



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

Saturday, February 4, 2023 8:30 AM Sheraton Hotel

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

Interim Town Manager Chris Blue, Deputy Town Manager Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Business Management Director Amy Oland, Assistant Business Management Director Matthew Brinkley, Affordable Housing and Community Connections Director Sarah Viñas, Communications and Public Affairs Director/Town Clerk Sabrina Oliver, Economic Development and Parking Services Director Dwight Bassett, Public Housing Director Faith Brodie, Transit Director Brian Litchfield, Assistant to the Town Manager Ross Tompkins, Building and Development Services Director Chelsea Laws, Executive Director Cultural Arts and Culture Susan Brown, Fire Chief Vence Harris, Human Resource Development Director Cliff Turner, Interim Parks and Recreation Director Atuya Cornwell, Police Chief Celisa Lehev, Public Works Director Lance Norris, Technology Solutions Director/CIO Chris Butts, Senior Ombuds Anita Badrock, Community Sustainability Manager John Richardson, Senior Project Manager Sarah Poulton, Diversity, Equity, and Inclusion Officer Shenekia Weeks, MPA Intern Lauren Williams, Community Relations Manager Shay Stevens, Emergency Management Coordinator Kelly Drayton, Planning Director Britany Waddell, Mayoral Aide Jeanne Brown, Dispute Settlement Center, Meeting Facilitator

Maggie Ellis Chotas, Communications Manager Ran Northam, and Deputy Town Clerk Amy Harvey.

Reviewing plans for the day

The Mayor called the meeting to order at 9:03 a.m. Attendees introduced themselves. Ms. Chotas facilitated the session and reviewed the meeting ground rules.

1. Focusing on Finances.

[\[23-01
09\]](#)

Interim Town Manager Chris Blue welcomed the Town's future Planning Director, Britany Waddell. He also noted that some department heads would present information about the 2024 budget discussions. Mr. Blue presented the timeline leading up to this year's budget planning. It will continue the hard truths, things that can't be delayed, and addressing the unfunded needs, lack of staff resources, and rising expenses, he said. Mr. Blue reiterated that people, services, facilities, fleet, and housing are the 5-year priorities.

Community Arts & Culture Executive Director Susan Brown introduced the top priority: people. Ms. Brown said, to deliver excellent services to residents and move the needle on Council interests and those of the Town, we must do four things: (1) recruit and retain top people at all levels, (2) pay employees equitably, fairly, and competitively, (3) ensure they have the resources, tools, equipment, and training they need, and (4) grow our workforce and increase our capacity, she said.

Ms. Brown shared some recent conversations with employees about the challenges and recognized that these are the same struggles in the broader community. She acknowledged that the Town tends to be a training ground for employees who leave for better pay or benefits.

The recent Class and Compensation study and phase one implementation was a good start, Ms. Brown said. This priority would cost \$2.5 million and would support recruitment/retention and add 15 new positions over the next five years.

Building and Development Services Director Chelsea Laws introduced services as the second priority. Staff need tools, equipment, and a variety of contracted services, she said. Ms. Laws discussed how departments have absorbed increasing service costs in past years, but this isn't a sustainable practice, and causes departments to consider where it can cut services, she said.

During COVID, many departments could leverage federal funding sources to support some programs and initiatives. However, much of

this funding will sunset and the community still needs the services, she said. Ms. Laws said that this priority would cost \$2.25 million and would start to address the service needs.

Public Works Director Lance Norris conveyed the \$1.59 million five-year cost to start to address the facilities priority. A 2017 comprehensive facility study recognized a \$10.1 million facility backlog, he said. In 2018 and 2019, the Town started to address this backlog by asking other departments to share in the expense and assembled \$472,000 to address some needs. However, Mr. Norris shared that the current budget only funds 3% of the Town's building maintenance needs. In addition to existing facility maintenance, the Town also needs new buildings for Police and Fire, he said.

