

**DURHAM CITY COUNCIL BUDGET FOLLOW-UP WORK SESSION**  
**Thursday, June 10, 2021 @ 9:00 a.m. – 12:34 p.m.**  
**Virtual Zoom Meeting**

The Durham City Council held a Budget Work Session on the above date and time virtually via Zoom with the following members present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Javiera Caballero, Pierce Freelon, DeDreana Freeman, Mark-Anthony Middleton and Charlie Reece. Absent: None.

Also present: City Manager Wanda Page, City Attorney Kim Rehberg, Deputy City Manager of Operations Bo Ferguson, Interim Assistant City Manager Bertha Johnson, Interim Budget Director John Allore, Human Resources Director Regina Youngblood, Assistant City Attorney Crista Cuccaro and City Clerk Diana Schreiber.

Also present from Durham County: Interim County Manager Claudia Hager, Durham County Tax Director Dwane Brinson.

**OPENING REMARKS**

Mayor Schewel called the meeting to order and reminded Council that staff needed direction to the outstanding budgetary items. He also spoke to the request by the folks advocating for the Master Aging Plan. He noted that staff had not received any information on this item; and requested that the item not be discussed today but hold the item to a future presentation at a work session.

It was consensus of Council to hold the Master Aging Plan item at a future work session.

Council Member Caballero requested the item be heard early into the fiscal cycle.

Interim Budget Director Allore projected the agenda onto the zoom platform.

City Manager Page made brief remarks, thanked Budget and Management Department to provide additional information on the upcoming items and looked forward to Council's direction; and welcomed Interim County Manager Claudia Hager.

**SUBJECT: PREMIUM PAY AND BONUSES**

HR Director Regina Youngblood provided additional options on premium pay and pay for performance.

Presentation

Premium Pay History

Premium Pay Options- 4 Options from ARP Funding

Premium Pay Summary Costs by Pay Group (General Employees, Police, Fire)

Presentation, continued

Pay for Performance Bonus Options- 3 Options in lump-sums  
Performance Bonus Cost Options by Pay Group (General, Police, Fire, Part-Time)  
Performance Bonus Cost Options by Fund  
Sample Employee Impact- Police employee at \$55,000 base salary with 3 options  
With Raise, Premium Pay, Premium Plus, Performance Bonus

Premium Pay would go to approximately 1361 front line, full-time employees (extra 5%); bonuses, one-time payments, were on sliding scale relative to three break points; and pay structure adjustments.

City Manager Page explained premium pay was sourced from ARP Funding; one-time, regular bonus increases were coming from departmental Fund Balance and General Fund; tax increases would fund the salary adjustments in the multi-year plan.

Council Member Caballero spoke to the salary adjustments for the general employees of 2% was to offset the step plan increases; open range was expected to increase annually; and addressed Firefighter pay and asked for more details.

Director Youngblood would follow up on the firefighter pay in the multi-year plan at a future time.

Interim Budget Director Allore addressed the multi-year inflating implications.

Mayor Pro Tempore Johnson recommended increasing the amount for premium pay and pay for performance to the highest amounts recommended by the administration- option 4 premium pay and option 3 for performance bonuses.

Mayor Schewel summarized pay for performance (various fund balances) and premium pay option (ARP Funds) for one-time payments.

Council Member Freelon spoke to the Budget Healing event at NCCU and the five pillars of ARP Funds with one specifically being for premium pay for essential workers; and concurred with Mayor Pro Tempore Johnson.

Mayor Schewel asked Budget staff about the impact on the General Fund.

Interim Budget Director Allore estimated that there was comfortable capacity in Fund Balance.

Council expressed support for continuing funding the step plan next cycle.

**MOTION** by Mayor Pro Tempore Johnson, seconded by Council Member Middleton, to include Option 4 as premium pay and Option C as pay for performance bonuses in FY21-22 budget at 9:35 a.m. by the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman, Middleton and Reece. Noes: None. Absent: None.

**SUBJECT: EMERGENCY COMMUNICATION DISCUSSION**

Deputy City Manager Bo Ferguson made the staff report to answer questions about the FY21-22 budget as how it related to staffing of the 911 Center.

Deputy City Manager Ferguson reiterated the confidence he had in the efforts of the 911 staff to answer calls of Durham residents; explained that November 2020 was a low point in staffing but that the staffing levels had improved since that point in time; and was available to answer Council's questions regarding staffing/recruitment.

Council Member Reece asked about offering more money to pay 911 staff; asked how the situation arose; and how did call response transfers/transmissions occur to other jurisdictions.

Deputy City Manager responded that vacancies had occurred persistently over the past 3-4 years but that the pandemic had exacerbated the problem and one training session was canceled in late 2020. He noted that a bigger pipeline was needed to fill vacancies and that salary/benefits were competitive and admitted that the training regimen was intense and did not scale easily.

