusting their fuel budget to match current expenses. An increasing Detention center population, coupled with higher food costs, also necessitates a service contract increase. The total operating increase for the Sheriff's Office is \$845,000.

Lastly, the Sheriff's Office must annually replace vehicles that are reaching life span expectancy. This budget includes replacement of 27 vehicles.

Similar to the Sheriff's Office, the Office of Emergency Services must annually replace vehicles that are nearing life span expectancy limits. This budget includes funding for ten replacement vehicles including five ambulances, bringing the total to 28 ambulances replaced over the last 4 years.

The new 36-bed Youth Home is finally complete! This modern facility provides space to house Durham County juveniles in their county of residence.

Additional funding is included to continue the operational launch of the facility, of which 8 additional positions are in this recommended budget. These positions will support the expanded operations of the Youth Home, including implementation of the Assessment Center. One of those positions will be a diversion coordinator working to promote a prevention and intervention model in Durham County to reduce juvenile crime through partnerships with schools, law enforcement, courts, and other community members.

Supporting Community Well-being, and in collaboration with the City of Durham, I am recommending \$1.4 million for Eviction Diversion services. The Durham Eviction Program brings together several different organizations including the County, City, and Legal Aid of North Carolina to provide legal representation and tenant education to low-income residents of Durham who are facing eviction. The goal of the Eviction Diversion Program is to help residents avoid eviction judgements and, when possible, to enable clients to remain in their current homes using rental assistance funding.

I am also recommending funding to support the property management of the Orange Factory Road Farm Campus. This site will eventually provide valuable community space and training in urban farming.

Clean water and healthy soil are vital to maintain healthy watersheds. To that end, I am recommending an Environmental Education Contractor to advance environmental literacy and stewardship. The budget also includes funding to expand the Impaired Stream Improvement Program. The funding will be used to install streambank stabilizations in low-income communities.

As the number of County-owned facilities increases, so too does the need for security patrol. The security contract is increasing to provide additional staffing at the Youth Home, new Board of Elections Operational Facility, and Stanford L. Warren Library, as well as bolster patrol coverage in County parking decks.

Now let's take a look at the Community Stewardship focus area. With a significant number of major water & sewer capital projects planned in and around the RTP, and user fees supporting those costs, the Sewer Utility monthly consumption rate is recommended to increase 13%. This increase will bring additional revenue of more than \$1.6 million.

I am also following the recommendations of the Stormwater Plan presented several years ago by including an increase in the Stormwater Utility Fee – the Fund's primary revenue source – from \$64 to \$80 per Equivalent Residential Unit. The rate increase is one step in a larger approach to eventually increase the fee to \$96 per unit by fiscal year 2026.

As a reminder, these charges are the cost of complying with the Falls Lake and Jordan Lake state requirements, a nutrient management strategy to restore water quality in the lakes by reducing the amount of pollution entering upstream.

Looking at our External Affairs initiatives, the County continues to support its Economic Development Investment Program, which attracts new businesses and industry. Businesses qualify for incentive payments if they meet scheduled performance criteria. The recommended budget supports more than \$2.6 million in incentive payouts.

Public transportation continues to be one of the most pressing issues facing the region, and it's been of ongoing, intense focus by the Board. This budget includes more than \$2.6 million of funding from the Durham County Transit Plan and Federal Railroad Administration that the County will use to explore the feasibility of changing county railroad crossings in East Durham. I want to emphasize that this grant does not require a county match.

Since the pandemic, County vacancy rates have been higher than normal. Having these vacant positions created more workload and stress for working County employees, but also put a damper on the annual growth in County health insurance costs. That was until the current year, when the vacancy rate began to decline, and insurance payouts increased.

Original estimates for next year's benefits cost growth were in the \$6 million plus range for the General Fund. That level of increase concerned me given the revenue limitations seen for the upcoming year. With the goal of continuing to provide a highly competitive package of benefits for our employees, we sought options that would reduce the amount of funding needed to support County health insurance costs.

After several alternatives were explored, a tiered option health plan is the most prudent to implement. Employees will have a choice to make in which plan works best for their situation.

For many years now, the County has fully covered the increased costs of employee benefits. However, with limited resources, hard choices must be made, including employee contributions to our benefits plan.

I want to share some key dates so you can mark your calendars!

Tuesday, May 28th, the Board will hold a Public Hearing where residents will have the opportunity to speak on the proposed budget. There are also other opportunities that can be found on the County's website to provide feedback.

Budget work sessions will begin on Thursday, May 23rd with additional work sessions scheduled for May 30th and June 3rd. If needed, an additional work session will occur on June 4th.

Budget adoption is planned for Monday, June 10th.

All things considered – financially for the County, times have been very good. Contrast that with development of this Recommended budget where revenue growth slowed considerably while personnel costs are growing significantly, and where needs like education continue to outpace available resources — suddenly the rosy picture turns cloudy.

