

**DRAFT SUMMARY MINUTES OF A LEGISLATIVE BREAKFAST  
OF THE CHAPEL HILL TOWN COUNCIL  
THURSDAY, JANUARY 8, 2015, AT 8:00 AM**

**Council Members Present:** Mayor Mark Kleinschmidt, Mayor pro tem Sally Greene, Council Member George Cianciolo, Council Member Ed Harrison, Council Member Maria T. Palmer, Council Member Lee Storrow, and Council Member Jim Ward.

**Council Member(s) Absent:** Council Member Donna Bell, and Council Member Matt Czajkowski.

**Staff members present:** Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Assistant to the Town Manager Jason Damweber, and Administrative Assistant and Acting Town Clerk Christina Strauch.

**Agenda Items**

Mayor Mark Kleinschmidt called the meeting to order at 8:18 a.m.

**1. Welcome and Introduction by the Mayor**

Mayor Kleinschmidt welcomed attendees and opened with remarks on the Town's legislative environment. Mayor Kleinschmidt noted that although the legislative delegation was in the minority at the General Assembly, they remained able to collaborate effectively and "play defense" on key municipal issues. Mayor Kleinschmidt highlighted the importance of the recently advanced economic development bill, crediting Senator Valerie Foushee for her influence, and discussed the potential for cost savings and public benefit through partnerships with private developers. Mayor Kleinschmidt introduced participants from the NC League of Municipalities and Metro Mayors Coalition.

**2. Comments from the Legislative Delegation**

Legislative representatives provided an overview of expected challenges in the upcoming long session. Senator Foushee described uncertainty regarding new leadership in the House, projected revenue shortfalls, reluctance to expand Medicaid, and concerns about future education funding. Senator Mike Woodard echoed revenue concerns and anticipated significant state budget cuts, particularly regarding transportation funding and local privilege license tax replacement. Representative Graig Meyer discussed divisions within the majority caucus and noted that disagreements over revenue and spending priorities were likely to shape the session. Additional comments addressed Medicaid expansion, potential healthcare-related legislation, shifts in statewide political dynamics, and energy around discussions of economic development and tax policy.

**3. Comments from the Mayor and Town Council**

**a. Local Bill Issues**

Mayor Kleinschmidt stated that the Town did not intend to pursue an aggressive local legislative agenda, emphasizing the need to carefully defend existing municipal authorities while selectively engaging in proactive issues.

### **b. League of Municipalities Advocacy Goals**

NC League of Municipalities representatives Paul Meyer and Rose Vaughn Williams outlined the League's process for developing consensus based legislative goals for 2015. Discussion focused on the impacts of state tax reform, the loss of local privilege license tax revenue, and the challenges cities face if the state reallocates revenue sources without expanding the sales tax base. Several goals addressed municipal financial stability, local authority over land use and public enterprises, and maintaining the fiscal integrity of municipalities. Attendees also discussed the relationship between state and local revenue systems, concerns about unfunded mandates, and rural urban equity in statewide policy decisions.

Senator Woodard departed at 9:23 a.m.

### **c. Metro Mayors Coalition Issues**

Metro Mayors Coalition Julie White outlined three primary areas of focus for North Carolina's cities. The first was municipal revenue capacity, as many cities continued to feel the effects of tax changes that reduced key funding sources. The second area was local control, particularly regarding planning, infrastructure decisions, and other tools cities need to attract talent and strengthen economic competitiveness. The third was economic development, where priorities included restoring historic preservation tax credits, improving broadband availability, and coordinating transportation planning with growth strategies. Ms. White also highlighted the growing division between rural and urban communities and stressed the importance of statewide policies that support both densely populated city centers and rural areas.

### **d. Other Statewide Issues**

Council members and delegates exchanged questions and observations related to redistricting, sales tax redistribution proposals, potential changes to legislative decision making structures, and concerns about declining federal and state resources available to local governments. Participants emphasized the need for regional cooperation and maintaining local revenue within county borders.

Mayor Pro Tem Greene departed at 9:37 a.m.

Council Member Storrow at 9:38 a.m.

#### **4. Other Issues**

Additional conversation covered the implications of broadband availability for economic development, the growing need for infrastructure investment, and key dates such as the first Town lobby day on March 18. Attendees acknowledged ongoing fiscal challenges for both the state and municipalities.

Senator Foushee departed at 9:40 a.m.

The meeting adjourned at 9:41 a.m.