Interim Parks and Recreation Director Atuya Cornwell discussed the capital improvement needs, including the recent skate park review, shovel ready projects like the Cedar Falls tennis courts, interest in a new teen facility, pickleball, splashpad(s), and greenways. Mr. Cornwell shared that there is an opportunity to respond to the current emerging and future community interests.

Fire Chief Vence Harris shared that the fire stations and trucks are failing, which psychologically affects employee wellness. Three fire stations no longer adequately meet the needs. Major infrastructure failures occur that cause the Town to shut these stations down for extended periods, he said. Chief Harris said, the Town provided coverage through mutual aid agreements, but not to the Town standards which affects the residents, he said. Chief Harris said that staff will share a plan for replacing trucks and replacing stations and he asked for Council support.

Community Sustainability Manager John Richardson and Police Chief Celisa Lehw outlined the fleet (excludes Fire Trucks and Buses) replacement priority. Mr. Richardson stated that about 53% of the nearly 400 vehicles are at due or past due for replacement. This means the Town spends more time and money on maintenance. Mr. Richardson stated that allocating about \$2.1 million over five years will accomplish two important things: put us on a path to a normal electric vehicle replacement cycle which is a clean technology path and helps us meet the Town's climate action goals.

Affordable Housing and Community Connections Director Sarah Vinas introduced the affordable housing initiatives as the final priority. Locally last year, rents increase by 14%, and home values are up 19%, she said. Development costs continue to increase due to inflation, which is causing tax credit projects across North Carolina to need several million dollars more in subsidies to become viable. Ms. Vinas stated that there is ongoing urgency around recognizing

the need for over 5000 units of affordable housing for households at 60% AMI and below. This at a time when the Town has allocated all its substantial affordable housing resources, she said. She also described the \$30 million backlog that would allow the Town to support town initiatives and public housing redevelopment projects that are already in the pipeline, implement our preservation strategy for affordable housing, and support ongoing initiatives like the Community Home Trust and the Partnership to End Homelessness. Ms. Vinas reiterated the Council's interest to increase the affordable housing development reserve to a full penny or increase it by over \$286,000.

Mr. Blue acknowledged the large amount of information and the somewhat overwhelming need. To develop the recommended budget, the staff needs to understand the Council's appetite for a tax increase in FY2024, he said. Mr. Blue noted that the Town can't raise fees to meet this need, but instead needs a regimented tax increase plan. He showed charts indicating the impact of a penny on taxpayers and on the general fund, noting the revaluation tentatively planned for 2026. Mr. Blue also recognized that the school system and county taxes also impact the taxpayer, but are not under the Town's control, and Town taxes, taken alone, haven't increased dramatically in a few years. Staff prepared a few scenarios to address these truths and advance these priorities to gauge Council's interests, he said.

Business Management Director Amy Oland set the stage for the scenarios, noting that the scenarios do address the general fund needs, not the enterprise or debt fund needs, do include cost of living increases for employees, but not inflationary increases for operations, that the no tax scenario will mean negative impacts on current operations, and that the multiple priority scenarios will start to catch us up, but won't fully address all needs. The scenario to address multiple priorities was developed with a goal to provide some funding for each priority line. This was the only scenario that included a Council initiatives line to handle things that came up outside the budget process, or for a one-time project, she said. The focus on services and staff scenario includes continued support for the class and compensation study implementation, 15 new positions and some funding for program increases. The focus on facilities and fleet scenario rebuilds pay-go funds for facilities, increases fleet replacements, and funds parks and fire capital projects. The focus on parks and housing scenario allocates one penny in FY24 and ongoing funds to maintain it. Ms. Oland concluded the scenarios with a no tax increase, which includes employee benefit increases, but nothing new and departments may need to slow or stop services as costs increase.

Council shared the following feedback.

