

**DRAFT SUMMARY MINUTES OF ASSEMBLY OF GOVERNMENTS MEETING  
OF THE CHAPEL HILL TOWN COUNCIL  
MONDAY, NOVEMBER 30, 2009, AT 7:00 P.M.**

The resolutions and ordinances for this meeting are printed at the end of the minutes.

Those present included Chapel Hill Mayor Kevin Foy, Mayor pro tem Jim Ward, and Chapel Hill Council Members Matt Czajkowski, Laurin Easthom, Sally Greene, Ed Harrison, Mark Kleinschmidt, Jim Merritt; and Orange County Commission Chairman Valerie Foushee, Vice Chairman Mike Nelson, and Commissioners Alice Gordon, Pam Hemminger, Barry Jacobs, Bernadette Pelissier, Steve Yuhasz; and Carrboro Mayor Mark Chilton, and Board of Aldermen Joal Hall Broun, Jacquelyn Gist, Randee Haven-O'Donnell, Sammy Slade, and Lydia Lavelle.

**1. CALL TO ORDER/INTRODUCTIONS/OPENING COMMENTS**

Mayor Foy welcomed the newly elected members, Sammy Slade from Carrboro, and Gene Pease from Chapel Hill, not yet sworn in.

He said the purpose of this meeting was to focus on the library services that are provided to Orange County residents.

Valerie Foushee, Orange County Commission Chair, said she needed to have a motion from a member of her board to move into a closed session at the adjournment of this meeting. Commissioner Pelissier moved; Commissioner Yuhasz seconded the motion to enter closed session following the AOG meeting. The motion carried.

**3. LIBRARY SERVICE IN ORANGE COUNTY**

Mayor Foy introduced the Kathy Thompson, Chapel Hill Library Services Director, and Lucinda Munger, Orange County Library Services Director.

Ms. Thompson gave an overview of the organization, and said they worked very hard to make sure the information they were giving was parallel.

Ms. Thompson said there are three different kinds of public libraries in North Carolina, and they have all of them in Orange County. She said the county library is represented by Orange County Public Library (OCPL), and there are regional libraries which are a grouping of county libraries, and municipal libraries. She said the Chapel Hill Public Library (CHPL) is a municipal library. She said it was a unique situation to have all three here. She said they provide free library cards to all Orange County and Chapel Hill residents. She explained using a slide show where users come from, and how they are able to track them with their automated system.

Mayor Foy asked if she could clarify that people in Carrboro sometimes have a Chapel Hill

address, and sometimes people in Chatham County have a Chapel Hill address; and does the sorting system differentiate address from actual residency.

Ms. Thompson said yes, it gets very specific, down to the street address.

Ms. Munger said because they use election information for verification of residency, it can be broken down by area. She then showed a photo montage of Orange County libraries.

Ms. Thompson said the CHPL is in one location, and is relatively new, built in 1994. She said it is a beautiful building, but too small. She said in 2003, Chapel Hill citizens approved a \$16.23 million bond referendum to expand this location to 70,000 sq ft. She said the CHPL is the most heavily used library in the state.

Mayor Foy said the actual service area for the CHPL encompasses Chapel Hill and Orange County citizens. He said he wanted to acknowledge that since it was part of this discussion.

Ms. Munger said the guidelines were developed in 1998; the purpose was to give libraries some guidance as to the minimum level of resources and activities that should be available at libraries, no matter what their size, in order to provide access to information for the people that use the library. She said the main reason people come to the library is for their collections. She said the minimum standard was two books per capita. OCPL is currently at 1.6 books; Chapel Hill is at 3.3 she added.

Ms. Munger stated there should be 60 hours of public access per week; the main library in Orange County is open for 64 hours, but will have to cut back to 54 hours when the main library opens in January due to budgetary limitations; the other three branches do not meet the criteria, but Chapel Hill does with 68 hours.

Mayor pro tem Ward asked why Chapel Hill was not part of Orange County.

Ms. Munger said because they were two distinct and separate library systems.

Mayor Foy said these numbers only represent the legal service area, because they know their service area is much larger than 54,000; it distorts the materials per capita because the people that they serve are greater than that number.

