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MINUTES OF A MEETING OF THE MAYOR AND COUNCIL OF THE TOWN OF CHAPEL HILL,
MUNICIPAL BUILDING, MONDAY, MARCH 28, 1983, 7:30 P.M.

Mayor Joseph L. Nassif called the meeting to order. Councilmembers present were:

Winston Broadfoot
Jonathan Howes
Beverly Kawalec
David Pasquini
R. D. Smith
Joseph Straley
Jim Wallace

Councilmember Boulton was absent, excused. Also present were Town Manager, David R. Taylor; Assistant Town Manager, Sonna Loewenthal; and Town Attorney, Grainger Barrett.

Public Hearing

Proposed Application for a \$750,000 Community Development Grant

Ms. Loewenthal presented the staff report to the Council. This public hearing was the second of two public hearings for the Community Development application for a neighborhood revitalization program. During the first public hearing (March 14, 1983) citizens addressed the Council regarding needs and suggestions for Community Development projects. This, the second, public hearing was to hear citizens' comments regarding the draft application for the 1983 Community Development program.

Three projects that had been requested at the first public hearing which would not be included in the draft application:

1. The request from the Inter-Church Housing Corporation for rehabilitation funds for the Elliott Woods and Chase Park rental housing project. The staff felt that this request would rank lower than the Chapel Hill Housing Authority public housing sites.
2. The request from the Inter-Church Housing Corporation for \$3,500 to help fund a feasibility study of having a tenants' organization that would maintain and possibly manage the Elliott Woods and Chase Park housing project. The staff suggested that the Council consider asking HUD if monies from the existing Small Cities program could be used to fund this project. This issue could also be referred to the Human Services Advisory Board for a recommendation.
3. The request from the Chapel Hill Housing Authority to use Community Development funds to reconstruct the driveway at 751 Pritchard, and to replace a sewer line. HUD had since advised that they would provide funds for this project.

The draft application would include:

1. Sewer lines in the University Heights neighborhood:
 - Construction of an outfall line to connect from the existing sewer system in Colony Woods through the undeveloped area to the University Heights area.
 - Lines would be laid in the streets and connected to each existing dwelling.

The staff felt that this need was high in this low to moderate income neighborhood and would receive favorable consideration by the State.

OWASA had approved the use of \$48,000 to pay for construction of the outfall between the existing system and University Heights if the Town received the grant.

2. Paving unpaved streets in University Heights:

- This project would meet a serious need in this low to moderate income neighborhood.
- Up to \$75,000 of Small Cities Community Development funds could be used for this project.

3. Public housing weatherization:

- Thermopane or storm windows would be installed in 160 units of public housing.

The staff felt that this project would receive the highest possible rating from the State. Additional "leverage" money was not available for this project. Tenants' utility bills could be controled and operation costs for the Housing Authority would be lowered.

4. Home ownership opportunities program:

- \$10,000 was required to help develop a home ownership housing project for low to moderate income people.

In addition to these projects, Ms. Loewenthal stated that local option monies could also be requested. Up to 20% of the full grant award could be used for any eligible Community Development activity. If local option monies were awarded, it was be used to install sewer in the Barclay Road/Justice Street area.

Mr. Tom Heffner, Chair of the Chapel Hill Housing Authority, spoke in support of the need to weatherize the 160 public housing units. The Authority was currently striving to bring all of the units up to the standards of the Chapel Hill Housing Code. He requested the Council's support for this portion of the application.

Mayor Nassif asked Mr. Heffner if the currently existing multi-units meters would be changed to single-unit meters. Mr. Heffner responded that this had been discussed, as it would help the Housing Authority reduce costs; this would not benefit the tenants.

Ms. Anne Fleming, a resident of University Heights, spoke in support of the proposed sewer lines in University Heights. Sewer would encourage residential growth of the neighborhood.

Mr. John Tomaro, President of the Inter-Church Housing Corporation, wished to clarify his remarks at the February public hearing. He stated that he had not intended for the letter he submitted to constitute a formal proposal, but rather to identify the problem and to solicit the degree of Council interest. He had hoped that the Council would instruct the Planning staff to work with the Corporation in developing an appropriate proposal for Council's consideration.

Mr. Red Kruck, 200 Barclay Road, questioned what had become of earlier requests to install sewer on Barclay Road. Mayor Nassif responded that funds had never been approved. Ms. Loewenthal responded that the soil of that area did not pass current soil analysis tests. Mr. Taylor explained that the request made one year ago had not received funding; the request was now being resubmitted.

Councilmember Broadfoot was assured by Mr. Taylor that, to the best of his knowledge at this time, the Town of Chapel Hill would meet the threshold criteria for eligibility.

Councilmember Broadfoot felt that a public hearing should be as open to thoughts from the public as it was to suggestions from the staff. He felt that the Procedures Manual should be clarified regarding the purpose of a public hearing.

Councilmember Broadfoot felt that weatherization costs could be considerably less. Ms. Loewenthal explained that estimates for weatherization were submitted from contractors.

Councilmember Broadfoot asked if damages by tenants were recovered. Mr. Heffner explained that current policy was to bill the tenant for damages. If a tenant moved and could not be reached for collection of the debt, a collection agency was sometimes used. In some instances, damages had to be written off as bad debts.

Councilmember Smith expressed concern that funds for sewer installation went to "absentee landlords" (who could afford installation fees) as well as to low to moderate income people. He desired a way to differentiate between those who needed assistance and those who did not and use the other monies for other projects.

COUNCILMEMBER SMITH MOVED, SECONDED BY COUNCILMEMBER STRALEY, TO REFER THE MATTER TO THE MANAGER. THE MOTION CARRIED UNANIMOUSLY.

Mayor Nassif declared the public hearing closed.

Petitions and Requests

Mayor Nassif stated that the Council could only receive a petition at this meeting, due to the absence of one Councilmember. No action could be taken on a petition not listed on the agenda. Petition time was a time to present a request to the Council, and was not a time for debate.

