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MINUTES OF A PUBLIC FORUM AND BUDGET WORK SESSION OF THE
MAYOR AND COUNCIL OF THE TOWN OF CHAPEL HILL,
WEDNESDAY, JANUARY 4, 1989, 7:30 P.M., MUNICIPAL BUILDING

Mayor Howes called the meeting to order.

Mayor Howes stated that Council Members Godschalk, Wallace and Werner were absent excused from this evening's proceedings.

Council Members present were:

Julie Andresen	Nancy Preston
Joseph Herzenberg	Roosevelt Wilkerson, Jr.
David Pasquini	

Also present were Town Manager David Taylor, Assistant Town Managers Sonna Loewenthal and Ronald Secrist, Town Attorney Ralph Karpinos, and Finance Director James Baker.

1989-94 Preliminary CIP Forum

Town Manager Taylor stated his desire to receive Council and citizen feedback this evening on the budget priorities of the community. Mr. Taylor also provided an overview of capital financing, stating that a major policy issue the Town had to address was whether to participate in financing State Highway projects. Mr. Taylor introduced Assistant Town Manager Sonna Loewenthal to provide an overview of the 1989-1994 Proposed Capital Improvements Program. Ms. Loewenthal provided an explanation of the CIP formulation process, stating that this evening's forum was one step in eliciting community opinion of long-term capital needs. Ms. Loewenthal said that approximately one hundred and eighty copies of the Preliminary Capital Improvements Program had been provided to citizens and other interested parties. She noted that the Town had received several letters and oral comments to date as a result of this distribution.

Ms. Loewenthal noted that there were few surprises in the Proposed Capital Improvements Program document being presented to the Council this evening. She added that the Town has several pressing capital improvements needs at this time: affordable housing, open space acquisition, and transportation improvements.

Ms. Loewenthal stated that the worst case scenario for financing a \$19 million bond package would result in a property tax increase of 14 1/2 cents per \$100 of valuation. Ms. Loewenthal added that preliminary estimates of the 1989-1994 Capital Improvements Program involve projects costing approximately \$80 million, involving a variety of potential of funding sources.

lacking sewer service. Mr. Guild stated that consideration of affordable housing by the Council involves a broad policy issue--the identification of what income groups will reside in the Town's boundaries.

Runyon Woods, a local developer, told the Council that there was a critical need for affordable housing, especially in the Triangle area. Mr. Woods urged the Council to propose a \$4 million affordable housing referendum instead of the \$2 million currently proposed. Council Member Andresen asked Mr. Woods to compare the costs of building in Chapel Hill and Durham. Mr. Woods said that the notable difference was the higher land costs in Chapel Hill. Council Member Andresen asked Mr. Woods how many homes he had built in the Chapel Hill area. Mr. Woods responded that he had built approximately fifty homes in the last five years.

Council Member Andresen asked how much of the proposed affordable housing bonds (\$2 million) would be used for refurbishing existing units. Mr. Taylor responded that none of the bond funds would be used for this purpose. Council Member Andresen urged the Council to explore inclusionary zoning and land trusts as an alternative to issuing general obligation bonds for affordable housing programs. Council Member Andresen expressed her pleasure with sidewalk and bikeway funding in the proposed bond package.

Council Member Preston asked whether the policy was still in force whereby may local governments financially participate in State roadway projects to expedite their completion. Town Manager Taylor responded that the policy had been changed by the legislature approximately two years ago, meaning towns could no longer improve their standing by participating financially. Town Manager Taylor said that he was seeking Council feedback on whether the Town wants to do major roadway projects on State streets. Mr. Taylor noted that the initial outlays will be large. He added that there is a trade-off of costs versus priorities, since some major projects are not slated for start-up for seven to ten years.

Council Member Pasquini expressed the need for involvement of Town citizens and boards and commissions in the formulation of the proposed Capital Improvement Program. Town Manager Taylor said that this evening's forum was the first opportunity for citizens to express their opinion on the proposed bond referendum and related issues. Town Manager Taylor added that Council appointed Boards and Commissions will make their recommendations to the Council on February 23.

Council Member Pasquini stated that he wanted more information on the Tandler Affordable Housing Program before making a determination on the proposed housing bonds.

