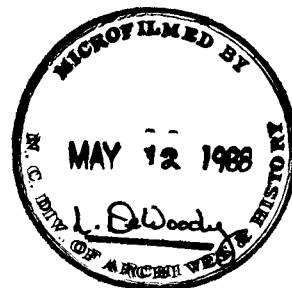


MINUTES OF A WORK SESSION OF THE MAYOR AND COUNCIL  
OF THE TOWN OF CHAPEL HILL, MUNICIPAL BUILDING,  
MONDAY, MAY 5, 1986, 7:30 P.M.

Mayor Pro tem Bill Thorpe called the work session to order.  
Council Members present were:

Julie Andresen  
David Godschalk  
Jonathan Howes  
David Pasquini  
Nancy Preston  
R. D. Smith  
Arthur Werner



Mayor James C. Wallace was absent, excused. Also present were Town Manager David R. Taylor, Assistant Town Managers Sonna Loewenthal and Ron Secrist, and Town Attorney Ralph Karpinos.

The following is a summary of the major subjects discussed at the May 5, 1986 budget work session:

Major Capital Needs

Council Member Preston stated that she thought the timing for a bond referendum for major capital needs was right. She felt the need for a meeting room and additional office space should also be addressed in an upcoming bond referendum.

Council Member Preston asked for additional information on the proposed southern park and its relationship with the Town-owned Merritt property at U.S. 15-501 and N.C. 54. Manager Taylor responded that the southern park site would be further south than the Merritt property and approximately 30 acres in size. The Merritt property would serve as an entranceway park and greenway along Morgan Creek.

Council Member Howes agreed with Council Member Preston's comments regarding the Municipal Building meeting room and office space needs. He said the existing meeting area was woefully inadequate and he would support adding the meeting room/office space need to the proposed bond package.

Council Member Andresen asked Manager Taylor for more detail on the thoroughfare plan implementation portion of the proposed bond package. Manager Taylor responded that he recommended approximately one third of the proposed \$2.5 million be used for the 15-501 bypass, one third as enticements to NCDOT to move up state highway improvements in Chapel Hill because the Town would offer to pay 20% of the costs for priority projects, and one third for other local priority projects such as realignment of key intersections, etc.

Council Member Andresen said she supported the southern park and thought the Council ought to consider the need for bikeways and sidewalks since the need seemed greater than what could be addressed in the annual capital improvements program.

Council Member Godschalk said he felt more specifics were merited with regard to the meeting room/office space needs, i.e. a design for a proposed addition to the Municipal Building. He also felt a set of priorities for road improvements would be beneficial. Council Member Godschalk said he believed the more specific a bond proposal could be, generally, the more voters would feel more comfortable about voting on an issue.

Council Member Andresen asked Manager Taylor how he would propose to cope with office space needs if it were not included as part of a bond referendum. Manager Taylor responded that for the short term he would have to look at the availability of space in the Old Police Building on Columbia and Rosemary Streets.

Council Member Preston said she felt the best use of the Old Police Building would be to sell it to someone who would respect it. She

referred to a recent engineering report of the building which did not favor its use for municipal offices.

Council Member Smith asked Manager Taylor about the status of a joint city and county governmental center. Manager Taylor replied that the concept of a joint facility was good, however, recent engineering studies revealed the Old Police Building was not an acceptable location.

Council Member Smith said if the Town could not utilize the Old Police Building then the Town should sell it.

Council Member Pasquini asked for confirmation that each \$1 million in debt would be equivalent to one cent on the tax rate. Manager Taylor responded that that was presently correct, however revaluation in 1987 may alter that ratio.

Council Member Pasquini said he did not support all the issues equally but felt voters ought to have the option to vote on them. He agreed with Council Member Godschalk and thought that each issue should be more specific.

Council Member Andresen asked the Manager to discuss his proposal to stagger issuance of those bonds approved by the voters. Manager Taylor said generally, if the approved bonds totalled \$12 million, he would try to sell \$3 million in bonds over a four year period to stagger the debt and thus lessen the tax burden. He said if the bonds were approved in the fall of 1986, the earliest any would be sold would be in the spring of 1987, thus it may affect the 1987-88 budget tax rate. Mr. Taylor also explained the pending County wide property revaluation process and its expected impact on the distribution of tax payments.

