



# TOWN OF CHAPEL HILL

## Town Council

### Meeting Minutes - Draft

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

Mayor Pam Hemminger  
Mayor pro tem Karen Stegman  
Council Member Jessica Anderson  
Council Member Camille Berry  
Council Member Tai Huynh

Council Member Paris Miller-Foushee  
Council Member Michael Parker  
Council Member Amy Ryan  
Council Member Adam Searing

**Wednesday, March 16, 2022 4:00 PM Virtual Meeting**

#### Language Access Statement

For interpretation or translation services, call 919-969-5105.

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Para servicios de interpretación o traducción, llame al 919-969-5105.

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919-969-5105.

#### Roll Call

**Present:** 9 - Mayor Pam Hemminger, Mayor pro tem Karen Stegman, Council Member Jessica Anderson, Council Member Camille Berry, Council Member Paris Miller-Foushee, Council Member Tai Huynh, Council Member Michael Parker, Council Member Amy Ryan, and Council Member Adam Searing

#### Other Attendees

Town Manager Maurice Jones, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Facilitators Will Dudenhausen & Maggie Chotas, Director of Organizational and Strategic Initiatives Rae Buckley, Business Management Director Amy Oland, Assistant to the Town Manager for Administrative and Program Management Ross Tompkins, Mayoral Aide Jeanne Brown, Downtown Special Projects Manager Sarah Poulton, Data & Analytics Coordinator Greg Reger, Business Management Assistant Director Matthew Brinkley, Executive Director for Technology and CIO Scott Clark, Diversity, Equity, & Inclusion Officer Shenekia Weeks, and Deputy Town Clerk Amy Harvey.

One member of public attended.

#### Welcome & Opening Remarks

The Mayor called the meeting to order at 4:06 PM.

#### Orientation For The Session

[22-0238]

Mr. Dudenhausen reviewed the purpose statement with the guiding questions, and the agenda.

#### Purpose of the Session

Continue to coalesce as a Council by getting to know each other better and figuring out how we work together while exploring the guiding questions of:

1. What is the state of our strategic goals and objectives for the Town?
2. How do the 5-year strategic and FY 23 budgets support our goals and objectives and the needs of the Town?
3. How do we measure and communicate where we are in meeting the goals and objectives?

Ms. Chotus reviewed the draft ground rules.

Confirm ground rules for the retreat

- Begin and adjourn on time
- One speaker at a time
- Listen attentively and share the time available for discussion
- Focus on learning and inquiry
- Stay on topic - use the parking lot to record items for future discussion
- It is OK to disagree...please do so respectfully
- Facilitators will recognize speakers & maintain meeting flow

She then introduced the Council to the icebreaker questions.

What's a hope for how Council will work together this season?

- Work together with honest dialogue even if there is disagreement while bringing and promoting interests
- Focus on policies to get to collective interest, instead of solving the how
- Work together with high level and outcome focused decisions. Make people whole again, especially those not equally advantaged.

When you think about the teams who have won NCAA tournaments in the past, what's an ingredient they share?

- All players know their role and how their contributions are greater than the sum of parts
- All individuals are bought into a collective system of the whole

What was an unexpected gift of the pandemic?

- Collaborative spirit of Orange County leaders
- What we thought was impossible was unimagined. We were forced to imagine something different.
- New appreciation for natural world

- Seeing the communities urgent need to build community in deep ways, the solitude and loss. Who we are, who we want to be, and how we want to build it together.
- Time spent with family
- Continuity of business

### Guiding Questions

Guiding Question #1: What is the state of our strategic goals and objectives for the Town?

[22-0235]

*In exploring strategic goals & objectives, consider how strategy informs the budget and staff workflow.*

Ms. Buckley shared the historical development of the strategic planning process. The vision, mission and values were developed during the Chapel Hill 2020 process. The Council adopted the 2020-22 goals and objectives followed by the actions and investments, which are reviewed annually during the retreat and budget process, she said.

Ms. Buckley described the current state of our strategic goals and objectives for the town by showing the seven goals, several descriptive objectives along with the total number of objectives, and the broadly described FY22 budget allocated. She said that staff would provide further details on the budget allocations at the April 13 work session. Ms. Oland added that post-retreat she will engage departments and look at project budgets to get granular data. Mr. Jones noted that for example the Council budgeted \$470,000 this year to implement the Climate Action Plan, but that the Town had worked on elements of this for a long time and that other things within the organization interconnect, making it harder to be divided out.

Ms. Buckley said that the strategy informs the budget and staff work flow. During the current/third quarter, departments are sharing their current and future staffing and budget needs, she said.

Council members asked clarifying questions.

