

**DRAFT SUMMARY MINUTES OF A WORK SESSION
OF THE CHAPEL HILL TOWN COUNCIL
TOWN OPERATIONS CENTER, PUBLIC WORKS, BUILDING 2, CREW ROOM
WEDNESDAY, JANUARY 9, 2013 AT 6:00 P.M.**

Council Members Present: Mayor Mark Kleinschmidt, Mayor pro tem Ed Harrison, Council Member Donna Bell, Council Member Matt Czajkowski, Council Member Laurin Easthom, Council Member Gene Pease, Council Member Lee Storrow, and Council Member Jim Ward.

Council Member Absent: none

Others present: Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Interim Library Director Mark Bayles, Assistant Library Director Meeghan Rosen, Business Management Director Ken Pennoyer, Business Management Assistant Director Jeanne Tate, Budget Manager Matthew Brinkley, Director of Policy and Strategic Initiatives Mary Jane Nirdlinger, Management Analyst Sarah Viñas, Project Facilitator Bruce Heflin, Chief Information Officer John Bjurman, Assistant to the Town Manager Jason Damweber, Manager's Intern Ben Chambers, and Acting Town Clerk Amy Harvey.

AGENDA ITEMS

Mayor Mark Kleinschmidt called the meeting to order at 6:00 p.m.

Item 1: Priority Budget Update

Business Management Director Ken Pennoyer provided an update on the Town's financial outlook and the development of a priority-based budgeting system designed to guide FY2013–14 decisions. He noted that while the Town's revenues have improved, overall economic growth since 2008 has been slow, with rising costs (e.g., fuel and healthcare) limiting the pace of recovery. He highlighted "big rocks" still shaping the budget—solid waste disposal, expanded library operations, transit sustainability, retiree health funding, capital investments, and pay/class implementation—and explained how priority budgeting ties these issues to explicit Council objectives.

Council discussed the framework for ranking 25 budget objectives and how program relevance would be assessed across departments, including attributes such as mandates, revenue offsets, and population served. Members emphasized the importance of clearly defining objectives and understanding overlaps across programs (e.g., stormwater rates and parking fund sustainability). Mayor pro tem Ed Harrison raised the need for a stormwater rate increase; Mr. Pennoyer indicated program categorization work was ongoing. Council also discussed the parking fund's near-term solvency, noting that without adjustments it could not sustain planned operations; the approach is to set rates based on demand while refining projections as new facilities come online.

Staff described next steps: each Council Member would select 9 of 25 objectives, which would then be aggregated into High/Medium/Low tiers to guide the Manager's recommended budget. Public input would be collected via a website survey, alongside forums and hearings. The

schedule anticipates deeper review at the February Council Retreat and subsequent budget milestones.

Item 2: Draft Compensation Philosophy

Town Manager Roger Stancil presented a draft compensation philosophy developed with The Waters Consulting Group to support recruitment, retention, leadership development, and high performance. The philosophy envisions competitive total compensation, equal consideration of compensation alongside operating and capital needs, and incentives for outstanding service, performance, skill development, teamwork, and goal attainment—while acknowledging constraints from economic and budget realities.

Council discussion focused on translating the philosophy into consistent practice, minimizing bias, and ensuring employees understand how performance metrics align with recognition and pay. Members emphasized the importance of formal and informal learning, adding explicit recognition to incentives, and clarifying how longevity, time-in-grade, and market comparisons (including differences between local government and private sector labor markets) would be handled. Staff noted ongoing efforts: performance evaluation systems linked to goals/values, employee engagement surveys and focus groups, and policy reviews to ensure clarity and consistency.

Item 3: Library Update

Town Manager Roger Stancil provided an update on the new library operations. Mayor Kleinschmidt and Library Assistant Director Mark Bayles described the expanded library's growth, programming potential, and operational needs. Staff outlined operating cost scenarios and alternatives such as reduced hours or partial closures, noting trade-offs for safety and service. Technology solutions (e.g., self-service points and RFID) and service-desk coverage were discussed, with an acknowledgment that demand is expected to rise. Council support coalesced around easing into full operational costs rather than full funding at opening, calibrating hours and services to actual demand, and refining cost projections prior to critical decision points.

The meeting adjourned at 8:18 p.m.

Brittney Hunt
Town Clerk