Council Member Smith cautioned the Council not to look at the proposed bond program in isolation of future general fund needs.

Council Member Werner agreed that the four issues proposed by the Manager for a bond referendum would probably get the best reception in the community. he said he was concerned over adding a fifth issue: the meeting room/office space need. In addition, he felt more money would be needed in future years to deal with stormwater management and studies.

Council Member Werner asked for a listing of Town-owned land and its potential to be developed into neighborhood parks and soil testing information around the Community Center since that site was used as a landfill several years ago.

Mayor Pro-tem Thorpe said the Town was five years behind in obtaining more office space and Council meeting space. He felt the Council meeting room was one of the worst in the State. Council Member Smith added that adequate parking needed to be considered in any expansion plans to the Municipal Building.

Council Member Pasquini said Durham's bond referendum scheduled for May 6 may give the Council an indication of the success of a referendum on several issues in Chapel Hill. He also said a location for a library (downtown or out of the downtown area) ought to be decided before putting it to a vote.

In response to an inquiry from Council Member Andresen, Manager Taylor said he felt pretty strongly that a new library ought to be one building in one location. He said projected operating costs for an expanded library made him come to this conclusion.

A straw vote regarding whether or not the fifth need of a public meeting room/office space ought to be added to a bond referendum package was taken. Council Members Andresen, Howes, Preston, Smith and Thorpe were in favor of adding approximately \$2-3 million for this project. Council Members Pasquini and Werner were not in favor, and Council Member Godschalk said he was undecided at this time. Manager Taylor said he would prepare a resolution for the

Council's consideration on June 9, listing five issues and the Council could discuss it again at that time.

#### Manager's Recommended Operating Budget

Council Member Pasquini said he was not in favor of the proposed 1.5 cent tax increase in the Transportation Fund. He felt the chance of losing federal assistance this year was not high and if it occurred, other ways could be found to finance the shortfall in the fiscal year. He asked the Manager to provide information as to the rate of growth of the Town budget as it related to the rate of growth in the tax base and population.

Council Member Godschalk said he supported the Transportation Fund tax increase and felt it represented good foresight.

Council Member Andresen agreed with Council Member Godschalk. She also said she felt there was a need for more police officers. Manager Taylor said he was recommending two positions in the Police Department this year and would recommend two more next year to accomplish the recommendation of the Rusten Associates personnel allocation study. Council Member Andresen said she was concerned that that may not be enough. She said more patrol of residential areas was needed.

Council Member Howes said he felt the 1.5 cent transit tax increase was the proper course to take given the uncertainty of federal funding.

Council Member Preston asked for clarification with regard to the Manager's Recommended Budget document in the area of Human Services, Public Works, Police, Parks and Recreation, and Rental Rehabilitation programs and the section on projections. She concluded by saying she felt it was an excellent budget and the proposed Transportation tax increase was a good example of thinking ahead.

Council Member Smith said he supported the proposal to raise the Transportation tax. He asked questions regarding the increase in the Parks and Recreation Department's proposed budget, the duties of the Public Works proposed position of Building Maintenance Coordinator, expressed a need for a covered area at the landfill in order to repair equipment and requested the Police Department seriously consider a pilot program of directing traffic at key intersections during rush hours.

Council Member Andresen asked for an update on the status of recycling in the Town. Public Works Director Bruce Heflin said the organization running the paper and glass recycling program had removed all collection sites except at the Public Works Facility on Airport Road. He said he expected to propose a new recycling program by the fall.

Mayor Pro-tem Thorpe said he was pleased with the colors of the new police vehicles and hoped it would remain constant. He asked the Manager to check the tires on a fire truck housed at Station #3 as he had observed one that looked unsafe. He said he was pleased to see the Manager's proposal to place a cap on merit increases.

It was generally felt by those in attendance that there was not a need to hold further budget work sessions. However, Council Member Howes suggested the Council take time with the upcoming quarterly reports to carefully review the Town's operations.

Manager Taylor distributed a copy of projected agendas for the Council's meetings in May - July 14.

The work session adjourned at 9:50 p.m.

