

**DRAFT SUMMARY MINUTES OF A WORK SESSION
OF THE CHAPEL HILL TOWN COUNCIL
CHAPEL HILL PUBLIC LIBRARY
WEDNESDAY, APRIL 29, 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 Sally Greene, 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, Planning Director JB Culpepper, Mayoral Aide Mark McCurry, Parking Superintendent Brenda Jones, Business Management Director Ken Pennoyer, Business Management Assistant Director Jeanne Tate, Budget Manager Matthew Brinkley, Director of Policy and Strategic Initiatives Mary Jane Nirdlinger, Chief Information Officer John Bjurman, and Communication and Public Affairs Director and Town Clerk Sabrina Oliver.

AGENDA ITEMS

Item 1: Approve Agenda

Mayor Mark Kleinschmidt called the meeting to order at 6:00 p.m. and reordered the agenda, so that the Financial/Economic Update would occur first, followed by the Update on Public Engagement for Obey Creek - Exploratory Phase. Council Member Laurin Easthom recused herself from the Obey Creek portion in accordance with her prior recusal. Mayor Kleinschmidt also added two public comment periods, one before the discussion and one afterward. The Council unanimously approved these changes.

Item 3: Financial / Economic Update

Business Management Director Ken Pennoyer presented a review of the Town's debt status, capacity, and long-term planning. He explained the two primary mechanisms for financing capital projects: Pay-Go CIP, used for smaller-scale or maintenance projects, and Debt Financing, used for long-term capital investments aligned with the lifespan of the asset. Mr. Pennoyer highlighted the Town's Debt Management Plan, created in FY 2009 to stabilize debt service obligations by dedicating 11 cents of the property tax rate to the Debt Fund, which was later adjusted during revaluation years.

Mr. Pennoyer outlined recent debt history, noting:

- The combined tax rate (General Fund + Debt Fund + Transit Fund) had decreased from 58.1 cents in FY 2008-09 to 49.4 cents, where it had held steady for four years;
- The Town's total outstanding debt was \$62.87 million, comprised primarily of General Fund and General Obligation debt, with no revenue or special obligation bonds;
- Since FY 2009, the Town had issued \$66.9 million in new and refunding bonds, taking advantage of favorable interest rates;

- Bond refundings had saved the Town \$1.94 million gross, with net present value savings of \$1.79 million.

He also identified several major planned debt-funded projects, including:

- Public Safety Headquarters
- Fire Station renovations/replacements
- Transfer Station
- Town Hall renovations
- Parks & Recreation Master Plan projects
- 100 West Rosemary and 523 East Franklin renovations

Mr. Pennoyer then described the Town's future debt capacity. As existing debt is paid down and the tax base continues to grow, he projected that the Town could issue approximately \$60 million in new debt between FY 2024–2030. Increasing the Debt Fund tax by one cent in FY 2015 could accelerate the Town's ability to issue certain debts by two years.

Next, Mr. Pennoyer reviewed the Town's progress on priority-based budgeting, describing it as a continuation of the 2020 visioning goals translated into a fiscal framework. He explained that:

- The Town's 88 service programs had been evaluated against 25 budget objectives;
- Programs were scored from 0 to 3, with 3 indicating the strongest alignment between a program's core mission and an objective;
- The Council's earlier ranking of objectives would be used to weight program scores, producing a hierarchy for use in the Manager's recommended budget.

He emphasized that this method was still under refinement: departments were adjusting scores for consistency, the connections between objectives and programs were being clarified, and methodologies were being developed for using the hierarchy in real-world budget decisions.

Mr. Pennoyer then presented recommended changes to parking fees, explaining that the goal was to spread demand more evenly, stabilize the Parking Fund, and offset increasing operational costs. He reviewed proposed demand-pricing adjustments in high-use areas, reductions in commercial service permit costs, discounted rates at the Wallace Deck, and multiple hourly and monthly rate adjustments. He noted that the Parking Fund's net assets had been declining since the closure of Lot 5, and that the 140 West project carried an annual debt service of \$465,000, which was slightly lower than original projections. The Town's Pay-by-Phone parking system would launch in May.

Council asked questions regarding parking capacity, utilization shifts, and comparisons to previous inventory—such as the 69 spaces formerly in Lot 5 and the 161 (including 24 bike spaces) now in 140 West.

Item 2: Update on Public Engagement for Obey Creek – Exploratory Phase

Director of Policy and Strategic Initiatives Mary Jane Nirdlinger presented an update on the public engagement strategy for the Obey Creek exploratory phase. She began by explaining that the engagement plan had been developed in response to the Council's March 18, 2013 resolution (2013-03-18/R-2.1), which required staff to outline a schedule of public sessions and workshops. She emphasized that the overarching goal was to create a fair, inclusive, and transparent process

that would allow for meaningful dialogue among community members, staff, the developer, and the technical team. She described the guiding principles for the process:

- Clear, frequent, and transparent communication,
- Documentation of public input at every stage,
- Accessibility of information, and
- Ongoing opportunities for two-way exchange, not just one-way presentations.

Ms. Nirdlinger stated support for this process would include a project webpage, blog updates, email lists, workshops, walking tours, and publicly accessible technical meetings.

The Council received comments from members of the public, including Amy Ryan, who expressed concern that both staff and the developer had not adequately supported authentic public involvement. She requested that the process allow the community to help shape the questions being asked of the developer and urged strong advisory board participation.

In response, Ms. Nirdlinger clarified that flexibility was required as the project evolved but emphasized that the intention was to build a structure that supported meaningful engagement. She noted that she had worked closely with Ms. Ryan, Ms. Brown, and Mr. Perry in shaping the proposal, and that the Town was committed to a process that balanced openness with the need to produce a clear, workable project recommendation.

Council Members raised questions about whether a steering committee and discussed how the process compared to the Town's Carolina North and CH2020 efforts.

The meeting adjourned at 8:25 p.m.

Brittney Hunt
Town Clerk