Mr. Miles Douglas Farrington, Director of the Community Togetherness Club (CTC), petitioned the Council's help in seeking volunteers and in considering funding possibilities for the newly-formed club. Mr. Farrington stated that the purpose of the club was to bring the community together as a family through parent and child involvement in community activities. The Club began in the spring of 1983 in Colony Woods West. The level of interest which had been demonstrated through parent and child participation had encouraged the Club to consider expanding the program in this area and into other communities, and to seek Council support.

COUNCILMEMBER BROADFOOT MOVED, SECONDED BY COUNCILMEMBER HOWES, TO REFER THE MATTER TO THE MANAGER AND TO THE HUMAN SERVICES ADVISORY BOARD FOR RECOMMENDATION. THE MOTION CARRIED UNANIMOUSLY.

Dr. Mary Turner Lane, President of the Chapel Hill Preservation Society, asked the Council to consider the following recommendations, regarding the proposed Thoroughfare Plan, before reaching a decision:

1. Delete the one-way pairing of Franklin and Rosemary Streets.
2. Delete the extension of McCauley Street and Pittsboro Street.

The Society supported a thoroughfare around Chapel Hill instead of through Chapel Hill.

Mayor Nassif reminded petitioners that petition time was a time to make requests of the Council, and not to continue a previous public hearing.

There were no other petitions to be heard by the Council.

Minutes (March 14, 1983)

COUNCILMEMBER STRALEY MOVED, SECONDED BY COUNCILMEMBER HOWES, APPROVAL OF THE MINUTES OF MARCH 14, 1983, AS CIRCULATED. THE MOTION CARRIED UNANIMOUSLY.

Proposal for a Teen Center in Part of the Basement of the Post Office/Court Facility

Mr. Tommy Gardner, representing the Downtown Chapel Hill Association, introduced Rev. Gordon Dragt.

Rev. Dragt, a minister in Chapel Hill, an advisor to Drive-A-Teen, a member of two Task Forces on alcoholic problems in Chapel Hill, and a parent of two teens, felt there was a growing need for a teen center on Franklin Street. He described Franklin Street as the "symbolic center of this community and there just isn't much night-time activity there that is non-alcoholic." He submitted that there was broad student and community support for the idea and that the time was right to respond positively to this persistent problem. Success would depend on the community's response.

Rev. Dragt requested that the Council reject the Manager's proposed resolution as he felt it was too restrictive at this point. The Association initially wished to acquire the space, and then have an opportunity to organize the program for a teen center before approaching the Council for further direction.

Ms. Jenny Link, a senior at Chapel Hill High School, stated that she felt that a teen night club in Chapel Hill would offer an alternate form of entertainment for teens "besides wandering around Franklin Street, stopping in at the fraternity parties and bars." She felt there was enough enthusiasm among students in Chapel Hill to make this work..."an exciting answer to teenage weekend boredom." She added "[boredom] inevitably leads to trouble."

Ms. Tracey Machen, a ninth grade student at Phillips Jr. High School, felt that a night club for teens would help alleviate the problem of a lack of activities for teens in Chapel Hill and Carrboro. She had obtained 160 student signatures from Phillips Jr. High School who supported a teen center concept. The ninth grade Student Council also had submitted a letter of support to her for this proposal. She submitted that "the teenagers in Chapel Hill need, want, and support the night club idea."

Ms. Judy Eastman, President of the Chapel Hill High School Parent Teacher Student Association, a social worker and a parent, felt that a place for teens to have safe fun was needed and urged the Council to give this opportunity to upcoming parents of teens in Chapel Hill.

Ms. Pat Brooks, a teacher at Phillips Jr. High School, President of the Parent Teachers Association Council, and parent of two teens, stated that the PTA Council endorsed the proposal of a teen center below the Post Office.

Ms. Patricia Sullivan, Chair of the Chapel Hill Human Services Advisory Board, and parent of a teen, stated that there was a need to have a place where teens could go on the weekend. She felt that the support currently felt from the schools, the PTA, the teens, businesses, and the community indicated that the idea could work. She felt that the Town belonged as much to the University students as it did to the citizenry of Chapel Hill. She supported an area on Franklin Street.

Rev. Robert Seymour, a minister in Chapel Hill, stated that he would support a teen center in the downtown area, even if it existed for only a few years (he added that even adult entertainment centers came and went over a period of time). He felt the center would meet a current vital need in the Chapel Hill community. Rev. Seymour stated that the idea for a teen center in the Community Center on Estes Drive had been totally abolished because of "cost overages and cutbacks." He supported a "non-alcoholic night club" teen center with age limits and membership cards.

Mr. Tommy Gardner stated that he felt that there was "a lot of work yet to be done." The Association proposed to return to the Council with a formalized plan.

Councilmember Howes asked what the specific objections were that the Association had re the Manager's recommended resolution.

Mr. Gardner stated that the Association's request to the Council was if the space could or would be made available. He felt that conditions outlined in the resolution were too involved at this point. Rev. Dragt stated that the conditions of the resolution were premature and limited possible options. He felt further discussion was necessary.

Councilmember Howes offered to formulate "a resolution indicating the Town's general concurrence in the approach suggested here and a willingness to co-operate with this community group, representing an amalgum of groups, in the conduct of a feasibility study to be reported back to the Manager and to the Council at an appropriate time in the future, whenever such studies were concluded." Councilmember Howes felt that the group would be well advised of the concerns of the Town Manager and the Council regarding the use of the Post Office Building and the kinds of conditions that might appropriately be imposed, even though imposing those conditions at this time seemed premature and might dampen the enthusiasm and effort of the group.

Councilmember Straley felt that a subsequent written agreement between the Town Manager and the responsible organizations would provide flexibility during the negotiation process. Prior to an agreement, the Town could not make any commitment.

Mr. Gardner stated that a feasibility study would take approximately 60-90 days.