Mayor pro tem Ward said all taxpayers in Orange County should be part of the per capita number they use.

Commissioner Gordon said the figures don't mean much to her, because they know a lot of southern Orange County citizens use the CHPL. She said if they were using the numbers of those that really used the libraries, then you would see what the per capita collections really were.

Alderman Gist asked if they had any idea of the percentage of county residents who weren't associated with the University (students, faculty, etc.) that use the University libraries.

Ms. Munger said they do not break it out that way.

Alderman Gist said the University libraries are another resource that's huge, and open to all students.

Council Member Kleinschmidt said if they were talking about real dollars; these figures weren't really going to help them; what meaning were they going to derive from this.

Ms. Munger said they were just trying to give them an overview of the two systems, and some sort of comparison of them.

Council Member Greene said if the state requires this accounting, that they were all rebelling at because it seems fictional to them; that there is one universe of Orange County patrons, who do not live in Chapel Hill, and use only their Orange County library, and vice versa; Orange County doesn't meet the requirements, and the CHPL meets, or exceeds the standards. She said Chapel Hill realizes that they have all these other patrons, and need to compensate for extra users, where Orange County does not.

Orange County Vice Chair Nelson said he thought Council Member Greene raised some good questions, but the bottom line was that they have two library systems in Orange County, so the numbers will be distorted. He said he was interested in getting to the point when they talk about solutions, because he believed the Chapel Hill folks were right, in that Orange County had not lived up to their obligations in terms of funding, and the Carrboro folks were right, in that Orange County had not lived up to their obligations to bring a standard of library service there. He said he was interested in getting to that point.

Ms. Munger stated in terms of staffing in Orange County, only the main library meets the criteria; CHPL also meets the criteria. She said both libraries have increased in terms of circulation.

Council Member Czajkowski said when comparing Chapel Hill to Orange County, the circulation per hour was a huge difference, and asked Ms. Munger to explain.

Ms. Munger said the size and type of facility affects this.

Council Member Czajkowski said if they were to look at the cost of the Orange County system, and divide it by circulation per hour, he said it seems the cost of circulation per hour was 10 times higher.

Commissioner Gordon said to put this in perspective, the OCPL has several branches, but Chapel Hill has only one library. The CHPL is slightly larger than the main library to be opening; the current library is much smaller. She said the CHPL is an asset; they haven't increased the funding for many years, and they need to figure out how to do more because so many Orange County folks use the library that don't live in Chapel Hill.

Mayor Foy asked about the age group for children that were using the library; why were the

circulation numbers so high. He asked if the libraries were supporting their school system.

Ms. Munger stated the children/youth definition was less than a year old to 16 years old. She said this year they wanted to have a better relationship with their schools, not replicate collections, but support each others collections. She said they wanted to find out how to better work together; to be productive partners with the schools. She said school libraries close for holidays, so the children come to the libraries that are open at these times to do their reports. Ms. Munger said they still come to the library for the one-on-one patron service.

Alderman Lavelle entered the meeting at 7:56 p.m.

Council Member Czajkowski said based on numbers, Orange County has about 70 percent of the collection that Chapel Hill has, and yet their circulation per hour is 10 percent. He said he would expect it to be 70 percent using that metric.

Council Member Easthom asked Ms. Munger if she could explain what she means by circulation and collection.

Ms. Munger said circulation is when you actually check out material.

Commissioner Yuhasz asked how do they measure the number of active patrons; is it someone who actually comes into the library, and checks out material within a two-year period.

Ms. Munger said yes, that is correct. She said there were three OCPL Services Task Forces, the latest being in 2007. She said they were designed to help guide, and make recommendations for the future, in order to achieve equitable library services. She stated that the recommendations were (1) raise county support to meet minimum state funding per capita, and (2) to adopt a long-range library facility plan, and (3) develop a comprehensive 3 to 5 year master plan.

Ms. Thompson said the Chapel Hill Master Plan is broken down into three parts : a five-year service plan, an informational technology plan, and a building program (nationally approved measures). She explained these in detail; and said the building program for the expanded main CHPL called for 75,000 square feet, and was a bond issue.

Alderman Broun entered the meeting at 8:10 p.m.

