



TOWN OF CHAPEL HILL

Town Council

Meeting Minutes - Draft

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

Mayor Jessica Anderson
Mayor pro tem Amy Ryan
Council Member Camille Berry
Council Member Melissa McCullough
Council Member Paris Miller-Foushee

Council Member Theodore Nollert
Council Member Adam Searing
Council Member Elizabeth Sharp
Council Member Karen Stegman

Monday, December 2, 2024 6:00 PM Library, Meeting Room B

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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In-Person Meeting Notification

View the Meeting

- Public attendance is welcome, and limited to room capacity
- We will not live stream the event, but will provide the Post-Meeting Video <https://www.townofchapelhill.org/councilvideo/>
- The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings.
- Participate in a voluntary demographic survey before viewing online or in person - <https://www.townofchapelhill.org/demosurvey>

Parking and Entry

- Parking is available at the Library lots. The Library is served by CL Route, D Route, and GoTriangle Routes of Chapel Hill Transit
- Meeting Room B is to the right from the main entrance.
- Please do not bring signs.

ROLL CALL

All Council Members were present.

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December 2, 2024

Present: 9 - Mayor Jessica Anderson, Mayor pro tem Amy Ryan, Council Member Camille Berry, Council Member Paris Miller-Foushee, Council Member Adam Searing, Council Member Karen Stegman, Council Member Theodore Nollert, Council Member Melissa McCullough, and Council Member Elizabeth Sharp

OTHER ATTENDEES

Town Manager Chris Blue, Deputy Town Manager Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Governance Services Director/Town Clerk Sabrina Oliver, Business Management Director Amy Oland, Business Management Assistant Director Matthew Brinkley, Senior Planner Tas Lagoo, Executive Director for Strategic Communications and Marketing Susan Brown, Planning Director Britany Waddell, Police Officer Mondrez Pamplin, Deputy Town Clerk Amy Harvey, and Assistant Town Clerk Brenton Hodge.

OPENING

Mayor Anderson called the meeting to order at 6 p.m. She pointed out that the agenda included a regular meeting as well as a work session items. The next regular Council meeting would be on January 15, 2025, she said.

ANNOUNCEMENTS BY COUNCIL MEMBERS

0.01 Mayor Anderson Regarding the Christmas Parade. [\[24-0571\]](#)

Mayor Anderson reminded everyone that the annual Christmas parade would begin at 10 a.m. on December 7th.

0.02 Mayor Anderson Regarding Council Committee on Economic Sustainability. [\[24-0572\]](#)

Mayor Anderson said that the Council would continue its discussion of Downtown vibrancy at its Committee on Economic Sustainability meeting, which had been scheduled for 8:00 a.m. on December 13th.

0.03 Council Member Stegman Congratulates Vito The Pug for their Win at the National Dog Show. [\[24-0573\]](#)

Council Member Stegman said that "Vito the Pug", the first pug to win a national dog show, was from Chapel Hill. The Town would honor Vito formally in January 2025, she said.

0.04 Council Member Miller-Foushee Regarding Orange County Arts Commissions' Jeep Raffle. [\[24-0574\]](#)

Council Member Miller-Foushee encouraged everyone to support a jeep raffle that was raising funds for the arts in Orange County and for western North Carolina communities that had been devastated by Hurricane Helene. The raffle would run through December 19, 2024, and the winner

would be able to choose a jeep, or something else, or cash, she said.

0.05 Council Member Berry Regarding Playmakers.

[\[24-0575\]](#)

Council Member Berry congratulated Playmakers Repertory Theater for its world premiere of the Christmas Case of Hezekiah Jones. That play would run through December 15, 2024, she said.

REGULAR MEETING ITEMS

1. FY 2024 Audit Results.

[\[24-0561\]](#)

Director of Business Management Amy Oland introduced new auditors to present the Town's FY 2024 audit results. Tim Lyons, a partner with Mauldin and Jenkins, then provided background information on his firm and said that working with governments was the total focus of his work.

Mr. Lyons said that Mauldin and Jenkins had given the Town an unmodified opinion on its financial statements. There was no higher or better opinion, he said, and he commended the Town for continuing to be a low-risk auditee. He provided specifics on the Town's General Fund and Fund Balance and said that there were no indicators of concern.

Council Member Berry asked about several changes pertaining to compensated absences, and Mr. Lyons explained each. He pointed out that most of the changes would not introduce any new requirements or measurements for the Town.

This item was received as presented.

