

**DRAFT SUMMARY MINUTES OF A WORK SESSION
OF THE CHAPEL HILL TOWN COUNCIL
MONDAY, JUNE 1, 2015, 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 Ed Harrison, Council Member Maria T Palmer, Council Member Jim Ward, and Fire Marshal Dace Bergen.

Council Member(s) Absent: Council Member Lee Storrow.

Staff members present: Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Mayoral Aide Jeff Deluca, Business Management Director Ken Pennoyer, Transit Director Brian Litchfield, Transit Administrative Analyst Rick Shreve, Budget Analyst Alex Terry, Communications and Public Affairs Director and Town Clerk Sabrina Oliver, and Police Officer Rick Fahrer.

1. Approve Agenda (no attachment)

Mayor Mark Kleinschmidt called the meeting to order at 6:00 p.m. following review of the proposed agenda.

COUNCIL MEMBER MARIA T PALMER MOVED, SECONDED BY COUNCIL MEMBER DONNA BELL, TO APPROVE THE AGENDA. THE MOTION WAS ADOPTED UNANIMOUSLY (6-0).

2. Presentation: Recommended Transit Department Budget

Town Manager Roger Stancil and Transit Director Brian Litchfield provided an overview of the recommended FY2015–16 Chapel Hill Transit budget. Mr. Stancil and Mr. Litchfield reviewed information about system operations, financial conditions, and ongoing challenges associated with maintaining service levels in the face of declining state operating assistance. They discussed service demands and the status of Chapel Hill Transit as the second-largest transit system in the state, including the fixed-route and demand-response services provided to Chapel Hill, Carrboro, and UNC.

Mr. Stancil and Mr. Litchfield highlighted major capital and operational needs, particularly the age of the fleet, with 42 heavy duty buses and 13 EZ Rider vehicles operating beyond their federally defined useful life. They explained that reduced state revenues and the need to shift federal funds back to capital investments required adjustments to the budget. Mr. Stancil and Mr. Litchfield provided Council heard details about the potential use of unobligated reserves to support critical repairs at the maintenance facility and the Southern Village Park and Ride lot. Council members asked questions about the absenteeism policy and its impact on frontline staff, the balance between capital and operational funding, and opportunities for increased efficiency, including the use of video conferencing instead of hiring additional HRD staff. They also raised concerns about service gaps, particularly for students traveling to the Durham Tech campus, and discussed the value and effectiveness of the Town’s marketing position, including revenue from bus advertising.

Mr. Stancil and Mr. Litchfield also described opportunities to use Orange County Bus and Rail funding, unobligated balances, and partner agreements to accelerate bus replacement, with the possibility of ordering 20 to 25 buses by the end of the year. Council members noted the importance of periodic updates and agreed that a six month reporting schedule would be appropriate.

UNC Associate Vice Chancellor for Campus Enterprise Brad Ives expressed strong support for the longstanding transit partnership and emphasized the University's commitment to sustaining the system. Mayor Kleinschmidt concluded that the Transit summary was comprehensive and appreciated the direction provided by staff.

3. Discussion: Recommended 2015-16 Budget (no attachment)

Town Manager Roger Stancil and Business Management Director Ken Pennoyer presented highlights of the Town's recommended FY2015-16 budget. Council discussed the need for a Risk Management Coordinator to centralize safety oversight across the organization. They also reviewed proposed fee increases and asked clarifying questions about their impact on small businesses, homeowners, and large development projects. Mr. Pennoyer explained that some fees, particularly fire related fees, were mandated by state law and were being updated in accordance with the Town's cost recovery policies. Council emphasized the importance of communicating these changes to the homebuilding community and sought additional information to understand how different sectors would be affected.

Council also commented on funding priorities, including support for Kidzu's outreach programming. Council members also raised questions about the Town's role in providing dumpster collection services and requested further clarity on the operational and financial implications of continuing that service. Mr. Stancil announced that no additional work session would be held on the upcoming Wednesday.

The meeting adjourned at 8:16 p.m.