- How much of the budget was strategic vs core services? Ms. Oland stated that 70% of the budget is allocated for personnel and the operating costs to perform the core services. She added that if sales tax growth or other new revenues became available, then Council could consider how to use those funds on the strategic initiatives.
- Noted to make an edit to the second objective under the Connected Community goal to add the word "safe".
- Noted the need to indicate funding source, especially when describing the Transit budget as much of the funding is from outside sources.
- How do new goals get introduced? New interests are shared with the Town Manager and then information is shared during the work sessions. The Council tends to have agreement on the large goals. It's the

objectives where the Council must set priority during the retreat and budgeting process. The objectives can span for a few years, so as objectives are concluded or become part of the core services new objectives can begin.

- The Council identified the following new goals for consideration during the current and future budget processes.

- o Parks and Greenways (recreation and connectivity)
- o Downtown planning process
- o Cultural Arts
- o Fill gaps to end homelessness
- o Effective community communications
- o Boards and Commissions - how impacted they are in staffing, equity, representation

Guiding Question #2: How do the 5-year strategic and FY 23 budgets support our goals and objectives and the needs of the Town?

[22-0236]

*In exploring the five-year budget strategy and beginning work on the budget for the next fiscal year, consider how strategic priorities are reflected.*

Mr. Jones outlined the following topics for the budget discussion: FY 2021-22 Budget Update, Budget Drivers, 5-Year Budget Strategy, Early FY 2023 Projections, Budget Timeline, Council Priorities. Ms. Oland showed how the annual budget is broken down by appropriations, and revenues. She also showed the general fund broken down at a department level. Ms. Oland again noted that the expenditure budget was predominately personnel and that much of the operating budget is tied to contracts to maintain services. She pointed out that the general fund revenue budget shows a significant rise in sales tax growth over the last two years. Growth is typically 5% while last year saw a 13% growth. Mr. Jones stated that the Town was cautiously optimistic last year. This year we want to restore operations that were limited in FY2021, commit to the Class and Compensation Study implementation, and focus on the Council priorities, such as the Climate Action Plan, ReVive, East Rosemary Deck, Human Services, Reimagining Community Safety Task Force, Diversity Equity and Inclusion Officer, Affordable Housing Development Reserve, and Affordable Housing bonds.

Mr. Jones described the budget drivers and noted that the Town revenue is not keeping pace with expenditure growth. He reviewed the property tax base figures and noted that the Town had a library, transportation system and an investment in affordable housing which were not typically Town functions. Mr. Jones said that the Town has had high satisfaction results from its bi-annual community survey. He also shared historical data and noted that the tax bill has multiple parts.

Ms. Oland highlighted that adding 1% to the tax base generates \$483,160

within the General Fund, Debt Fund and Transit Fund. This means it takes a lot to move the needle. She showed the five-year consumer price index data and noted that we've not seen expedient growth like this in over 40 years. Supply chain issues are part of the cause for costs being dramatically more, she said. This impacts personnel, operations, and capital costs. The Town must have a balanced budget, so the Council and staff will need to consider questions like how do we address cost of living wage adjustments, the Class and Compensation implementation helps to right size as compared to the market, but how do we maintain moving forward, how do we absorb the rising costs in supplies, services and contracts, and how do we adjust to the increasing capital costs?

The Council took a break for dinner between 5:55 p.m. and 7:06 p.m.

Ms. Oland stated that the Enterprise Funds generally pay for themselves in most cases. She discussed the funding models, current funding levels and major needs for the Transit, Housing, Parking and Stormwater Enterprise funds. A Council member inquired about the opportunity to add the Building and Development Services as an enterprise fund. Ms. Oland said that she would look into the recent legislation.

Moving forward to draft a five-year budget strategy staff identified organizational needs from the departments budgeting perspectives. The Council identified interests include: connecting strategic work plans and budget decisions, increasing ability of departments to meet operational needs, promoting environmental resiliency, restoring pay-go capital and vehicle replacement programs, expanding building maintenance and street paving programs, sustaining enterprise funds. The budget plan has additional emphasis on community resiliency through environmental, economic recovery, housing, social equity, community safety. The Council will discuss funding options, such as fees, cost recovery, service reduction, post-revaluation tax rate throughout the budget process.

Ms. Oland shared the FY2022-23 revenue projections. She highlighted that in the general fund there is a 1.9% growth in property taxes, a greater than 10% sales tax growth based on six months of revenue, occupancy tax is also starting to rebound, state shared revenues are fairly consistent, charges for services are still down but starting to rebound as parks and recreation starts to restore services, licenses and permits are down and the Town has several internal projects which may be an influence.

Mr. Jones outlined some expenditure considerations: Implementation of Phase I of Class & Compensation study, cost of living adjustment (COLA)/Phase II of Class & Compensation study, living wage adjustment, healthcare cost increases, retirement increases, vacancies/employee retention, capital investments, deferred maintenance, affordable housing. He also shared the timeline for the budget process.

