



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, April 13, 2022 **6:30 PM** **Virtual Meeting**

Language Access Statement

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

ဘာသာပြန်ဆိုခြင်းနှင့် စကားပြန်ခြင်းအတွက်၊ (၉၁၉) ၉၆၉-၅၁၀၅ ကိုဖုန်းခေါ်ပါ။

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

လၢတၢ်ကတိကျ်းထံ မ့တမၢ် လၢတၢ်ကွဲးကျ်းထံအတၢ်မၤစၢ်အဂီၢ် ၢ် ကိးဘၣ် (၉၁၉)-၉၆၉-၅၁၀၅

如需口头或
书面翻译服
务，请拨打
919-969-5105.

Virtual Meeting Notification

Town Council members will attend and participate in this meeting remotely, through internet access, and will not physically attend. The Town will not provide a physical location for viewing the meeting.

The public is invited to attend. The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council business meetings and work sessions. Please participate in a voluntary demographic survey <https://www.townofchapelhill.org/demosurvey> before accessing the Zoom webinar registration. After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 880 1921 9963

View Council meetings live at <https://chapelhill.legistar.com/Calendar.aspx> – and on Chapel Hill Gov-TV ([townofchapelhill.org/GovTV](https://www.townofchapelhill.org/GovTV)).

OPENING

Mayor Hemminger opened the virtual work session at 6:30 p.m. and reviewed the agenda.

ROLL CALL

Mayor Hemminger called the roll and all Council Members replied that they were present.

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 Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Planning Director Colleen Willger, Assistant Planning Director Judy Johnson, Business Management Director Amy Oland, Business Management Assistant Director Matt Brinkley, Transit Development Manager Matt Cecil, Transit Director Brian Litchfield, Planning Manager - Long Range Planning Corey Liles, Principal Planner - LUMO Rewrite Manager Diedra Whittenburg-McEntyreAssistant to the Town Manager for Administrative and Program Management Ross Tompkins, and Communications and Public Affairs Director and Town Clerk Sabrina Oliver.

ANNOUNCEMENTS BY COUNCIL MEMBERS

0.01 Proclamation: Volunteer Appreciation Week. [\[22-0316\]](#)

Mayor Hemminger pointed out that April 17-23, 2022 would be Volunteer Appreciation Week. She thanked those who share their time and talents with the Town and make it a better place for all.

0.02 Proclamation: Chapel Hill Voices Choir Appreciation. [\[22-0317\]](#)

Mayor Hemminger announced that Chapel Hill Voices Choir would perform a special piece the following day to commemorate its 40 years in Chapel Hill. She congratulated choir members and thanked them for sharing their music with the community.

0.03 Mayor Hemminger Regarding April 27th Council Meeting. [\[22-0318\]](#)

Mayor Hemminger said that there would be no Council meeting the following week and that she would provide information at a later date on whether the January 27th meeting would be virtual.

0.04 Mayor Hemminger Regarding Council Member Huynh's Birthday. [\[22-0319\]](#)

The Mayor and Council wished Council Member Huynh a belated happy birthday.

AGENDA ITEMS

1. FY 2023 Budget Update. (no attachment)

[\[22-0306\]](#)

Mayor Hemminger said that the current meeting was the first step in the annual budget process and that the Council would have many more opportunities to clarify and ask questions before voting for approval on June 8, 2022.

Town Manager Maurice Jones gave a PowerPoint presentation on the preliminary FY 2023 budget, which included information about Town revenue and expenditures, property and sales taxes, state revenue, charges for services, and licenses/permits. He pointed out that the budget did not yet include a cost of living increase for employees or any discretionary spending increases. Staff had not yet finalized those amounts, he said.

Director of Business Management Amy Oland continued the staff presentation. She pointed out that the property tax rate was the one revenue source that the Council had power to set. She said that the average growth of 1.8 percent in the Town's tax base had not been keeping up with an average expenditure increase of 3 percent. Therefore, the Town had to rely more heavily on other revenues, such as sales tax, she said.

Ms. Oland reviewed the Town's tax history since FY 2010 and compared its tax rate to those of Carrboro and Hillsborough. There had been an approximate 1.8 percent increase in the Town's assessed valuation, she said.