Councilmember Smith stated that downtown Chapel Hill had been referred to as the alcoholic center of Chapel Hill. He did not feel that this was a desirable place to attract teens. Councilmember Smith felt that structured activities planned by adults were not what teens wanted and the basement of the Post Office was not "where the action is." And "where the action is" was on Franklin Street, which was influenced by the University students and miscellaneous loiterers.

Ms. Link responded to Councilmember Smith that one of the goals of a teen center was to get teens away from the alcoholic environment of bars and fraternity parties, and to provide a non-alcoholic alternative. She did not feel that a teen center in a location other than Franklin Street would work.

Councilmember Smith did not feel that there could be any way to control where teens went once they were on Franklin Street.

Councilmember Broadfoot felt that the Council was favorable and the group should continue to make plans.

Mr. Gardner supported Councilmember Howe's line of thought.

Councilmember Kawalec felt the request was premature. She felt that the Council was very interested in its youth and had made many efforts to provide recreational areas and activities for its youth. She questioned the possible "incompatible use" of part of the Post Office/Court Building for a teen center.

Councilmember Wallace felt Franklin Street was not an appropriate location for a teen center. He also concurred with Councilmember Kawalec in that the Post Office/Court Building was not an appropriate location for a teen center. He felt strongly that various aspects of a teen center needed to be worked out before the Council considered space commitment.

Councilmember Wallace supported Councilmember Howe's proposed a resolution expressing the Council's interest and support of the idea of a teen center, in lieu of the Manager's resolution.

Mayor Nassif summarized that the petitioners were merely asking for an opportunity to try out a teen center in an area that had not been tried before and for which seemed to have broad support. This proposal would offer a non-alcoholic alternative for teens.

Mayor Nassif continued that Councilmember Howe's proposal offered support for continued exploration and for a proposal to be submitted to the Council at a future date for further consideration. The Council was also saying that funds were not available.

COUNCILMEMBER HOWES MOVED THAT THE MANAGER BE AUTHORIZED TO PROVIDE, WITHIN CURRENTLY AVAILABLE AND BUDGETED RESOURCES, ASSISTANCE TO THE DOWNTOWN CHAPEL HILL ASSOCIATION AND OTHER GROUPS TO CONDUCT A FEASIBILITY STUDY TO USE A PORTION OF THE POST OFFICE/COURT BUILDING AND OTHER TOWN-OWNED PROPERTY FOR A TEEN CENTER AND TO REPORT BACK TO THE COUNCIL UPON COMPLETION OF THE STUDY.

COUNCILMEMBER STRALEY SECONDED THE MOTION.

Councilmember Wallace asked that it be entered into the record that it was the understanding of the Council that the motion did not constitute an approval of the request for the utilization of the space in the Post Office/Court Building.

Rev. Dragt felt that the Association needed to have some assurance of a place before proceeding with plans for a teen center. Councilmember Howes asserted that the Association first needed to present some firm analysis of what was needed to have an effective center for teens.

Councilmember Kawalec reminded the Association that the public hearing for budget considerations would be held on May 23, 1983.

VOTE ON THE MOTION CARRIED UNANIMOUSLY.

Ordinance Amending the Chapel Hill Development Ordinance (Solar setbacks and height limits in cluster subdivisions)

Councilmember Straley asked the Council to consider the following amendment to Ordinance 83-O-15b:

1. Section 7.8.3: ADD the words (after "R-1 and R-2 zoning districts," and before the words "may be reduced"):

"for a lot which is part of a subdivision approved as a cluster development"

Councilmember Straley felt that this change made the meaning of "cluster developments" more explicit.

2. Section 5.11: CHANGE the language:

FROM: "Schedule of Intensity Regulations (Use Group A, B, and C). Change the maximum primary height in RT, R-1, R-2, and R-3 districts to thirty-four (34) feet."

TO: "Schedule of Intensity Regulations (Use Groups A, B, and C). Change the maximum primary height in RT, R-1, and R-2 districts to twenty-nine (29) feet except in cluster developments in RT, R-1, and R-2 districts where the maximum primary height may be 34 feet."

Councilmember Straley felt that this change would "provide more civilized development."

Mr. Barrett explained to Councilmember Smith that the proposed amendment would not require a public hearing.

COUNCILMEMBER WALLACE MOVED ADOPTION OF THE FOLLOWING ORDINANCE AS AMENDED BY COUNCILMEMBER STRALEY. COUNCILMEMBER STRALEY SECONDED THE MOTION.

AN ORDINANCE AMENDING THE CHAPEL HILL DEVELOPMENT ORDINANCE (83-O-15b)

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Chapel Hill Development Ordinance be amended as follows:

SECTION I

- 4.3 Schedule of Use Regulations (Use Group C). Delete Extraction of Earth Products as a special use in an OI-3 district.
- 5.9.8 Minimum Solar Setback. Add: Where a zoning lot is in a R-1 and R-2, zoning district and is part of a subdivision approved as a cluster development (see Section 7.8), the minimum solar setback specified in Section 5.11 for the zoning district may be reduced to ten (10) feet. Such reduction shall not be permitted where the north lot line forms a boundary of the subdivision.
- 5.11 Schedule of Intensity Regulations (Use Groups A, B, and C). Change the maximum primary height in RT, R-1, and R-2 districts to twenty-nine (29) feet except in cluster developments in RT, R-1, and R-2 districts where the maximum primary height may be 34 feet.
- 7.8.3 Reductions in Lot and Setback Requirements. Add: e) minimum solar setback requirements specified in Sections 5.11 for R-1 and R-2 zoning districts for a lot which is part of a subdivision approved as a cluster development may be reduced to ten (10) feet except where the north lot line forms a boundary of the cluster development.

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SECTION II

That all ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 28th day of March, 1983.

Mr. Barrett responded to Councilmember Pasquini that there had not yet been any court cases in North Carolina re solar interference. He did not feel that setting up solar setback requirements would be a premature act of the Council.