Deputy City Manager Ferguson responded to transmissions to other jurisdictions and explained the advanced 911 system related to the state's network and hosted solutions outside of 911 centers.

Council Member Middleton addressed the stress level of 911 staff; insisted that 911 takers/dispatchers were in actuality first responders; and asked how the 911 center positions were filled, the Center's posture and readiness.

Deputy City Manager Ferguson spoke to the four annual twelve-week academies that recruit from positions posted on the city's website; followed by one/one mentorship; after the mentoring process, the new employee was allowed onto the floor. Estimated time of training was 5-6 months. He responded that there was no voice mail being used in the 911 Center but circumstances could emerge that require wait times.

Mayor Schewel supported and appreciated Deputy City Manager Ferguson's management of the 911 Call Center; reiterated there was no voicemail and that the majority of calls were being answered quickly.

**SUBJECT: DURHAM COUNTY LONGTIME HOMEOWNER GRANT PROGRAM**

Interim County Manager Claudia Hager provided the staff report.

Mayor Schewel spoke words of encouragement to the Interim County Manager Hager.

Interim County Manager Hager shared information on a pilot recommended by the Durham County Board of Commissioners to address economic support for long-term homeowners at or below 30% AMI.

Dwane Brinson, Tax Administrator, explained the grant based program and made the following presentation:

#### Presentation

##### Discussion Topics:

State Property Tax Relief; Durham County's Long-Term Tax Deferral Program; Mecklenburg County HOMES Program, Durham County Long-Time Homeowner Grant Program and discussion.

##### Current Tax Exemptions:

State Tax Relief Programs, Elderly/Disabled Homestead, Circuit Breaker Deferment and Disabled Veteran Exclusion.

Evaluator Tool – used online to determine eligibility for current tax exemptions

Long-Time Low-Income Homeowner Tax Assistant Program Highlights

Long-Term Homeowner Tax Deferment Program

Proposed Program- Pilot program coordinates with DSS to determine eligibility.

Based on Mecklenburg County HOMES Program

DSS Long-Time Homeowner Tax Grant program- for those at or below 30% AMI, capped at \$750

Example Tax Bill with 50% off Tax Bill and Grant Subsidy

Grant Allocations by County and City jurisdictions in FY21-22, total of \$1,250,000

Proposed marketing efforts to promote the tax relief programs

DSS leaders Ben Rose and Janeen Gordon were in attendance to answer questions.

Tax Administrator Brinson acknowledged that the Deferral Program would likely be phased out in the FY22-23.

Interim County Manager Hager confirmed the County Commissioners had moved forward with the pilot approach.

DSS Director Ben Rose noted the DSS Board role was to authorize the department to conduct the pilot program; the governing bodies would set policy and parameters.

Mayor Pro Tempore asked about the 3200 households and the origin of this figure; encouraged a higher AMI; and mentioned that the median home prices were going up quickly and wanted relief efforts to match the situation in the community with the desire to impact as many homeowners as possible.

Tax Administrator Brinson stated the number of households was an estimate.

Council Member Reece appreciated the Tax Department coordinating with DSS; and spoke to the regressive nature of the property tax system.

Interim County Manager Hager spoke to the incremental approach to fund the program; the amount depended on the usage of the program. She elaborated on the funding strategy that included ARP Fund dollars or reserves in Fund Balance.

Council Member Reece departed the meeting at 11 a.m.

Council Member Freeman asked about the program being limited to 2020 taxes and if there were additional eligibility requirements; and spoke in support of the most vulnerable with expansion of the AMI and subsidy; and encouraged partnerships with other agencies and access to Durham's diverse populous.

Tax Administrator Brinson stated that it was for the FY21-22 and for 2021 taxes.

DSS Director Ben Rose stated the qualifications would be given to DSS and that DSS would verify the qualifications and noted a process would need to be developed; and concurred that partnering with other agencies was important to establish access points and outreach.

Council Member Middleton congratulated Interim County Manager Hager; acknowledged activists who had been working for years in Northeast Central Durham, East Durham and along the Fayetteville Street corridor who had been working to counteract gentrification. He continued that Marshall Plan type investments were required in black legacy neighborhoods combined with a shared economic prosperity plan.

Council Member Caballero looked forward to a more aggressive type of program in the future.

Mayor Schewel concurred that Council would support a higher AMI threshold and noted that this fact should be conveyed to the County Commissioners; appreciated the step forward; emphasized the program success will be based on outreach and organizing to reach homeowners at the 30% AMI level and encouraged staff support to reach these individuals. He also urged the increase in AMI and subsidy level.