Safely guiding the organization through such different environments is the challenge our Board and I, along with staff, must face. This recommended budget strives to support Board of County Commissioner objectives, while ensuring ongoing services are funded to promote maximum effectiveness for residents and businesses being served.

We look forward to the Board's deliberations on this recommended budget in the upcoming weeks.

I am so very proud to work with so many dedicated people – from elected officials to employees, business owners, and residents – who call Durham County home and who are willing to face the important, the stressful, even the life-changing decisions together.

With that, I conclude the presentation of the fiscal year 2024-25 Manger's Recommended Budget.

Thank you."

The Board thanked County Manger Sowell for the Recommended Budget Presentation

Consent Agenda

Chair Allam asked the Board if they requested to pull or comment on any items on the Consent Agenda. Hearing none, Chair Allam entertained a motion for approval.

Vice Chair Burns moved, seconded by Commissioner Carter, to approve the following items on the Consent Agenda.

The motion carried unanimously.

*24-0197 Budget Ordinance Amendment No. 24BCC00095 Appropriating General Fund Restricted Fund Balance to Increase Expenditure Authority for the Library to receive Coronavirus State Fiscal Recovery Funds in the amount \$70,819.40

*24-0224 Approval of Budget Ordinance Amendment No. 24BCC00098 for the Department of Social Services to recognize Duke Energy Carolinas, LLC - 2024 "Share the Light" (STL/EEF) Funds of \$20,568.39

*24-0226 Approval of Budget Ordinance Amendment No. 24BCC00099 for the Department of Social Services to recognize Duke Energy Carolinas, LLC - 2024 NC Rate Settlement Funds of \$20,000.00

*24-0228 Budget Ordinance Amendment No. 24BCC00100 Public Health to Recognize \$50,000 from NC DHHS Division of Public Health's Local and Community Support Section

*24-0229 Budget Ordinance Amendment No. 24BCC00101 Public Health to Recognize Funds in the Amount of \$241,116 From the Division of Child and Family Well-Being, North Carolina Department of Health and Human Services for Durham's Innovative Nutrition Education (DINE) Program Implementation

*24-0237 Approval of Capital Project Amendment No.24CPA00024 and Budget Ordinance Amendment No. 24BCC00096 Appropriating \$1,875,250 of Sewer Utility Fund Fund Balance and Transferring Those Funds to the New Chin Page Road Lift Station, Force Main, and Outfall Capital Project (SE064) to Fund \$1.4M of Pre-Construction Services Costs with the Design-Build Firm Garney Companies, Inc. and Pay the \$385,961 Clean Water State Revolving Fund Loan Fee for the \$19.3M Project Loan, as well as Authorize the County Manager to Execute the Contract with Garney Companies, Inc. and Any Related Contract Amendments Not To Exceed \$1,875,250

24-0240 Approval of the FY24 Durham Transit Work Program Q4 Amendments

24-0250 Approval to Enter into a Contract with Info-Tech Research Group in the Amount of \$432,000.00 to Implement the Next Phase of Execution in Selection of the County ERP System

24-0255 Departmental - City-County Planning Department FY25 Work Program

24-0258 Request the Board Authorize the Interim County Attorney to Execute a Contract with Arthur J. Gallagher Risk Management Company, LLC for Insurance Brokerage and Risk Management Services in the Amount of \$42,000.00

24-0260 Acceptance of Federal Aviation Administration (FAA) Grant Offer No. 3-37-0056-066-2024 in the amount of \$15,000,000.00 to Raleigh-Durham Airport Authority (RDUAA)

24-0261 Approve the transfer of the County's existing conservation easement on 4100 Pickett Road (partial) to Triangle Land Conservancy

24-0262 Approval of the Interlocal Agreement between the City of Durham, Durham County, and the Central Pines Regional Council regarding the Durham-to-Roxboro Rail Trail Planning and Feasibility Study

24-0263 Approval of a Contract Amendment with RND Architects related to the Board of Elections facility, 3825 South Roxboro Street, in the amount of \$90,402.00 (Renovation Project.4730DC155)

24-0264 Approval of the Purchase of Goods contract with Various Vendors for the Workstations, Private Office, Conference, miscellaneous furnishings and Equipment from the Omnia/GSA and/or NC State Contracts Buying Programs for the Board of Elections Renovation Project No.: (4730DC155) with a total budget amount of \$609,817.11

24-0266 Lease Amendment for Angie’s Jamaican Grill at 3825 S Roxboro Rd. Suite 123 at the Shoppes of Hope Valley Shopping Center

24-0267 Approval of Contract with DataWorks NC and Durham County for our Hacking into History project in the amount of \$40,000

24-0270 Approval of Purchase of Goods Contract with Batteries of NC & S.W.S. LLC in the Amount of \$322,929.64 for the Sheriff’s Office FY24 Vehicle Equipment

*24-0286 Approval of Property Tax Releases and Refunds for April 13 - 30, 2024

24-0287 Approval to Increase Funding for the Contract with Express Employment Services, Inc. in the amount of \$26,000.00 for not to Exceed an amount of \$65,000.