Council Member Preston asked for clarification of the worst case scenario outlined earlier by Ms. Loewenthal. Ms. Loewenthal responded that the worst case scenario (an assumption of no increase in the tax base) was an unlikely occurrence, since the Town's future expanding tax base will derive greater revenues.

Roland Giduz stated that he was pleased about the formation of a Town and Gown Committee announced by Mayor Howes earlier in the day. Mr. Giduz asked Town Manager Taylor whether he was proposing holding bond referendums in May and November, 1989. Mr. Taylor responded that this was one alternative open to the Town Council. Mr. Giduz urged the Council to consider holding one bond referendum for consideration of the entire bond package.

John Cross urged the Council to carefully consider whether the Town should involve itself in providing affordable housing opportunities. He stated that a portion of a possible affordable housing program would provide a subsidy to the University of North Carolina-Chapel Hill. Mr. Cross said that the cost of this subsidy should be borne state-wide by the University system. Mr. Cross stated that Chapel Hill has many retirees living on fixed incomes. Mr. Cross added that the meaning of "affordable" is variously interpreted by different individuals. Mr. Cross concluded his remarks by stating that issuance of affordable housing bonds could be viewed as divisive.

Paul Morris told the Council that he was especially concerned about the timing of the bond referendum. Mr. Morris expressed the need for early consideration of the bonds, particularly those relating to open space and affordable housing. Mr. Morris said that there is a need for the Town to do more in the area of affordable housing. He suggested that the Town's role was to make financing manageable rather than initiate a giveaway program. Mr. Morris expressed his opposition to a housing stratified community.

Adele Thomas, a member of the Housing Advisory Board, said that housing affordability is a matter of an individual's priorities. Ms. Thomas stated that the Town has no business in subsidizing housing for middle income people. Ms. Thomas proposed adoption of a "sweat equity" program, saying that those really wanting a house would participate in such a program. Ms. Thomas stated that the initial drawback to such a program would be the acquisition of land. Ms. Thomas concluded her remarks by noting that she saw no reason for those on fixed incomes to subsidize other members of the community.

Bruce Guild, a member of the Planning Board, asked the Council to consider installing sidewalks in areas annexed into the Town since the adoption of the 1982 sidewalk plan. Mr. Guild also recommended that the Council prioritize worst cases of areas

that this would be possible. She added that funds could not be reallocated between years. Mayor Howes asked where the \$131,000 identified for the homewonership program was currently being held. Ms. Vaughn responded that these funds have not as yet been drawn down from H.U.D. in Washington, D.C..

Peggy Pollitzer told the Council that she wished to address the Council on needs relating to the homeless shelter.

Ms. Pollitzer noted that she would be grateful for any funds that the Council could garner for the homeless shelter project. Ms. Pollitzer noted that approximately \$190,000 was still needed for the homeless shelter remodeling. Council Member Andresen inquired whether a sprinkler system was proposed for the homeless shelter. Ms. Pollitzer responded that such a system is not required by building codes. She added that such a system will be added if funds become available. Mayor Howes asked whether the Shelter Committee was \$190,000 short of its \$350,000 goal. Ms. Pollitzer responded that this was correct. Council Member Preston asked why some sources cited the Town's appropriation for the shelter as \$200,000 while others stated \$175,000. Ms. Pollitzer responded that funding of approximately \$25,000 was anticipated from the Town Council.

Beruta Neilson addressed the Council requesting funding for refurbishing of area housing projects. She noted that the parking lots at Chase Park and Elliott Woods are in need of repair. Ms. Neilson added that residing is also needed on many units. Council Member Preston inquired about the estimated cost of these repairs. Ms. Neilson responded that approximately \$50,000 would be needed.

Adele Thomas, a member of the Housing Advisory Board, said that the Town's public housing stock is in deplorable condition. She urged the Council to shift monies to perform necessary repairs to public housing units.

Council Member Pasquini inquired about the condition of public housing in the Town. Town Manager Taylor said that significant outlays are being dedicated to improve the Town's public housing stock. Ms. Vaughn added that roofing has been a problem. She noted that a HUD audit recommended roof replacement for units on Airport Road and at Pritchard Park. Mayor Howes asked whether alternate funding sources had been identified for installing new roofs. Ms. Vaughn responded that HUD has a capital funds program. Council Member Andresen inquired about the likelihood of HUD funding roof replacements. Ms. Vaughn said that a share of the funding could possibly come from HUD.