Council members inquired about

- How do the Orange County intergovernmental budgeting collaborations occur? Some like human services are aligned at a formal staff level, others have informal staff collaborations. Some like the Partnership to End Homelessness are aligned through formal interactions at the elected level, while others have informal conversations through the MMC (Mayors, Managers and Chair) and their respective boards. Still others have no collaborations.
- How the advisory boards provide information to the budget process? The boards response to the Mayor's request is compiled and shared within the budget process.
- Is there a strategy to increase grant revenues? Ms. Oland shared the types of current grants. She noted there is not dedicated staff to pursue grants, that many grants require a funding match to acquire, ongoing funding to continue, and staff to carry out the service. Several Council members indicated support and saw this as an opportunity for Parks and Recreation.
- Noted the potential need for personnel to maintain compliance with the ARPA funding. How will ARPA reporting impacts other organizations? More information in April when ARPA plans are discussed.

The Council and staff composed other questions to consider during future budget discussions.

- How does the Town think about its budget choices within a broader context of County and Chapel Hill-Carrboro City Schools (CHCCS), and where the Town of Carrboro decisions are related?
- How does the Town support the Diversity Equity and Inclusion efforts?
- What maintenance needs does the Town need to prioritize to ultimately save money vs things that could be postponed?
- How can /is there a way to work /pool ARPA funds to work jointly with Orange County or CHCCS to solve a problem to get a better impact?
- How can the Town remove barriers/make it easier for the community to understand and participate in the budget process? The 'Let's Talk Town' process was well received.
- How can the Town shift how it engages the community to support individuals to have agency?

The Council took a seven minute break.

The Council members identified top three budget priorities.

- Communications, housing, economic development
- Ending Homelessness by funding the identified system-wide gaps, a plan to accelerate build out of the mobility and connectivity plan and start funding it, buy or preserve a manufactured housing community
- Planning/Land Use Management Ordinance (LUMO) work, downtown master plan, Legion Road property
- Safer mobility plan, which fills in the gaps, has lit crosswalks and makes our greenways connected, downtown master plan that takes into account that the economic development is trying to do, spending energy to have a deeper dive into the parks and recreation

- master plan
- Safer transportation especially in greenway connections, comprehensive downtown planning process, design and implementation, and the Franklin Street takeover, implement the climate action plan
- Safe multimodal trails and greenways, maintaining parks and recreation master plan and funding, downtown master plan visioning, build board service incentive policy (stipend options)
- Ending homelessness, expanding funding to cultural arts, bike, ped, greenway infrastructure
- Affordable housing/plan to end homelessness, cultural arts, LUMO rewrite and connected economic development. Increase Council stipend to be more equitable to allow more inclusion in diversity in those who want to serve. Mayor has stats to share separately. The amount of work Council members do and serve in office, we are behind.
- Rebuild skate park to 2022 standards, build an adaptive playground for all kids in our community, build a splash pad

Mr. Dudenhausen summarized the broad themes, which he noted, had a lot of alignment.

- Housing, ending homelessness
- Downtown Master plan, LUMO
- Parks and Recreation
- Cultural arts
- Increase stipend for service of Town
- Mobility, transportation and connectivity

Guiding Question #3: How do we measure and communicate where we are in meeting the goals and objectives?

[22-0237]

*In exploring data metrics and how they are used, consider dashboards from Town departments and other places.*

Mr. Tompkins presented on data, metrics, and reporting. He shared both internal and external dashboards including on software platforms that the Town already owns/uses. This provided a variety of choices and/or ideas to consider when developing future Town dashboards.

When thinking about the dashboards, Council members want the dashboards to present the data in a visual form that tells the story to both the Council and the public and can be used to help drive decisions to maintain or change services. The visuals should show how the data connects to the goals in a clear, concise, and accessible way to all consumers. The Town should use good data practices. Collect actionable data that answers the question being careful that it doesn't skew perspectives, can be maintained and regularly updated. Adding a comparison to neighboring municipalities was suggested to see potential coordination efforts.

Council members identified the Mobility Plan and the Climate Action Plan as existing plans for future dashboard development. The Mobility Plan has data, but needs some goal setting. Greenhouse gas emissions with key indicators was suggested as an element for the Climate Action dashboard. Council members also identified Economic Development, Parks, and Policing data as new dashboards to create. Job creation, and building development applications were elements suggested for the Economic Development dashboard.

Staff confirmed that the feedback and insights were helpful guidance to considering next steps in future dashboard development.

### Reflect & Wrap Up

Council members, staff and facilitators appreciated the good and productive dialogue from the evening.

### Adjourn

The meeting was adjourned at 9:02 p.m.