



Joint Meeting of the Board of County Commissioners and the Board of Education

Tuesday, March 10, 2025

Hosted by Durham Public Schools

Board Room

511 Cleveland Street

Durham, NC 27701

9:00 a.m.

MINUTES

- Present:** Board of County Commissioners – Chair Dr. Mike Lee, Vice Chair Nida Allam, Michelle Burton, and Stephen Valentine and Wendy Jacobs.
- Board of Education Members - Chair Bettina Umstead, Vice Chair Millicent Rogers, Natalie Beyer, Jessica Carda-Auten, Joy Harrell Goff, and Emily Chávez
- DPS:** Dr. Anthony Lewis (Superintendent), Dr. Nicholas King (Deputy Superintendent), Kenneth Barnes (Chief Operating Officer), Jeremy Teetor (Chief Finance Officer), Dr. Deborah Pitman (Assistant Superintendent of Student Support Services), Sheena Cooper (Senior Executive Director of Public Affairs), and Nicole Smith (Executive Assistant to the Board)
- County:** Claudia Hager (County Manager), Larissa Williamson (County Attorney), Deborah Craig-Ray (Chief Communications Officer), Maurice Jones (Deputy County Manager), David Ades (Assistant Budget Director), Heather Walker (Senior Budget and Management Analyst), Monica Wallace (Clerk to the Board) and Macio Carlton (Deputy Clerk to the Board)

1. Call to Order

At approximately 9:06 a.m. BOE Chair Bettina Umstead called the meeting to order and asked for a moment of silence.

2. Agenda Review and Approval

Agenda was presented for review. Board member Natalie Beyer motioned to approve the agenda as presented. BOCC Chair Dr. Mike Lee seconded, and the agenda was approved unanimously.

3. Minutes – November 19, 2025

Minutes from November 19, 2025, meeting was presented for review. Board member Joy Harrell Goff moved to approve the minutes as presented. BOE Vice Chair, Millicent Rogers, seconded, and the minutes were approved unanimously.

4. DPS and County Capital Improvement Planning Process

a. DPS CIP Planning Process

Dr. Anthony Lewis emphasized that the presentation represented a draft update of the district's Capital Improvement Plan (CIP), noting that no final decisions had been made. The district's planning team reviewed data, assessed facilities, and developed preliminary concepts and recommendations for consideration.

Chief Operations Officer Kenneth Barnes introduced the presentation and highlighted the rapidly changing needs of the district and community. Executive Director of Construction and Capital Planning Devon Mitchell provided an overview of the planning process, explaining that the task force reviewed every DPS property and support facility during fall 2025.

Presentation highlights included facility condition assessments, enrollment trends, overcrowding analysis, long-range planning projections, financial feasibility considerations, construction market conditions, and project delivery capacity.

Prioritization was placed on repairing aging facilities, improving safety, addressing overcrowding, planning for enrollment changes, ensuring equitable investments, and exploring consolidation opportunities in alignment with Strategic Plan Goals 5A and 5C.

Staff reported that 36.5% of DPS facilities are in poor or critical condition, with nearly \$965 million in repair needs, much of it urgent and tied to roofs, HVAC, and other major systems.

Enrollment is projected to remain mostly stable through 2035, with slight declines expected. While fewer new schools may be needed, major investments in existing facilities will still be required.

The Board reviewed small school analysis and potential consolidation concepts, including Club Boulevard Elementary with George Watts Elementary and W.G. Pearson Elementary with Eastway Elementary. Staff also discussed expansion opportunities at Eastway Elementary and possible redevelopment opportunities connected to the Durham School of the Arts campus.

Staff reviewed options for consolidating central services using the Fuller Building, Staff Development Center, and Bacon Street facility. Ideas included leasing office space or updating parts of the Durham School of the Arts campus for administrative use.

Other capital priorities included repairs at Bethesda Elementary; upgrades at Southern High School and Little River; major renovations at Githens Middle School and Eastway Elementary; possible new construction at Jordan High School; and potential construction projects tied to the Durham School of the Arts site.

Staff also shared updates on closed properties and redevelopment opportunities, including studies and appraisals for Old Lowe's Grove School, Old Northern High School, and the Durham School of the Arts site.

Capital Planning Timeline

District staff outlined a phased implementation approach over a 10–12-year period with reevaluation planned at the 10-year mark. Increment One would consist of two phases containing approximately four projects each.

