

**DRAFT SUMMARY MINUTES OF A WORK SESSION
OF THE CHAPEL HILL TOWN COUNCIL
WEDNESDAY, MARCH 16, 2016, AT 7:00 PM**

Council Members Present: Mayor Pam Hemminger, Mayor pro tem Donna Bell, Council Member Jessica Anderson, Council Member George Cianciolo, Council Member Ed Harrison, Council Member Nancy Oates, Council Member Maria Palmer, and Council Member Michael Parker.

Council Member(s) Absent: Council Member Sally Greene.

Staff members present: Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Business Management Director Ken Pennoyer, Planning and Sustainability Executive Director Mary Jane Nirdlinger, Parks and Recreation Director Jim Orr, Police Officer Rick Fahrer, Budget Analyst David Finley, Business Management Assistant Director Amy Oland, Mayoral Aide Jeanne Brown, Fire Marshal Dace Bergen, Development Manager Gene Poveromo, Deputy Town Clerk Amy Harvey, and Communications and Public Affairs Director and Town Clerk Sabrina Oliver.

AGENDA ITEMS

Mayor Pam Hemminger opened the work session at 7:01 p.m.

1. Capital Program Status Report.

Business Management Director Kenneth Pennoyer presented an overview of the Capital Improvement Program (CIP), explaining how the Town evaluates capital needs and prioritizes projects using master plans, Council goals, community surveys, and departmental requests. Mr. Pennoyer summarized the Town's primary funding mechanisms, including general obligation bonds, installment financing, grants, and pay as you go funding. Mr. Pennoyer reviewed the Town's debt fund capacity and described how debt issuance scheduling must consider cash flow, overall funding availability, and project management capacity. Mr. Pennoyer also discussed the sequencing of projects and highlighted considerations such as compatibility with related public infrastructure projects and the coordination required to avoid delays.

Budget Analyst David Findley demonstrated the capital program's online monitoring tool and reviewed the Town's long term debt profile, noting that 77.9 percent of existing debt was payable within the next ten years. Council members discussed next steps, including continuing interim project planning and preparing for the first issuance of referendum approved debt in 2017.

2. Retiree Health Insurance Update - Other Post Retirement Benefits (OPEB).

Business Management Director Kenneth Pennoyer provided a detailed update on the Town's retiree health benefit obligations. Mr. Pennoyer explained the differences between the defined benefit plan for employees hired before July 1, 2010 and the defined contribution plan for employees hired after that date. Mr. Pennoyer described the long term OPEB liability and factors

that influence pay as you go costs, including changes in healthcare premiums, retirement patterns, and the distribution of employee years of service. Mr. Pennoyer also outlined the Town's actions to date, such as closing the defined benefit plan to new employees, establishing a separate post 65 retiree plan to better align with Medicare, and setting aside limited prefunding to help support future obligations. He then discussed future strategies, including the possibility of establishing regular annual contributions and placing pre funded amounts into an irrevocable trust to strengthen long term financial sustainability.

3. American Legion Property - Council interests.

Facilitator Dan Jewell led a discussion with the Council on the future of the American Legion property within the broader context of northeast Chapel Hill. Mr. Jewell provided an overview of existing site characteristics, noting that a pond had previously been excavated to create a level area for construction and that the stream running through the site is a significant natural feature. He stated that the most likely areas for development would be the eastern and southern portions of the property, which could accommodate residential uses.

Council members reviewed the site's environmental characteristics, nearby land uses, and potential development opportunities including traffic generation, school enrollment impacts, land use compatibility, environmental preservation, and opportunities for recreation or community facilities. Council members expressed differing perspectives on the appropriate mix of uses, with some highlighting the need for enhanced green space and recreation amenities while others emphasized potential commercial or residential opportunities to expand the tax base. Council also reviewed the context of previously approved bond funding and the importance of maintaining commitments to voter-supported projects.

Council also expressed interest in accessing additional data, including traffic analysis and information on potential school impacts, before determining next steps. Several council members emphasized the need for a coordinated planning approach, with some suggesting a small area plan and others noting limitations of such plans. They also discussed the potential for partnerships with the County, YMCA, or other entities.

Council Member Bell left at 8:57 p.m.

Council expressed a desire to hear from community members and noted that public emails regarding the site have been logged for Council review. Council members reaffirmed the importance of long-term planning, opportunities for recreation expansion, neighborhood connectivity, and maintaining alignment with bond funded priorities.

Mr. Jewell concluded by noting that the property owner retains the right to submit an SUP application and proceed independently.

4. Public Comment Period.

During the public comment period, several residents shared their perspectives on the future of the American Legion property. Lynn Kane began by expressing concerns about ingress and

gress to the site and emphasized that the Town should consider a variety of factors beyond recreation as planning continues. Pat Chang stated that traffic in the area was already significant and cautioned that additional development could worsen congestion; he stated a preference for creating a park on the site rather than pursuing dense development. Lou Brown expressed support for thoughtful, well planned development and encouraged the Town to consider a small area planning process. She raised concerns about density, traffic, and the importance of ensuring compatibility with surrounding neighborhoods.

Jennifer Newell urged the Council to consider opportunities for volleyball facilities and described their potential benefits for both youth and senior programming. Emily Whitstein raised environmental concerns, including tree removal, wildlife impacts, and air quality issues; she stated she could support apartment development only if it remained limited in scale. Beth Mueller asked that the Council also consider programming space and opportunities for community oriented uses. Finally, Linda Muse expressed concerns about flooding, traffic impacts, and the scale of potential development. She strongly encouraged the Council to prioritize additional park and green space and to consider long term community needs in the decision making process.

The meeting adjourned at 9:23 p.m.