Consent Agenda Item #24-0197

**Durham County, North Carolina
2023-2024 Budget Ordinance
Amendment Number 24BCC00095**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
Cultural and Recreation	\$17,293,919.31	\$70,819.40	\$17,364,738.71
<u>Revenue</u>			
Other Financing Services	\$75,016,793.20	\$70,819.40	\$75,087,612.60

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0224

**Durham County, North Carolina
2023-2024 Budget Ordinance
Amendment Number 24BCC00098**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
Human Services	\$129,052,511.94	\$20,568.39	\$129,073,080.33
<u>Revenue</u>			
Licenses and Permits	\$367,000.00	\$20,568.39	\$387,568.39

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0226

**Durham County, North Carolina
2023-2024 Budget Ordinance
Amendment Number 24BCC00099**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
Human Services	\$129,073,080.33	\$20,000.00	\$129,093,080.33
<u>Revenue</u>			
Licenses and Permits	\$387,568.39	\$20,000.00	\$407,568.39

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0228

**Durham County, North Carolina
2023-2024 Budget Ordinance
Amendment Number 24BCC00100**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			

Human Services	\$129,093,080.33	\$50,000.00	\$129,143,080.33
<u>Revenue</u>			
Licenses and Permits	\$407,568.39	\$50,000.00	\$457,568.39

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0229

**Durham County, North Carolina
2023-2024 Budget Ordinance
Amendment Number 24BCC00101**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
Human Services	\$129,143,080.33	\$241,118.00	\$129,384,198.33
<u>Revenue</u>			
Licenses and Permits	\$457,568.39	\$241,118.00	\$698,686.39

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0237

**Durham County, North Carolina
FY 2023-2024 Capital Project
Amendment Number 24CPA-24**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY:
That the FY 2023-24 budget ordinance is hereby amended to reflect budget adjustments.

Project #	Project Name	Current Budget	Increase / Decrease	Updated Budget
71006011SE064	Chin Page Road Lift Station, Force Main, and Outfall Project	\$0.00	\$1,875,250.00	\$1,875,250.00

All capital projects in conflict herewith are hereby repealed.

Approved May 13, 2024

**Durham County, North Carolina
2023-2024 Budget Ordinance**

Amendment Number 24BCC00096

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the 2022-2023 budget ordinance is hereby amended to reflect budget adjustments.

<u>Fund Name</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
<u>Expenditure</u>			
General Government	\$2,213,635.00	\$1,875,250.00	\$4,088,885.00
<u>Revenue</u>			
Other Financing Sources	\$2,198,732.44	\$1,875,250.00	\$4,073,982.44

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

Approved May 13, 2024

Consent Agenda Item #24-0286

Releases and Refunds – April 2024

<u>Current Year 2023 Taxes</u>	<u>Releases</u>	<u>Refunds</u>	
Real Property	\$42,683.10	\$39,113.06	
Personal Property	\$8,625.83	\$2,641.81	
Motor Vehicle	\$0.00	\$0.00	
Solid Waste	\$0.00	\$0.00	
Stormwater Utility	\$0.00	\$0.00	
Public Service	\$0.00	\$0.00	
VTS Refunds	\$0.00	\$17,718.47	
Gross Rec	\$0.00	\$88.16	
SUB – TOTAL	\$51,308.93	\$59,561.50	\$110,870.43
<u>Prior Year 2019-2022</u>	<u>Releases</u>	<u>Refunds</u>	
Real Property	\$479.76	\$762.79	
Personal Property	\$0.00	\$19,189.62	
GAP Vehicles	\$0.00	\$343.76	
Motor Vehicle	\$0.00	\$0.00	
Solid Waste	\$0.00	\$0.00	
Stormwater Utility	\$0.00	\$0.00	
VTS Refunds	\$0.00	\$0.00	
SUB - TOTAL	\$479.76	\$20,296.17	\$20,775.93
GRAND TOTAL	\$51,788.69	\$79,857.67	\$131,646.36

Closed Session

The Board was requested to adjourn to Closed Session for the following:

- The Board is requested to adjourn into Closed Session to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including

agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations; pursuant to G.S. 143-318.11(a)(4).

Commissioner Carter moved, seconded by Vice Chair Burns, to adjourn into the Closed Session.

The motion carried unanimously.

Reconvene to Open Session

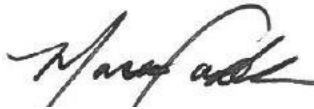
Chair Allam announced the Board met in Closed Session and provided direction to staff.

Adjournment

Vice Chair Burns moved, seconded by Commissioner Carter to adjourn the Regular Session meeting at 9:28 p.m.

The motion carried unanimously.

Respectfully Submitted,



Macio Carlton
Deputy Clerk to the Board