Staff indicated that:

- Final reports and cost estimates will be completed in April.
- County and district collaboration would continue through fall 2026.
- Potential funding and design work could begin in 2027, with construction timelines extending into 2030 and beyond.

b. County CIP Planning Update

County Manager, Claudia Hager and Budget Director, Keith Lane, provided an overview of the Capital Improvement Plan process, including project prioritization, funding options, affordability, and the importance of maintaining the County's AAA bond rating. Staff noted that rising construction costs, supply chain issues, and market volatility continue to affect capital planning.

Staff emphasized the importance of project "shovel readiness" before projects are included in bond or debt financing plans. They explained that incomplete planning can result in significant budget shortfalls and delays.

The County is currently reviewing project lists, cash flow projections, and potential financing options, including general obligation bonds, limited obligation bonds, bank financing, and pay-as-you-go funding. Staff noted that every \$100 million in debt requires approximately \$10 million to \$11 million in annual debt service over 20 years.

Discussion included the financial impact of DPS facility needs, including nearly \$965 million in identified maintenance and repair costs. County staff noted that this level of need would place significant pressure on the property tax rate and may not be financially or politically feasible all at once.

Board members and Commissioners discussed school consolidation, enrollment trends, facility capacity, and the potential reuse of school properties. Staff stated that consolidation could reduce future maintenance needs if buildings are not reused but also noted that interim consolidation options would be complex due to student placement challenges.

Dr. Anthony Lewis shared that feasibility studies are underway for Old Northern High School and the future old Durham School of the Arts site, like the work being done for Old Lowe's Grove. The studies will include community engagement and consideration of future use options.

Discussion also focused on the timing of a possible bond referendum. County staff stated that the County is not currently ready to recommend a 2026 general obligation bond, but will continue evaluating options, including limited obligation bonds and other financing strategies.

Staff noted that DPS and the County are working more closely to improve planning, prioritize urgent needs, and move from a reactive "break-fix" approach to a more proactive facility maintenance model.

A request was made for DPS to provide the County with a list of expenditures from the 2022 bond funds to help clarify how funds have been used and how they support shovel-ready projects.

5. DPS and County Budget Update

a. DPS Budget Update

DPS Chief Financial Officer, Jeremy Teetor, presented an update on the financial status of Durham Public Schools (DPS), highlighting significant progress in restoring fiscal stability and transparency. Accomplishments included completion of two audits within one year, reduction of audit findings, implementation of a new ERP financial/payroll system, updated finance procedures, and restoration of timely audit compliance. Administration reported DPS was one of only two large North Carolina districts that increased fund balance rather than using it during FY 2025.

Mr. Teetor reviewed ongoing fiscal pressures impacting the district, including declining enrollment, projected reductions in state funding, charter school growth, rising retirement and health insurance costs, utilities, and insurance increases. Administration reported approximately 315 positions had previously been improperly budgeted and stated that staffing controls and revised allocation practices have reduced reliance on lapse salary budgeting.

Administration discussed compensation proposals under consideration, including:

- Classified salary increases and minimum wage adjustments.
- Transportation safety assistant supplements.
- Occupational and physical therapist salary scale revisions.
- Charter school pass-through implications associated with additional local funding requests.

Capital and technology needs were also reviewed, including requests related to Chromebook replacement, classroom technology refreshes, and continuation of the county's annual capital outlay support.

b. County Budget Update

County Manager, Claudia Hager, and Budget Director, Keith Lane, presented the county's financial outlook, emphasizing slowing revenue growth, declining sales tax trends, federal and state funding uncertainty, increasing personnel costs, and pressures associated with maintaining long-term fiscal sustainability. County officials noted that DPS remains among the highest locally funded districts in North Carolina and highlighted the growing share of county funding supporting school operations.

Board members and commissioners discussed:

- Charter school enrollment growth and student retention strategies.
- DPS marketing and community outreach efforts.
- Transparency surrounding locally funded positions.
- Sustainability of compensation increases.
- The relationship between educational investment and broader community outcomes.

Administration described ongoing efforts to strengthen public communication, recruit families back to DPS, and evaluate external vendors specializing in student re-engagement and enrollment strategies.

Follow-up requests included:

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- Information regarding locally funded positions.
- Employee compensation data.
- Enrollment and utilization information.
- Cost-cutting measures are under consideration.
- Capital project readiness updates.

6. Pre-K Enrollment Update and BOCC/BOE MOU

The joint bodies agreed to defer the Pre-K enrollment update until the May joint meeting and begin review of the BOCC/BOE Memorandum of Understanding.

The meeting adjourned without public comment.

7. Public Comment

No one signed up for public comment.

8. Adjournment

At 11:51 a.m., Board Chair Bettina Umstead adjourned the meeting.

Recorder

Nicole Smith, Executive Assistant to Durham Public Schools Board of Education