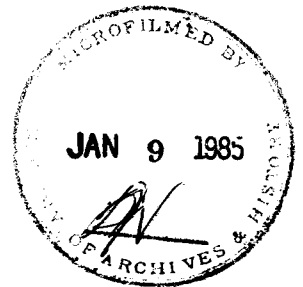


MINUTES OF A PUBLIC HEARING AND REGULAR MEETING OF THE MAYOR AND THE BOARD OF ALDERMEN OF THE TOWN OF CHAPEL HILL HELD IN THE MUNICIPAL BUILDING, MONDAY, MARCH 17, 1975 AT 7:30 P.M.

The Board of Aldermen met for a public hearing followed by a regular meeting, on March 17, 1975 at 7:30 p.m. in the Municipal Building. The roll was reported as follows:

Present: Howard N. Lee, Mayor  
Gerald A. Cohen  
Thomas B. Gardner  
Shirley E. Marshall  
Sid S. Rancer  
R. D. Smith  
Alice M. Welsh

Absent: None



A quorum of the Board was present and in attendance at the meeting. Also present were Town Manager C. Kendzior, Town Clerk D. Roberts, and Town Attorney E. Denny.

PUBLIC HEARING

Community Development Plan

Community Development Task Force members present at the hearing

were Mr. David Brunn, Mr. Charles Daye, Ms. Lynn Harmon, Mr. Jonathan Howes, Ms. Dee Kiestler, Ms. Ruth Mace, Mr. Bill Thorpe and Ms. Gertrude Willis. Mayor Lee said that the public hearing is called to consider a proposal for Chapel Hill Community Development Plan and application to the U. S. Department of Housing and Urban Development for \$465,000 in block grant entitlements for fiscal year 1975-76 to be used for activities which benefit low or moderate income families and prevent or eliminate slums or blight. The proposal has been prepared by joint efforts of the Community Development Task Force, the Chapel Hill Housing Authority, the staffs of the Town and the Chapel Hill Housing Authority, and interested citizens in the community. The proposal has been reviewed by the Planning Board and notice of this hearing has been duly advertised in the newspaper. Copies of draft application and Planning Board transmittal have been distributed to Board members. Mayor Lee explained the procedure to be followed at the hearing.

Mr. Kurt Jenne, Assistant Town Manager for Community Development and Services, said that Title I of the Housing and Community Development Act of 1974 consolidates Urban Renewal, Neighborhood Facilities, Open Space, Basic Water and Sewer, and Model Cities and Rehabilitation Loans programs into a single block grant. This can be used for the following property acquisition to remove blight or aid rehabilitation; public works and site improvements; code enforcement; clearance, demolition and rehabilitation; removal of architectural barriers; relocation payments and assistance; public services not otherwise available and directly supporting community development activities; matching other federal grants in support of community development activities; completion of existing urban renewal projects; and planning, management and administration of community development activities. The program must give maximum feasible priority to activities which benefit low and moderate income families or prevent or eliminate slums and blight. He said that under this new block grant program Chapel Hill is entitled to \$1.8 million over a five year period, with \$465,000 for the first three years each \$305,000 for the fourth year; and \$155,000 for the fifth year. The reason for Town's automatic entitlement for the five year period is its participation in programs which the block grant replaces, ensuring that Town will not be left completely without funds to continue commitments made. Town will be eligible to compete for discretionary funds as the entitlement dwindles. He said that in order to receive the grant each year, the Town must prepare and submit a Community Development Application to the Department of HUD by April 15. The application consists of two major components: 1) the Community Development Plan which states the needs, long and short term