Interim County Manager Hager noted that as patterns developed that resources would be shifted accordingly and appreciated her DSS colleagues.

Mayor Schewel announced his departure at 11:45 a.m. and that Mayor Pro Tempore Johnson would then preside.

Mayor Schewel announced a break from 11:06 a.m. to 11:11 a.m.

**SUBJECT: CITY LONG-TIME HOMEOWNER TAX GRANT**

Interim Budget and Management Director stated that there would not be any presentations on the next items.

Mayor Schewel introduced the City's Long-Time Homeowner Tax Grants and noted that many neighborhoods in the city would like to be included into the program.

Council Member Freeman explained that this was an opportunity to expand a program to legacy neighborhoods that were experiencing gentrification, especially in neighborhoods where residents felt like they had been missing out for decades- such as trees, sidewalks, bus stops.

Mayor Pro Tempore Johnson supported expanding the program city-wide; now the County has proposed a city-wide pilot program and desired to revisit the city's Long-Time Homeowner Tax Grant to be city-wide under current income and ownership eligibility to cover Walltown and other neighborhoods, especially those without an organized neighborhood homeowner association.

Mayor Schewel requested staff to summarize the parameters of the current program's eligibility and uptake.

Director of the Department of Community Development Reginald Johnson provided the historical context to the discussion. He summarized that Council had approved a three-year pilot (ending last year) and then added an additional year upon Council's request. In terms of eligibility, the program went up to 80% AMI and was available to homeowners who had been in their properties since July 1, 2012 - homes located in Southside, NE Central Durham, Southwest Central Durham Target Areas.

Director Johnson deferred to Assistant City Attorney Crista Cuccaro to refresh Council as to rationale of the program's structure.

Assistant City Attorney Cuccaro provided the background on the origins of the program and its legal underpinnings at the time of creation. There was a correlation/causation in city investments in affordable housing near the legacy neighborhoods and the increase in property tax values; there was discussion about the constitutionality of the program at that time and this was the method in which the City Attorney's Office supported the defensibility of the program. The tax deference program was available to homeowners within 500 feet of the city's affordable housing investment properties.

Relevant to constitutionality, the public purpose element allowed the city authority to enable these types of programs. Expanding the program to neighborhoods that lacked the city's investment would be viewed as an arbitrary decision and would be difficult to defend. To add neighborhoods outside of the city investment parameter, would require the program be re-evaluated and re-tooled, especially in the form of processing and administration.

Mayor Schewel inquired about expanding the program city-wide.

Attorney Cuccaro responded that a city-wide program would be permissible but that parameters would have to be established. Payments would need to be made to the Tax Office rather than the homeowner. There was authority for a city-wide program.

Council Member Caballero asked if the administrative costs would go down based on where the payment was made to.

Director Johnson suggested the costs would not be reduced.

Council Member Freeman spoke to the equitable push for specific relief for homeowners that had experienced the harms noted in racial equity conversations. City-wide was not equitable.

Mayor Schewel reflected on Attorney's Cuccaro's remarks that a city-wide program was defensible but did not want to add neighborhoods without having clear criteria; and expressed concerns about adding certain neighborhoods without adding certain individual streets. It was important to expand the programs to low-income homeowners and realized going city-wide was a big lift.

City Manager Page stated staff was relying on administrative structure on an agency that was set up to verify applicants on their eligibility at 30% AMI, expanding this up to 80% would take a much larger administrative structure be established within the city.

Council Member Caballero encouraged transferring the criteria from the city program over to Durham County.

Mayor Schewel suggested passing a motion to formally ask the County to increase the AMI level to 60%.

Council Member Freeman asked how homeowners could be assisted this year; and urged assistance to Walltown and Braggtown.

Mayor Pro Tempore Johnson spoke to current application process for 2021 taxes, suggested the administration figure out a process for the city-wide program in the 2022 tax cycle, this time next year, homeowners would be able to

City Manager Page explained that staff had a plan to bring results of this year's program after Council's vacation this Fall and that would be a time to discuss the ongoing nature of the program.

Mayor Schewel departed the meeting at 11:45 a.m.

Mayor Pro Tempore Johnson began presiding over the meeting.

Council Member Freeman suggested opening the application process to see 'who would apply'.

City Manager Page noted that 'anyone can apply' regulation required staffing to handle the applications that arrive not the ones that result as being eligible.

Council Member Freeman suggested using ARP Funds.

Mayor Pro Tempore was concerned about offering a program to residents where the city was not intended in providing the benefit.

Council Member Middleton was supportive of holding the program 'as is' and to listen to the staff report providing by the City Manager in the Fall.

It was consensus of the majority of Council to hear from staff after the Council vacation/break receive a report about the statistics from this year's program, have more conversations about expanding the program city-wide, and will check with the Mayor in how to get the resolution to the County prior to the County's budget adoption about raising the AMI for their program up to 60%.

