

SUMMARY OF A BUDGET WORK SESSION HELD BY THE MAYOR AND COUNCIL
OF THE TOWN OF CHAPEL HILL, WEDNESDAY, MAY 10, 1989, 7:30 P.M.

Mayor Pro Tem Pasquini called the meeting to order.

Council Members in attendance were:

Julie Andresen	Nancy Preston
Joe Herzenberg	Arthur Werner

Council Members Godschalk, Wallace and Wilkerson were absent excused. Mayor Howes arrived at 8:00 P.M.

Town Manager Taylor proposed that the Council begin this evening's session by considering funding recommendations made by the Human Services Advisory Board and Parks and Recreation Commission.

Council Member Preston noted that a \$2,000 funding cut for the Dispute Settlement Center had been recommended by the Human Services Advisory Board. She requested information on these recommendations. Tina Vaughn, Director of Housing and Community Services, said that the Dispute Settlement Center had presented two proposals for funding, without providing dollar breakouts of their costs. Council Member Andresen said that the Center would be unable to hold teen mediation programs due to this funding cut. Council Member Herzenberg expressed his support for the Dispute Settlement Center.

Council Member Andresen asked whether the Dispute Settlement Center was recommended for a \$2,000 cut out of its \$6,000 request. Ms. Vaughn said this was correct. Ms. Vaughn said that agencies had requested total funding from the Town of \$115,000, compared to \$58,300 of available funds.

Council Member Preston said that Planned Parenthood had requested \$7,000 for education programs and \$1,500 to help clients offset clinic costs. Council Member Preston asked about the scope of the Planned Parenthood budget. Ms. Vaughn said she did not know the overall figure. She noted that Planned Parenthood had the second largest budget of the agencies evaluated. Council Member Preston stated that the Town funded 4/10 of 1% of the Planned Parenthood budget.

Council Member Preston inquired about funding for Women's Health Services. Ms. Vaughn said funding for this program was not recommended, since the program is in its infancy and was therefore difficult to evaluate.

Council Member Herzenberg said it was difficult to increase funding for one agency while taking away from another. Council Member Herzenberg said that Planned Parenthood had been hit hard by State and Federal spending cuts.

Council Member Andresen said it was difficult to balance the increased number of agencies seeking funding with total monies allocated.

Ms. Vaughn said that the Human Services Advisory Board had spent many hours evaluating the agency requests and took their task very seriously.

Council Member Andresen expressed concern that some agencies had a difficult time becoming acquainted with the evaluation and allocation process. Ms. Vaughn said that each agency was given the same sheet containing a list of instructions.

Dick Baddour, Vice-Chairperson of the Parks and Recreation Commission, said he was prepared to respond to issues relating to Hotel/Motel Tax funding recommendations. Mr. Baddour said that ten proposals were recommended for funding this year.

Mr. Baddour said the Parks and Recreation Commission made a careful effort to balance the needs of the community in making funding allocations. Mr. Baddour said there was not a unanimous vote on funding of the Chamber of Commerce brochure/magazine.

Herschel Slater, Chairperson of the Parks and Recreation Commission, showed several multi-colored brochures to the Council. Mr. Slater said that agencies had paid between \$1.70 and \$2.45 per copy for the brochures, depending on the number of colors used, length of the brochure, and number of copies printed. Mr. Slater said the Commission wanted a brochure of which the community could be proud.

Council Member Werner said that funding at a level of \$25,000 would permit a high quality document to be produced. He noted that programs in other agencies recommended for funding were given just enough to survive.

Council Member Andresen inquired about the purpose of the brochure. Mr. Baddour said the brochure would serve two needs: as an information guide for meeting planning, and as a reference guide for visitors, new residents, and other interested parties.

Council Member Preston asked whether the recommended \$25,000 funding would be a one-time or ongoing situation. Mr. Slater said it was the objective of the Parks and Recreation Commission not to fund programs of this type year after year.

Council Member Preston asked whether the Chamber of Commerce proposal was the only visitor information proposal evaluated by the Parks and Recreation Commission. Mr. Baddour said the Parks and Recreation Commission felt this program was the most comprehensive one received. Mr. Slater said the Chamber of Commerce proposal had the most merit of those received.

Council Member Preston asked how the estimated brochure press run of 10,000 was determined. Roger Jennings, President of the Chapel Hill-Carrboro Chamber of Commerce, said there was no way of knowing how many guides would be used in a year. He noted that guides are traditionally printed in quantities of 5,000.

Council Member Herzenberg expressed concern that only five out of ten Parks and Recreation Commission members had voted in favor of funding for the Chamber of Commerce guide. It was noted that seven members were present the night of the vote.

Town Manager Taylor stated that the Town Code specified that not less than 10% of Hotel/Motel Tax receipts would be used to fund visitor information services and cultural events. Approximately \$270,000 in total receipts are expected in 1989-90.

Council Member Pasquini said he appreciated the efforts of the Parks and Recreation Commission.