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objectives, and the one-year strategy and program to work toward achieving objectives and the specific resources to be used; and 2) the Housing Assistance Plan which details how the community will deal with improvements to its housing through the Community Development and other programs, by survey of housing conditions, establishment of housing assistance needs, setting annual goal for housing assistance, and determining the general location of this assistance. Mr. Jenne reviewed the establishment and activities of the Community Development Task Force. While the Task Force was assisting the Town in developing needs, objectives and strategies for the program, the Housing Authority developed statistical information needed to prepare the Housing Assistance Plan and formulated housing goals with particular emphasis on the first year. He said that all the people involved in the deliberations concurred in recommending the following to the Board: (1) that in terms of substance, top priority for the commitment of block grant funds should go to housing assistance, and (2) that, in terms of geographical areas, top priority should be given to finishing the work originally planned for the NDP program. Within this framework, the following statement of needs and long and short term objectives were developed in the areas of housing, neighborhood improvements and services: (1) Housing needs include providing an adequate supply of sound housing for low and moderate income families at an affordable cost; demolishing and replacement of up to 36 of 314 substandard units of which 215 are rental, 84 owner-occupied and 15 vacant; and providing temporary or permanent relocation for up to 36 affected families or individuals; rehabilitating at least 278 units; and reducing the rental costs of an estimated 1955 families or individuals to 25% of income. The long term objectives include no one living in condemned housing; repair and maintenance of all rehabilitatable housing; rental cost reduction as far as possible; minimal concentration of low and moderate income residents in any area of Town; and maximum home ownership opportunities for low and moderate income people. The three-year objectives include demolishing and replacing 36 dilapidated units and relocating 36 affected families or individuals with a minimum of delay or disruption; bringing 150 rehabilitatable units up to standard condition; facilitating construction of 110 new assisted housing units with a minimum concentration in low income areas; assisting 75 rental families to purchase housing; and providing rental assistance to 200 families. (2) Neighborhood Improvement needs include existence of 8 miles of unpaved streets, with 0.7 miles in low and moderate income areas; need for five miles of residential wastewater collector, with 0.5 miles in low and moderate income areas; need for storm drainage facilities throughout town, with 0.8 miles in low and moderate income areas; dropped-curb sidewalks in many parts of Town; and traffic control at dangerous intersections. The long term objectives include paved streets serving all residential properties; sewer service to every residential property; adequate storm drainage; dropped-curb sidewalks at all locations of vehicle-pedestrian conflict; and traffic control facilities at all dangerous intersections. The three-year objectives include paving 0.7 miles of streets, installing 0.5 miles of sanitary sewer lines and completing 0.8 miles of storm drainage improvements in the original proposed NDP area; continuing regular program of annual sidewalk improvements; and installing traffic control devices at most dangerous intersections. (3) Services needs include promotion of social and economic opportunities; expansion of day care services and subsidization of their cost for low and moderate income families; expansion of youth development services, and establishment of a central location for social service agencies. The long term objectives include enabling low and moderate income families to purchase day care services, fostering youth development services, and encouraging the central location of social service agencies. The three-year objectives include establishing day care scholarships for approximately 36 children, upgrading publicly owned facilities supporting day care services to standards necessary for accreditation, and improving town services dealing with youth.

Mr. Jenne said that, to make progress toward meeting these needs and the suggested objectives, the following first year strategy is recommended to the Board: (1) provide housing assistance with maximum emphasis on home-ownership and with priorities going first to the 1972 NDP area and urgent situations in other parts of Town, second to the original NDP area, and third to the balance of the Town; this to be

accomplished by means of rehabilitation using Community Development and Housing Loan Trust Fund, new construction or home purchases using relocation payments combined with loans from HLTF and Section 8 construction funds to private or public sponsors combined with seed money for such sponsors, rent subsidy in existing rental units using Section 8 subsidies, and systematic housing inspection as a means of identifying work requirements and of initiating referrals to Housing Authority; (2) make progress on the planned provision of sanitary sewer, storm drainage and street improvements in the NDP areas and thereafter in other parts of the Town; (3) provide day care scholarships for families in areas affected by concentrated CD activities, to assist in coupling economic and social development assistance with the physical activities in the areas of housing and neighborhood improvements.

Mr. Jenne presented the financial breakdown for the proposed program for 1975-76. Housing Assistance for 152 families; rehabilitation of 50 units, under Housing Authority responsibility, for a total cost of \$175,000, with \$45,000 from Community Development and \$130,000 from Housing Loan Trust Fund; 36 new units, under Housing Authority and private sponsorship, for a total cost of \$381,000, with \$206,000 from Community Development, \$34,500 from Section 8, and \$150,000 from Housing Loan Trust Fund; 66 rent subsidies, under the Housing Authority and private sponsorship, for a total cost of \$79,200 from Section 8; systematic inspection, under Town responsibility, for a total cost of \$30,000 from general funds; administration under Housing Authority, for a total cost of \$125,000 from Community Development. Neighborhood Improvements: 2650 feet of sewer, under Town responsibility, for a total cost of \$67,000 from Community Development; and 4000 feet of storm drainage, under Town responsibility, for a total cost of \$306,000 from a bond issue. Services: 36 day care scholarships, under Town responsibility, for a total cost of \$21,500 from Community Development. The estimated cost of the total program is \$1,194,200, with \$465,000 in Community Development funds, \$113,700 in Section 8, \$280,000 in Housing Loan Trust Fund, \$30,000 in general funds and \$306,000 in Town debt from bond issue.

Alderman Marshall asked whether Section 8 money is discretionary. Mr. Jenne said that these are allocated funds that do not come to Town but are handled directly between the sponsors and HUD; Town share is anticipated to be about \$114,000 for 1975-76.

Mayor Lee asked for statements in opposition to the proposal. There were none. Mayor Lee asked for statements in support of the proposal. There were none.