**SUBJECT: COUNCIL PAY**

Council Member Freelon summarized the merits of increasing council member pay from part-time to full-time to reflect the nature of the work; and a request to push the increase to 2023. He continued that the delay would create a delay in equity in the potential candidate pool in this year's upcoming election. He suggested an amendment to raise the award for the Mayor's and Ward seats in January 2022- a staggered approach.

Mayor Pro Tempore Johnson urged remarks from the City Attorney's Office about the staggered approach.

Attorney Cuccaro would have to research the item and report back to Council.

Interim Budget and Management Director Allore was also not prepared for comment.

Council Member Caballero suggested the staggered process since half of the Council was up for re-election.

Council Member Freeman would prefer to focus on base pay for staff rather than Council.

Council Member Middleton recognized that the expansion of the salary of the position would allow a wider economic category of candidates. The consideration was not urgent, although important. He noted there was a built in advantage of incumbency and favored the new salaries take effect in 2023.

Mayor Pro Tempore Johnson suggested the next cycle removed would be in 2027.

Council Member Freelon noted he was not running in 2021 and addressed the equity issue versus the political consequences.

Mayor Pro Tempore Johnson suggested that due to two Council Members missing, it would be preferred to discuss at the Work Session at 1 p.m.

Council Member Caballero voiced support for the city to provide a living wage to its elected officials.

**SUBJECT: SHOTSPOTTER**

Council Member Middleton noted that ShotSpotter was not a free standing discussion but to be bundled with the NCCU regulations along with traffic calming measures, expanded jurisdiction between City of Durham Police and NCCU Police, dummy police cars, and other safety measures.

City Manager Page indicated that ShotSpotter was a budgetary item but staff was ready to update Council on the other items.

Council Member Middleton did not push for a vote on ShotSpotter but was channeling the anxiety of residents:

1. Police Chief's departure
2. Issues with 911 Center
3. Gunfire is increasing
4. Council was going on vacation
5. New Department for Public Safety – Community Safety Department: focused on pilots for mental health responders and questioned how this would impact the issue of gunfire.

Council Member Middleton emphasized that ShotSpotter was used in Boston, Mass.; expressed the desire to lessen fear and anxiety by letting folks know that Council cared about their welfare; and spoke to the pilot with ShotSpotter free-of-charge. The technology could prevent a victim from bleeding out and had the ability to lessen response time; the software can deploy officers to the scene of the gunfire; and these reasons were worthy of the pilot. He encouraged residents to report gunfire by dialing 911 whenever gunfire was heard in the city.

Mayor Pro Tempore Johnson requested City Manager Page to make the report to Council on the other items.

City Manager Page spoke to the NCCU Presentation that included five recommendations:

1. ShotSpotter;
2. Extended jurisdiction agreement with NCCU including off-campus;

3. Dummy police car – discussed with Chancellor and Chief Davis and Chief Williams (NCCU);
4. Add Michael Page to the Community Safety and Wellness Taskforce and add the position to the Community Safety and Wellness bylaws;
5. Traffic calming discussion.

Ms. Wallace would make a written update and provide it to Council.

Council Member Middleton asked Chief Davis if Memphis was utilizing ShotSpotter. Chief Davis responded, 'yes' and described her experiences to seeing how the ShotSpotter sensors worked during her visit to Memphis, TN. She explained the Memphis footprint of the sensors and was interested in seeing how the community was going to receive the response; and explained that officers were trained to respond to gunfire whether technology reported or by residents. When gunfire becomes normalized and was unreported was more concerning to the Chief. Chief Davis spoke to the soft presence of officers in McDougald Terrace and stated that gunfire had diminished there, allowing children to play on playgrounds.

Council Member Middleton inquired about the over-policing concern emanating from sensor usage and was the Chief concerned about promoting over-policing in responding to gunfire. It was not a concern by the Chief since the community was asking for the protection. ShotSpotter was designed to de-normalize gunfire by creating a collaborative effort to identify individuals who were perpetually committing gunfire. He encouraged everyone in the city who heard gunfire to report it to the 911 Center.

## **CLOSING REMARKS**

Council Member Freelon requested an update on We Are the Ones to see how the wrap around violence prevention initiative were being funded by the city and county.

Mayor Pro Tempore Johnson requested a report at the Work Session on We Are the Ones and Council pay; and reminded the public that Council would be on vacation between Monday, June 21 and Thursday, July 22.

Council thanked the Budget and Management staff for their outstanding work and appreciated everyone's efforts.

## **ADJOURNMENT**

Meeting adjourned at 12:34 p.m.

Diana Schreiber  
City Clerk