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SUMMARY OF A JOINT MEETING OF THE CHAPEL HILL TOWN COUNCIL WITH THE
LOCAL LEGISLATIVE DELEGATION, FRIDAY, FEBRUARY 27, 1998 AT 7:30 A.M.

Mayor Waldorf called the meeting to order at 7:52 a.m. in the Piedmont Room of the Carolina Inn. Council Members in attendance were Julie Andresen, Flicka Bateman, Joyce Brown, Joe Capowski, Pat Evans, Kevin Foy, Lee Pavao and Edith Wiggins. Legislators in attendance were State Representatives Joe Hackney and Eleanor Kinnaird and Senators Verla Insko (arrived at 8:17 a.m.) and Howard Lee. Also in attendance were Town Manager Cal Horton, Assistant Town Managers Sonna Loewenthal and Florentine Miller, North Carolina League of Municipalities Director Ellis Hankins, Assistant to the Manager Ruffin Hall, Finance Director James Baker, Town Attorney Ralph Karpinos, Assistant to the Mayor Alice Joyce and Town Clerk Peter Richardson.

At Mayor Waldorf's request, Mr. Horton briefed the Council on the Town's recent bond rating upgrade.

Mayor Waldorf called upon members of the legislative delegation to update the Council on the current legislative session.

Representative Hackney said that although income and sales tax revenues were up significantly, a large percentage of these funds were of a non-recurring nature.

Senator Lee said that many members of the House were urging action on tax cuts, including the food tax. Noting the heavy demands for increased services in areas such as education, Senator Lee said that he did not favor the proposed tax reductions.

Representative Kinnaird said that the current food tax was regressive. Representative Kinnaird also said she hoped that the homestead exemption for the elderly could be increased. Noting that some representatives favored an inheritance tax cut for very wealthy individuals, Representative Kinnaird said that a focus needed to be placed on making responsible tax cuts.

Council Member Andresen inquired about the legislative climate relative to environmental matters. Representative Hackney said that many of these types of program were understaffed with a reorganization fight emerging about who should regulate various health and environmental programs.

Large Tract Development Agreements

Mayor Waldorf noted that the Town was requesting legislative authority regarding development agreements for large tracts of land. She noted that the University concurred with the proposal. Council Member Capowski inquired statewide authority would be needed for such legislation. Representative Hackney said that such agreements could be done locally with the University's consent. He added that the home builders association might be concerned about such a proposal. Senator Lee suggested that the Council hold meetings with interested parties before proceeding

with this proposal. Representative Kinnaird suggested the possibility of the Council meeting with Durham Mayor Nick Tennyson, President of the Durham-Chapel Hill Homebuilders Association about the proposal. Senator Lee urged the Council to hold meetings as early as possible to lobby for the proposed legislation. Mr. Hankins said that it would be wise to talk to potentially impacted parties as soon as possible.

Limiting Alcoholic Beverage Sales

Mr. Horton said that the Town was seeking legislative authority to reduce the propensity of people to become intoxicated at "happy hours" at local establishments. Mayor Waldorf said that the University would support such a legislative change. Representative Hackney said that a relatively complex set of new regulations had been adopted a few years ago to strengthen alcoholic beverage related regulations, including getting drunk drivers off the road. Council Member Andresen said she would be interested in getting data about the effectiveness of such changes in other communities. Mr. Horton said that more people were becoming intoxicated as a result of current drinks promotions at establishments selling alcoholic beverages.

Campaign Contribution Disclosures (\$100 or less)

Council Member Andresen said she thought it was a good idea to require the disclosure of a listing of contributors of \$100 or less for Council campaigns. Senator Insko said it was possible that the Council could already require such disclosures. Mr. Karpinos said he believed that legislative authority was needed before the Council could adopt an ordinance on this matter. Council Member Wiggins inquired about the goal and focus of the proposed change. Council Member Brown said the principal aim was to give people a sense of funding in local political races. Council Member Wiggins asked whether a matter would be considered controversial if any Council Member disagreed with individual proposals. Senator Lee said he believed that items would be considered to be controversial under such circumstances. Council Member Wiggins said that the Council needed to look at the whole picture, such as how Council Members and candidates related to political action committees.

University Property Acquisition

Council Member Brown asked whether the delegation considered the item regarding University property acquisition to be a potentially controversial matter. Senator Lee said it was unlikely that such legislation would succeed. He stated that an alternative approach would be to identify revenue sources in lieu of lost tax dollars when properties and buildings were taken off the Town's tax rolls. Senator Lee stated that one possibility would be to have payments in lieu of taxes. Senator Lee also said that he would be willing to assist the Council creatively in addressing this concern. He also noted that a recent change in State legislation had resulted in all overhead revenues reverting back to the University. Senator Lee said that this could ultimately provide beneficial to the Town. Representative Hackney said that no additional legislation was necessary for the Town to seek additional payments for services from the University. He also said that it was in the best interest of all parties to keep the number of tax-related exemptions to a

minimum. Mayor Waldorf said that it was the Town's job to work with the University on these matters.

Other Matters

Mayor Waldorf said that continued State funding of urban mass transit systems was needed. Representative Hackney said he would remain vigilant on this front. Senator Lee said that the State Department of Transportation was trying to broaden its views relative to mass transit and local option menu taxes. Mr. Hankins said that the possibility of a local government sales tax option for capital purposes, including streets, transit and water and sewer, had been raised as a possibility during this session of the State legislature. Representative Hackney said that no tax increases were likely during the forthcoming session.

Council Member Evans suggested the possibility of moving forward with a can and bottle deposit bill. She stated that passage of such a bill could generate job possibilities for Work First program participants. Representative Hackney said he would assist in this matter with enthusiasm if a Statewide coalition were built and successful in moving forward on this matter.

Senator Lee said that the Town always appeared to be ahead of other communities on legislatively related matters. Representative Hackney said that he always learned something new at the annual legislative breakfast with Council Members. Senator Insko said that she likewise found learning opportunities at these meetings. Mr. Hankins said that he would be forwarding information to the Council and Town staff about the status of various bills impacting municipalities in the current legislative session.

The meeting concluded at 8:59 a.m.