Ms. Kiester said that the long term plans, as considered by CD Task Force, also include day care for the elderly. Ms. Willis said that sidewalks for the elderly to shopping centers, central agency location, and more support for day care are still needed. A member of Citizens Group for Progress under the NDP program commended the CD Task Force for their work. Mr. Thorpe said that the Town Planning Department has been very helpful to the Task Force. Mayor Lee asked whether the money for the support of day care is available from the Community Development Grant. Mr. Jenne said that the Task Force recommends budgeting \$21,500 for the first year, which can be spent if Town is legally able to do so and if it has made every effort to get help for day care elsewhere. Alderman Smith said that the previous housing inspection in the NDP area was more stringent than in the rest of the community, and asked whether HUD will approve the new type of inspection. Mr. Jenne said yes; the systematic inspection will be under the minimum housing code; if violations were found, the Housing Authority would determine whether the owner qualified for assistance and what work would be needed on the house in addition to bringing it in compliance with the minimum housing code. Alderman Smith asked whether any assurance can be received that improving rental units will not mean increased rents. Mr. Jenne said that funding these improvements through Section 8 will avoid that problem, since either CD funds

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can be used or HUD can subsidize the rent to cover the owner's cost of improvements. Mayor Lee said that Section 8 has loan restrictions stipulating that rents cannot be more than the fair market value in the area. Alderman Marshall asked whether there is a national standard for determining low and moderate incomes. Mr. Jenne said that the standard is 50-80% of median income in the given locality. This is difficult to determine, since the census data of 1970 has to be used. Alderman Welsh asked whether a failure of passage of bond issue for storm drainage would effect the CD program. Mr. Jenne said that it would not affect the first year's program, but CD funds may need to be used in that case to complete the work in second and third years. Alderman Smith asked whether a breakdown of administrative expenses is available. Mayor Lee said that it would be proper for the Board to request the Housing Authority Chairman to provide this information before the grant is submitted. Mr. Jenne said that the community is able to change the CD grant allocations up to 10% in a category, providing some flexibility for changes at a later date. Alderman Welsh asked the Planning Board Chairman about the Planning Board recommendation: "The Planning Board supports the goals and objectives of the proposed program but has serious questions about the nature and manner in which the program is to be administered, including the total impact, return on the investment, and the cost of the administration. The Planning Board recommends that the Town itself administer the Community Development Program, and that the cost of administration be borne from the General Fund of the Town." Mr. Jonathan Howes, Planning Board Chairman, said that the Planning Board discussed the matter extensively, and the consensus was that, when limited funds are available, 25% for administration does not appear to be justified. He said that the Planning Board realizes that CD is replacing several existing federally supported programs, but CD is a departure on how these funds are to be used, with money being channeled through Town, while the Housing Authority was set up specifically to operate the housing programs. The Planning Board feels that the CD Program should be brought more closely under Town administration. Mayor Lee asked Mr. Morris Cohen, Housing Authority Chairman, when the justification on administrative expenses can be presented. Mr. Cohen said that the figures are now ready. He said that the Housing Authority deplors the high cost of administration, but it is difficult to cut these. The Housing Authority is a Town agency, and placing the administration of the CD program under the direct administration of Town will not save money. Alderman Gardner asked whether the CD Task Force considered the breakdown of the administrative expenses. Mr. Brunn, Community Development Task Force Chairman, said that this was considered; the administration is for the total program and not just for the CD Funds. Mr. Cohen said that the administrative breakdown figures have been reviewed by the Town staff and Housing Authority staff. Mr. Howes said that the question of the bond issue passage was also raised by the Planning Board. Otherwise, the Planning Board felt that the proposed CD Program is very good. Mr. Daye said that the CD Task Force also would be very pleased if a less costly manner of administration was discovered. Ms. Mace said that the administration cost from the CD funds is shown in the proposal, while the Town's share of the administrative cost is absorbed in Town's general budget. Mr. Jenne said that the work done by Town staff, such as storm sewers and housing inspection, will not need additional personnel. Mr. Frank Dodini asked about the cost difference in sewer and storm sewers. Mr. Jenne said that storm drainage involves more construction and piping than regular sewer lines and is therefore more expensive. Alderman Gardner asked whether the CD Task Force had the benefit of supportive background information during its deliberations. Mr. Jenne said that the Task Force were given data in summary forms. Mr. Brunn said that the CD Task Force was provided with summaries of all Housing Assistance statistics. Alderman Gardner asked whether the Housing Assistance Plan surveyed the housing stock in entire community. Mr. Jenne said that this was done as far as possible. HUD realizes that the data for first year's program will be incomplete, with additional data becoming available as the program progresses. Alderman Gardner asked about the cost figures for rehabilitating substandard units. Mr. Jenne said that an average cost of \$3,600 per unit was used in estimating the funds needed. Alderman Gardner asked whether the day care

