



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Meeting Minutes Board of Aldermen

Tuesday, January 23, 2018

7:30 PM

Board Chambers - Room 110

Present: Mayor Lydia Lavelle, Alderman Damon Seils, Alderman Sammy Slade, Alderman Barbara Foushee, Alderman Bethany Chaney, Alderman Randee Haven-O'Donnell

Absent: Alderman Jacquelyn Gist

Also Present: David Andrews, Town Manager, Rebecca Buzzard, Deputy Town Clerk, Nick Herman, Town Attorney

POETRY READING, RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS

Jay Bryan, member of the Poets Council, read his poem entitled "Song to Carrboro."

Mayor Lavelle acknowledged the passing of Carrboro resident, Catherine "Cat" DeVine, and stated that Jay's poem was very timely as it coincided with her passing. The Mayor went on to say, among other noteworthy accomplishments, that Cat was the 2007 – 2008 Volunteer of the Year and was instrumental in the 2011 100th year celebration.

Alderman Haven-O'Donnell spoke of Catherine DeVine's creativity and love of Carrboro. She expressed a desire for the Town to officially honor Ms. DeVine at some point in the future.

Alderman Seils also spoke of his interactions with Catherine DeVine and expressed his sense of loss.

Alderman Slade acknowledged that he also felt the poem was perfectly timed, and noted that the poem captures the essence of Carrboro. He expressed his opinion that there was a need to have the Arts Committee involved in capturing local art projects on the website and received permission from Jay for this to be the first piece included. Staff was asked to look into a process for capturing town history and art on our website.

RESOLUTION SUPPORTING SNAP AND OTHER FEDERAL NUTRITION PROGRAMS

Alderman Slade presented two versions of the SNAP resolution. He noted that both versions are in support of the Federal Food program. He mentioned that NC is the 8th hungriest State in the nation and read some data points contained in the resolution which detailed the benefits of SNAP and other federal nutrition programs to individuals and the U.S. economy. Alderman Seils requested that the resolution be posted on the Town's website.

A motion was made by Alderman Slade, seconded by Alderman Chaney, that this resolution be approved.

A RESOLUTION SUPPORTING SNAP AND OTHER FEDERAL NUTRITION PROGRAMS

WHEREAS, North Carolina is the 8th hungriest state in the nation. While average monthly SNAP benefits are nominal, about \$119 per household in North Carolina, the program is vital to helping people access nutritious food. Even with more than 1.5 million North Carolinians (15% of the state's population) relying on SNAP to pay for their groceries, food insecurity still persists across the state. With 1 in 6 people facing the double burden of poverty and food insecurity, SNAP provides a critical safety net for those in need; and,

WHEREAS, SNAP helps the most vulnerable in our state. In North Carolina, SNAP benefits predominantly go to households with children, seniors, or people with disabilities. About half of SNAP recipients are employed yet still struggle to make ends meet. SNAP needs to remain means-tested, and must continue to allow all those who need food benefits to access them; and,

WHEREAS, SNAP participation contributes to improved nutrition and positive long-term health outcomes. SNAP participation for six months can increase food security in a household by up to 10%. In addition, individuals who had access to food stamps in early childhood have a lower risk of obesity, high blood pressure, heart disease, and diabetes as adults. In addition, access to SNAP is associated with increased utilization of preventative care, which can contribute to lower healthcare costs overall. Specifically, a study at the national level found that SNAP participation was associated with a \$1400 reduction per household in yearly healthcare expenditures; and,

WHEREAS, SNAP improves the state's economy. SNAP benefits pumped \$2.2 billion into North Carolina's economy in 2016, and the economic benefits were especially impactful in the agriculture and retail sectors. Research from Moody's Analytics shows that for every dollar spent on SNAP, \$1.70 is put back into the U.S. economy. Furthermore, SNAP kept 338,000 North Carolinians out of poverty, including 150,000 children, each year between 2009 and 2012. SNAP dollars go to supporting grocers, paying workers, and buying goods, all of which leads to economic growth. SNAP allows all families to participate in their local economies and makes our communities stronger; and,

WHEREAS, SNAP is effective and efficient. SNAP's entitlement structure allows the program to expand in times of greater need, such as the 2008 recession, and contract in times of economic prosperity. Furthermore, every penny of monthly SNAP benefits for North Carolinians comes from the federal government, and the state of North Carolina is only responsible for half of the administrative costs of the program. The SNAP program therefore brings in billion dollars of economic activity for North Carolina, with little input at the state level. SNAP also has one of the most rigorous quality control systems of any public benefit program, which results in low frequency of fraud or abuse, and an error rate of just 2%.

