

MINUTES OF A PUBLIC HEARING ON THE PROPOSED 1988 COMMUNITY
DEVELOPMENT GRANT FUNDS, PUBLIC FORUM ON THE PRELIMINARY
1988-93 CAPITAL IMPROVEMENTS PROGRAM, AND BUDGET
WORK SESSION HELD BY THE MAYOR AND COUNCIL
OF THE TOWN OF CHAPEL HILL, MUNICIPAL
BUILDING, MONDAY, JANUARY 4, 1988,
7:30 P.M.

Mayor Jonathan B. Howes called the meeting to order. He said that this was not a regular meeting of the Council. He stated that this meeting consisted of a public hearing on the proposed 1988 Community Development Grant Funds, a public forum on the preliminary 1988-93 Capital Improvement Program, a budget work session, a resolution to continue the January 11th regular meeting to January 13th, and an executive session to discuss litigation and property matters. He said Council Member Wallace was absent, excused. Council Members present were:

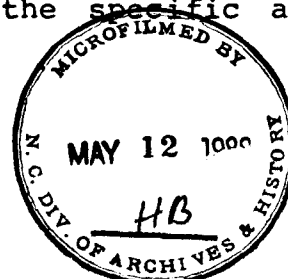
Julie Andresen
David Godschalk
Joe Herzenberg
David Pasquini
Nancy Preston
Arthur Werner
Roosevelt Wilkerson

Also present were Town Manager David R. Taylor, Assistant Town Managers Sonna Loewenthal and Ron Secrist, and Town Attorney Ralph Karpinos.

Public Hearing on the Proposed Use of 1988 Community Development Grant Funds

Manager Taylor asked that Housing and Community Development Director, Tina Vaughn, give the staff report.

Tina Vaughn, Housing and Community Development Director, said the purpose of this public hearing was to receive proposals and ideas from citizens for use of the 1988 Community Development (CD) funds. She stated that after the hearing the staff would develop a proposed plan for Council's consideration at another public hearing in March. Ms. Vaughn said that the entitlement grant was currently \$293,000 per year and that the staff expected the funding to remain stable. She stated that in the previous 3-year CD funding program, the Council had approved a program of housing and public improvements which included a rehabilitation demonstration program at Elliott Woods, public improvements to Merritt Mill Road, repairs to Lincoln Center, partial funding of the Barclay sewer project, and the acquisition/renovation of a shelter for the homeless. Ms. Vaughn said that for the three year period from 1987-89, the staff recommended general objectives and that the Council would set the specific annual objectives and priorities.



Manager Taylor said the staff recommended as part of the long-term objectives for the use of CD funds over the three year funding period the rehabilitation of existing housing, whether owner occupied or rental; provision of housing assistance for lower-income households to construct, purchase, or rehabilitate housing in order to provide homeownership opportunities; encourage the use of the full range of federal, state, and local resources to provide housing assistance; develop a permanent facility and program for operating a shelter for the homeless; and provide capital improvements in areas of the Town that would benefit lower-income persons.

Council Member Andresen asked if the CD funds could be used for the shelter, and if so, how much could be used. Manager Taylor responded that the shelter was within the realm of eligible uses for the CD funds and that the amount would have to be determined by the Council by weighing all the needs for the funds against the amount of funds available.

Council Member Andresen asked what amount of the CD funds had been earmarked for housing assistance. Manager Taylor replied that in the 3-year program, approximately one-third of the funds were earmarked for housing.

Virginia Cunningham, representing the Chapel Hill-Carrboro Chapter of the League of Women Voters, commended the Council for their commitment to affordable housing for persons of low and moderate income. She said the League was pleased to see that the Manager's preliminary recommendation was to use the CD funds for rehabilitation of existing housing and providing assistance for homeownership opportunities. She stated that the League also commended the Council for their foresight in providing support for a Shelter for the Homeless. (For copy of text, see Clerk's files.)

Peggy Politzer, Chair of the Shelter Program of the Inter-Faith Council (IFC), said the IFC appreciated the funds (\$150,000) already earmarked for the shelter by the Council. She said that the IFC would also like to request that the Council provide the funding for either the construction of an elevator (\$47,628) or the renovation of the mezzanine level (\$46,027). Ms. Politzer stated that the architect estimated that the total renovation costs of the Old Police Building would be approximately \$500,000. She said that with the \$150,000 from the Town, \$20,000 in grant funds secured by the Town for the shelter, and \$65,000 on hand with the IFC, the IFC still needed a total of almost \$300,000 to bring the building up to code and acceptable for use as a shelter and community kitchen. Ms. Politzer stated that the IFC planned to have fund drives to acquire hopefully, at least, half of the estimated \$500,000 cost for renovation, but that the Town could help defray some of that cost by financing either the elevator or mezzanine construction.

