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SUMMARY OF A WORK SESSION HELD BY THE MAYOR AND COUNCIL OF THE
TOWN OF CHAPEL HILL, MONDAY, AUGUST 29, 1994 AT 5:30 P.M.

Mayor Broun called the meeting to order in the Library Meeting Room at 100 Library Drive. Council Members in attendance were Joyce Brown, Joe Capowski, Mark Chilton, Pat Evans, Lee Pavão, Barbara Powell, Jim Protzman and Rosemary Waldorf. Also in attendance were Town Manager Cal Horton, Assistant Town Manager Florentine Miller, Assistant to the Manager Greg Feller, Engineering Director George Small, Finance Director James Baker, Deputy Fire Chief Myrle Smith, Housing Director Tina Vaughn, Inspections Director John Davis, Public Services Librarian Mark Bayles, Library Secretary Donna Sayers, Parks and Recreation Director Mike Loveman, Personnel Director Pat Thomas, Planning Director Roger Waldon, Police Chief Ralph Pendergraph, Police Administrative Analyst Jane Cousins, Public Works Director Bruce Heflin, Transportation Director Bob Godding, Town Clerk Peter Richardson and Town Attorney Ralph Karpinos.

Mayor Broun stated that this evening's work session was the Council's first opportunity to examine options for the Town's 1995-1996 budget. He called upon individual Council Members to identify their priorities for discussion of Town services.

Council Member Pavão said his top priority was to examine all Town services and to discuss how the Town could offer incentives to staff about which services to cut or tighten. He also emphasized the need to look at outdated services or those which needed to be revised.

Council Member Protzman expressed his concurrence with Council Member Pavão's suggestions. He also suggested the need for an examination of how staff supported the Council. Council Member Protzman stated that a lot of time and energy went into staff support of the Council.

Council Member Chilton emphasized the need to examine solid waste collection related items and services.

Council Member Evans stated that the Town's most recent Comprehensive Plan had been completed in 1986. Council Member Evans said although she did not advocate rewriting the entire plan; there had been some significant changes in how the community thought, including emphases on pedestrian, bicycle and buffer needs, since the last Comprehensive Plan was written. Mayor Broun asked how the plan was tied to service. Council Member Evans said the Comprehensive Plan needed to be updated as a basis for planning decisions.

Council Member Powell said there were things she did not understand about the Town's personnel operations. She requested more information about the Department and its policies.

Council Member Capowski inquired about the feasibility of adding new services, such as additional bus services or electrical distribution, to generate additional Town revenues.

Council Member Waldorf inquired about the possibility of restructuring the Town's maintenance divisions in the Housing, Parks and Recreation and Public Works departments as a means of achieving efficiencies.

Council Member Brown stated that she was interested in efficiencies and looking at possibilities for restructuring for cost savings. She said the cities of Durham, Charlotte and Wilmington were undertaking such efforts. Council Member Brown also suggested the possibility of examining the budget more carefully and thereby looks for ways of saving money in areas such as supplies.

Mayor Broun suggested looking at the Town's parking situation and the possibility of privatizing these services.

Mayor Broun inquired about Council Members' additional priorities.

Council Member Pavão suggested charging advisory boards and commissions with identifying ways to cut services or make them more efficient. He also suggested the possibility of providing incentives to staff and boards and commission to identify efficiencies.

Council Member Protzman emphasized the importance of periodically examining long-term planning issues and the structure of Council advisory boards and commissions. He expressed concern that the Town's planning staff was mired down in short-term matters rather than being able to think about long-term planning matters.

Council Member Chilton emphasized the importance of examining the efficiency and quality of services in the Town's Housing Department.

Council Member Evans suggested the need to examine whether the Town could continue to provide current service levels with a residential tax base or whether it needed to broaden the tax base to include more non-residential development.

Council Member Powell suggested the need to maintain or obtain a mixed society in the Town. She emphasized the need to provide additional affordable housing programs and opportunities.