2. Second Reading - Council Consider Disbanding Certain Advisory Boards and Commissions

[\[24-0562\]](#)

Mayor Anderson explained that the item had received a simple majority (5-4) at the first reading on November 20, 2024. According to state law, an ordinance change could be enacted by a simple majority vote at a second reading, so the Council was considering it again, she said. She pointed out that the proposed ordinance change would eliminate eight Town advisory boards and commissions (B&Cs).

Mayor pro tem Ryan said that she would be sorry to see cuts to the Town's B&Cs, which she had always found to be useful. She mentioned positive contributions that several B&Cs had made to the Town and thanked all board members for their service.

Council Member Searing said he agreed with the need to reform B&Cs but did not support eliminating them. Council Member Sharp said that disbanding B&Cs would be premature because the Council had not done the appropriate groundwork.

Mayor Anderson said that the Council had been in agreement for a while that B&C needed to be reformed. But the Council was considering eliminating them without having a plan in place to demonstrate that meaningful and thoughtful engagement would be part of the process going forward, she said. She proposed holding one or two more Council work sessions before voting to eliminate the B&Cs.

Council Member Berry emphasized the ultimate goal of being more inclusive and said that a lack of that had been an ongoing problem. Disbanding B&Cs would mean ending one particular model, but the Council would forge ahead to find a way that all residents could be empowered to provide meaningful input, she said.

Council Member Nollert expressed enthusiasm for moving to a different model that would reach out to the broadest possible swath of community members and allow Town staff members to do what they were hired to do.

Council Member McCullough said that the Council had given B&Cs much thought over the past year and a majority of Council believed that merely reformatting them would not address the issues. She said there were many other avenues through which the public could provide input. The Council could always form new boards with realistic and actionable charges, if needed, she said.

A motion was made by Council Member Stegman, seconded by Council Member Miller-Foushee, that the Council enacted on second reading O-1, which would disband eight B&Cs and rely instead on staff-led equitable engagement and issue-oriented taskforces and working groups, as needed. The motion carried by the following vote:

Aye: 5 - Council Member Berry, Council Member Miller-Foushee, Council Member Stegman, Council Member Nollert, and Council Member McCullough

Nay: 4 - Mayor Anderson, Mayor pro tem Ryan, Council Member Searing, and Council Member Sharp

WORK SESSION ITEMS

3. Five-Year Budget Update

[\[24-0563\]](#)

Director of Business Management Amy Oland gave a high-level overview of the Town's evolving approach to five-year budget planning. She pointed out that it was very early in the process, though, and said that staff would provide more information as budget conversations continued in 2025.

Ms. Oland reviewed the Council's interest in having a longer-term

understanding of fiscal challenges and issues related to annual Town budgets. In 2019, it had established seven theme areas that represented its strategic goals and priorities, she said. She noted that staff had then spent months crunching numbers and estimating needs and had ultimately come up with a 135-page, highly detailed document. Despite the COVID-19 pandemic, staff had eventually been able to share a five-year plan summary with the Council in December 2021, she said.

Ms. Oland spoke about external and internal pressures that could impact the Town's budget and described the approaches that the Town Council had taken to addressing those in recent years. These included using Fund Balance or lapsed salaries to help balance the budget, she said. She presented a list of approaches the Town had taken to balance its annual budget over the years but pointed out that property taxes needed to be considered when those approaches were not enough.

Ms. Oland reminded the Council that the five-year budget strategy had recommended a property tax increase for the first two years. The Council had adopted a 5-cent increase in FY 2024 as well as a 1.5-cent for the GF and 0.5-cent cent for Transit in FY 2025, she said. She said that those property tax increases had allowed the Town to start funding its needs, to advance Council priorities, and to begin addressing backlogs.

Ms. Oland emphasized the importance of core services and talked about the need to pay salaries, provide resources to run operations, keep facilities and streets in working order, and replace aging fleets. Unexpected things happen, though, such as the current rapid and huge decline in sales tax growth, she said.

Ms. Oland proposed that the Council hold discussions about the potential impacts that an anticipated 2025 property revaluation by Orange County would have on the Town's FY 2026 budget. She said that rolling back to a revenue neutral tax rate (the rate that would generate the same amount of revenue as the previous year), would mean not being able to do anything new or add to the budget in 2026. The Council would actually need to make cuts in order to balance the budget, she said, but she pointed out that the Town was not required to adopt the revenue neutral rate.

Ms. Oland recommended that the Council not roll the tax rate back to revenue neutral. She said that revaluation would present an opportunity to leverage the Town's natural tax growth to address some significant ongoing needs and priorities. It would be a chance to rebalance property taxes while accounting for the current decline in sales tax revenue, she said. She said that it would be an opportunity to stop using Fund Balance and lapsed salaries to balance the budget and would likely minimize the need for annual tax increases between revaluations.