Ms. Thompson said they had some long-term service options, including a county-wide card system; Orange County could also phase in additional funding for Chapel Hill, and, or Orange County. She said Chapel Hill could choose to phase out, or eliminate services to Orange County residents, other than Chapel Hill, or they could also choose to do nothing.

Ms. Thompson said the next set of options would require them going to the state to get them to change the system service delivery. She said these would include going to a municipal library system where Chapel Hill and Carrboro would provide a joint system together; Orange County and Chapel Hill could merge in a County library system; and another possibility would be new funding from taxes for both Orange County and Chapel Hill Public Libraries.

Ms. Munger said the guiding principles for this report were (1) a recognition of Chapel Hill's valuable service to all citizens of Orange County, (2) an interest in developing equitable, and enhanced library services for all of our residents, and (3) providing everyone (as much as possible) with accurate cost projections, and comparable data collections; hopefully, to guide and inform discussion.

Mayor Foy said it was an excellent report.

Vice Chair Nelson said they were in the process of selling four county-owned properties, and in last year's budget discussion, the County Commissioners voted to put that money in a reserve account. He said, once the buildings were sold, they will use 60 percent of those monies to build a Southwest Orange County Branch Library. He said they also increased their library funding this past year. He said, over the past few years, interest in funding libraries had increased markedly for the Orange County Board of Commissioners. Commissioner Nelson said he hoped when they left the meeting tonight, they directed their staffs to get together, and come up with a plan (2 to 3 year plan) to get Orange County's funding level up to what it should be for the CHPL. He said it was time to get to a better place. He said he was also hoping that a year from now, they would have money through this reserve fund, to build a branch in Southwest Orange; and if built in Carrboro it would alleviate some of the pressure that the CHPL was facing; let's do it, he said.

Mayor Foy said he thought the Chapel Hill Council had a problem to confront in the next few months, which was operating expenses are what they are; but the Council needs to figure out whether to make the addition now, or later, or never, or modify the addition. He said there were really two issues; if the library is considered to be part of what the county relies on, and Chapel Hill should make the investment, they have the ability to do that. He said if now is the right time, given interest rates, financial security, construction costs; but on into the future, will the county help amortize all of that as part of the cost of the library. He said, secondly, the current operating cost of the library is \$2 million annually; but if the Town does invest, and more than double the size of the existing facility, the operating cost will go up considerably. Mayor Foy said they all need to look at that; if the Chapel Hill Town Council makes a decision in the spring to go forward, he believed it would be wrong for the Council to rely on the county, if the county is saying, at this time, no, they really can't make this commitment. He went on to say, if they can make the commitment, what might it be, and when might it be.

Commissioner Jacobs said that the Cybrary branch, being in partnership with the Town of Carrboro, Carrboro was actually making a contribution in terms of square footage, and some of the Internet access, and the utilities; so he thought when they calculate Carrboro's support, the documents should reflect that. He said he was on the Carrboro library work group which looked at Carrboro's and the southwest needs, (he passed around a reference to a 1989 document). He said Jake Wicker, with the Institute of Government, did what was called a tax equity in the financing of local government in the Orange County study. He said it showed how at least 20 years ago, there was an inequity in how county taxes were allocated in terms of delivery of services, and the people in Chapel Hill got more for their dollar than they paid, and the people in

Carrboro got less for their dollar, and the people in unincorporated areas were actually subsidizing those two municipalities. Commissioner Jacobs said he had no clue how that fits in with 2009, but, he would suggest there was a lot of interconnection here, and it goes between services. He said he would suggest they were taking one service here in isolation, and trying to come up with an equity formula. He said he believed there was a larger equity issue; and while he was very comfortable trying to help Chapel Hill address its capital needs regarding libraries, and an equitable way for Orange County to address its responsibility for libraries for all citizens, they have time to put it into larger context. He said the County also pays for things that the towns use, but don't pay for court facilities, animal control and shelter, etc. He said he would like to suggest that they ask the School of Government to look at this very issue, and see if they can come up with some kind of equity formula.

Council Member Czajkowski said it's one thing to look at the number of registered patrons per location, but what about usage per location; because for him that is a much more significant number. He asked if it was possible to get that information from their system.

Alderman Broun asked for more clarity on what they mean by usage.