Council Member Godschalk asked what part of the estimated cost of the renovation was the IFC's share of the project. Ms. Politzer responded that the IFC hoped to contribute \$250,000 through various means.

Council Member Werner asked if there was a timeframe for the fund raising and the construction. Ms. Politzer replied that the two would not necessarily occur at the same time or sequentially. She said that the IFC hoped to start construction in March and the fund drive may not occur until the spring or summer.

Mayor Howes commented that he had attended the December open house of the shelter and that he wanted to say how much of an improvement it was just moving the shelter up from the basement to the first level, but that he agreed, there was still a long way to go before the shelter would be considered complete.

Council Member Godschalk stated that if the Council did increase the amount of CD funds for the shelter project it would have to take into consideration the resulting decrease in funding for other projects. He said the Council would need to look at the priorities and balance the funding accordingly.

COUNCIL MEMBER PRESTON MOVED, SECONDED BY COUNCIL MEMBER GODS-
CHALK TO REFER TO THE MANAGER. THE MOTION PASSED UNANIMOUSLY,
(8-0).

Public Forum on the Preliminary 1988-93 Capital Improvements Program

Assistant Town Manager Sonna Loewenthal said the purpose of the public forum was to hear citizen comments on the preliminary Capital Improvements Program (CIP) for 1988-93. She said the staff was seeking guidance from the Council, Town Advisory Boards and Commissions, community groups and citizens on the proposed program. Ms. Loewenthal stated that this year's CIP differed from other recent programs in that it looked at a longer time frame and that it surveyed all major infrastructure needs. She said the key points of the proposed CIP were: 1) a five-year program totalling \$65 million, and an additional list of needs to be addressed in the period beyond 1993-94 totalling \$60,000; 2) inclusion of high priority needs in both time periods; 3) inclusion in the 5-year program of projects to be funded by the \$11.8 million bond package approved in 1986; 4) anticipation of continued annual funding of \$500,000 from the Capital Reserve Fund; 5) expectation of bond referenda in 1990 and in 1994 or 1996; and 6) exclusion of significant costs for stormwater management, solid waste disposal and extension of water and sewer lines until these programs were developed during the next year. Ms. Loewenthal went on to list some of the proposed projects, costs, and potential funding sources. She said that the estimates for the 1988-93 CIP were: \$485,000 for Environmental projects; \$14,386,000 for General Municipal projects; \$2,889,000 for Leisure Activity needs; \$950,000 for Public Safety needs; and \$46,321,000 for Transportation projects.

Council Member Preston asked if the Landfill Fund and Transportation Fund would be able to finance the proposed improvements. Ms. Loewenthal replied yes, however fee increases would be expected in the Landfill fund and the Transportation fund tax rate may have to be adjusted within authorized levels.

Jennie Capparella, representing the League for Safe Bicycling, urged the Council to include more funding for bikeway projects and seek input from the League on potential bikeway projects.

Susie Ross, also representing the League for Safe Bicycling, said she felt the proposed funding levels were inadequate for bikeways. She said there other sources like NCDOT through the Transportation Improvement Program and the gasoline tax were available for funding bikeways. She said that the Council should consider bicyclist transportation needs with each new project reviewed by the Town.

Lucy McKerrow, speaking as a resident, spoke in support of a sidewalk along the 600 block of Churchill Drive.

Milton Van Hoy, speaking as a resident, said he endorsed the proposed tree planting program. He asked that the comprehensive planning for West Rosemary Street and the purchase of urban housing for only owner/occupied use needed to be considered and funded. He stated that he was opposed to any transportation funding for the Pittsboro Street extension.

Blair Pollock, speaking as a citizen, spoke in support of pedestrian and bikeway planning for the entire Town. He said the Town needed to connect the various segments of the bikeways, especially along Airport Road, Estes Drive, and Franklin Street. He also urged that the Council consider a policy for infrastructure improvements for those developments which do not have access onto major thoroughfares but do have an impact on those thoroughfares.

Council Member Werner asked if the Town would look into the cost of providing neighborhood parks using land deeded to the Town through new development rather than Town purchasing land for parks.

