

MINUTES OF A BUDGET PUBLIC FORUM OF THE MAYOR AND COUNCIL  
OF THE TOWN OF CHAPEL HILL, MUNICIPAL BUILDING,  
TUESDAY, NOVEMBER 16, 1982, 7:30 P.M.

Mayor Nassif called the meeting to order. Present were:

Marilyn Boulton  
Winston Broadfoot  
Jonathan Howes  
Beverly Kawalec  
David Pasquini  
Joseph Straley

Absent were Councilmembers Jim Wallace and R. D. Smith. Also present were Town Manager, David R. Taylor; Deputy Town Attorney, Grainger Barrett; and Finance Director, Jim Baker.

Mayor Nassif stated that Council desired citizen input during the early stages of the budget process to aid in the preparation of the 1981-82 Recommended Budget.

Forms were made available for those citizens who wished to submit written comments to Councilmembers.

Mr. George Coxhead, a Chapel Hill resident, commended the Town Manager and staff on the 1981-82 Adopted Budget and urged Council "to hold the line and try to reduce taxes" as he expressed concern for people on fixed incomes.

Mr. Roland Giduz, a Chapel Hill resident, expressed his approval of cost reductions in the 1981-82 Adopted Budget. He urged maintenance of Town facilities in anticipation of future cuts in federal funding.

Mr. Giduz proposed that the Town of Chapel Hill seek authority from the General Assembly for a local or state-wide "entertainment" tax on football games and other forms of entertainment as a source of revenue. He felt it was one of the fairest possible taxes that could be levied. He felt that such a tax would not affect the patronage of entertainment in Chapel Hill and that the University would support the idea.

Ms. Jane Sharp supported Mr. Giduz's suggestion for an "entertainment" tax. She stated that the North Carolina Consumer's Council (of which she was president) would support such a tax as being "fair, payable, and collectable."

Ms. Sharp expressed her support for greenways and the extension of greenways, where possible, in Chapel Hill. She felt greenways (1) were more satisfactory than dredging the streams, (2) were an excellent investment for the Town, and (3) contributed to the beauty of the Town.

Ms. Sharp stated that she had heard that there was some opposition for use of the sloping area on Morgan Creek (in Laurel Hill IV development) as a playground. She, however, supported such use, feeling that this type of terrain added to the enjoyment of a playground area.

Lastly, Ms. Sharp expressed support for the use of Town funds, with reliable guidelines, to encourage energy efficient developments.

Ms. Gina Cunningham proposed the establishment of a citizen liaison officer with the responsibility of (1) responding to citizen complaints and inquiries, and (2) initiating outreach efforts.

Councilmember Straley invited citizens to make suggestions re budget procedures.

Ms. Brooks Morton, speaking for the Community Appearance Commission, proposed the development of a booklet which would contain the sign ordinance, revisions to the ordinance, and illustrations and suggestions for implementing sign criteria. Staff time and money for this project could be provided for in the budget. Ms. Morton requested that reimbursement provisions for Community Appearance Commission members be considered in the budget.

Ms. Kathy Harris, a member of the Eno River Association, the Sierra Club and the Lake Forest Garden Club, suggested that money be allocated toward a greenway system between parks in Chapel Hill and along area rivers to provide a diversion for citizens from workday stress. This would also add to the beauty of Chapel Hill and protect the naturalness of the area.

Mr. William Geer, a citizen, requested a reduction in property tax in Chapel Hill. He proposed that the "surplus" from last year's budget be utilized to further reduce the tax burden and that this money not be spent just because it was available. He expressed appreciation for the 1981-82 budget reductions which he felt were achieved by greater efficiencies in the operation of the Town. He felt further efficiencies could be achieved.

No other comments were made by citizens.

Councilmember Boulton expressed appreciation for the "Comment Forms" which had been made available for citizens. She suggested that forms of this type be made available and used throughout the budget process. Councilmember Pasquini concurred and requested that similar forms be made available to citizens at all times. He felt such forms would encourage communication between the Council and townspeople.

Mr. Taylor stated that forms could be made available at the Library, the Municipal Building and at Council meetings.

Councilmember Broadfoot explained that the fund balance had not yet reached what would be considered a "safe" level; therefore, the increase in the fund balance could not be used to effect a decrease in the tax rate. Council, however, was no less determined this year than last year to hold the current tax rate.

Councilmember Broadfoot suggested a type of "publications office" that would provide beneficial information for Town citizens. He expressed his support for the "entertainment" tax proposed by Mr. Giduz.

Mr. Jim Baker, Finance Director, responded to Councilmember Straley that an increase in revenues and a decrease in expenditures were the major factors that effected the increase in fund balance.

Mr. Taylor responded to Councilmember Boulton that the Council would receive a financial overview prior to budget considerations.

Mr. Taylor explained to Councilmember Straley that the increase in fund balance was not from overtaxing, but was a result of the fact that there had been less expenditures than appropriated. This was the effect of the conscious effort of staff and Council to not over spend.

Councilmember Straley asked how this year's financial statement compared with last year's projection.

Mr. Taylor responded that currently it appeared that revenues might exceed those anticipated in the budget by \$150,000; expenditures were running much closer to the budget than at the same time last year. Therefore, he did not feel that there would be a very large amount of money in unexpended appropriations. He felt that figures would come close to budgeted amounts. Every effort would be made to keep expenditures and revenues equal.

Councilmember Broadfoot explained that a fund balance was needed for "safety." This amount should be approximately one month's expenditures...or approximately \$1 million. A fund balance was achieved by, necessarily, overestimating expenses. Once the necessary amount of fund balance was reached, then a "surplus" could be determined.

Mr. Taylor felt that a strategy should be developed to build an undesignated fund balance to \$1 million over a period of several years. He stated that a financial report with projections would be submitted to Council in January 1983, and an Interim Report would be submitted in March 1983.

Mayor Nassif concluded that Council was attempting to plan for the future of Chapel Hill. There could be no guarantee of a "no tax increase" at some future point in time, but he assured those present that Council would work diligently to arrive at a budget that would be good for the Town and which offered "effective" services. He asserted that to try to offer "efficient" services was not a realistic goal, as services were rendered to people by people...not by machines.

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As there was no further business to come before Council, the meeting was adjourned at 8:33 P.M.

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Joseph L. Nassif, Mayor

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David B. Roberts, Clerk