Ms. Thompson said she did not believe their automated systems have the ability to track the circulation by geographic area other than on a daily basis; so that they could run a series of reports, do snapshots, and do an average; both of their systems could do that, but they could not tabulate those uses like they do the total circulation.

Council Member Czajkowski said to answer Alderman Broun's question, someone who checks out a book is a user. He said that the information about usage per location would be enormously helpful.

Ms. Thompson said they both could do snapshots of time, and then find an average. She said the usage correlates with the number of registered patrons. She said a registered user is someone who has applied for and received a library card.

Council Member Easthom asked Mayor Foy to clarify what the Town of Chapel Hill's time-frame was to make a decision; he had said in the next couple of months, but that is an amazing decision to make for \$26 million. She said there is a lot of information and discussion needed.

Mayor Foy said the bonds run out in 2010, and can get renewed for up to three years; so the Council still has a window of three years, assuming the local government commission approves. He said what the Council has to confront in the next coming months is whether there is the convergence of interest rates, and construction costs that are favorable, that make it a desirable time to spring into action. He said if they were not going to do it, it can be deferred. He said the real question was will the Chapel Hill Library continue to be an essential part of fulfilling Orange Country's needs. He said if it was, let's figure out a way to make it work.

Vice Chair Nelson said they were up against their debt ceiling; schools, the Southwest Library, expansion of Carrboro High School, and enormous capital pressures. He said he believed it would be a little disingenuous to make promises today, to give false hope. He said this isn't to

say they are not interested, just that was where they are.

Mayor pro tem Ward said they have had 10 to 15 years of the county saying the same thing to Chapel Hill; that they are not funding them adequately, but they can't do anything about it. He said he wants to come out of this meeting with a commitment from Orange County, and Carrboro to put money into the library services they were using in Chapel Hill. He said they were not the bad guys here; this was just more of the same discussions they have had, and the same conclusion for almost two decades.

Alderman Slade said what he saw basically is equity; they have different systems going on, and there was a missing translatability between them. He said he believed Chapel Hill was ready to build this expansion, and includes a projection of the continuation of the services they do provide to Carrboro and southern Orange County. He said there was an assumption, or expectation there that they will be able to pitch in; however, the reality was they don't have the money to do that. He said building southwest would be an alternative to increasing the size of the CHPL.

Mayor Chilton said no one ever talks about the more obvious, and equitable solution of having one county library system; it would be fairer to Chapel Hill taxpayers, and Carrboro residents to contribute in a fair way.

Alderman Broun said she agreed with Mayor Chilton that it would be a way for them to use limited tax revenue. She said they need to be thinking long term about a unified system that would work better; short term what does Chapel Hill want to do. She said they can live with that decision.

Chairman Foushee said Orange County needs to determine what they believe equitable library services looks like throughout the county; if Chapel Hill decides to do something outside of that, then there was not a lot they could say to influence their decision. She said she did think all of them felt, that at some point, a formula should have been developed to determine what the county's contribution should have been to the Chapel Hill Library system; but absent of that, they were at a place now, where they cannot just say they can commit more to the Chapel Hill Library; that was not going to happen. She said the county has a responsibility to provide services to southwest Orange County that they haven't met. She said Orange County was doing what they could do.

Mayor Foy said, the fact is, if Orange County citizens were confronted with this issue, they would say just work this out, make the libraries work for them; they may not be all that concerned about how they worked it out, just as long as they did. He said in the long run what's in the best interest for everyone may be to merge the systems, but that was not happening in the next couple of years. He said the county does not have the money to buy the Chapel Hill Library; so in the short run, what was in the best interest of everyone in Orange County. He said that's why he was trying to make sure the Council had enough information to make a good decision; because if what's in the best interest of the Orange County citizens was for the library to go forward, it should happen; and then the finances get worked out. He said the county had indicated that it wanted to do something, the Council had indicated that it wanted to do something; what they should do was to walk out of this meeting with a commitment to figure out

funding for the operations, and if it's not coming for three, four, or five years, it was still a goal, with both operations and capital. He said given that information, if the Council can't do the addition next spring, fine; at least that was a step for a unified approach.