VOTE ON THE MOTION CARRIED 7 TO 1 WITH COUNCILMEMBERS BROADFOOT, KAWALEC, PASQUINI, SMITH, STRALEY, WALLACE, AND MAYOR NASSIF SUPPORTING AND COUNCILMEMBER HOWES OPPOSING.

Discussion of Carrboro Water Quality Task Force Report

Councilmember Pasquini requested that the word "non-toxic" (in the proposed draft statement on the Carrboro Water Quality Task Force Report) be changed to "non-chemical." He felt that use of the word "toxic" would require a definition. As other Councilmembers were not in agreement, Councilmember Pasquini offered to change the wording to read "non-toxic and/or non-hazardous" and then cite the Code of Federal Regulations' formula that defined "toxic and poisonous"; i.e., "29CFR1910.1000." He suggested that this information could be added as a footnote.

Councilmember Straley felt that there were basically only four main points in the statement and that paragraphs "a" and "b" of the draft statement should be combined to read "That no new areas be zoned for industrial use in the University Lake watershed and further, there should be no expansion in area or intensity of the present industrial zone and any actual uses of that zone should be monitored carefully, from time to time, to ensure they remain as "dry" non-toxic and/or non-hazardous industries."

COUNCILMEMBER STRALEY MOVED TO ADOPT THE DRAFT STATEMENT, WHICH WOULD COMBINE PARAGRAPHS "a" AND "b," AND INCORPORATE THE WORDS "and/or non-hazardous" with a footnoted definition.

COUNCILMEMBER KAWALEC SECONDED THE MOTION.

Councilmember Pasquini suggested that the words "non-toxic and/or non-hazardous" be footnoted and that the footnote state that the Code of Federal Regulations' formula for "toxic and poisonous" was 29CFR1910.1000.

Councilmember Howes did not concur with adding this definition; nor with combining paragraphs "a" and "b." Councilmember Pasquini agreed to drop the footnote.

THE MAKER OF THE MOTION (Councilmember Straley) AND THE SECONDER OF THE MOTION (Councilmember Kawalec) CONCURRED WITH THE DELETION OF A FOOTNOTE.

COUNCILMEMBER SMITH MOVED TO AMEND THE MOTION BY NOT COMBINING PARAGRAPHS "a" AND "b." (Councilmember Smith stated that the addition of the words "non-toxic and/or non-hazardous" would still be in this motion.)

COUNCILMEMBER BROADFOOT SECONDED THE MOTION.

VOTE ON THE MOTION TO AMEND THE MAIN MOTION CARRIED 6 TO 2 WITH COUNCILMEMBERS SMITH, HOWES, BROADFOOT, PASQUINI, WALLACE, AND MAYOR NASSIF SUPPORTING, AND COUNCILMEMBERS STRALEY AND KAWALEC OPPOSING.

VOTE TO MAKE THE MOTION TO AMEND THE MAIN MOTION CARRIED UNANIMOUSLY.

The following Statement would be mailed to the Carrboro Board of Aldermen by Mayor Nassif:

TOWN OF CHAPEL HILL

306 NORTH COLUMBIA STREET
CHAPEL HILL, NORTH CAROLINA 27514

Telephone (919) 929-1111

STATEMENT

by
Mayor and Town Council of the Town of Chapel Hill
on
Carrboro Water Quality Task Force
Report and Recommendations

As representatives of approximately 33,000 Chapel Hill citizens served by University Lake, we are pleased to see the care with which the Water Quality Task Force studied the question of how to protect and preserve the drinking water supply of the Chapel Hill/Carrboro community. With the prospect of having water from the Cane Creek reservoir flow through Phils Creek into University Lake before being treated, the protection of Phils Creek and the University Lake watersheds has become even more important.

The Task Force has prepared an excellent analysis of the effects of automobile traffic; run-off from roadways, roofs and other impervious surfaces; erosion and sedimentation; and loss of natural ground cover. We support and endorse the use of regulations that ensure low-density land use, buffer area requirements, proper site plans, erosion and sedimentation controls, and stormwater management policies to protect the watershed.

We have carefully reviewed the report and make the following comments and recommendations:

- a. There should be no expansion in area or intensity of the present industrial zone and any actual uses of that zone should be monitored carefully, from time to time, to ensure they remain as "dry" non-toxic and/or non-hazardous industries.
- b. That no new areas be zoned for industrial use in the University Lake watershed.
- c. That public sanitary sewers should not be further extended into the watershed area and therefore cluster development is inappropriate.
- d. That the conservation district be increased to provide more buffer zone.
- e. That residential development be on lots with not less than five (5) acres per dwelling unit.

We commend the Town of Carrboro and all members of the Water Quality Task Force for their work toward the goal, as stated on page 48 of the report, of providing more natural area and less impervious surface, restricting land uses to those compatible with the watershed, and providing low-intensity development. We believe this far-sighted effort is necessary to protect and enhance one of our more important resources for future generations.

Most of the land comprising the watershed for University Lake, Phils Creek, and Cane Creek lies in the jurisdictional control of Orange County. We recommend Orange County adopt similar policies to protect the watersheds in its jurisdiction.

We think it extremely important to protect and preserve the quality and quantity of the drinking water supply of the Chapel Hill-Carrboro Community and stand ready to work with both Carrboro and Orange County to that end.

Report on Legislative Requests

Councilmember Howes Stated that two items needed further consideration:

1. Should the Council request an entertainment tax on certain events at the University.

Councilmember Howes submitted that an entertainment tax "was an idea whose time had not yet come," even though there was considerable merit for the tax. He felt it would be inappropriate to make this request at this time.

2. Should the Council reconsider the request for authority to levy a hotel/motel tax.

Councilmember Howes stated that the Council would have to move to reconsider, since a motion had been passed by the Council to ask the Legislature to give the County this authority.

Councilmember Howes stated that local legislators had recently expressed their views on this issue and a move to reconsider would "take our legislators off the spot."