Council Member Capowski said he was not certain why the Town's Engineering Department was involved in installing drainage pipes in some areas. He also inquired why the Town did not maintain overhead street lights. Council Member Capowski also suggested the possibility of enhancing bus service cooperation between the Town and University.

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Council Member Waldorf emphasized the importance of constructing new facilities at Hargraves and the Northern Community Park. She added that additional operating costs would be associated with running these new facilities. Council Member Waldorf suggested the possibility of narrowing the focus of recreation programs offered by the Town.

Council Member Brown expressed concern that there had been long-range planning in several areas but there had been an overall lack of commitment from the Council and staff. Noting a handout she had distributed to Council Members about traffic synchronization, Council Member Brown emphasized the need to carefully examine new technologies and how much they cost and their proven efficiencies before they were embraced by the Town.

Mayor Broun said some of the items raised were very general in nature while others were more related to services than others. He suggested that the Council could talk broadly about long-range planning and ties to Town services.

Noting that this evening's work session marked the start of planning for a new budget year, Council Member Pavão said additional ways to save money might be identified. Council Member Brown said an examination of what had already been done in terms of long-range planning in matters such as transportation and solid waste.

Council Member Pavão suggested that department heads examine services provided and related costs. Mayor Broun stated that the Manager and staff periodically undertook such examinations. Council Member Waldorf said there was no harm in bringing up new ideas for change. Council Member Brown said some other governments had achieved efficiencies without cutting services provided. She expressed hope that the Council would be able to resolve refuse collection matters during the upcoming budget process.

Council Member Capowski noted that some Town services such as Parks and Recreation programs were heavily subsidized for non-Town residents. He noted that the demand for these services might go down somewhat if these programs were not as heavily subsidized. Council Member Capowski suggested that costs could be shifted onto the users of such services.

Council Member Protzman said there was a general predisposition to spend extra money when it was available for spending. He urged the Council to do everything possible to be efficient. Council Member Protzman suggested that the Council provide built-in incentives for top-performing staff members and create a zero-sum game wherein the Manager had a set amount of funds for specific categories such as personnel. Council Member Brown inquired whether Council Member Protzman was suggesting that the Town budget be structured in a completely different manner. Council Member Protzman said he was suggesting that creative and innovative staff be rewarded for their efforts. Mayor Broun expressed concern that a zero-sum approach

could be arbitrary in its application. Council Member Powell expressed concern about problems with merit-based pay systems. Council Member Protzman said the words incentive and merit went together. Council Member Pavão said the Council was trying to change the way business was done in order to be more efficient.

Council Member Brown said she felt that the Town budget was not well examined in detail each year. She emphasized the importance of understanding what was in the budget in specific categories such as supplies. Council Member Brown suggested examining the budget by departments. Council Member Pavão expressed concern about the Council micromanaging the staff's work. Council Member Brown said it might be a good time for the Council to micromanage. Mayor Broun said unnecessary micromanagement was not a good use of the Council's time.

Mr. Horton noted that the Town's budget system encouraged department heads to be efficient and return unspent funds at the end of each year. He stated that staff could present the Council with a number of proposals for increasing effectiveness and efficiency. Mr. Horton said for example, the Town could contract out a number of services and possibly handle recycling services in-house, rather than contract them out to private firms.

Council Member Pavão emphasized the need to look at providing services more efficiently than in the past. Mayor Broun inquired whether the Council should direct the Manager and staff to come up with specifics for possible changes.

Council Member Capowski asked whether the Council was giving direction to the Manager for preparation of next year's budget. Mayor Broun said the Council wanted to achieve greater efficiencies while continuing to provide needed services and possibly cutting other services. Council Member Pavão urged the staff to bring back alternatives for the Council's consideration.