THEREFORE BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN OF THE TOWN OF CARRBORO THAT the Town of Carrboro asks Senator Burr, Senator Tillis and Congressman Price to reject any proposals in the 2018 Farm Bill that cut funding to SNAP or other federal nutrition programs; shift costs to the states; or otherwise reduce benefits affecting low-income families, workers, children, the unemployed, or the elderly; and,

BE IT FURTHER RESOLVED the Town of Carrboro thanks Congressman Price for his past support for federal nutrition programs and encourages his continued efforts to protect those programs for the good of the people in his district and the state.

This resolution is effective immediately upon adoption.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 23rd day of January 2018:

The motion was carried forward by the following vote:

Ayes: Barbara Foushee, Damon Seils, Sammy Slade, Lydia Lavelle, Randee Haven-O’Donnell, Bethany Chaney

Noes: None

Absent or Excused: Jacquelyn Gist

ANNOUNCEMENT OF UPCOMING MEETINGS

Rebecca Buzzard, Deputy Town Clerk, read the upcoming meetings.

APPROVAL OF PREVIOUS MEETING MINUTES OF JANUARY 9, 2018

MOTION WAS MADE BY ALDERMAN HAVEN-O’DONNELL, SECONDED BY ALDERMAN CHANEY TO APPROVE THE MEETING MINUTES OF JANUARY 9TH, 2018, AS AMENDED. VOTE: AFFIRMITIVE SIX, ABSENT ONE (GIST)

**MINOR MODIFICATION REQUEST FOR ORANGE COUNTY ABC STORE
CONDITIONAL USE PERMIT**

The purpose of this item was for The Board of Aldermen to consider approving a Minor Modification to the Conditional Use Permit for Orange County ABC Store at Carrboro Plaza to allow changes to the facade of the building.

A motion was made by Alderman Haven-O’Donnell, seconded by Alderman Chaney, that this resolution be approved.

A RESOLUTION APPROVING A MINOR MODIFICATION TO THE ORANGE COUNTY ABC STORE AT CARRBORO PLAZA CONDITIONAL USE PERMIT AUTHORIZING UPDATES TO THE FACADE OF THE BUILDING

WHEREAS, the Carrboro Board of Aldermen previously approved a Conditional Use Permit for the Orange County ABC Store at Carrboro Plaza; and

WHEREAS, Town Staff has determined that this request constitutes a Minor Modification to the Conditional Use Permit; and

WHEREAS, the applicant has met the criteria in the Town's Land Use Ordinance related to Minor Modifications.

NOW, THEREFORE BE IT RESOLVED by the Carrboro Board of Aldermen that the Minor Modification request to the Orange County ABC Store at Carrboro Plaza CUP is approved, authorizing updates to the façade of the building.

This the 23rd day of January 2018.

The motion was carried forward by the following vote:

Ayes: Damon Seils, Sammy Slade, Barbara Foushee, Lydia Lavelle, Randee Haven-O'Donnell, Bethany Chaney

Noes: None

Absent or Excused: Jacquelyn Gist

REQUEST TO MAKE APPOINTMENTS TO THE STORMWATER ADVISORY COMMISSION

The purpose of this agenda item was for the Board of Aldermen to make appointments to the Stormwater Advisory Commission.

Alderman Slade, mentioning prior communications with Alderman Foushee, expressed the need for the Board to be more representative of the community. He shared that he has a contact at UNC who has resources to help recruit people for Advisory Boards who may be able to assist Carrboro with diversifying Board composition. There was some discussion and agreement that diversification efforts need to be expanded upon and continued. The Board agreed to make this a topic for further future discussion. Alderman Foushee mentioned that approval of two of the applicants will create openings on the Environmental Advisory Board.

A motion was made by Alderman Haven-O'Donnell, seconded by Alderman Foushee, that the appointments to the Stormwater Advisory Commission be approved.

A RESOLUTION MAKING APPOINTMENTS TO THE STORMWATER ADVISORY COMMISSION

THE BOARD OF ALDERMEN HEREBY APPOINTS THE FOLLOWING APPLICANT(S) TO THE STORMWATER ADVISORY COMMISSION:

Seat Designation	Appointee	Term Expiration
In-Town	Kevin Brigham	2/2019
In-Town	Robert Dickson	2/2019
In-Town	Shauna Hay	2/2020
In-Town	Thomas Hoban	2/2020
In-Town	Jeanette O'Connor	2/2021
In-Town	Michael Paul	2/2021
Special Expertise Related to Stormwater	John Cox	2/2021

The first In-Town seat that is vacated will thereafter be listed as an In-Town/ETJ seat.