General Feedback

- Appreciate presentation - liked approach
- Stark and not sugar coated- appreciate direct information
- Personal touch to see different staff present and personalized employee perspective
- Take holistic approach, not one piece at a time.
- Talked about idea of five-year budgeting for years, now seeing potential reality
- Known expense is greater than income for years, and unsustainably dealt with using short term measures
- Don't want to force lower wealth community members out of the community
- Don't expect Orange County to propose a tax increase this year
- Expect the State to reduce funding
- Need funds from outside sources
- Acknowledge residents looking at the total (Orange County, Chapel Hill-Carrboro City Schools, and Chapel Hill combined) tax amount when considering living in Chapel Hill vs neighboring communities with lower amounts.
- Heard values in our budget
- Important to think about tradeoffs- for example Advisory Boards - want engaged community and recognize large staff time to support the boards may create work-life imbalance.
- Many council members expressed support for the mixed scenario
- Acknowledged the need for tax increase this year
- Prefer financials a few days in advance

Questions

- What can we stop doing, just because we've always done it, which may contribute to burnout?
 - What services can we stop and what are the associated savings amount?
 - How can we refine and clarify advisory board charges? Consider changing their focus to policy making/level decisions rather than advising council on development review applications.
 - How can we increase efficiency to achieve fiscal wellbeing? (More bang for buck)
 - Want to understand the numbers staff used to generate the backlog cost totals
 - If we do the mixed scenario, what are we still not doing?
 - What is the plan for financial sustainability?
 - How do the staff identified priorities align with Council priorities?
- Are we aligned?
- How are projects and initiatives aligned with the budget?
 - What are some options to gain savings, such as by delaying (capital) projects?
 - What assets can we sell?
 - How can we generate revenue from private donors (for

conservation easements)?

- How/Where can we build public-private partnerships? Especially for non-essential needs.
- What do employees need to be taken care of in a holistic way?
- What does adding 15 new staff mean?
- What is the scenario if we met all the backlog over the next five years? If not in five years, then when?
- Add a line to the scenario table that shows the full tax rate for each fiscal year
- What is the median residential and commercial property valuation and the impact of a penny on those values? And include that on the scenario table. Also add a line to show the tax rate for a few peer cities with similar services for comparison perspective.
- What are the current numbers on our incentive program? What projects are rolling on to the tax base and when?
- How can we get information on approved projects, like Cedar Falls Park, that continue to need additional funding approvals in a holistic way - when will we accomplish funding to implement the project?
- When will we get the grant writer, or can we contract out in the interim?
- What does the process look like to address emerging and urgent needs for the most vulnerable residents?
- Who can we prepare for future pandemic-like challenges?
- How can we see the interplay between capital and operating costs to know where its more appropriate to borrow?
- What are the debt service fund needs? What are long-term capital needs? Include all places a tax increase may occur.
- Will staff develop a (quick) interactive way (spreadsheet) to play with the values/costs to understand the changes?
- Who benefits, who is left out, who is harmed?
- Who is waiting the longest? May help with prioritizing. Balanced with new but critical need.
- How can we structure work sessions differently? More interactive. Small group activities. Council member discussions rather than round robin. Drill down for a bit to generate ideas but reflect when in the weeds. Use technology, as available to see if we ... then we see ... impacts. Council members accept the "knowns" and focus on things that Council members can change. Put facilitation up front and focus on outcome(s).
- How do we think about larger one-time replacements as reoccurring X number per year costs?
- How do we treat tax structure during the revaluation? Consider planning for non-revenue neutral to maintain revenue value generated from new development.

Topics elevated for future budget consideration

- Affordable Housing
- Parks
- Employee resources

- Grow tax base
- Continue County financial agreement and obligation conversations
- Include Transit in budget discussions, NSBRT will have increased costs
- Complete Community establishes vision, commits to infrastructure work
- Cultural Arts
- Incentive program
- Diversity, Equity, and Inclusion (DEI) lens
- Cost of Services, think of as additive layer for long-term.

This matter was received and filed.

Focusing on Strategic Objectives.

[\[23-01
10\]](#)

Ms. Chotas reviewed the strategic objectives materials from the packet. These objectives set clear policy level priorities for the next two years. The Council took a break between 11:08 and 11:22 AM.