COUNCILMEMBER HOWES MOVED THAT THE COUNCIL RECONSIDER ITS POSITION ON THE HOTEL/MOTEL TAX.

COUNCILMEMBER WALLACE SECONDED THE MOTION.

Councilmember Straley felt that it might be wise to begin now the process of having this type of proposal considered at a future time as some cities needed to find new sources of revenue.

Councilmember Howes concurred, but felt that the timing was not appropriate. He also felt that this type of tax should be applied on a regional or state-wide basis.

Councilmember Smith stated that it had been stated during an earlier meeting that such a tax could not be imposed on the Carolina Inn. He stated that he felt that such a tax should be applied to all hotels/motels.

VOTE ON THE MOTION TO RECONSIDER CARRIED UNANIMOUSLY.

COUNCILMEMBER HOWES MOVED, SECONDED BY COUNCILMEMBER WALLACE, TO DELETE THE COUNCIL'S EARLIER REQUEST TO GIVE THE COUNCIL THE AUTHORITY TO LEVY HOTEL/MOTEL TAX. THE MOTION CARRIED UNANIMOUSLY.

Interim Budget Report

Mr. Jim Baker, Finance Director, gave an overview of the Interim Budget Report.

General Fund--1982-83 Revenues and Expenditures. The estimate for revenues for 1982-83 was \$9.23 million and the estimated expenditures was \$9.3 million, a difference of approximately \$93,000. Deducting \$93,000 from the \$346,000 in the Fund Balance to meet this deficit would leave more than \$252,000 in the Fund Balance to be used in the 1983-84 Fund Balance to help balance the budget.

Departments had been asked to submit budgets which did not exceed 3½% of the 1982-83 Adopted Budget. The total estimated expenditures for the 1983-84 General Fund was \$9,715,000.

Items included in this estimate would be:

1. Performance-based merit increase.
2. Increases in Social Security, retirement, and health benefits.
3. Street resurfacing and reconstruction.
4. One Library Assistant position (to reflect an increase in circulation and work load at the Library).
5. One Personnel Analyst Position from part time to full time (to implement the Performance Appraisal pay system).
6. Increase General Fund contingency to \$50,000.

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Items not included in this estimate were:

1. No market adjustment or general increase in wages (approximately \$55,000 for each one percent increase).
2. No replacement of heavy capital equipment (as proposed for 1983-84).

1983-84 Revenues and Expenditures. It was expected that the estimated expenditures for 1983-84 would exceed projected revenues by approximately \$500,000. Appropriations of approximately \$300,000 from the 1982-83 Fund Balance was proposed to help meet this deficit.

An additional \$200,000 deficit remained. The following alternatives were proposed:

1. If it were assumed that the General Revenue Sharing program would not be re-enacted (i.e., the Town would not receive approximately \$329,000 in additional revenues), then the \$9.7 million revenue project would be reduced to \$9.5 million.

Budget reductions totaling more than \$200,000 could be made, if necessary.

2. If it were assumed that the General Revenue Sharing Program would be renewed (the Town would receive approximately \$329,000 in additional revenues) then the 1983-84 Budget could be balanced at \$9.7 million. The process of eliminating General Fund dependence on Revenue Sharing Funds could begin by using \$200,000 of the expected \$329,000 to balance the 1983-84 Budget and allocate the remaining \$129,000 to a Capital Improvement Reserve Fund.

1983-84 Budget Impact on the Future. Mr. Baker stated that both proposals would have a significant impact on the 1984-85 Budget.

He stated that prior to 1981, expenditures increased 14-15% each year. The 1982-83 budget showed only a 5.3% increase over 1981-82 actual expenditures. The 1983-84 budget of \$9.7 million was only a 2.6% increase over the 1982-83 budget.

Mr. Baker stated that he did not feel that past service levels could be continued without additional sources of revenue and probably tax rate increases.

The lowest expenditure level for 1984-85 was estimated at \$10.3 million. The 1984-85 tax revenue was expected to total approximately \$155,000. The State Shared Revenue was expected to be \$150,000. An increase in the 1984-85 property tax could be expected to generate approximately \$155,000 in additional tax revenues. A 5.2% growth in State Shared Revenues would effect an approximate increase of \$150,000.

The following projections could be made:

1. Using the most optimistic figures available, a difference between revenues and expenditures would be \$337,000 (i.e., with a tax rate at $4\frac{1}{2}\%$ and renewed General Revenue Sharing Funds to be put in the General Fund).
2. A difference between revenues and expenditures would be \$656,000 (i.e., with a tax rate at 8.7% and receipt of 1/2 of the anticipated General Revenue Sharing Funds to be put in the General Fund).
3. The worst case would show a difference between revenues and expenditures of \$836,000 (i.e., with a tax rate at 11.5% and no General Revenue Sharing allocations).

Summary. The Town had become dependent on Revenue Sharing Funds as a significant revenue source for the General Fund Operating Budget (or approximately 6% of all General Fund revenues). It would be difficult to reduce this dependency over the next few years. Significant additional revenues (including increase in property taxes) or significant reduction in services and programs would be necessary.

Management Audit. The Management Audit of McManis Associations, Inc., had identified some areas of savings which had been incorporated into the Interim Budget Report (the deletion of 3 positions in the Public Works Department, two positions in the Police Department, and 1 position in the Engineering Department).

Mr. Baker submitted that "even if the full amount of savings that were recommended in the Management Audit of approximately \$150,000 were implemented in 1983-84 or 1984-85, these savings are not sufficient to balance either of these budgets. They are not sufficient to significantly affect the effort to reduce the dependency of the Town's General Fund Operating Budget on the revenue sharing allocations."

No further significant reductions were possible without reducing services or programs and personnel. Without significant increases in revenues (including tax increases) or complete dependence on General Revenue Sharing Funds in the General Fund, the current level of services and programs could not be provided in 1984-85 and beyond.