Alderman Broun said if you don't plan for a unified system, you don't get there.

Mayor Foy said Chapel Hill Transit declined to link up with Raleigh and Durham; in the long run they should have a unified system for the Triangle, but they cannot afford to lower their standards, because that's the underpinning of how their land use plan works. He said, similarly, the Chapel Hill Library needs to be able to merge with an equal, they can't lower the standards; if they were going to have a long-term plan for a unified system, it's got to be brought up to Chapel Hill standards, not dilute the standards; and right now they are not in the position to bring it up to Chapel Hill standards. He said he believed they could have the conversation about unification, but that can't be an excuse for continuing not to have full participation with our partners for the excellent service the library provides.

Vice Chair Nelson said with regard to unification, he believed they should end up there, but, they were not ready for that conversation. He said he hoped they left there tonight with an action step; he didn't think they were going to solve the capital issue, but they could take some steps to solve the operational issue. He said he would like to suggest that they direct their managers and staffs to sit down and discuss, and report back to them within 60 days with a proposal to raise the county funding for the Chapel Hill Library to a level they decide is appropriate to recommend, and give them a time-line for achieving it, because he thought it would take a couple of years. He said if they do this, they could have a report in 60 days, and start to untangle this issue that has stood between them for the last few years.

Commissioner Yuhasz said he wanted to emphasize his commitment to improve library services for all the citizens of Orange County, but he thought the level of service that they provide was a decision the Board of County Commissioners had to make; and the level of funding that they were willing to apply was one the Board also had to make. He said that may not be the same level of service that Chapel Hill wants to provide for its citizens, so to say that they had to bring the Orange County System up to the level of the Chapel Hill System, in order for there to be a merger, was to suggest that the Board of County Commissioners seized that responsibility to the Chapel Hill Town Council, and he for one, was not willing to do that.

Commissioner Jacobs said he would like them to look at this a little more structurally first, then financially, because he thought they needed to decide what their partnership was, and try and make it a partnership. He said if Chapel Hill wanted to have it at a certain level of service, can they afford to pay their fair share of that level of service, or is it unfair to Chapel Hill to have them take advantage of that level of service as a county system. He said they would like to be equitable partners, but he does not think they know what the parameters are right now.

Commissioner Pelissier said she had no problem working on an operational expense contribution; the real road block they have when it comes to capital expenditures was planning for the population; how do they know who was going to be using the new library. She said for that



reason she did think they should have that conversation, even though they may not be in a position to figure out all the details about how they would actually merge, because she didn't think they could plan properly without the conversation.

Commissioner Hemminger said they were up against their debt limit, but she agreed they needed to raise some contributions for the operating expense; but, if Chapel Hill decided to go ahead with their expansion, and double their operation budget, she did not see the county being able to double its contribution. She said they were trying to get another library in the southwest corner; to do that they were hoping it would draw some patrons back from the Chapel Hill Library, and if they were making monies toward that, there would be even less money they could put toward the Chapel Hill system. She said she believed if the Chapel Hill Council went forward with their expansion, they would be further away from a unified system for more than 25 years. She said they could help on the operational expenses, but not on the capital side for a good 15 years.

Mayor pro tem Ward said he was hearing the county clearly that the capital funds were not there now; he can face reality, but, he said, tell us what you can do; put up the money. He said for the last 10 years they had received zero from the county. He said he agrees with Commissioner Nelson's suggestion to get their staffs together to come up with a plan; it's a step in the right direction.

Council Member Czajkowski asked when was the Southwest Library suppose to be built, because he believed what they were really talking about was, does the county build the Southwest Library, or does Chapel Hill go ahead with their expansion; where the county says rather than build the Southwest Library, they would contribute to the Chapel Hill Library. He said that was the choice as he saw it. He said what he was not hearing was that the county could contribute any significant funds if the Chapel Hill Council moves forward with the library expansion; so, he believes as Chapel Hill they have to ask themselves if they are going to go this alone, in which case they calibrate the library in that regard, or do they get help from the county to expand the Chapel Hill Library, or do they move forward with their plans to build the Southwest Library. He said he believed they could have that discussion if the county could tell them that they were open to reconsidering the Southwest Library.