Ms. Oland listed the Council's top 10 priorities: Climate Action, Affordable Housing, Re-imagining Community Safety Task Force, Diversity/Equity/Inclusion (DEI), Human Service Agency Funding, Multi-Modal Transit Plan, Economic Development, Downtown Master Plan Visioning, Parks and Recreation, and Cultural Arts. She said that commitments for the FY 2023 budget already included Health Insurance, N.C. Local Governments Employee Retirement System, and Phase 1 of the Employee Class and Compensation Study. She provided details on those priorities and commitments.

Ms. Oland said that the Town's financial situation had improved since COVID-19 but revenues had not returned to what they had been in several areas. Some Parks and Recreation programs were not at full capacity and Utility Sales Tax had decreased, she said. She pointed out, however, that there would be revenue increases from the 1.8 percent increase in property taxes, a probably 6 percent or more increase in sales tax revenue, and occupancy tax was expected to rebound in the coming year. Moreover, the state allocation had increased for the first time in many years and about \$432,000 would be added to next year's budget due to a change in the School Resource Officer Program, she said.

Mr. Jones pointed out that the Town was fortunate to have about \$1 million in discretionary funding in the budget for next year. He discussed areas that the Council, community and staff had identified for potential use of those funds. These included: Bike and Safety improvements (\$250,000), Vision Zero (\$100,000), Climate Action (\$100,000), DEI Efforts (\$30,000), a DEI Position (\$90,422), and Ending Homelessness (\$50,000). He gave details on each of these and said that the dollar amounts were merely placeholders.

Mr. Jones said that the \$1-million in discretionary funds would not be nearly enough to address the many needs that the Council had identified. He provided estimates on bigger organizational needs, which included operational cost increases, building maintenance, street resurfacing, vehicle replacements, and personnel needs. He provided estimates for each and said that addressing those needs would take time, but he wanted the Council to be aware of them.

Mr. Jones discussed the potential cost of restoring reductions that had been made in maintenance for buildings, parks, vehicles and streets. He said that the cost of service contracts had increased, and he provided estimates for maintenance that needed to be addressed in the near future. These included a Parks and Recreation Comprehensive Plan, cyber-security, a grants administrator, a compensation analyst, email for all employees, multi-factor authentication, a planning technician, and Peace and Justice Plaza upgrades.

Mr. Jones said that four Council work sessions had been scheduled for May and June, if needed. Potential adoption of the FY 2022-2023 budget was scheduled for June 8th, he said.

Council Members asked Mr. Jones to include the \$10 million in American Rescue Plan Act (ARPA) funds in future budget discussions so that they could have a more complete sense of Town finances. Council Member Anderson stated that some "big ticket items" might be addressed with ARPA funds, and Mr. Jones agreed but pointed out that no decisions had yet been made regarding one-time ARPA expenditures.

Council Member Searing said that Parks and Recreation, Greenways, Traffic, Parking and Police should all be priorities for discussion as well, since residents had identified those as top interests and concerns in a recent community survey. He also proposed that items such as skate parks, adaptive playgrounds, and splash pads be addressed in the short term.

Council Members confirmed with Mr. Jones that the Parks and Recreation Master Plan would cost an estimated \$300,000. They verified that a Compensation Analyst would monitor salaries and help with other Human Resource Department needs. Council Member Searing stressed the importance of prioritizing funding for employee compensation.

Council Member Miller-Foushee suggested that the Compensation Analyst address stipends for Council Members and said that equity should lead that conversation. Mayor Hemminger said that she, too, would like to see a strategy for increasing the Council's stipend. She agreed that it was an equity issue and pointed out that it had not kept up with inflation. The amount of time and work that Council Members invest could mean sacrificing other income, she pointed out.

Mr. Jones replied that staff could easily add that to the annual budget once they understood the Council's interests better. Mayor Hemminger proposed having a group discussion about what the stipend would look like. She said that it could be phased in over years.

Some members of Council said that putting \$50,000 toward ending homelessness would only scratch the surface. They wanted to make an impact on resolving it rather than continuing to patch it up, they said, and Mr. Jones replied that more could be added to that initiative if other areas were reduced.