Other Funds. The Transportation Fund would have adequate revenue to provide the same services as in 1982-83 without increasing the transportation tax (5¢/\$100 valuation).

Adequate revenues were anticipated from user support for the Solid Waste Disposal Fund and Parking Facilities Fund to maintain current service levels.

Mr. Taylor explained to Councilmember Smith that it was anticipated that the deletion of three Public Works positions would be through attrition. The secretarial position in the Engineering Department was to be eliminated on June 30, 1983, due to consolidation of secretarial support services (the employee was hired with this knowledge). Two positions in the Police Department were currently vacant (a Major's position, and one Lieutenant's position).

Mr. Taylor informed Councilmember Smith that new cars were purchased primarily for patrol use. The used cars were later used for administrative purposes.

Mr. Taylor responded to Councilmember Smith that the Town's insurance policy covered vehicle damage when the other party was at fault. Six months or more was the usual time span to settle a claim.

Councilmember Broadfoot asked why user fees were not shown as an alternate way to help fill the gap of \$200,000 (between revenues and expenditures in the 1983-84 projected budget).

Mr. Taylor responded that Planning, Engineering, Building Inspections, and Recreation received the majority of the user fees. He felt that fees from all these Departments, except Parks and Recreation, were high enough. The Parks and Recreation fees would be significantly increased and a recommended policy on fees would be forthcoming. Mr. Taylor proposed that new fees could be considered, if that is what the Council wanted, but he questioned its validity.

Mr. Taylor responded to Councilmember Broadfoot that an increase in computer use could help cut costs. This was being considered.

Mr. Taylor responded to Councilmember Pasquini that a contingency in the General Fund of 5% was recognized by State law. The \$50,000 contingency currently proposed was "a far cry from 5%."

The 1982-83 budget projection was \$9.688 million. The preliminary 1984-85 budget was now estimated at \$9.715 million (or \$27,000 over the 1982-83 projections). Budget projections for 1984-85 also showed a significant difference between revenues and expenditures that would have to be dealt with. To continue extraction of Revenue Sharing Funds from the Operating Budget compounded the problem.

Councilmember Smith reiterated an earlier statement that to reduce the Town's dependence on Revenue Sharing, services would need to be cut or taxes would have to be raised. He opposed raising taxes 8¢ in one year. He suggested that taxes be raised gradually, if an increase was inevitable, and start now. Councilmember Straley concurred.

Councilmember Smith felt that the \$50,000 contingency in the General Fund was "very, very dangerous ground for the Town to be on." Mr. Taylor concurred, but felt that the amount was as much as would be needed under normal circumstances, if the unappropriated Fund Balance of approximately \$600,000 were maintained and built up to represent approximately 8% of the Budget.

Mayor Nassif felt it was necessary to begin now to establish policies of reducing the Town's dependency on General Revenue Sharing. He supported this reduction over a 5 to 7 year period of time.

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Mr. Taylor summarized that the 1982-83 budget represented only absolutely necessary items. The 1983-84 projection included savings proposed by the Management Audit.

Mr. Taylor stated that he felt that the General Revenue Sharing funds would be re-enacted. The number of years for General Revenue Sharing funding should be the number of years it took to reduce dependency on General Revenue Sharing.

Mr. Taylor stated that he felt the figures in the report were "good" figures. The Council would be advised of any changes in the budget picture that might occur. A public forum was scheduled for April 11 and would be advertised. Copies of the Preliminary Budget would be made available in the Library and in the Municipal Building.

Resolution Stating the Intent of the Town of Chapel Hill to Consider Annexation of the Area Described Herein and Fixing the Date of a Public Hearing on the Question of Annexation

COUNCILMEMBER SPRALEY MOVED, SECONDED BY COUNCILMEMBER HOWES, ADOPTION OF THE FOLLOWING RESOLUTION:

A RESOLUTION STATING THE INTENT OF THE TOWN OF CHAPEL HILL TO CONSIDER ANNEXATION OF THE AREA DESCRIBED HEREIN AND FIXING THE DATE OF PUBLIC HEARING ON THE QUESTION OF ANNEXATION (83-R-46)

BE IT RESOLVED by the Council of the Town of Chapel Hill:

SECTION I

That it is the intent of the Council of the Town of Chapel Hill to consider annexation of the following described territory pursuant to Part 3, Article 4A of Chapter 160A of the General Statutes of North Carolina:

BEGINNING at a point on the corporate limits of the Town of Chapel Hill in the northeast corner of Orange County Tax Map 27, Block E, Lot 2, running generally south approximately 580 feet to the southeast corner of Lot 27-E-2, being listed on Orange County land records as the property of Clingendael Investment Corp.; thence west approximately 158 feet following the south boundary of Lot 27-E-2 to a point in the southeast corner of Map 27A, Block D, Lot 6; thence generally south following the extension of the east boundary of Lot 27A-D-6, being listed as the property of Kemp Bunion Tripp and Minnie Tripp, for approximately 405 feet to a point; thence west 93 feet to a point in the northeast corner of Map 27A, Block F, Lot 1; thence south along the east lot line approximately 300 feet to a point in the southeast corner of Lot 27A-F-1, being listed as the property of H. Charles Holloway, Jr. and Thelma M. Holloway; thence west along the south lot line of Lot 27A-F-1 199 feet to a point; thence generally south approximately 12 feet to a point one foot south of the Vance Street right-of-way and thence generally west approximately 21 feet to a point in the east lot line of Map 27A, Block H, Lot 3; thence generally south along the east lot line of Lot 27A-H-3, being listed as the property of Gregory I. Wolf, 380 feet to a point in the southeast corner of the lot; thence generally west 131 feet to a point in the southeast corner of the rear lot line of Lot 27A-H-1, being listed as the property of James A. and Juanita Sturdivant; thence generally northwest 951 feet to a point in the rear lot line of Lot 27A-I-4, being listed as the property of Eliska L. Chanlett; thence generally southwest 99 feet to a point; thence generally northwest 182 feet to a point where the annexation line meets the Chapel Hill corporate limits again.