Council Member Powell said she favored each department returning with a list of efficiency-related suggestions. She also expressed support for examining an employee incentive system as suggested by Council Member Pavão. Council Member Waldorf said the Council and staff needed to think of different ways of doing things to achieve greater efficiencies. Council Member Brown said the pooling of ideas was a good idea.

Council Member Evans said the proposals sounded a lot like quality management, with a self-assessment starting at the managerial level and trickling down. Mayor Broun said the proposals did sound a lot like quality management. Mr. Horton said the Council was asking for a general review of all Town services and how they were provided. He added that the Council was seeking fast results. Mr. Horton stated that staff could come back in six weeks with some ideas and get interim feedback from the Council. Mayor Broun inquired whether January 14th was too late in the budget process to hold a follow-up work session on Town services. Council Member

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Pavão suggested holding a follow-up session no later than mid to late October. Mr. Horton suggested holding a planning session sometime between mid-October and mid-November.

Council Member Capowski suggested that the Council consider possibly adding some new Town services. Council Member Protzman said he thought department heads probably had five or ten great ideas each in the back of their heads without overthinking them. Mr. Horton emphasized the importance of establishing an environment where all ideas could lay on the table for a while. He added that if the Council would give permission for submittal of incomplete staff work, a large amount of staff time would not be needed for the project. Council Member Waldorf expressed hope that the staff could have some fun with the project. She requested that the staff attempt to identify any activities which seemed to be obsolete.

Council Member Powell requested that the Manager produce a list, including possible identification of departments which needed to be split or combined. Mr. Horton stated that some Town operations could be easily consolidated while other economies would require the cooperation of other local governments.

Council Member Brown requested that the Council wait on possible changes to solid waste matters, pending receipt of the consultant's study on solid waste collection, as per the Council's previous direction. She also suggested that staff at the Institute of Government might be able to examine efficiencies in the Town's operations. Mayor Broun said he thought the Council had a good consensus on what the Manager should prepare in a follow-up report. He added that although the Town was very well run, it did not mean that some things could not be done better.

Council Member Protzman said some half-baked ideas concerning provision of staff support to the Council might be worthwhile. He stated that some staff reports tended to be overdelivered in terms of packaging and presentation. Mr. Horton said the staff could come back early in the process and get Council feedback on some matters, saving a lot of staff time. Council Member Capowski stated that information pertaining to planning matters was professionally presented in detail and was helpful in the Council's decision-making processes.

Mr. Horton said the staff could possibly produce all consent agenda items as one page items. Council Member Waldorf stated that elected bodies tended to ask for more information when they did not want to make a decision. Mayor Broun said if the Council were not interested in pursuing a topic or idea, it needed to say so upfront in order to save staff and Council time. He added that a significant amount of staff time was committed to supporting Council advisory boards and commissions.

Council Member Brown suggested that staff get ideas on how other governments had handled restructuring to reduce the costs of government. She also inquired about the possibility of the Town

combining departments. Council Member Chilton said the Council could come forward with some ideas about solid waste matters, such as in-house recycling services, unit-based pricing and once versus twice per week refuse collection. Council Member Brown said she thought the Council had agreed that the solid waste consultant would come with recommendations on these matters prior to making any changes.

Council Member Chilton said he wanted to be assured that the Town was operating efficiently in terms of maintaining public housing stock. He urged the Council to move forward with long-range plans for repairing public housing units in an efficient manner. Council Member Waldorf said she shared an interest in this matter and stated that there was a lot of reason for optimism in the Town's public housing neighborhoods. She also emphasized the importance of getting a handle on maintenance and safety issues in public housing. Council Member Waldorf also said the Town needed to do a better job of screening new residents and orienting residents to their neighborhoods.

Council Member Brown suggested that the Council reexamine the possibility of inclusionary zoning and impact taxes enabling authority from the General Assembly. Mr. Horton said legislative matters were included in the Council's proposed meeting calendar for early 1995.