Council Member Miller-Foushee said that the discussion seemed premature

to her, but Town Manager Chris Blue replied that staff wanted to begin the conversation early because the revaluation would make the budget more complex.

Council Member Searing verified with Ms. Oland, who explained that sales tax revenue was currently down to 1 percent after having been at 5 percent, historically, and up to 12 percent during the COVID-19 pandemic. Inflation was one factor in the decline, but staff had not expected the change to be so severe, she said. She noted that sales tax revenue had been declining statewide. If the trend continued, there would be an approximate \$1 million decline in the Town's revenue, she said.

Council Member Sharp confirmed that sales tax revenue had declined over the recent five months and had not occurred during the Town's 2024 budget discussions. Council Member Nollert proposed that the Council's budget discussions address how the Town might increase its value and potentially offer more and higher quality services.

Mayor pro tem Ryan asked that the five-year budget present a "big picture", including the status of major needs, because there would have to be tradeoffs.

Council Member Stegman stressed the importance of having community agencies present information directly to the Council when it was making funding decisions. Council Member Sharp requested that future staff presentations show where Town needs and funds intersect. Council Member Berry asked to see revaluations back through 2009 that include how many times the Council decided to roll back to revenue neutral and how much revenue was lost when it did.

Mayor Anderson thanked staff for the hard work. It was going to be a tough and complicated budget cycle and starting early would lead to better outcomes, she said. She confirmed with Ms. Oland that staff would present a chart of what the actual five-year plan could look like. That could include supporting data showing what had been done, what the backlog was, and options for how the Town could address that, Ms. Oland said.

Mayor Anderson said that the Town's overall facility needs were not clear to her. She would like to see a facilities master plan with an overlay showing where the big expenditures would be along the way, she said. She noted that the property tax revaluation would be an opportunity but expressed concern about the amount of increases. She commented on the importance of having reasonable options so that the Council could understand the impacts when making decisions. Balancing the budget versus impacts on the community was always the Council's interest, she said.

Mayor Anderson asked if any Council Members' requests would be difficult or impossible to address, and Ms. Oland replied that staff was dependent on Orange County to provide information related to the revaluation. Differentiating between natural growth/new development and growth from revaluation impacts would be difficult, she pointed out. She said that staff could obtain some of the larger data, but that doing so would be extensive and time-consuming. She was interested in having departmental experts talk with the Council and provide data as well, she said.

Council Member Miller-Foushee and Ms. Oland talked about topics that Town departments might present for Council discussion. Council Member Sharp asked for information on how funding decisions regarding the Town's community partners would be made now that the Council had dissolved the Human Services Advisory Board.

In response to a question from Mayor Anderson about the incoming Trump Administration and its threat to cut federal funding to local governments, Ms. Oland recommended not making any decisions without actual data. If there were long-term cuts, then the Town would need to address its priorities at that time, she said. Mayor Anderson confirmed with Town Attorney Ann Anderson that it was not impossible for the federal government to renege on grants.

Mayor Anderson said, in summary, that the Council was interested in seeing a sales tax trendline and more information regarding tradeoffs and scenarios. The Council wanted to look at things through a strategic priorities lens and better understand the implications of not awarding something to an outside agency, she said.

This item was received as presented.

4. Rewriting Our Rules - A Land Use Management Ordinance (LUMO) Update

[\[24-0564\]](#)

Principal Planner Tas Lagoo gave a PowerPoint presentation that summarized the Council's policy discussions over the last year regarding the Land Use Management Ordinance (LUMO). His presentation addressed by right development, environmental protection missing middle housing and process improvements.

By Right Development (BRD). With regard to residential development, Mr. Lagoo proposed that the new LUMO lift the threshold for when a multi-family project needed to go through a rezoning process from 10 to 30 units. Doing that would open up BRD for small townhomes and apartment buildings, he said.

With regard to commercial development, Mr. Lagoo proposed that the new LUMO double the floor area limit, from 20,000 to 40,000 square feet, beyond which an applicant would need to come to the Council for a Special Use Permit or a Conditional Zoning. He said that the current 40,000 square-foot cap on land disturbance would remain, though, and might even be higher.

Mayor pro tem Ryan asked if existing zoning districts would be substantially increased in density, and Mr. Lagoo pointed out that staff did not currently have guarantees that a new zoning map would be adopted anytime soon. The Town would ultimately be able to consider a new pallet of zoning districts once the LUMO rewrite had been completed, he said.

