

**DRAFT SUMMARY MINUTES OF A CONTINUED BUDGET WORK SESSION
OF THE CHAPEL HILL TOWN COUNCIL
WEDNESDAY, JUNE 4, 2014, AT 6:00 PM**

Council Members Present: Mayor Mark Kleinschmidt, Mayor pro tem Sally Greene, Council Member Donna Bell, Council Member George Cianciolo, Council Member Matt Czajkowski, Council Member Maria T Palmer, Council Member Lee Storrow, and Council Member Jim Ward.

Council Member(s) Absent: Council Member Ed Harrison.

Staff members present: Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Mayoral Aide Mark McCurry, Business Management Director Ken Pennoyer, Budget Manager Matt Brinkley, Assistant Business Management Director Amy Oland, Administrative Analyst Sarah Vinas, Budget Analyst Brandon Howell, Manager Intern David Finley, and Communications and Public Affairs Director and Town Clerk Sabrina Oliver.

AGENDA ITEM

Mayor Mark Kleinschmidt called the Work Session to order at 6:06 p.m.

3. Continued Council Discussion on the Recommended Budget

Town Manager Roger Stancil updated the Council on the County Commission's recent meeting regarding recycling and solid waste fees. He explained the county's plan to continue funding curbside recycling and noted that staff would begin drafting an interlocal agreement to formalize the arrangement. He reported that the county maintains approximately \$3 million in landfill reserves and has created a 15 member task force with two Chapel Hill representatives.

Council members expressed concerns about inequity in how the county distributes recycling costs, with Mayor Kleinschmidt emphasizing that Chapel Hill and Carrboro residents bear a disproportionate share. He planned to raise these concerns in an upcoming conversation with county leadership, and he encouraged Council members to do the same. Council members highlighted the town's lack of influence over task force appointments and stressed that the current model results in the town subsidizing services for other parts of the county. Council also discussed the option of securing independent bids for recycling services, noting that staff had previously gathered preliminary estimates that indicated potential cost savings.

Business Management Director Ken Pennoyer and Mr. Stancil presented an overview of the Debt Fund and capital financing strategies. They explained that prior Council decisions strengthened the town's financial position. Council members noted that a one cent tax increase could provide initial funding for a new police station. Some members questioned the necessity and cost of the project but supported restoring debt capacity to pre recession levels. Council members expressed interest in dedicating new revenue toward both the debt fund and affordable housing. Council ultimately reached a consensus to explore a one cent property tax increase and directed staff to develop detailed budget scenarios. These scenarios would include variations incorporating employee compensation adjustments or contracted service modifications, and staff planned to

return with options illustrating the impacts of each.

The meeting adjourned at 9:25 p.m.