Mayor Broun asked whether Council Member Waldorf had additional concerns about Town maintenance operations. Council Member Waldorf said staff was already examining the matter. Mayor Broun asked whether Council Member Evans had additional concerns about revision of the Comprehensive Plan. Council Member Evans said the Planning Department could coordinate the matter.

Council Member Powell said she wanted to see stronger efforts in educating all Town residents on solid waste matters.

Council Member Protzman said he wondered whether the Council wanted to continue to talk about or do something about the lack of affordable housing in the community. He inquired whether the Council had any opinions on the matter. Council Member Brown said that one way was for the Council to pursue the possibility of inclusionary zoning through the General Assembly since a mixture of housing types was not present in current development proposals. Noting that the community was losing its diversification, Mayor Broun suggested that the Council needed to keep chipping away at the matter of affordable housing in a serious manner. Council Member Powell said property taxes were particularly a problem for residences which were in commercially-zoned areas. Council Member Brown suggested the possibility of reducing taxes as a way to help with affordable housing. Mayor Broun said a part of the problem was that the community was attractive and some citizens could outbid others for affordable housing.

Council Member Capowski inquired about the possibility of the Town

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becoming a distributor of electricity. Mr. Horton stated that consumers receive electricity at a higher rate, because electricity charges in some towns are used to subsidize local tax rates. Council Member Capowski inquired about the possibility of the Town handling street light operations. Mr. Horton said street lights were owned by Duke Power. He added that it was virtually impossible for the Town to get into the electrical distribution business. Mr. Karpinos said the Town could negotiate a price to take over the franchise.

Council Member Capowski asked why the Town was involved with the Oaks drainage project. Mr. Horton said the project was in the public right-of-way. He added that the Town was infrequently involved in this type of project.

Council Member Brown emphasized the need for the Town to be more careful about high-tech services, such as the traffic signal system. Mr. Horton said staff had performed pre-tests of traffic conditions prior to the installation of the traffic signal system and would conduct a post-test and make necessary adjustments.

Mayor Broun inquired about the status of the cost accounting system. Mr. Horton said a number of components were in place and the work order system would be installed next. Council Member Brown urged the staff to make the system available to the public as much as possible. Mr. Horton said this was possible in terms of read-only files.

Mayor Broun requested that staff provide information about whether it was better for the Town to privatize parking services or maintain them in-house.

Council Member Capowski said he hoped staff would continue to collaborate bus services with the University. He noted that the University's point-to-point system was marvelous for users but was expensive to operate. Mr. Horton said the Town would continue to collaborate with the University on bus service.

Council Member Evans emphasized the need for continued attention to matters such as the provision of sidewalks, bicycle lanes and streetscape. Mayor Broun said the Town should also increase its efforts pertaining to greenways. He stated that these matters could be taken up at the Council's annual planning session in January. Council Member Evans said this was a good idea.

Council Member Waldorf requested that the Police Chief investigate whether certain services could be eliminated or transferred to civilian (non-sworn) personnel.

Mr. Horton noted that Cablevision had recently agreed to extend its franchise agreement with the Town on a temporary basis. He stated that this action opened up October 11th meeting date on the Council calendar for a possible follow-up on Town services. Mayor Broun said it was a very good idea to hold the follow-up session on

October 11th. Mr. Horton suggested that the meeting be held from 5:30 to 8:00 p.m. in the Library Meeting Room.

Mayor Broun suggested that the Council consider changing its regular meeting time from 7:30 p.m. to 7:00 p.m., with a presumptive ending of 10:30 p.m. He requested Council comment on the proposal. Council Member Protzman inquired about giving notice of the proposed change. Mayor Broun said adequate public notice of the change would be disseminated through the media and other channels. Council Members concurred with the proposal. Council Member Chilton suggested changing the meeting time on an experimental basis, with a review to occur early in the new year. Mayor Broun said this was a very good idea.

The work session concluded at 8:02 p.m.