Environmental Protection. Mr. Lagoo said that the new LUMO would help make Chapel Hill more sustainable, but it was only part of the Town's ecosystem of environmental protections. He pointed out that Chapel Hill's Resource Conservation District (RCD) buffer rules were above those of neighboring communities and beyond what the state mandated. The new LUMO would not change those rules but would significantly expand the 100-year storm standard, he said. He said that the LUMO would also require larger developments to contribute to the Town's tree canopy in a meaningful way, regardless of their size.

Mayor pro tem Ryan said that some RCDs did not achieve meaningful environmental goals or services and that she would support not treating all of them the same way. She would also like to see stormwater infrastructure included in the code, she said. She spoke in favor of repealing parking minimums and noted the need to figure out how to prevent downtown neighborhoods from becoming parking lots if more housing were allowed there.

Mayor Anderson and Mayor pro tem Ryan proposed strengthening some RCD buffers and deregulating less important ones, and Mr. Lagoo said that current mechanisms might address that. Mayor pro tem Ryan spoke about ways to incentivize building three or four housing units on a redeveloped lot, rather than a "McMansion". She also proposed making tree preservation rules more stringent for those who build large homes.

Council Member Sharp said that she had asked that enforcement of the Town's tree preservation ordinance be strengthened in the new LUMO with regard to large developments. She had also requested a link between updated landscaping standards and tree planting/preservation requirements, she said.

Council Member McCullough recommended that RCD changes be made on a case-by-case basis since restoring some stream sides could be an

opportunity to add stormwater protections, biodiversity and other environmental elements. Mayor Anderson asked if the broader Council was interested in a case-by-case scenario, and several Council Members said that they were but with caveats.

Mr. Lagoo pointed out, though, that property-by-property was not something the Town could do. He proposed addressing certain factors based on clearly enumerated standards in the ordinance and letting that play out on a property-by-property basis. Council Member McCullough clarified that her intent was to hold the RCD as sacrosanct unless certain, very limited criteria were met. Taking into account the ability for an RCD to be restored, any additional ways that the Town could utilize them would be beneficial, she said.

Council Member Berry confirmed with Mr. Lagoo that restoring streams in order to slow flow was not being considered for the LUMO. However, it could be among the items that would allow a developer to get a reduction in RCD buffers and the Town could look at investing in stream restoration in the future, Mr. Lagoo said.

Council Member Berry verified that the LUMO would have definite standards regarding tree species. She reconfirmed that missing middle housing with footprints smaller than 2,500 square feet would not be required to have stormwater management on site. She noted that she had expressed interest in holding single-family homes to the same standards as MMH, and Mr. Lagoo said that the 20,000 square-foot land disturbance threshold was intended to capture such single-family developments.

Mayor Anderson confirmed with the Town Manager that a Council work session in early 2025 would include a discussion of the Town's stormwater masterplan.

Missing Middle Housing (MMH). Mr. Lagoo reviewed the new LUMO's goal of expanding where triplexes, fourplexes and cottage courts could be built. That would go beyond planning by zoning districts to consider roadway networks, greenways, and other infrastructure where smaller scale MMH would be appropriate, he said. He pointed out that expanding by right development thresholds would open up opportunities for small apartment buildings and townhome developments as well.

Mayor Anderson asked if there was anything the Town could do to incentivize smaller units, and Mr. Lagoo replied that opening the door to more development and eliminating parking minimums was going in the right direction. Staff could look at other regulations as well, he said. Mayor pro tem Ryan noted that Chapel Hill charged hefty development fees in comparison to its peer communities.

Process Improvement. Mr. Lagoo reviewed how the new LUMO would reassign Special Use Permits and administrative decisions, eliminate concept plans, and simplify the permitting of small projects.

Some Council Members requested that staff provide them with items such as the Planning Commission's meeting minutes prior to Council discussions. Mayor pro tem Ryan said that making the Board of Adjustment responsible for Special Use Permits made sense to her as long as that was limited to small issues. However, most Planning Commission members had said they found value in reviewing concept plans, and she would like to see that continue, or at least be optional, for large projects, she said.

Council Member Sharp confirmed with Mr. Lagoo that discussion summaries from staff were intended to track informal conversations with the Council. Knowing the reasons why staff had not put a particular Council interest in that draft would be helpful to her, she said.

Director of Planning Britany Waddell commented that staff had not meant to ignore any Council comments but had to proceed with their professional discretion unless a Council vote told them to do otherwise.

This item was received as presented.

ADJOURNMENT

This meeting was adjourned at 8:45 p.m.