Mayor pro tem Stegman confirmed that Council Member Anderson, liaison to the Partnership to End Homelessness, would bring the Council's comments and feedback to those who were reviewing changes to an interlocal agreement.

Council Member Parker pointed out that no new allocation was being proposed for Cultural Arts, which was on the Council's priorities list. He described a serious need and proposed establishing a more robust funding program that would operate in the same way that the Human Services Advisory Board does for other non-profits.

Mayor pro tem Stegman suggested combining outreach for the Parks and Recreation Master Plan with other efforts, and Council Member Ryan said that the Parks and Recreation Committee had been weighing the pros and cons of doing a large, one-time update versus smaller periodic updates. The smaller updates would allow using more of that money for things such as programs and repairs, she said.

Mayor pro tem Stegman said that she had been a little surprised by staff's list of ARPA funding priorities, since the intent of ARPA funds was to help those who had been most impacted by COVID-19. Mr. Jones replied that he had neglected to include that funds had been set aside for housing, utility assistance, and small businesses.

Council Member Ryan pointed out that pandemic resiliency could include improving outdoor spaces. Council Member Berry emphasized her interest in directing ARPA funds to those impacted by COVID-19 and having it be

equitable. She questioned whether the proposed amount for the DEI initiative was sufficient. It would be helpful to have more information about funding sources, costs, and trade-offs, she said.

Mayor Hemminger said that the Council would be looking more deeply into Parks and Recreation needs at its June 1, 2022 work session. She expressed strong support for the Grant Administrator position and said she agreed with Council Members' recommendations to include ARPA funds and projects in budget discussions. She pointed out that making improvements and repairs all in one year would mean having to do it all again in some future year, and she cautioned against letting the Town's good current financial situation set the course. It could be very difficult to pull back after adding to an operating budget, so it was better to stagger replacements across time, she said.

This item was received as presented.

2. FY2022-23 Chapel Hill Transit Budget Update and Orange County Transit Plan Update. [\[22-0307\]](#)

Transit Director Brian Litchfield gave a PowerPoint presentation on the FY 2022-2023 Chapel Hill Transit (CHT) budget that included an overview of the system and recent service improvements. He provided information about the Transit Partners Committee, which was made up of Chapel Hill, Carrboro and the University of North Carolina (UNC) representatives who provide CHT with financial guidance. He discussed recent departmental successes and pointed out that 89 percent of respondents to a recent customer survey had rated CHT services as either good or excellent.

Mr. Litchfield said that CHT's \$26.3 million budget for FY 2021-22 had included \$5.5 million from the Town of Chapel Hill, \$1.9 million from the Town of Carrboro, and \$8.5 million from UNC. Those contributions had been based on each town's population with UNC paying for 100 percent of the services that the Town operated for them, he said. He explained that the balance of CHT's budget typically came from federal, state, county and other sources, and he itemized those.

Mr. Litchfield said that labor market challenges were expected to continue and that the related key challenges would include compensation, cost of fuel, health insurance expenses, and parts and materials costs. CHT had been able to use lapsed salaries during COVID-19 to cover some current expenses, but it would not be able to do so to the same extent in the future, he said.

Mr. Litchfield characterized the Transit Fund as essentially healthy. He pointed out that ARPA funds could be used for one-time expenditures and he said that state funding was more certain than it had been in the past. There would likely be an increase in federal funding for the first time in

nearly 20 years and that could mean a 20-30 percent increase for Chapel Hill, he said.

Mr. Litchfield presented a list of CHT's priorities for the coming year. He displayed charts that showed revenues and expenses as percentages of the original adopted budget. He said that the tax value of CHT to the Town had increased by only \$50,000 the previous year, which could affect funding from the Transit Partners because of how their contributions were related to the Town's.

Mr. Litchfield said that Transit had been staying on track with regard to its adopted FY 2016 Capital Plan but needed to replace 25 buses and start talking about facility improvements and maintenance. CHT had ordered eight electric buses but needed to plan for such investments in the future rather than having to go out and find the money, he said. He said that the Transit Partners Committee had expressed interest in debt financing the buses, and he discussed some of those options.