Council Member Godschalk stated that he was pleased with the 5-year program. He said he was glad to see the proposal for park/ride lots. He asked to what extent the proposal was coordinated with the University's plans. Manager Taylor responded that the staff had discussed with the University the concept of the Town's proposals. He stated that the University was proposing their own facilities beyond what had been discussed with the Town staff. Manager Taylor said that as such, the staff was considering the possibility of park/ride facilities at NC 86 and I-40 area; a joint lot with UNC on NC 54 at the Continuing Education Center; a lot at 15-501 and I-40 which could also serve as a interchange for regional transit services; and a lot in conjunction with the Southern Park.

Council Member Godschalk commented that the State had included improvements to NC 86 in the 1992-96 Plan and that the Council and staff had hoped to encourage an earlier timing for the improvements. He asked if this was still possible. Manager Taylor said this was still in discussion but that with the new

laws passed by the General Assembly relating to transportation priorities and local incentives it made the possibility of having the date of improvements advanced more difficult. He stated that the staff had put most of its efforts into moving up the 15-501 Bypass improvements. Manager Taylor said there was the option of the Town taking over the entire responsibility of improving state roads within the Town's jurisdiction.

Council Member Andresen asked if it were possible to get state funding for the park/ride facilities proposed. Manager Taylor responded that if the Town moved forward within the next two years, the Town should be able to get 80% of the funds for the purchase and development of the lots from UMTA and 10% from NCDOT. He said this meant the Town would have to provide 10% of the funding, which he said could be done through the Transportation budget. He stated that by funding the park/ride lots through the Transportation budget, UNC and Carrboro would participate through their agreements with the Town for transit services. He said the major cost would be the land purchases, especially in the 15-501/I-40 area. He said the mixed use zoning and possible development in that area could allow for available land with the development. He also pointed out that the operation costs of the proposed park/ride facilities were not included in the CIP and would have to be considered in the operating budget.

Council Member Andresen asked about the traffic system signal upgrade proposal and how would it be funded. Assistant Manager Loewenthal said the proposal called for the majority of the funding to be provided by NCDOT. She stated that the Town would be responsible for the maintaining the equipment once installed.

Council Member Andresen said the Pittsboro Street extension would have to be funded either by NCDOT or by a bond referendum. Manager Taylor replied yes. Council Member Andresen said she liked the proposal for street tree plantings and that she would like to see the CIP include more funding for bikeways.

Council Member Herzenberg said he was delighted about the staff's optimism regarding library funding from private sources. He said he supported increased funding for bikeways, and in favor of the street tree plantings.

Council Member Preston said she liked the 5-year approach to the CIP. She said that at some point in the future, she would like to see some information on the feasibility of part of parking lot #2 being used as a park. She stated that she was glad the CIP included funding for Tanyard Branch greenway improvements. Council Member Preston said the Council had discussed the issue of bikeway consideration with new developments and road improvements. She said what was being done to address these concerns. Manager Taylor responded that those roads that the Town maintains and have been recently improved have included bikeway considerations. He stated that what was needed was a policy on bikeway priorities similar to the sidewalk plan.

Council Member Preston asked for clarification of the Pittsboro Street improvements suggested in the CIP. Manager Taylor replied that the proposed improvements were to Pittsboro Street, from Manning Drive southward.

Council Member Wilkerson stated that the Town needed to be careful not to depend too heavily on funding from UMTA for its transit projects since the availability of federal funds was not definite. He also said that he would prefer that the Town concentrate on larger park areas and that the smaller Town-owned property be considered as potential sites for affordable housing.

Manager Taylor agreed that the Town should not become dependent upon UMTA funds for transit projects. He said that the Town had increased the Transit tax last year in an effort to help defray the expected reduction in revenues from UMTA. He also stated that the staff expected the UMTA funds to be available over the next three years and the CIP projected using the funds to help pay the cost of establishing the park/ride facilities.

Manager Taylor stated that the staff had worked hard on producing the preliminary 1988-93 CIP. He said they anticipated receiving further input from citizens and the Town's advisory boards before making a recommendation to the Council in March. He said there were three areas which needed further staff review: stormwater management, solid waste management, and water and sewer extensions. Manager Taylor stated that the staff would gather this information during the year and present the Council with a proposal for these projects by next year.

Mayor Howes commented that the proposed CIP estimated revenues and expenditures totalling \$65 million, of which 41% of the funds would come from local sources, 43% from the state, and 16% from UMTA and other sources. He said he was pleased with the proposal and looked forward to further discussions on the 5-year program.

COUNCIL MEMBER WILKERSON MOVED, SECONDED BY COUNCIL MEMBER PRESTON TO REFER TO THE MANAGER. THE MOTION PASSED UNANIMOUSLY, (8-0).