SECTION II

That a public hearing on the question of annexing the above described territory will be held on the Municipal Building, 306 N. Columbia Street, at 7:30 P.M. on the 16th day of May, 1983, at which time plans for extending services to said territory will be explained and all residents of the Town of Chapel Hill and all persons resident or owning property in the area proposed to be annexed will be given an opportunity to be heard.

SECTION III

That a report of plans for extending services to the above described territory be made available for public inspection at the office of the Town Clerk at least thirty (30) days prior to the date of said public hearing.

SECTION IV

That notice of said public hearing shall be given by publication as required by law.

This the 28th day of March, 1983.

THE MOTION CARRIED UNANIMOUSLY.

Consent Agenda

Councilmember Smith requested that Consent Agenda item "b" (re private sale of property to Mr. Buffington Falls) be removed from the Consent Agenda.

COUNCILMEMBER WALLACE MOVED, SECONDED BY COUNCILMEMBER KAWALEC, ADOPTION OF THE FOLLOWING RESOLUTION:

A RESOLUTION ADOPTING VARIOUS RESOLUTIONS (83-R-47)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following resolutions submitted by the Manager in regard to the following:

- a. A resolution closing the School Lane right-of-way (north of Caldwell Street Extension on the west side of Church Street)(83-R-48).
- c. A resolution calling public hearings on the proposed 1983-84 budget and 1983-84 capital improvement program (May 23) and on use of Revenue Sharing Funds (April 25 and May 23)(83-R-50).
- d. A resolution calling a public hearing on transit services and fare pass prices for 1983-84 (May 23)(83-R-51).

This the 28th day of March 1983.

THE MOTION CARRIED UNANIMOUSLY.

Resolutions Adopted on the Consent Agenda

The following resolutions were adopted on the Consent Agenda:

A RESOLUTION PERMANENTLY CLOSING THE OLD SCHOOL LANE RIGHT-OF-WAY (83-R-48)

WHEREAS, the construction of Caldwell Street resulted in the abandonment and removal of the street pavement of Old School Lane; and

WHEREAS, in accordance with street-closing procedures of G.S. 160A-299, a public hearing was held on March 21, 1983, to receive comments from citizens on the proposed street closing, and notice was published, posted and mailed as required by G.S. 160A-299; and

WHEREAS, the Town Council finds that closing the street (1) is not contrary to the public interest and (2) would not deprive any individual owning property in the vicinity of reasonable ingress or egress to his or her property;

BE IT RESOLVED by the Council of the Town of Chapel Hill that so much the right-of-way of Old School Lane as is not within the current right-of-way of Caldwell Street, and is designated as parcels 1, 2, 4, and 5 of a map dated August 17, 1982, submitted by the Town Manager on March 28, 1983, a copy of which shall be kept with the permanent records of this meeting, is hereby permanently closed;

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BE IT FURTHER RESOLVED, that all the right, title and interest in the closed right-of-way shall be conclusively presumed to be vested in those persons owning lots or parcels of land adjacent to Old School Lane, and the title of said adjoining landowners, for the width of the abutting land owned by them, shall extend to the centerline of Old School Lane;

BE IT FURTHER RESOLVED, that a certified copy of this resolution shall be filed in the office of the Orange County Register of Deeds.

This the 28th day of March, 1983.

(See attachment A)

A RESOLUTION SETTING PUBLIC HEARINGS ON USE OF GENERAL REVENUE SHARING FUNDS IN 1983-84 AND ON THE PROPOSED BUDGET AND CAPITAL IMPROVEMENT PROGRAM (83-R-50)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby calls the following public hearings relative to the 1983-84 proposed budget and the use of General Revenue Sharing funds in 1983-84.

1. At 7:30 P.M. on Monday, April 25, 1983, on possible uses of General Revenue Sharing funds in 1983-84
2. At 7:30 P.M. on Monday, May 23, 1983, on the 1983-84 Manager's proposed budget, and 1983-88 capital improvement program
3. At 7:30 P.M. on Monday, May 23, 1983, on the use of General Revenue Sharing funds in 1983-84 as recommended proposed in the Manager's proposed budget

These hearings shall be held in the Meeting Room of the Municipal Building, 306 N. Columbia Street.

This the 28th day of March, 1983.

A RESOLUTION CALLING A PUBLIC HEARING ON PUBLIC TRANSIT SERVICES AND FARE AND PASS PRICES FOR 1983-84 (83-R-51)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby calls a Public Hearing at 7:30 P.M. on Monday, May 23, 1983, in the Meeting Room of the Municipal Building, 306 N. Columbia Street, to receive comments from citizens on proposed public transit services and fare and pass prices in 1983-84.

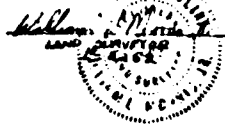
This the 28th day of March, 1983.

Resolution Approving Private Sale of Community Development Property

Councilmember Smith asked for clarification of the property owner. Mr. Barrett responded that the property had belonged to Mr. Wilson Caldwell, Jr., before his death. Tax records now reflected Mr. Buffington Falls as the owner of the property.

COUNCILMEMBER SMITH MOVED, SECONDED BY COUNCILMEMBER HOWES, ADOPTION OF THE FOLLOWING RESOLUTION:

I, William L. Haffey, Jr., CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL FIELD SURVEY PERFORMED UNDER MY SUPERVISION THAT THE BEARS OF CLOSING AS MEASURED BY LATITUDES AND DEPARTURES IS 110.000, AND THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH G.S. 47-80 AS AMENDED, WITHIN MY HAND AND SEAL, THIS 21st DAY OF January, 1982.



Elizabeth H. Roake, Development Coordinator
Jan 21, 1982



NORTH CAROLINA, ORANGE COUNTY

I, Brenda P. Cherry, a Notary Public for said County and State, do hereby certify that William L. Haffey, Jr. personally appeared before me this day and acknowledged the due execution of the foregoing instrument with his hand and seal this 21st day of Jan, 1982.