scholarships will give priority to low income families. Mr. Jenne said yes; families in need of day care and living in the general geographical area covered by the CD Program will get first priority. Alderman Marshall asked whether any plans are underway in the community for day care for elderly. Mr. Jenne said that he does not know; the community feeling expressed in the matter warrants future consideration, but it was difficult to include this in the short term goals without a specific need being expressed. Alderman Gardner asked whether the Housing Loan Trust Fund was considered for loans for housing rehabilitation. Mr. Jenne said that it is included in the proposal, and he understands that the Housing Authority is ready to grant loans. Alderman Welsh moved, seconded by Alderman Smith, that the final preparation of the Community Development grant application be undertaken by the Town Manager, that the administrative expense list be prepared, and that a resolution on Community Development Grant be prepared and sent back to the Board not later than April 7, 1975. Said motion was unanimously carried. Mayor Lee thanked the Community Development Task Force and the Planning Board. Mr. Thorpe said that the CD Task Force suggests that all commissions channel their reports through the Planning Board. Mayor Lee said that the Board will take the suggestion under consideration. He thanked all citizens for participating in the public hearing. The public hearing adjourned at 8:45 p.m.

REGULAR MEETING

Alderman Smith moved, seconded by Alderman Marshall, that the minutes of the meeting of March 3, 1975 be approved as corrected. Said motion was unanimously carried. Alderman Smith moved, seconded by Alderman Marshall, that the minutes of the Special meeting of March 4, 1975 be approved as circulated. Said motion was unanimously carried.

Communications

Mayor Lee presented a letter from Senator Robert Morgan indicating

that he will support Senate Bill 662 on Mass Transit. Mayor Lee presented a letter from Senator Russell Walker, informing that the cut-off date for submitting local bills to the General Assembly is April 1, 1975.

Urban Mass Transit  
Amendments of 1975

Alderman Cohen petitioned the Board to place consideration of his discussions with a number of people

in Washington on the Urban Mass Transit Amendment of 1975 on the Agenda under item 6. Alderman Welsh moved, seconded by Alderman Smith, that the petition be received, and consideration of the matter be placed on the agenda as indicated. Said motion was unanimously carried.

Privilege Licenses

Town Attorney Denny petitioned the Board to place consideration of

some problems with privilege licenses on the agenda under 6b. Alderman Welsh moved, seconded by Alderman Smith, that the petition be received and consideration of the matter be placed on the agenda as indicated. Said motion was unanimously carried.

Appearance Commission--  
Vacancy

Town Manager Kendzior announced that the Appearance Commission at their meeting of March 5, 1975

nominated Mr. Thomas J. Land, 107 Meadowbrook Drive, to fill the vacancy created by the resignation of Mr. Jonathan Edwards, whose term will expire December 31, 1975.

Firemen's Relief Fund-  
Appointment

Town Manager Kendzior announced that the term of Alderman Smith on the Firemen's Relief Fund has expired;

the new term will expire December 31, 1976. Mayor Lee reappointed Alderman Smith to the Firemen's Relief Fund.

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Farrington Hills Sub-  
division, Section 4--  
Final Plat

Mr. Mike Jennings, Town Planner, presented the project and showed it on the map. The area abuts Morgan Creek on the north and con-

sists of seven lots. On November 11, 1974 the preliminary plat was renewed with nine lots, but two of the end lots on each side of the road have been combined to permit septic tanks to be used until sewer becomes available. The Planning Board recommends approval, although it did not consider the two stipulations recommended by the Planning Director, which are standard in nature. Alderman Smith asked how far the sewer line needs to be extended to serve the two end lots. Mr. Jennings said that the line will need to come across Morgan Creek; the line serving the other lots cannot be used because of slope of the land. Alderman Welsh moved, seconded by Alderman Gardner, that the final plat for Farrington Hills Subdivision, Section 4 be approved subject to the following stipulations:

1. That bond or a letter of credit be posted in the type and amount as set by the Town Manager to guarantee that the construction of all improvements will be completed.
2. That a 30 foot sewer easement, required to serve lots in Section 1 and 2, be dedicated across lots 20 and 21 of Farrington Hills Subdivision Section 2 as approved by the Town Manager. (The applicant has agreed to this request.)

Alderman Smith asked how many additional lots are planned in the subdivision. Mr. Jennings showed the area on the map and said that about 25 lots still need to be platted. Said motion was unanimously carried.

Releases

Town Clerk Roberts presented the releases. Alderman Smith moved, seconded by Alderman Welsh, that the following resolution granting releases be adopted:

RESOLUTION - TAX RELEASES

WHEREAS, taxes listed below were erroneously levied through clerical error on properties belonging to the following:

<u>NAME</u>	<u>REC. #</u>	<u>AMOUNT</u>	<u>REASON</u>
Edward B. Atkinson	8538	39.17	Personal property picked in error located in Foxcroft Apartments.
The Village Apts.	8129	214.92	Apartments, located on Smith Level Rd.
R. Neill Scott	5340	45.60	Sewer was charged in error. Not connected.
Gregory Real Estate Co.	8043	45.00	Error in computing sewer.
Branch Building	6732	6,985.60	Valuation was reduced by State Board from 3,805,700 to 3,050,500.
Bollinwood Associates	6728	3,194.03	Valuation was reduced from 1,546,100 to 1,200,800 because of occupancy in mid-year.