Council Member Pasquini said that he would like additional detail from Town Manager Taylor concerning the shifting of Community

Town Manager Taylor stated that the Town will seek an outside consultant to evaluate the Tandler Housing Program. Town Manager Taylor noted that potential homeowners in the Tandler program are hesitant to make commitments due to the marginal status of their incomes. Town Manager Taylor said that the evaluation of the Tandler Program would not be completed prior to a spring bond referendum. Council Member Pasquini said that the analysis should be completed prior to a bond referendum on affordable housing. Town Manager Taylor noted that the completion of the study was a timing issue since it will take approximately sixty days to complete once an outside evaluator has been identified.

Council Member Pasquini asked how much it cost for the Town to hold a bond referendum. Town Manager Taylor responded that such costs total under \$10,000.

Mayor Howes said that he would like an overview of how Raleigh and Durham administer their housing programs.

Betsy Pringle, a member of the Greenways Commission speaking in favor of the Open Space bonds, urged the Council to hold the referendum as early as possible.

COUNCIL MEMBER PASQUINI MOVED, SECONDED BY COUNCIL MEMBER HERZENBERG, TO REFER TO THE MANAGER. THE MOTION WAS ADOPTED UNANIMOUSLY (6-0).

1989 Community Development Grant Public Hearing

Town Manager Taylor introduced Tina Vaughn, Director, Housing and Community Development, to present the Community Development Grant Plan.

Ms. Vaughn stated that the Housing and Community Development Department is interested in hearing comments of the Council and public about the 1989 Community Development Grant Program. Ms. Vaughn noted that the Town staff has developed a 1989 proposed plan, the last year in a three year plan. Ms. Vaughn said that funds were earmarked for rehabilitation of public housing units, shelter for the homeless, a homeownership program, capital projects and general administration. The 1987 plan totalled \$305,000, \$284,000 in 1988 and \$291,000 in 1989. Ms. Vaughn noted that U.S. Department of Housing and Urban Development (H.U.D.) guidelines stipulate that funds be used for aiding in the prevention or slums or blight, or to aid low and moderate income citizens.

Council Member Andresen inquired about the intended use of funds identified in the homeownership program. Ms. Vaughn responded that these funds will be used for an as yet unspecified homeownership program. Mayor Howes asked if it would be possible to shift monies between major funding categories. Ms. Vaughn said

Mayor Howes expressed concern that many residents do not have or have inoperative smoke detectors in their residences. Town Manager Taylor said that the Town was seeking the assistance of the media in informing the public of the importance of smoke detection devices.

Council Member Preston commended the Fire Department in their response and actions in recent major fires.

Council Member Pasquini inquired about the Town's funding of Orange County Rescue Squad operations. Town Manager Taylor responded that the Rescue Squad may make a request for Town funds this year. Town Manager Taylor added that the Orange County Rescue Squad operates from Town fire stations.

Library and Parks and Recreation--Leisure Services

Mayor Howes noted that the community appeared to be generally satisfied with the level of leisure services currently being provided by the Town. Mayor Howes added his concern about whether or not sufficient funds were available to build the type of library facility desired by Town residents. He raised the possibility of private fund-raising for this purpose. Council Member Herzenberg added that such fund-raising efforts should begin as soon as possible. He added the possible institution of a program of bequests for major public facilities. Town Manager Taylor suggested that the Council Members serving on the Library Committee (Mayor Howes, Mayor Pro-tem Pasquini, and Council Member Herzenberg) study the fundraising mechanism in further detail.

Council Member Preston said that the ArtsCenter in Carrboro is initiating a program of rebuilding. She added that the ArtsCenter is an asset which serves the community well. Council Member Preston stated that the Town of Carrboro has given \$15,000 per annum to the ArtsCenter in recent years and she hoped the Town and County would consider the same on-going level of support.

Council Member Andresen asked how the \$400,000 earmarked for the Community Center would be utilized. Town Manager Taylor responded that these funds will be used for facility expansion. He added that approximately \$2.5 million would be needed to construct a new Community Center facility sometime after 1994. Mike Loveman, Director, Parks and Recreation, stated that the \$400,000 for the Community Center would be used to provide for more meeting and classroom space, larger locker room facilities and a wading pool.