Brenda P. Cherry
NOTARY PUBLIC

ORANGE CO.
ORANGE PERSON CHATHAM
MENTAL HEALTH CENTER

WILSON CALDWELL, JR.
DB:105 PG: 408

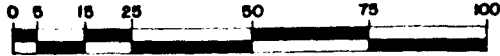
NORTH SCHOOL LANE
(ABANDONED)
N68°42'02"E
103.26' (CHAPEL HILL HOUSING AUTHORITY)
PC CURVE #2

CALDWELL ST. EXT.

CONCRETE MONUMENT
CONTROL CORNER

NOTE:
METHOD OF
AREA CALCULATION: D.M.D.

C CURVE DATA		
CURVE	ANGLE	RAD.
#1	6°27'03"	1774.54'
#2	6°17'29"	827.72'



CLOSING OF NORTH SCHOOL LANE

TOWN OF CHAPEL HILL
CHAPEL HILL TOWNSHIP
CHapel Hill, N.C. 27514

8-17-82
1"-20'
GEH
WLM

Attachment A

MAR 28 1982

A RESOLUTION APPROVING PRIVATE SALE OF COMMUNITY DEVELOPMENT PROPERTY
(83-R-49)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council, following a public hearing duly advertised as required by Chapter 346, Session Laws, 1973, hereby finds that the private sale to Mr. Buffington Falls of a parcel of land at the northwest corner of Church Street and Caldwell Street Extension, as described in the Town Manager's report dated March 28, 1983, and the map attached thereto and as described in the Resolution of Sale adopted by the Chapel Hill Housing Authority on February 8, 1983, for the sum of \$458 "...will assure that the property will not remain unused for an unduly long period and will result in a return to the local ad valorem tax rolls at a substantially earlier date" than uses or redevelopments obtainable by other methods of disposition; that Mr. Buffington Falls is the only available, qualified, and willing developer for the contemplated use; and that the Council hereby approves a sale price of \$458 for the parcel as fair actual value of the property as based on competent appraisal.

A copy of said report from the Manager and map shall be retained with the permanent records of this meeting.

This the 28th day of March, 1983.

Memorandum

TO: Mayor and Council

FROM: David R. Taylor, Town Manager

SUBJECT: Private Sale of Property to Mr. Buffington Falls

DATE: March 28, 1983

The following resolution would authorize the Housing Authority to dispose of a small strip of land at the southwest corner of School Lane and Church Street by private sale to Mr. Buffington Falls, who is listed in County tax records as the owner of adjacent property.

The property is designated as areas "2" and "3" on the attached map. The Authority owns area 3 and would also own area 2 if Council approves the closing of the School Lane right-of-way as we recommend. (Please see Agenda item #10a.) The Housing Authority would sell both areas as one combined parcel.

This property's width (varying from 17 to 46 feet) and its location immediately adjacent to Caldwell Street Extension make it unusable for development, and Mr. Falls is the only known person who can make reasonable use of the property.

The proposed sale price of \$458 is based on an appraisal by Mr. A. C. Robbins. The appraisal is on file in the Clerk's Office.

The Housing Authority would dispose of the property under special local legislation permitting such private sales under the redevelopment program.

Under this legislation, at least one of the following findings is necessary to proceed with the private sale:

- a. That the proposed use or redevelopment is necessary in order to facilitate the relocation of persons or firms displaced by a redevelopment project or other governmental action;
- b. That the proposed use or redevelopment is reasonably necessary in order to assure development which will have the desired beneficial effect upon neighboring property, the project area, and the community as a whole, as contemplated by the redevelopment plan; or
- c. That the proposed use or redevelopment will assure that the property will not remain unused for an unduly long period and will result in a return to the local ad valorem tax rolls at a substantially earlier date than uses or redevelopments obtainable by other methods of disposition.

We recommend that finding (c) be made.

THE MOTION CARRIED UNANIMOUSLY.

Boards/Commissions

Notification (All Boards/Commissions): The Council was notified that the following terms of Board/Commission members would expire on June 30, 1983:

Planning Board: Pat Evans, William Rohe

Board of Adjustment: Lewis Roland, Walter Baum, Robert Joesting

Community Appearance Commission: Thelma Boyd, John Gurlitz, Marjorie Perl

Parks and Recreation Commission: Lynn Cox, Scott Herman-Giddens, Florence Soltys

Library Board of Trustees: Lisa Price, W. Robin Savage

Human Services Advisory Board: Katherine Savage, Al Mebane

Personnel Appearance Committee: Rebecca Clark, Russell McCormick

Transportation Board: Rita Berman, Sally Hadden, Dianne Byrne

Nominations (Board of Adjustment): Councilmember Howes nominated Mr. Johnnie Leon Peace, Sr., for appointment to a full position on the Board of Adjustment.

Nominations and Appointment (Planning Board): The following votes were submitted for appointment to one seat on the Planning Board:

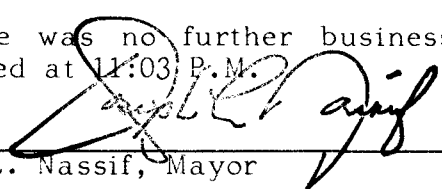
Mr. Lightning Brown: 4 votes--Councilmembers Straley, Smith, Howes, and Mayor Nassif.

Mr. Aarne Vesilind: 4 votes--Councilmembers Wallace, Broadfoot, Pasquini, and Kawalec.

Mr. Oscar Swenson: 0 votes.

Due to a tie vote by the Council between Mr. Aarne Vesilind and Mr. Lightning Brown, a second vote for appointment to the Planning Board would be taken at the next meeting.

As there was no further business to come before the Council, the meeting was adjourned at 11:03 P.M.



Joseph L. Nassif, Mayor



David B. Roberts, Clerk