Budget Goals Work Session

Manager Taylor said this work session was a follow-up to the budget forum held on November 9 which gave interested groups an opportunity to comment on the Town's budget for the coming fiscal year.

Public Safety

Council Member Werner asked if the Town had any feedback from the increase of 10 new public safety officers. Manager Taylor replied that the recruits had been in training and were expected to be assigned permanent duties in March, therefore it would be difficult to measure their effect at this time. He said the

Police Patrol utilization levels were still running at 38% to 40% and that this indicated that additional personnel was needed, and he would be pleased when the new recruits were assigned to duty and hoped they would lower the rate.

Council Member Andresen asked when the Manager expected to recommend a further increase in Public Safety personnel. Manager Taylor said that he would like to give the new recruits one year on the street to see how the work load factor was affected before recommending any additional increases.

Mayor Howes said that he hoped the personnel and organization of the Town and Police Department was focusing on the growing drug problems in the community which was also a national issue.

Leisure: Library and Parks and Recreation

Council Member Preston asked if the new bookmobile had arrived. Manager Taylor replied no, but that the staff expected it soon.

Manager Taylor stated that the Council needed to be looking at future library operations in response to the new library facility.

Council Member Pasquini agreed with the Manager's statement and said the staff and Council needed to look at the library fee structure as one method of increased revenues.

Manager Taylor said that this would include reviewing the funding from Orange County (presently 20% of the operating costs) and Carrboro (0%).

Mayor Howes stated that the staff and Council also needed to look at the existing library building and how it would be used after a new main facility was opened and if it would also require increased library operating costs.

Council Member Godschalk asked when the Entranceways plan was expected to be presented to the Council. He said there should be funds in the budget for its implementation. Manager Taylor responded that the plan should be presented within 3 months and that funds had been set aside for the initial implementation of the plan.

Manager Taylor asked about the fee structure for the parks and recreation facilities. Council Member Godschalk commented that from his experience the fees seemed to be adequate and acceptable.

Public Works: Solid Waste Collection and Disposal

Council Member Preston suggested a more aggressive recycling program in the community. She also asked about the possibility of using recycled paper products in the Town. Council Member Preston also suggested researching the pros and cons of legislating against the use of styrofoam containers which do not break down when buried in the landfill.

Manager Taylor said that the CIP proposals for landfill operations were for the current facility operations. He said the tipping fees, a large portion of which the Town pays through its use, would probably have to be increased in order to finance improvements to the landfill. He said this may mean an increase in the landfill operating budget. Manager Taylor stated that the Council also needed to consider the possibility of a pilot project to require separation of waste. He said that until this was done, there would not be any significant impact into solid waste management through recycling.

Council Member Werner asked what was the impact of the voluntary recycling program on the landfill. Manager Taylor replied that it was approximately 1%.

Public Works: Streets and Street Maintenance

Manager Taylor said the Town policy was to try to resurface approximately 9 miles of streets each year.

Council Member Preston asked if the mat and seal project was underway. Bruce Heflin, Public Works Director, said that information had been sent to interested parties and that the staff was awaiting response. He said if the Town received valid petitions then it would begin the project this spring.

Planning, Engineering and Inspections

Manager Taylor suggested that the Council discuss this at their retreat on Saturday. The Council agreed.

Housing and Community Development

Council Member Pasquini asked what impact, if any, had occurred on the Town's tax situation by taking over the Housing Authority. Manager Taylor said the impact had been negligible. He said the Town had waived the use of PILOT funds in order to improve maintenance services.

Council Member Pasquini said that he was pleased with the beautification project in the public housing units on Piney Mountain Road. He said it was commendable and attractive and that he hoped the Town would do similar projects at all of the public housing sites. Manager Taylor responded that the Town planned to make improvements to all units and grounds of all the facilities.

Council Member Pasquini asked if the funding for these improvements, as well as the overall operation of the department was through the operating budget, CD funds and PILOT funds. Manager Taylor replied yes.

Council Member Godschalk said he was pleased that the Tandler homeownership project was proceeding. He asked if the Manager had any other plans for similar projects in the future. He stated that there needed to be some kind of follow up project.

Manager Taylor stated that the Town would have to see what lands were available and would also have to balance the needs of the shelter, etc. with the affordable housing issue.

Council Member Pasquini asked when the Council would receive a status report on the affordable housing project. Manager Taylor replied that the second quarterly report would be presented to the Council on January 25 and would include a status report.