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Development Grant funds. Town Manager Taylor asked Ms. Pollitzer what amount of funds her group had raised to date for the shelter project. Ms. Pollitzer responded that there was approximately \$215,000 in hand, with an additional \$25,000 pledged. Town Manager Taylor said that the Town staff would contact the Interfaith Council (IFC) to begin putting together a solution to the homeless shelter situation.

COUNCIL MEMBER ANDRESEN MOVED, SECONDED BY COUNCIL MEMBER PASQUINI, TO REFER TO THE TOWN MANAGER. THE MOTION WAS ADOPTED UNANIMOUSLY (6-0).

Budget Work Session

Mayor Howes announced that the Council would be having a general discussion concerning the 1989-90 Town Budget. Mayor Howes asked Town Manager Taylor for his introductory remarks. Town Manager Taylor said that formulation of the budget was the single most significant policy setting issue in any year. Mr. Taylor asked for the Council's feedback concerning service levels in the community. Mr. Taylor noted that this evening's Work Session provided an opportunity for him to listen to the Council's concerns and expectations.

Public Safety--Police and Fire Services

Council Member Herzenberg asked whether any arrests had ever been made for littering in the Town. Town Manager Taylor responded that this was unlikely, since conviction involved several time-consuming steps. Town Attorney Karpinos said that citations are commonly issued for littering offenses. Council Member Andresen said that she was pleased to see the addition of new Public Safety Officer positions in the budget. Town Manager Taylor noted that the Town was relatively stable in its police and fire services personnel. Council Member Andresen asked whether the Town still required the services of a Public Safety Director. Town Manager Taylor responded in the affirmative, adding that the implementation of programs by this individual would result in greater operational effectiveness.

Council Member Andresen asked whether any of the Police Department staff specialized in drug enforcement. Town Manager Taylor responded that the Town does not have any specialist on staff to handle drug enforcement. Mr. Taylor added that individual officers work with other law enforcement agencies in the area to assist in drug enforcement efforts. Council Member Andresen asked whether the community had a good drug enforcement effort. Town Manager Taylor responded that the effort was satisfactory, adding that emphasis was placed on area-wide efforts rather than just those of the Town.

think the Town may be too aggressive in this regard. Town Manager Taylor assured the Mayor and Council that the staff was striving to prevent future problems by properly maintaining local streets.

Council Member Preston asked whether plans were being made to improve the intersection of Franklin Street and Estes Drive. Town Manager Taylor responded that such improvements are planned in conjunction with the construction of the new library facility.

Council Member Herzenberg said that more litter containers or more frequent emptying of same was needed in the downtown area. He also said that more bicycle racks and street benches were needed. Council Member Herzenberg added that the Tree Protection Task Force will recommend that more street planting be done in the downtown area.

Planning, Engineering and Inspections

Council Member Preston asked whether the Town had a sufficient number of inspectors. Town Manager Taylor said that there are an adequate number of inspectors to meet current needs. He noted that Town inspectors will be kept busy in the near term with many Town of Chapel Hill projects. Mr. Taylor added that funds for neighborhood planning have been set aside in the budget. Council Member Preston stated that there appeared to be more urgent needs at this time aside from neighborhood planning. Town Manager Taylor asked for clarification of the Council's vision of the role of neighborhood planning.

Housing and Community Development

Town Manager Taylor noted that the Town is placing emphasis on making improvements to public housing stock. Mr. Taylor added that after an evaluation of the Tandler Program is completed, efforts will be undertaken to formulate a future strategy for addressing affordable housing needs. Council Member Pasquini said that the Town's affordable housing stock was a valuable asset. He added that top priority should be given to maintenance of these dwellings. Council Member Pasquini said that the evaluation audit proposed by Town Manager Taylor would prove fruitful in determining the direction of the Town's future affordable housing programs.