Commissioner Gordon said she thought it was important to recognize Chapel Hill's valuable service, and that they have provided library services to the southeast part of the county. She said if you ask when the Southwest Library was going to be built, it will be a number of years, so she believed what they needed to do, in the short term, was what Commissioner Nelson had suggested. She said they needed to figure out how in the next few years the county can give more money to the Chapel Hill Library for the operational expenses, and they should. She said if the county lost the services of the Chapel Hill Library, how would they replace that. She said she did not think they really wanted to come to an impasse where other people outside of Chapel Hill had to pay to use the library. She said she thought the fair thing was for them to sit down at the table, and figure out how they were going to increase the operational expenses.

Council Member Greene said she agreed with everything Commissioner Gordon had said. She said she just wanted to point out that this is not like the school merger; the one crucial way is that 40 percent of the children of the Chapel Hill School System were not non residents of the school

system. She stated that as Orange County Board of Commissioners they had a tremendous base of their constituents who were using the Chapel Hill Library, and if they were not demanding their level of service, they have at least come to expect it.

Frank Clifton, Orange County Manager, said the staff had been working on numbers, and in attachment 13 it gives a history of the funding: in 1993-1994 when the sharing of funding started, the county gave roughly 48 percent of what it was spending on library services to the CHPL. He said in 2009-2010 it showed a big jump, because the new library was suppose to open this fiscal year; however, the numbers for Chapel Hill did not increase, and have fallen quite a bit. He said the county has no control over what Chapel Hill spends on its library, or what services it may choose to provide; what the County Commission does have is some basis of what it is willing to spend on its main branch as a comparison. He said any formula he would recommend to the county would be some percentage of what the county spends on its main branch, as an allocation back to Chapel Hill; and whatever they choose to do, in addition to that, or with that, is up to the Town of Chapel Hill. Mr. Clifton said he wanted everyone to understand that off the top of every dollar the county raises in the general fund, 48 percent of it goes to education. He said certainly the pace of the contributions from Orange County to the CHPL have not kept pace with the contributions to its main library.

Council Member Czajkowski said they have all had these conversations. He said he believes that the decision they were going to have to make was to charge non-residents, if they were going to consider going forward with the expansion this spring; do they modify the library with the expectation of reduced demand. He said he believed from Chapel Hill's point of view, it would not be hard to say they just were not getting the support they needed from Orange County, and therefore, they were going to have to charge everybody \$100 who lives in Orange County and uses the library.

Mayor Chilton said he was not uncomfortable talking about what Carrboro would contribute; he said he did not expect to pay anything different from what people in Cedar Grove, or Hillsborough pay for library services; and we need to do the kinds of things Commissioner Nelson was talking about. He said he agreed with County Manager Clifton's suggestion for an approach to that issue, but he believed it was a serious mistake to discard, as being off in the distant future, the notion of consolidating the service into one library system. He said if they had enough interest and political will in this community to do it soon, they could do it soon. He said Carrboro was not going to make a contribution from their operating budget to support the Chapel Hill Public Library; the inequity issues were going to be forever difficult to measure. He said the simplest solution was for them to come to some kind of consensus as a county about what level of service they expect in terms of library services, and have one service that provides those services to them.

Mayor Foy said he believed they should get a firm proposal from their staffs; for example when does it happen, what exactly is the formula, how often is it recalculated, and if it could come back to the boards before the end of January, it will give everyone some time in their budgets. He said it would also be helpful for all of them to know when the county was projecting a new bond issue, what will be on that bond issue; and was there any possibility that libraries could be part of that bond issue; and if they are, was there an opportunity for Chapel Hill to participate in the

bond issue for capital expenses for the proposed library expansion. He asked if there was a consensus that that was what they wanted from their staffs.

There was a consensus.

Mayor Foy asked if there was any further discussion; he asked everyone if they were happy.

Mayor Chilton said he believed for those who were not on the Chapel Hill Town Council, it would be the last time they were graced with the pleasure of Mayor Kevin Foy of Chapel Hill, who he enjoyed working with for many years. He said for all of them he just wanted to say thank you on behalf of elected Orange County officials that they appreciate the hard work that he has done and the years of service he has put in to the people of Chapel Hill and the region as a whole.