



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 Michael Parker
Council Member Jessica Anderson
Council Member Allen Buansi

Council Member Hongbin Gu
Council Member Tai Huynh
Council Member Amy Ryan
Council Member Karen Stegman

Friday, February 5, 2021 4:00 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.

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如需口头或
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务，请拨打
919-969-5105.

Roll Call

Present: 8 - Mayor Pam Hemminger, Mayor pro tem Michael Parker, Council Member Jessica Anderson, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Karen Stegman, Council Member Tai Huynh, and Council Member Amy Ryan

Other Attendees

Others present: Town Manager Maurice Jones, Deputy Town Manager Florentine Miller, Assistant Town Manager Mary Jane Nirdlinger, Town Attorney Ann Anderson, Assistant to the Town Manager Ross Tompkins, Business Management Director Amy Oland, Assistant Business Management Director Matt Brinkley, Director of Organizational and Strategic Initiatives Rae Buckley, Mayor's Aide Jeanne Brown, Davenport & Company LLC Presenter Ted Cole, Davenport & Company LLC Presenter Mitch Brigulio, Deputy Town Clerk Amy Harvey, and Facilitator Maggie Chotus.

Opening remarks [\[21-0093\]](#)

Mayor Hemminger called the virtual retreat to order at 4:05 p.m. She called the roll and all Council Members replied that they were present.

Facilitator Maggie Chotus led an ice-breaker exercise and outlined ground rules for the retreat. She said that retreat goals were: to gain a deeper understanding of the long-term budget framework, to increase consensus around priorities for the coming year, and to identify steps for having more

effective and efficient Council meetings.

Debt and Capital Plan Overview

[\[21-0094\]](#)

Business Management Director Amy Oland gave an overview of the Town's capital needs and its available debt capacity. She presented information on current and planned debt, capital needs and expenditures, funded and unfunded capital improvement projects (CIP), and the status of several bonds.

Ms. Oland discussed projects that were typically funded by General Fund transfers and/or borrowing and those that received funding from outside sources. She pointed out that the Town's unfunded CIP list was comparable to other similar towns and municipalities.

Ted Cole, a financial adviser with Davenport and Company LLC, gave an overview of the Town's financial profile and its capital planning program. He praised the Town for having an AAA credit rating and a "very deliberate and well-thought-out debt management program". He pointed out that about 80 percent of the Town's General Fund debt would be paid off in about 10 years, based on current policy.

The Council and Mr. Cole discussed the status of several large projects that were in process or about to start. They talked about assumptions and impacts related to the Rosemary Parking Deck and whether or not refinancing some debt would make sense.

Mr. Cole mentioned some of the key ratios that outside agencies use to evaluate town decisions related to debt. He said debt was important but not the biggest driver of a town's credit rating. He provided a breakdown of Chapel Hill's debt commitments and the revenue sources that had been identified to repay them. He reviewed some of the capital projects that the Town was considering and discussed how they would fit into those obligations.

The Council and Mr. Cole talked about funds that could be leveraged, if needed. He said that Chapel Hill had managed the COVID-19 pandemic well and was in a strong financial position. The Town's debt was reasonable, there was a clear and deliberated budgeting plan, and Town policies were solid, he said.

Ms. Oland recommended holding off on any major expenditures until there was a better sense of the financial factors that were still unknown. However, Council Members clarified that it was reasonable to start those conversations.

Council Members pointed out that the Town was not compelled to issue

bonds, even though it could choose to do so. They discussed how more COVID recovery funds were expected from the federal government and noted the importance of being able to adjust quickly if/when that money became available.

Mayor Hemminger commented on how investing in economic opportunities could generate revenue that could be used elsewhere. With interest rates so low, it was a great time to borrow money, she pointed out. She cautioned, however, that the Council needed to plan strategically and keep the need for capacity to pay back in mind.

Continued Debt and Capital Plan Discussion

[\[21-0095\]](#)

The Council took a ten-minute recess. When they returned, Mayor Hemminger and Mr. Jones discussed Town buildings that needed to be replaced and/or repaired and other projects, such as solar roofs, that would be part of the 10-year CIP. Ms. Oland offered to send Council Members a list of all CIP projects and timelines.

The Mayor and Council discussed the importance of having a long-term plan and a schedule for redevelopment and maintenance of public housing property. They discussed restrictions and requirements associated with CARES Act funding and how those might change with the second allocation. They addressed how CARES Act money, Community Development Block Grant funds, and financial assistance from Orange County would all help to support the community recover from COVID-19.

Some Council Members spoke in favor of having a CIP rating system that would prioritize different projects based on urgency of need. Having a more comprehensive view of total unfunded needs and a system that would match funding with completion dates was also discussed.

Video celebrating successes of 2020

[\[21-0096\]](#)

The Mayor and Council watched a video about 2020 successes despite the pandemic and the coordinated approach that the Town had taken with community partners to address COVID-19.

Mr. Jones thanked the Council and all employees for working so hard during such difficult circumstances. He thanked the Town's regional partners as well for coming together to keep the area strong.

Mayor Hemminger said that the Town had demonstrated that doing things differently could sometimes lead to better outcomes. She stressed the importance of celebrating successes, and she expressed pride in the Town's 700-member team. The Triangle region was expected to be one of the areas that would recover fastest from the pandemic, she said.

ADJOURNMENT

The meeting was recessed at 6:53 p.m. on Friday, February 5, 2021, to reconvene at 9 a.m. on Saturday, February 6, 2021.