WHEREAS, the above listed persons have made application for releases of said taxes;

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the Town of Chapel Hill, that it finds the taxes on the above listed persons were levied through clerical error, and in the discretion of the Board should be released to the taxpayer, IT BEING FURTHER RESOLVED that the Tax Collector is authorized and empowered to make such release.

This the 17th day of March, 1975

Said motion was unanimously carried.

RSVP Grant Application

Town Manager Kendzior said that the RSVP grant is in the third year, with 10% local funding first year, 20% current year, and 30% for 1975-76. The anticipated budget is \$30,588, with local share \$9,177, with 2,600 being supplied by in-kind contributions. He requested that the Board consider authorizing application to ACTION for continuation of the grant for this program. The Town would be requested to fund up to \$6,577, and both County Commissioners and Carrboro Board of Aldermen have been contacted to see if they would be willing to participate. Orange County has deferred action on the matter until March 18, 1975 and Carrboro has requested additional information on their residents' participation. Mayor Lee asked whether the program can serve Chapel Hill residents only, if the other two governmental units choose not to participate. Town Manager Kendzior said no, service has to be available county wide. Alderman Marshall said that when the Town Council on Aging was first combined with the County Council on Aging, Town wished to keep RSVP program and was willing to support it by itself, with eventual possible support from the other two governmental units. Mr. Charles Martin, Chairman of the Council on Aging, said that it supports the program. Ms. Bernice Hopkins of RSVP said that the program needs to serve the whole county to be eligible for federal funds. Mayor Lee said that he supports the program, but he feels that the other governmental units whose citizens benefit from the program should participate in it. Alderman Welsh expressed her concern about the participation of the other governmental units from the point of view of administration of the program. Town Manager Kendzior said that Town would administer the program even with support from the other governmental units. Alderman Welsh said that the program is mainly local, since it is difficult to do a county-wide program from Chapel Hill. Mayor Lee agreed that the program will benefit mainly people from this area. Mr. Charles Haywood, Human Services Director, said that the question of who will administer the program will occur if the other governmental units support the program on an equal basis. Mayor Lee recommended that the matter be investigated further before action on the matter is taken. Precedent has already been set with other governmental units participating in programs administered by one. Alderman Gardner said that the matter was discussed at budget time for the current year; from the standpoint of service, Carrboro and Orange County receive benefits from the program. Mayor Lee said that the application needs to be submitted by March 31, 1975. Alderman Welsh moved, seconded by Alderman Gardner, that action on the matter be delayed until the next Board meeting, with Town Manager reporting back on the participation of the other governmental units as regards funds and administration. Said motion was unanimously carried.

Capital Improvement  
Program 1975-80

Mr. Kurt Jenne, Assistant Town Manager for Community Development and Services, presented Town Manager's recommendations for Chapel Hill's first five-year Capital Improvement Program covering fiscal years 1975-80. The advantages of a capital improvement program include the ability to deal with a broad range of community needs and resources as a whole; to set priorities: to develop a balanced long-range program; to coordinate the



location, timing and financing of projects: to develop balanced timely bond issues: to seek inter-governmental funding assistance in advance of project implementation: and to improve accountability by using the program as a management schedule. It is recommended that the Board decide which projects should be undertaken, when, and in what order, with yearly review; decide on the method of funding; and decide on the funds to be appropriated for the first year's activities. In developing a recommended five-year capital improvements program for the Board's consideration, the staff first developed a list of projects which reflected current plans and policies of the Town, special studies such as the 1974 recreation facilities plan, Board deliberations, citizen expressions and departmental needs surveys. On the basis of the list, departments submitted project requests which were assembled and then reviewed by the Manager with the assistance of the Director of Urban Development, Director of Finance and Director of Public Works. In developing a program proposal for the Board to consider, the CIP staff committee attempted to 1) respond to the many urgent needs in the community, 2) include only long-term permanent improvements appropriate for bond financing, 3) hold down the complexity of the first year's projects to allow the staff to acclimate itself to managing a broader program of improvements, and 4) reduce the level of funding in the last two years of the program to allow some flexibility in the later years.

HIGHLIGHTS OF THE FIVE-YEAR PROGRAM. The recommended five-year program includes 31 projects in the areas of land acquisition, transportation, leisure activities, public safety, general municipal facilities and sewer utility. The total five-year cost to the Town of these projects is \$11,419,000 comprising \$9,710,000 for non-utility projects and \$1,709,000 for sewer utility improvements.