Transportation

Town Manager Taylor noted that the Town's Transit system is one of the finest operations in the state. He noted that the Town had increased total hours of operation by

Public Works

Council Member Preston said that Town citizens appeared to be committed to recycling efforts. Council Member Preston added that governmental units such as the Town and University need to lead the way in these programs. Council Member Preston said that recycling programs, particularly those on a larger scale, can pay dividends. Council Member Preston stressed the need to initiate legislative activity relating to environmental and solid waste issues. Council Member Andresen asked if Council Member Preston was referring to the proposed "bottle bill". Council Member Preston responded that she was not specifically referring to this legislation. Alternatively, she cited laws restricting the transportation of refuse outside of a municipality's proximity. Town Manager Taylor suggested that the Council may want to support an anti-styrofoam bill.

Town Manager Taylor asked for the Council's general feelings on recycling. He noted that recycling is a fairly expensive alternative in the near term. Council Member Herzenberg said he felt that the Town's recycling program had been a great success to date. He added that the only impediment he saw was the limited number of neighborhoods participating in the pilot program. Council Member Herzenberg added that the participation rate in the pilot program was very high. Council Member Andresen concurred with Council Member Herzenberg's remarks, noting that the participation rate was especially high for a voluntary program. Council Member Pasquini questioned how effective the recycling program would be in certain areas of Town.

Town Manager Taylor noted that The Chapel Hill Newspaper had included several reports on the progress of the recycling program within its pages.

Mayor Howes said that he had seen a great increase in the willingness of citizens to participate in the recycling program. Council Member Preston said that she was pleased to see the University becoming involved in recycling efforts. She added that businesses in the community need to become involved also. Town Manager Taylor said that the recycling program will be accorded special attention in the Town's 1989-1990 budget. Council Member Pasquini said that all Town citizens, staff and the Council should have the opportunity to participate in the recycling program. Town Manager Taylor noted that a 25% participation rate in recycling programs is interpreted as a successful endeavor.

Town Manager Taylor sought the Council's perception of street maintenance. Mayor Howes said that some citizens

service.

Town Manager Taylor asked whether the Council had any other guidance or projects to identify at this time. Mr. Taylor added that detailed discussion of the budget by the Council has been scheduled for May 10th and 16th, with possible adoption to occur on May 22nd. Council Member Pasquini expressed concern about the compression of dates into this timeframe. Town Manager Taylor noted that a fall-back budget adoption date of June 5th is being suggested to the Council.

The meeting was adjourned at 9:52 PM.

approximately twenty percent during the past budget year. Council Member Andresen inquired whether or not Town Manager Taylor felt that federal funding would be safe for next year's transportation. Town Manager Taylor responded affirmatively. He noted that this situation was subject to change due to the change of operators in the Durham Transit System. Council Member Andresen asked for an update of information concerning park and ride lots. Town Manager Taylor said that the Town had received all necessary approvals (including UMTA's) to proceed with the Highway 54 Park and Ride Lot. Council Member Preston inquired about the efforts of the University concerning park and ride lots. Town Manager Taylor said that the University operates a five hundred car lot on Estes Drive Extension near Horace Williams Airport. Council Member Herzenberg said that some regular transit riders have expressed concern about reduced service periods during university vacation periods. Town Manager Taylor said that this situation was a reflection of the fact that more citizens not related to the University are riding buses.

Support Services--Council Member Herzenberg noted that the recent hiring of Stephanie Snipes and Celia Cruise in the Manager's office has been very helpful.

Financial Position--Town Manager Taylor noted that the Town was currently in a sound and stable financial position, having very good bond ratings and consequently, attracting favorable interest rates. Mr. Taylor noted that the Town's current debt ratio is approximately 1%. He added that if the proposed \$19 million bond referendum is successfully passed, the debt ratio would be 2.4%. Mr. Taylor noted that the standard for communities similar to Chapel Hill is 8%.

Town Manager Taylor noted that a slowing in the Town's growth rate has resulted in slowed revenue increases. Mr. Taylor stated that if increased service levels are desired, modifications to current tax rates or alternative revenue sources will need to be employed.

Council Member Preston asked for a review of the sales tax revenue situation. Town Manager Taylor said that since the Town's tax rate has been stable, the Town has not shared in the increased tax effort benefits enjoyed by other communities. Mr. Taylor added that since area utilities have no rate increases in recent times, the intake of franchise taxes has levelled off.

Mayor Howes noted that the bond referendum might be reflected in future budgets. He noted that citizens of the Town appear to be generally satisfied with levels of