Deputy Town Manager Mary Jane Nirdlinger quickly reviewed the strategic initiatives accomplished during FY 2022-2023 and initiatives being considered for FY 2023-2025. The FY2-23-25 strategic initiatives will be updated to support the Council's Strategic Focus Areas and Goals and the FY 23 budget. Reporting for future initiatives will be linked to Department Business Plans, she said. Ms. Nirdlinger reiterated that the Council already has good theme (or focus) areas with minor modifications. Staff provided a draft Town Strategic Focus Area and Goals for FY23-25, which includes the adopted and suggested strategic focus areas, goals, core departments, and adds the Complete Community framework connections. Today the Council will help to refine, and then formally adopt them at a future Council meeting, she said. Ms. Nirdlinger also noted the Complete Community Framework implementation schedule displayed. Staff will bring information to streamline application process on February 15.

The Council provided the following initial reactions.

- It is important to see the connections, as well as the individual parts. For example, seeing how housing choice and climate action relate and the departments that are connected.
- When thinking about the business plans, want to see dashboard type (matrix) tracking included. How does the Council include large initiatives (Affordable housing study -missing middle units)? Ms. Nirdlinger asked Council members to include on the post-it notes during the next activity, for incorporation into the business plans. Also, how to reconcile information from outside sources.
- Need Complete Community vision to express what this Council is trying to achieve for the future. Link goals to Complete Community.
- How does the Council ensure a connected community that shows

that it is safer and more than isolated neighborhoods?

Council members participated in an activity where they affirmed the Strategic Focus Area(s) or noted changes, concerns, and/or initiatives to add to the focus area page. The Council also broke for lunch and resumed at 12:55 PM.

Ms. Chotas stated that the goal was to get some clarity around what Council members shared. Ms. Nirdlinger noted that she saw a few places to add a new goal. She also saw that Council members highlighted many initiatives/projects or connections to initiatives that are underway for the next few years. Some comments felt like they belong in an overarching vision statement. Others were about location inquiry or direct questions that staff can respond and the Town Manager will provide, she said.

Council members affirmed that they broadly agreed with and that there was nothing to remove from the Town Strategic Focus Area and Goals for FY23-25. Council members also shared:

- The Complete Community work is affirmed within the focus areas and goals.
- Council is working toward outcomes.
- Recognize that staff will apply the DEI lens layer to their recommendations. An interest that the Council apply the DEI lens to Council decisions where outside data is used. Include the DEI layer to the vision statement so it is applied in all focus areas, not just the ones that were included as a core department.
- What is the length of the revive initiative? Is there a gap between community economic development/impact interests and the economic strategy that Council may want to discuss?
- Suggested goal changes should be made based on Council consensus rather than a single member interest.
- Update Safe Community focus area language to reflect a holistic safe community, that shows that the Town treats people equitably and with dignity, in addition to property interests. Make people both feel and be safe. Safe and Healthy Community.
- Need an introduction or overarching vision statement that guides its work, includes broad decision-making principals, such as DEI, and explains how to use the Focus area and Goals. Explain the why (background or problem statement) for each section
- Are there any principles that are important to the Council about how it makes decisions that aren't reflected?
- Several things that didn't fit to include, parks and recreation, teen center
- Maybe add a facility goal to Vibrant and Inclusive community
- Enhancing community wellbeing - may connect some of the parks and recreation, teen center, summer camps elements and may connect with the Safe Community area.
- Recognized that some core services (primarily internal services)

are on-going and don't have current goal because they support the other goals.

- Articulate how it is inclusive, children to seniors, include physical and mental disabilities. As the Town develops facilities think about non-able body perspective, vision-zero.
- Permission to suggest a different framework if something else would work better.
- Need orientation for new council members to get updated on the focus areas. Don't want to slow down the Council's work

Ms. Nirdlinger reiterated next steps and affirmed that after adoption staff will continue to connect its work and recommendations to the Council Focus areas and Goals.

This matter was received and filed

Wrapping Up.

[\[23-01](#)
[11\]](#)

Ms. Chotas checked in on the meeting ground rules, in what Council is doing well, what things need change.