Land Acquisition includes one project which provisionally suggests \$250,000 for the purchase of a multipurpose municipal operations site to replace the obsolescent Plant Road location and to provide room for future expansion of transit, public works, and public safety facilities as they are needed.

Transportation projects total \$4,212,000 for the five-year period. They include a combination of improvements to facilitate movement by automobile, transit, bicycle and foot. Two street construction projects are proposed to correct structural inadequacies in our existing paved streets and to begin a continuing program to pave all unpaved streets within the Town limits. A continuing program of sidewalk construction is proposed to ensure steady annual progress in providing badly-needed paved sidewalks throughout the Town. Also, a continuing program of storm drainage improvements is proposed to alleviate the many drainage problems which exist in the Town. Further work on the municipal parking lots for purposes of code compliance and beautification is proposed. Two park-and-ride lots are proposed to implement the Town's intercept strategy and to respond to an existing demand for modal transfer on the east and south sides of Town. Projects are also included to systematically erect bus shelters and, in later years, to implement recommendations of the CBD Study Committee and to begin construction of bicycle paths in the Town.

Leisure Activities projects total \$2,229,000 for the five-year period. They include a series of recreation site improvements designed to begin implementing the master plan for recreation facilities developed in 1974 by the Recreation Department and the Recreation Commission. The recommended scheduling of these projects places first priority on the securing of adequate gymnasium facilities to carry on the Town's basketball program, the construction of playing fields and courts crucial to our current outdoor athletic programs, and the provision of geographically-balanced recreation center facilities. The projects intended to accomplish this include the acquisition of the Lincoln Gymnasium, the development of athletic fields at Cedar Falls, the development of tennis facilities on the centrally-located Jones Park recently acquired by the Town, and the development and improvement of recreation center facilities at the Ephesus and Hargraves sites. Projects scheduled for the latter part of the five-year period include the development of physical improvements on the Greenway System, and the balanced distribution of facilities on sites at Northside School, Oakwood Park, Umstead Park, Frank Porter Graham School and Phillips School.



Public Safety projects total \$2,220,000 for the five-year period. They include the critically-needed expansion of facilities for law enforcement operations and the construction of a fire training facility necessary to maintaining a high standard of performance by our firefighters. The need for this latter facility has become particularly acute since our old training tower at Plant Road became unusable and had to be dismantled. Recommended for funding in later years is an animal shelter to replace that one currently operated at Plant Road.

General Municipal Facilities projects total \$799,000 over the five-year period. They include the acquisition and preservation of the Franklin Street Post Office and its downtown services, and in later years the provision, in stages, of functional public meeting facilities and additional municipal office space to meet projected departmental requirements over at least a 10-year period.

Sewer Utility projects totalling \$1,709,000 over the five-period have been included in the Capital Improvement Program notwithstanding the possibility that a water and sewer authority might be created in the near future. We have progressed with the 201 studies and plans to the point where we should be able to undertake critically needed improvements to the wastewater treatment plant and the Rogerson Drive lift station during the next fiscal year and the Town should be prepared to do so without delay. Also proposed is a project to systematically work toward providing adequate sanitary sewer service to every economically accessible home within the Town limits.

FINANCING THE PROGRAM. There are three major means available to the Town to finance capital improvements: sinking fund, cash and long-term borrowing or bonds. Sinking fund financing does not appear to be a desirable alternative in the foreseeable future since inflation in construction costs can be expected to consistently outrun interest earned on the highest yield investments available to the Town. With regard to the other two alternatives, bonds have two major advantages over cash financing. First, borrowing gives the Town the financial leverage it must have to effectively meet a broad range of equally urgent needs and priorities. Second, payment for improvements by long-term debt service provides a measure of equity to successive users of facilities in a mobile community.

The Town is currently under utilizing the resources available to it by the obligation of long-term debt. By law, the Town's total outstanding obligation (not including sewer debt if it is fully covered by sewer revenues) cannot exceed 8% of its assessed valuation. Currently our debt limit is \$18,500,000. Our current outstanding obligations total \$3,076,000 including sewer debt, or 16% of our total capacity. If our wastewater operations were self-supporting, our current obligations subject to the statutory limitation would total \$1,322,000 or 7% of our total capacity. It is not surprising therefore that Chapel Hill has the lowest actual debt, debt per capita, and debt as a percent of assessed valuation of any city over 15,000 population in the state.

The Town currently carries a 'AA' credit rating. The affect of this excellent rating was felt when the Town received an average interest rate of 5.4% on its recent transit bond issue. The establishment and use of a capital improvement program will strengthen our credit rating. In short our current rating with investors and our determination to embark on a planned program of public improvements would also indicate an ability to assume additional debt.