Mr. Litchfield showed a list of major capital needs. He said that the Transit Partners Committee was interested in adding \$435,000 to CHT's budget for facility repairs and shelter/bus stop improvements. He showed a list of other needs that would be good candidates for ARPA funding. He discussed how CHT's FY 2023 goals were tied to Council goals.

Mr. Litchfield recommended that the Transit Partners Committee plan cover the increasing costs for fuel and parts through increasing its contributions. Due to grants and fuel savings, that contribution had been \$3.3 million below what had been estimated in the Capital Plan, he pointed out. He provided estimates on the cost of personnel, fuel and parts increases and said that some of that might be offset through state and federal funding.

Council Member Ryan commented on how debt financing could mean always having to pay for six or seven buses each year, but Mr. Litchfield replied that CHT planned to aggressively pursue grants to supplement debt financing. If that were not successful, they would finance the buses on a rolling basis or make other difficult choices, he said. He pointed out that funds would likely be available from a federal infrastructure and transportation bills. However, waiting another year or two to buy buses would be much more expensive, he said.

Council Member Parker, Council representative to the Transit Partners Committee, thanked Mr. Litchfield and his team for all their hard work during the pandemic. He described the additional tasks that they'd had to perform and expressed the Transit Partners' and Council's appreciation. Mayor Hemminger agreed, and Council Members gave CHT a round of applause. Council Member Miller-Foushee said that staff had done a great

job of meeting the needs of those on the margins.

This item was received as presented.

3. Update on the Transit Oriented Development Planning and Unified Development Ordinance Visioning. [\[22-0308\]](#)

Planning Director Colleen Willger gave a PowerPoint presentation on two Town initiatives: transit-oriented development (TOD) planning; and Land Use Management Ordinance (LUMO) visioning. She explained potential conflicts between the two and asked for feedback from Council on whether or not to pause the LUMO visioning work.

Ms. Willger said that the Council had approved a LUMO rewrite in 2017 and had adopted the Future Land Use Map portion of it in December 2020. The Town had also been granted funding for TOD planning along its north-south bus rapid transit corridor and the Council had directed staff to combine the two initiatives in the spring of 2021, she said. She said that staff had later obtained an extension from the Federal Transit Authority for a new TOD deadline of February 2023 and that the Council had executed a contract with a consultant for that work in January 2022.

Transit Development Manager Matt Cecil provided background regarding Town work on the north-south bus rapid transit corridor. This had included planning charrettes and focus groups and had established community expectations for stations and future development opportunities in specific areas, he said. He explained that this TOD work, which had had wide public participation, had identified five corridors and established the key principle of having a variety of stations specifically designed for each of those areas.

Ms. Willger pointed out that there had been much community engagement regarding the LUMO rewrite as well. She reviewed goals that the Council had outlined in 2017 and said that these included taking a policy-driven approach that would define a vision for each focus area based on the Council's policy goals. She said that the estimated cost (\$652,000) would be spread over four years and was in the Town budget.

Ms. Willger said that the Council had then asked staff to combine the TOD and LUMO work because the TOD needed land use to inform bus rapid transit decisions. She provided details on progress with both initiatives and discussed opportunities for aligning the two. Staff had intentionally combined community engagement for the TOD and LUMO, she said. She pointed out that a market analysis and a land use capacity study could be done up front and then handed to the visioning team for comments. The goal would be to align the two and avoid overlap, she said.

Ms. Willger presented a detailed graph that showed a work stream for both initiatives that included four major public engagement milestones. She said that there would be multiple opportunities for community

engagement. The Council would be presented with TOD and LUMO information jointly so that everything would be before it at the same time, she said.

Ms. Willger showed a tentative schedule that would begin with a visioning kick-off in June 2022, followed by community dialogue, and then an opportunity to share findings with the Council in the fall. Staff would present draft recommendations for the various planning initiatives in November and December 2022 with the goal of having recommendations before the Council in January or February 2023, she said. She pointed out that February 2023 was the deadline for submitting TOD plans to the Federal Transit Authority.