Council Member Wilkerson commended the Manager and staff for their work on affordable housing. He suggested that the Mayor might discuss with the University the possibility of a joint venture to provide housing for low and moderate income families. He said the University also at times removed homes from sites for other development. He suggested that the Town might get those houses if they were useable and move them to other sites for use as affordable housing.

Transportation

Mayor Howes said that he felt there should be better public access to information on how to use the transit system for public events.

General Administration

There were no comments from the Council in this service area.

Council Member Pasquini commented that he appreciated the information provided by the Manager. He asked that a table showing the percent of the budget for personnel costs for the past 10 years. Manager Taylor replied that personnel costs accounted for approximately 65% of the operating budget.

Manager Taylor stated that with regard to the Town's financial position it had a AA Bond Rating, less than .5% debt ratio, 8% fund balance and a tax rate of .57 per \$100 of assessed value. He said the staff recommended the Council issue bonds in 1988 and that a plan of action needed to be established for the repayment of the bonds in order to minimize the impact on the tax rate.

Council Member Godschalk said that the issue of the tax rate would be important, especially with the County's actions of raising taxes in the current year. He said it would be beneficial to look at coordinating with the County on the impact of tax increases to avoid large increases the same year.

Council Member Andresen stated that she would like to see the repayment of the bonds come out of the general fund without a tax increase.

Council Member Preston asked if the recent information on the lack of sales tax revenues in Orange County would affect the Town's revenues. Manager Taylor stated that the sales tax revenue figures were based on several factors including population and point of sales. He said overall the sales tax revenues were holding steady.

Council Member Pasquini asked if there were a policy on household hazardous waste disposal. Manager Taylor replied that at present there was not a detailed community-wide program.

Council Member Pasquini commended the Public Works employees for their good work. He said he was continually amazed by the good job and operations of the Public Works Department.

Mayor Howes agreed and said the Town had done extremely well in handling the recent ice storm.

Manager Taylor said that he appreciated the Council giving him the opportunity to discuss the CIP and Budget.

COUNCIL MEMBER WERNER MOVED, SECONDED BY COUNCIL MEMBER GODSCHALK TO REFER TO THE MANAGER. THE MOTION PASSED UNANIMOUSLY, (8-0).

Resolution to Continue the January 11, 1988 Regular Meeting to January 13, 1988

COUNCIL MEMBER PRESTON MOVED, SECONDED BY COUNCIL MEMBER GODSCHALK TO ADOPT RESOLUTION 88-1-4/R-1. THE MOTION PASSED UNANIMOUSLY, (8-0).

The resolution, as adopted, reads as follows:

A RESOLUTION CONTINUING THE JANUARY 11, 1988 REGULAR MEETING OF THE CHAPEL HILL TOWN COUNCIL TO JANUARY 13, 1988 (88-1-4/R-1)

WHEREAS, agenda items scheduled for discussion and consideration by the Chapel Hill Town Council at the Monday, January 11 regular meeting would, based upon preliminary estimates exceed the Council's desired meeting length of 3 hours and;

WHEREAS, in accord with the Council's Procedures Manual, the Mayor and Manager have reviewed the items tentatively scheduled for the January 11, 1988 regular meeting and have determined that the number of issues to be considered is in excess of what the Council may be expected to receive public input and adequately deliberate upon in one meeting;

NOW THEREFORE BE IT RESOLVED by the Council of the Town of Chapel Hill that the Manager is hereby authorized to divide the Agenda of the Regular Meeting of January 11, 1988 into two parts and the meeting of January 11, 1988 is hereby continued until Wednesday, January 13, 1988 commencing at 7:30 p.m. in the Municipal Building of the Town of Chapel Hill, 306 N. Columbia Street, Chapel Hill, N.C.

BE IT FURTHER RESOLVED that the Manager shall appropriately notify in advance interested citizens of the continuation of the meeting and shall specifically designate the agenda items to be considered on the evenings of January 11, 1988 and January 13, 1988.

This the 4th day of January, 1988.

Executive Session

COUNCIL MEMBER PASQUINI MOVED, SECONDED BY COUNCIL MEMBER ANDRESEN TO ADJOURN TO EXECUTIVE SESSION TO DISCUSS LITIGATION AND INTEREST IN REAL PROPERTY. THE MOTION PASSED UNANIMOUSLY, (8-0).

The meeting adjourned to executive session at 9:50 p.m.

COUNCIL MEMBER ANDRESEN MOVED, SECONDED BY COUNCIL MEMBER PASQUINI TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY, (8-0).

The meeting adjourned at 10:29 p.m.