It is recommended that the Board strongly consider increasing the use of the Town's bonding authority to finance a continuing program of capital improvements in the community. Specifically, it is recommended that the Town:

1. Fund appropriations for all projects in the first three years (1975-78) by the authorization of general obligation bonds with the exception of four projects which would require issues in their respective bond categories so small as to be unattractive to investors;
2. Schedule a referendum for whatever bonds the Board proposes to authorize as early in the fall of 1975 as is possible to allow the earliest possible start on those 1975-76 projects finally approved by the Board.
3. Plan to hold subsequent referenda, starting in 1978, at fairly regular intervals to maintain steady progress on the capital improvement program.

The 1975 authorization as recommended would total \$7,500,000 including \$6,350,000 for non-sewer issues and \$1,150,000 for sewer issues. The 1978 authorization which might include a third year as well, would total at least \$4,025,000 including \$3,425,000 for non-sewer issues and \$600,000 for sewer issues.

Assuming a conservative 5% per year increase in the Town's total assessed valuation, the proposed program would create a minimum margin for additional authorization in 1976-77. In that year our combined obligations for sewer and non-sewer issues would leave a margin of \$10,200,000 or 50% of our capacity. If our wastewater operations were self-supporting, our non-sewer issues would leave a margin of \$12,900,000 or 63% of our capacity.

Our current debt service will reach a peak in 1975-76 of \$351,273 including \$178,473 non-sewer and \$172,800 sewer. After that, it declines gradually and is fully amortized in 1990-91. Our debt service including the additional obligations from the recommended program would increase our 1975-76 combined debt service by \$59,998 to \$411,273 including \$233,223 non-sewer and \$178,050 sewer. The combined debt service would climb by approximately \$200,000 per year for the ensuing four years. It would peak in 1980-81 with an annual debt service requirement of \$1,442,110 including \$1,055,030 non-sewer and \$386,580 sewer. It would then gradually decline, providing the capacity to absorb new debt service as part of existing debt is retired each year.

The recommended capital improvements program represents a significantly increased annual commitment of funds by the Town for meeting capital needs. Consideration of this program should include a careful assessment of the Town's past, current and future directions in the operation of its services, the improvement of the community's physical assets, and the maintenance of a sound revenue structure. The capital improvement program and the annual operating budget are inextricably linked through the annual debt service requirements and the Town's revenue structure. As an example of this latter factor, the Manager will recommend that sewer usage rates be restructured to place the Wastewater Fund on an entirely self-supporting basis in 1975-76 and so eliminate its burden on the General Fund for operations and debt service. By considering all of these factors in our work this spring the Manager and the staff are confident that we can look to the future of the community with even better direction and more certainty than we have in the past.

Town Clerk Roberts distributed copies of the proposed program to members of the Board and to press representatives. Alderman Welsh asked whether the expenditure on Lincoln Gym and Post Office building are contingent on their availability. Town Manager Kendzior said that School Board is currently holding meetings to consider the disposition of Lincoln Gym and should have their answer ready before public hearing date on CIP; the Post Office building is still available, but Town has been told that it will need to be reappraised. Alderman Smith moved, seconded by Alderman Marshall, that the Capital Improvement Program proposal for 1975-80 be referred to the Planning Board for their consideration and recommendation back to the Board no later than April 14, 1975. Said motion was unanimously carried. Alderman Smith moved, seconded by Alderman Welsh, that a Public Hearing on Capital Improvement Program for 1975-80 be set for May 5, 1975. Said motion was unanimously carried.

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Recreation Department--  
Ephesus Road Elementary  
Lighting--Bids

\$1,200 has been allocated for plan specifications and periodic inspections during installation. Notice to bidders appeared in the February 14, 1975 edition of the Chapel Hill Newspaper and notices were sent to 14 prospective bidders in the area. On March 4, 1975 six bids were received. The Recreation Director and the Purchasing Agent recommend accepting the bid from Tommy Lawrence Electrical Contractor of Roxboro, N. C. because it is the low bid, it is within budget estimate, the completion time is minimal with fixtures already in stock, and they have prior experience in installing ball field lighting. Alderman Smith moved, seconded by Alderman Welsh, that the low bid from Tommy Lawrence Electrical Contractors of \$10,550.00 for the installation of softball field lighting at Ephesus Church Road site be approved. Alderman Gardner asked whether the Recreation Commission has recommended this bid. Town Manager Kendzior said that the installation of lights was recommended by the Recreation Commission at budget time, but staff is not checking with them on the completion of each recommendation. Said motion was unanimously carried.

