



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

Wednesday, April 16, 2025 6:00 PM Library, Meeting Room B

Language Access Statement

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

ဘာသာပြန်ဆိုခြင်းနှင့် စကားပြန်ခြင်းအတွက်၊ (၉၁၉) ၉၆၉-၅၁၀၅ ကို ဖုန်းခေါ်ပါ။

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

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如需口头或
书面翻译服
务，请拨打
919-969-5105.

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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April 16, 2025

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

Interim Town Manager Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Planning Director Britany Waddell, Strategic Communications and Marketing Director Susan Brown, Affordable Housing and Community Connections Director Sarah Viñas, Business Management Director Amy Oland, Police Chief Celisa Lehw, Economic Development Director David Putnam, Technology Solutions Director Chris Butts, Diversity, Equity, and Inclusion Officer Shenekia Weeks, Public Works Director Lance Norris, Business Management Assistant Director Matt Brinkley, Solid Waste Services Manager Wendy Simmons, Manager of Engineering & Infrastructure Chris Roberts, Chief Of Staff Jeanne Brown, Human Resources Director Anita Badrock, Parks and Recreation Director Atuya Cornwell, Library Director Atlas Logan, Town Clerk Brittney Hunt, and Deputy Town Clerk Amy Harvey.

OPENING

Mayor Anderson called the work session to order at 6:00 p.m. and reviewed the agenda. She informed the attendees that there would be an opportunity for public comment on the Town's FY 2026 budget at the Council meeting on April 23rd.

AGENDA ITEMS

1. Orange County - 2025 Revaluation Presentation

[\[25-0160\]](#)

Orange County Tax Administrator Nancy Freeman and Deputy Tax Assessor Chad Phillips presented an overview of the recent county-wide revaluation process, which updated real property values to 2025 market value. They noted that while North Carolina statute mandates a revaluation every eight years, Orange County conducts revaluations every four years. They compared Orange County's revaluation process with other counties in the state.

Ms. Freeman reported that Chapel Hill's total tax base is 71.8 percent residential and 28.2 percent commercial property. The values of these properties increased by 53.4 percent and 30.2 percent, respectively, resulting in an overall increase of 46.1 percent. The revenue-neutral tax rate for Chapel Hill, which would maintain the same property tax revenue as the previous year, was set at 44.2 cents. State statute requires all counties to publish a revenue-neutral tax rate during revaluation years, though adoption is not mandatory.

Ms. Freeman discussed the County's outreach and education efforts and

provided details on the appeals process. The Council confirmed with Mr. Phillips that commercial growth in Chapel Hill has historically been slower than residential growth and requested further information on the reasons for this discrepancy.

Council asked questions and expressed concerns regarding residential versus commercial units, appeal numbers and statistics, disconnect between market-driven prices and housing values, and any class or racial disparities.

Ms. Freeman also outlined the County's tax exemption and deferral programs, which are detailed in tax bills. She provided resources for residents, including the email reval@orangecountync.gov, live chat at www.orangecountync.gov/departments/tax/, and a phone number (919-245-2100, Option 2) for specific questions.

This item was received as presented.

2. FY2026 Budget Development Update: Data, Scenarios, and Tradeoffs

[\[25-0161\]](#)

Interim Town Manager Mary Jane Nirdlinger began the presentation on the FY 2026 Town Budget by highlighting a larger-than-expected revenue/expenditure gap. She reported that total revenue, primarily from property taxes, was \$86,613,138, while departmental budgets totaled \$89,335,305, with employee cost increases at \$2,946,237 and operating costs up by \$1,093,803, leading to a budget gap of \$6,762,207.

Ms. Nirdlinger reminded Council that they had previously inquired about an 8-10 percent across-the-board budget reduction, which would require approximately \$8.9 million in cuts from the General Fund and about \$3 million from the Transit Fund. She noted that such a reduction would involve significant cuts to staff, programs, and services.

Business Management Director Amy Oland discussed the impact of Orange County's 2025 property revaluation on the Town's FY 2026 budget and highlighted revenue generated from one cent on the tax rate has increased from \$976,000 in FY 2025 to \$1,321,000 in FY 2026. Ms. Oland discussed the impact of property revaluation on residential and commercial tax bills and compared Chapel Hill's approach with other jurisdictions in Wake County. She presented a chart showing their revenue-neutral rates and adopted rates.

The Council confirmed that the budget imbalance was due to increased costs and reduced revenue, and noted that staff had not anticipated the \$1.6 million decline in sales tax revenue and that personnel savings from lapsed salaries could no longer be relied upon. Council Member Searing highlighted that Chapel Hill residents would also face increased school

and County taxes, and higher stormwater and solid waste fees. Ms. Oland noted that the Council could influence taxes and stormwater fees.

Ms. Nirdlinger presented four tax scenarios for the Council's consideration:

1. Revenue-neutral rate of 44.2 cents.
2. Revenue-neutral plus reduced base budget, setting the tax rate at 46.7 cents.
3. Revenue-neutral plus base budget, setting the tax rate at 49.2 cents.
4. Base plus, setting the tax rate at 52.7 cents to address all needs in the Town's five-year plan.

Ms. Nirdlinger asked the Council for feedback on their preferred scenarios and guidance on setting the FY 2026 tax rate, whether to apply resources across the board or target specific areas, and potential service reductions.

Ms. Nirdlinger explained that Scenario 3, which includes a 3 percent annual pay increase for Town employees and \$1 million in cuts, assumes a 2 percent increase in sales tax growth. She noted that "easy" cuts would total \$345,000, but more substantial cuts would be needed to reach \$1 million.

Council Members emphasized the importance of maintaining essential and social services and discussed the need for trade-offs, including deferring some Town plans. They strongly supported fully equipping the Police and Fire Departments and allocating funds for street repair. They also discussed alternatives to raising employee salaries, such as giving time off or a 3 percent raise, and praised creative cost-saving ideas from Town departments, like discontinuing free leaf collection.

Council Members discussed various strategies to address the budget gap, including holding the NC Department of Transportation and private landowners accountable for road maintenance, adjusting outside agency funding, and emphasized the need to provide assistance to those who would be impacted. Mayor Anderson expressed a strong desire to avoid layoffs and overworking Town staff, suggesting a temporary hiring freeze and praising creative cost-saving ideas from Town departments.

This item was received as presented.

ADJOURNMENT

The meeting was adjourned at 9:46 p.m.