Council Member Herzenberg expressed concern that recommending funding of \$25,000 for one agency was out of line with funding of other agencies. Mr. Slater said the Parks and Recreation was in a difficult position since \$25,000 was requested for the program and this was the most meritorious program in the category of visitor information.

Council Member Werner said the Parks and Recreation Commission was giving its best professional advice. He said it was now up to the Council to decide on this matter.

Council Member Preston said the Arts Center needed more support than the recommended \$3,500. Council Member Preston said that approximately 70% of the visitors to the Arts Center are from Chapel Hill. Council Member Preston suggested that \$15,000 be earmarked for Arts Center funding. Council Member Andresen asked whether Council Member Preston was proposing that monies be reallocated among agencies. Council Member Preston said she would prefer that more monies be allocated for these programs. Council Member Werner expressed a preference to juggle allocations rather than add monies for overall funding.

Council Member Preston said she felt that \$15,000 was an appropriate funding level for the Arts Center, since this was Carrboro's annual funding level. Council Member Herzenberg said

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that \$15,000 was not adequate since Carrboro's budget was smaller than the Town's.

Council Member Andresen stated her preference to leave total funding at \$50,000. Council Member Pasquini concurred, saying he was not enthusiastic about providing \$15,000 for the Arts Center. He also said that the Chamber of Commerce request appeared to be a little out of line.

Mayor Howes said that there appeared to be more support for leaving total funding at \$50,000 rather than adding monies. Mayor Howes stated that the Chamber of Commerce did a good job of operating on a shoestring.

Roger Jennings, President of the Chapel Hill-Carrboro Chamber of Commerce, said that visitors to the community are very important. Mr. Jennings said there was currently no means to provide adequate information to groups to encourage them to stay longer and spend time and money in Town. Mr. Jennings said there is also a need for a larger scale hospitality program.

Council Member Herzenberg asked whether there was any language stating that general operating expenses were not an appropriate item for funding. Mayor Howes said that this had been the policy of the Council for many years, although nothing was written down. Council Member Herzenberg said that this policy should be in writing.

Council Member Preston asked how the Arts Center situation would be addressed. Town Manager Taylor said that \$11,500 would be put on a list of possible Council additions. He noted that a grant to the Arts Center could be considered separately from the other performance agreements. Town Manager Taylor also noted that the Town had most likely lost \$97,000 in fire protection revenue from the State, due to recent action by the Legislature.

Town Manager Taylor provided a brief overview of proposed Town housing programs. He stated that energies would be focused on addressing the housing needs of very low and low income residents.

Council Member Preston said she was surprised to see \$125,000 allocated to the IFC shelter. Town Manager Taylor said that bids for the shelter had been approximately \$600,000. He said that Council would be asked to reject the bids so that a scaled-down project could be designed.

Council Member Preston stated that the IFC had raised \$225,000 out of its \$300,000 goal for the shelter. Council Member Preston said she would like to not raise taxes. She said that Mr. Woods' Culbreth Park affordable housing proposal which could be funded

by means of Community Development Block Grant (CDBG) and Housing Loan Trust Fund monies. Mr. Taylor noted that using Housing Loan Trust Fund monies would deplete the fund.

Council Member Pasquini said that the Town keeps putting more money into the IFC shelter project. He said that monies should be put into public housing stock. Council Member Pasquini requested financial information relating to Mr. Woods' proposal and a final report on the Tandler Homeownership Program.

Council Member Herzenberg stated that affordable housing had been an important issue in every Council Member's campaign for office.

Council Member Pasquini said that the Council desired affordable housing rather than subsidizing mortgages. Council Member Pasquini stated his opposition to providing monies for second mortgages.

Council Member Herzenberg noted that elements of the 1981 Town Zoning Ordinance were intended to address affordable housing, but did not.

Council Member Andresen stated that the fundamental question before the Council was the extent to which government should be involved in righting wrongs.

Town Manager Taylor said that he understood the first priority of the Council relative to housing was the protection and preservation of public housing stock.

Town Manager Taylor noted that the loss of \$97,000 in anticipated fire protection revenue translated to a 2.1 cent tax increase, rather than the earlier announced 1.5 cent estimated increase.

Council Member Pasquini inquired how local legislators had voted on the fire protection revenue issue. Town Manager Taylor said that Representatives Barnes and Hackney had been successful in their efforts to maintain approximately \$200,000 of the \$297,000 allocation, which had also been proposed for cutting.

Council Member Preston, noting that she would be unable to attend the Council's May 16th budget work session, said that the analysis of curbside refuse collection provided to the Council was helpful. She stated that it would be difficult to initiate a new curbside recycling program and refuse pickup program in the same year.

Mayor Howes said that solid waste and the performance-based pay plan would be two of the issues discussed by the Council on Tuesday, May 16th.

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Town Manager Taylor stated that he had scaled back a recommended general pay increase for Town employees from 5% to 3-1/2%, in response to this year's budgetary challenges. Mr. Taylor encouraged Council Member Preston to meet with Personnel Director Pat Crofts to further discuss performance-based pay.