Surplus Town Property--Bids

Town Manager Kendzior said that those items declared surplus property on December 16, 1974 for which Town has not received bids or has rejected bids, have been readvertised in the February 17, 1975 edition of the Chapel Hill Newspaper. Requests for quotations were sent to all scrap metal dealers and electric motor dealers in the area and to cities and Towns in a three state area. On March 4, 1975 three bids were received. The Town Manager and Purchasing Agent recommend that Town reject the bids by Bridges Iron and Metal Co. and by Lloyd G. Parker and accept the bid by Sid Rancer Iron and Steel Co. They further recommend that the Duncan Parking Meters be dismantled for parts which can be used as replacements in meters currently on the street. Alderman Rancer asked Town Attorney whether there is possibility of conflict of interest in the bid. Town Attorney Denny said no, the bids were sealed bids. Alderman Smith moved, seconded by Alderman Marshall, that the bid from Sid Rancer Iron and Steel Co. of 91¢ per 100 lbs. for about 16 tons of scrap material be accepted, and that bids from Bridges Iron and Metal Co. and from Lloyd G. Parker be rejected. Said motion passed by a vote of five, with Alderman Rancer abstaining because of financial conflict of interest.

Urban Mass Transit  
Amendments of 1975

Alderman Cohen reported that he has recently contacted a number of persons in Washington to seek their support for the Urban Mass Transit Amendment aiding Towns under 50,000. Senator Morgan has indicated he will support the bill; persons on staff of Congressmen Dave Henderson and L. H. Fountain have indicated that these congressmen might support the bill. The Senate hearings on the bill are scheduled for May 1975, but the bill may not pass Congress before the beginning of the next fiscal year. The bill calls for cities under 50,000 competing for funds on a national basis, with UMTA making 50-50 matching grants, which can also be used to replace revenue sharing funds presently used to support mass transit. Mayor Lee thanked Alderman Cohen for the report.

Privilege Licenses--  
Palmistry


Town Attorney Denny said that General Statutes and local ordinance permits the issuance of license for the practice of palmistry, and one license has been issued recently. However, practice of palmistry is unlawful in Orange County. He asked for guidance from the Board in the matter, whether further such licenses should be issued and whether steps should be taken to revoke the license issued. Alderman Gardner asked whether the license can be recalled on the grounds of law violation and money refunded. Town Attorney Denny said that it is not unlawful to issue the license but is unlawful to practice palmistry. Additional prospective applicants have been advised of the law problem. Town Clerk Roberts said that the license was issued since staff was not aware of the Orange County

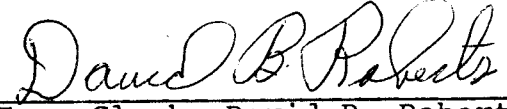
law. Town Attorney Denny said that the issuing of license cannot confer on the person the right to violate the law; the situation is similar to certain federal licenses, action on which is illegal in North Carolina. Mayor Lee said that Town should not encourage the practice of illegal activities; it also puts the police in a difficult situation. Alderman Smith moved, seconded by Alderman Welsh that the license which has been issued to practice palmistry be recalled and the fee refunded, and that the local ordinance be brought into conformity with the county ordinance. Town Attorney Denny said that palmistry is permitted in about half of the North Carolina Counties. Mayor Lee said that he is opposed to palmistry, since it preys on poor people. Said motion was unanimously carried. Alderman Rancer said that he understands that a massage parlor has open in Town. Mayor Lee said that operation of massage parlors is legal in Town, but a license is needed; he asked Town Clerk Roberts to investigate the matter. Alderman Rancer asked whether the Board should consider outlawing massage parlors. Town Attorney Denny said that the matter is up to the Board. Alderman Gardner asked Town Attorney to look into the practicality of such an ordinance from the legal standpoint.

Water and Sewer Authority

Town Attorney Denny asked whether Board members have any strong feelings on leaving the length of term of persons serving on the Water and Sewer Authority at six years. Alderman Cohen said that he thinks the Water and Sewer Task Force recommended that the terms be three years. Alderman Welsh asked whether the length of terms can be changed at a future time. Town Attorney Denny said that this would require a state legislation.

There being no further business to come before the Board of Aldermen, said meeting adjourned at 10:00 p.m.

  
 Mayor Howard N. Lee

  
 Town Clerk, David B. Roberts

MINUTES OF A REGULAR MEETING OF THE MAYOR AND THE BOARD OF ALDERMEN OF THE TOWN OF CHAPEL HILL HELD IN THE MUNICIPAL BUILDING, MONDAY, MARCH 24, 1975 AT 7:30 P.M.

The Board of Aldermen met for a regular meeting on March 24, 1975 at 7:30 p.m. in the Municipal Building. The roll was reported as follows:

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| Present: | Howard N. Lee, Mayor<br>Gerald A. Cohen<br>Thomas B. Gardner<br>Shirley E. Marshall<br>Sid S. Rancer<br>R. D. Smith<br>Alice M. Welsh |
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Absent: None

A quorum of the Board was present and in attendance at the meeting. Also present were Town Manager C. Kendzior, Town Clerk D. Roberts, and Town Attorney E. Denny.