+ (Positives)

- Listening, affirming, hear and build
- Structure to allow back and forth and find common ground
- Conversation, not speeches
- Increased generosity in how we listen
- Jumping in taking advantage of time together
- Talking more about what, not how to solve the problem
- Staff coming, hearing from them, and engaging

Δ (Changes)

- At all levels, listen, but not having solution dictated
- Interests, not positions
- Work sessions look differently
- General public experience what staff does
- Code of conduct for all participants

Council members identified three things they wanted to accomplish over the next two years. After listening to each and grouping like things together the following were the major areas:

- Everywhere to Everywhere
- Land Use Management Ordinance (LUMO) rewrite
- Complete Community/Equity
- Funding
- Affordable Housing
- Parks and Greenspace
- Financial Sustainability
- Council Roles and Guardrails
- Multi-mobility

- Equity
- Downtown

Council members then reflected:

- There is a lot of agreement on the list, but Council doesn't spend a lot of time discussing these areas. Instead spending a lot of time on development review.
- Misalignment on stated priority and use of time.
- Processes were constructed to subvert development.
- Request staff advice to help Council have time to focus and deliberate on priorities while the LUMO is being rewritten. Feb 15 staff will propose some initial information.
- Culture shift.
- Feel like Council is doing transformative work. The Council needs to bring the community along, build and implement a strategy.
- Acknowledge a continuum for streamlining. The Blue Hill Form Based Code is the most streamlined structure. It was developed to quickly create more commercial opportunities. It has generated more apartments. Many existing residents are unhappy and disenfranchised.
- Doing nothing is not an option.
- Form-based Code is a tool, and in this case may have missed the advanced planning. Complete Community is a vision, which is different.
- Need to build in evaluation and iterate as the Town creates changes/new processes.

Parking Lot and Potential next steps.

Ms. Chotas reviewed some of the parking lot ideas and potential next steps.

- Grant Position -- (What) Council's interest is in increased outside funding. (How) The Town Manager will identify how to attain a grant writer or other mechanism to meet the interest.
- Code of Conduct - review information/explore options report back to Council - Council Members Parker and Miller-Foushee, and Town Attorney Anderson
- Defining Roles - Review/Clarify Council, Town Manager, advisory board roles. Town Manager defines Department Heads role and relationships - Town Manager - Output codified in the Council Procedures Manual.
- Advisory Boards - review board charges, align with Town Strategic Focus Area and Goals, which includes the Complete Community Framework, review with an equity lens, recognize that many boards established to execute the LUMO processes, which are being changed because that tool isn't equitable for the board to advise Council, recognize Council's interest to shift to policy level decision making. - Town Manager to provide some initial development application steps at the Feb 15 meeting, identify staff to review all

board charges, and make suggestions to the full Council or the Council Committee on Boards and Commissions.

- Transparent processes for project/initiative-tracking - Town Manager will work with Departments to track the initiatives, projects, and core services in the business plans. These will be updated quarterly and posted to the website.
- Transparency/Council Agenda Setting - How do things become a project/initiative/agenda item? Time-sensitive things from other jurisdictions, Council member petition process, minority-interest petitions. Council Procedure Manual process. Need communication when an agenda item is moved, or a topic that is prioritized over another, and why. - Town Manager and Attorney - Clarification needed
- Council Preferred Communication Method - Timeliness/responsiveness needed - Town Manager will collect preferred method.
- March 15 is a budget work session
- Introduction or overarching vision statement ideas for Town Strategic Focus Area and Goals for FY23-25 -- Provide comments to Deputy Town Manager Nirdlinger, and Town Manager
- Build in an orientation for new council members to get updated on the focus areas.
- Staff will return with a revised Town Strategic Focus Area and Goals for FY23-25.

The Council concluded with a one word or phrase activity, by reflecting: Transformation, vision, cultural shift-transformation, clarity, understanding, culture shift-importance of leadership, meeting new staff, moving forward, reaching, meaningful collaboration.

This matter was received and filed

ADJOURNMENT

The meeting adjourned at 2:53 p.m.