Ms. Willger asked Council Members if they wanted to pause either the TOD or LUMO work, but she shared a long list of implications and impacts associated with doing so. To continue with both would mean continuing to align and coordinate the two, she said.

Council Member Ryan commented on how political will for development in Town had ranged widely over the years. She suggested that task forces had been asking the wrong questions and said that she was eager for a different approach. She proposed starting with data, analyses and trade-offs and then asking community members specific questions. She recommended doing station area planning after some of the other visioning work had been completed. Another reason for waiting was that many people leave Town during the summer, she said.

Ms. Willger said that staff had scheduled a three-day open house for the current month in order to catch students before they left town. "But you don't have any analysis for them," Council Member Ryan replied.

Council Member Parker said that he agreed with much of Council Member Ryan's comments and felt torn between wanting to meet the TOD deadline and wanting to make sure that the TOD work was as good as possible. If the Town were to not pause the TOD, it would need to adjust or calibrate to make sure that its pieces were flowing in the right order, he said. He expressed concern about having two consultants doing the same work and possibly arriving at different answers, and he recommended holding back on things that could overlap in order to avoid such a situation.

Council Member Parker cautioned against "planning in the rear-view mirror" and pointed out that many who would be affected by Town planning did not yet live in Chapel Hill yet. He and Council Member Huynh proposed bringing in the voices of those who might move to Town in the future. True visioning would include getting input from those who will live in Chapel Hill 10-15 years from now, Council Member Parker said. Council Member Huynh suggested that staff walk through the City of Durham and

ask young people why they chose to live there rather than in Chapel Hill.

Council Member Anderson stressed the importance of doing whatever was necessary to obtain future TOD funding. She agreed with the suggestion that visioning should drive the process. The Town should pause whatever other work it could while that visioning work was being done, she said.

Ms. Willer confirmed that staff's approach had been to hold off in some areas, just as the Council was recommending. She would return with information on what TOD components must move forward in order to not lose federal funding, she said.

Mr. Litchfield stated that completely pausing TOD planning would send a signal to the Federal Transit Authority that the Town lacked clarity and was not serious about what it was doing. The TOD had been in project development since 2018 and the Town needed to show a commitment to making the project happen, he said. Moreover, getting the market analysis and other early work done was critical to maintaining goodwill because it would show others in the region that the Town was making progress, he said.

Mayor pro tem Stegman said that pausing the TOD work would be a disaster. She expressed some confusion about big picture visioning versus neighborhood planning, and Ms. Willger replied that planning would depend on a neighborhood's needs rather than its wants. Ms. Willger discussed equity issues and trade-offs and noted that a neighborhood that refused development would lose out on opportunities for neighborhood improvements.

Mayor pro tem Stegman stressed the importance of having consistent messaging. She confirmed with Ms. Willger that the guiding principles in the Town's Future Land Use Map would be part of the visioning statement.

Council Member Berry emphasized the need to know what aspects of the TOD could be paused without jeopardizing funding. In addition, she ascertained from Ms. Willger that the Town was under contract with Public Input, which would help consolidate and centralize community engagement and make sure that all residents had opportunities to be involved.

Council Member Miller-Foushee said, in summary, that the Council was in favor of pausing the TOD where needed and keeping the work going where necessary to ensure federal funding. She asked about consequences for pausing the LUMO, and Ms. Willger replied that the technical evaluation would keep moving forward but that the Council seemed to be proposing a pause in focus area planning. She pointed out that four of seven focus areas overlap with the TOD area and would continue. Three others would

be put on hold until later, she said.

Mayor Hemminger emphasized the importance of the Town not losing its place with the TOD project. She said that Town staff needed visioning to form the right questions before worrying about who would be captured in the community outreach. Council Members wanted to see and hear the analysis that comes back before implementation begins, she said. She noted the importance of coordinating workflow in order to reduce duplication.

Mayor Hemminger said that the Town had been trying to move as fast as possible on the visioning piece and had already scheduled interviews for the two consultant positions. The Council was not talking about pausing the TOD for years, but was merely finding a way to move forward, she said.

This item was received as presented.

ADJOURNMENT

The meeting was adjourned at 9:40 p.m.