Section 2. This resolution shall become effective upon adoption.

This the 23rd day of January 2018.

The motion was carried forward by the following vote:

Ayes: Alderman Damon Seils, Alderman Sammy Slade, Alderman Barbara Foushee, Mayor Lydia Lavelle, Alderman Randee Haven-O'Donnell, Alderman Bethany Chaney

Noes: None

Absent or Excused: Alderman Jacquelyn Gist

REQUEST TO AUTHORIZE THE TOWN MANAGER TO ENTER INTO A PERFORMANCE AGREEMENT WITH CASA

The purpose of this item was for the Board of Aldermen to consider authorizing the Town Manager, David Andrews, to enter into a performance agreement regarding the proposed development by CASA on Merritt Mill Rd.

The Town Manager, David Andrews, expressed the need for more time to work out the terms and conditions.

A MOTION WAS MADE BY ALDERMAN SEILS, SECONDED BY ALDERMAN HAVEN-O'DONNELL TO CONTINUE THIS REQUEST TO AUTHORIZE THE TOWN MANAGER TO ENTER INTO A PERFORMANCE AGREEMENT WITH CASA.

VOTE: AFFIRMITIVE SIX, ABSENT ONE (GIST).

PUBLIC HEARING FOR COMMUNITY INPUT ON TOWN BUDGET FOR UPCOMING FY 2018-19

The purpose of this item was to have a public hearing to receive comments from the public regarding the upcoming budget for the Town beginning July 1, 2018.

Arche McAdoo, Finance Director, gave the staff presentation detailing the three primary goals for developing the budget for 2018-19: Implementation of the Board’s Strategic Priorities, Management of Costs While Improving Services, and Development of a Balanced Budget.

Mr. McAdoo noted that the focus was on cost management while improving services to the citizens and, as per State law, to the development of a balanced budget. The Finance Director gave an overview of the budget. He noted that revenue growth was at approximately 1.5%, the inflation rate is about 1.2%, and noted that salary and benefits costs equated to almost 60% of the budget, with an expected increase in insurance costs. The Capital Improvements Program is also listed as a focus of the budget. Key dates are as noted below:

Recommended Budget to Board	May 1
Board to Hold 1 st Work Session	May 8
Public Hearing on Recommended Budget	May 22
Board to Hold 2 nd Work Session – if needed	May 22
Board to Adopt FY 2018-19 Budget	June 19

Mayor Lavelle opened the public hearing.

The Mayor noted that there was one person signed up to speak, Mr. Robert Dowling, Executive Director of Community Home Trust (CHT). Mr. Dowling thanked the Board and requested their continued support. He asked the Board for funding in the amount of \$74,036.00. Such amount is slightly less than the amount requested in the previous year. Mr. Dowling provided data for consideration. He informed the Board that his organization closed on the purchase of The Landings at Windmore on Dec. 29th. He thanked the staff and manager, the planning department, and attorneys. He informed the Board of some unexpected challenges but assured the Board that he believed that in the next couple of years The Landings will be a spectacular and well maintained property.

Alderman Chaney stated that it is remarkable that CHT has not requested to include the additional units in the calculation for the funding formula agreed between the local governments. Alderman Chaney noted the CHT staff time working on that property was not recognized in the latest funding request, and suggested that some additional support may be an option. Alderman Chaney stated that she would like town staff to have a conversation with CHT about the funding formula. Alderman Chaney asked what the rationale was for not including the Landings. Dowling said that this first year is going to be a challenge, but their numbers did not show they would need additional funding this year. He explained that all the expenses incurred were covered. Further stating that CHT is in good financial shape. He noted that it is hard to project what will happen during this first year. Alderman Slade spoke of his support for the work of CHT and mentioned that during the campaign he heard from some other affordable housing providers. He stated that he would like for staff to keep in mind (when they are having the conversation that Alderman Chaney has requested for staff to have with CHT) that there should be a balance between funding for CHT and other affordable housing providers. Alderman Haven-O’Donnell complimented Dowling for not asking for a rescue when it is not needed. Dowling, appreciative of the Board’s willingness to help, assured members that they could count on him to come forward if there was a need that was not being addressed. Mayor Lavelle thanked Robert Dowling for his approach to the request for funding and thanked Alderman Chaney for raising the topic.

Mayor Lavelle informed the Board of a letter from Nerys Levy that requested additional money for the Community Dinner to take place on Sunday April 29th. This fiscal year the Town allocated \$500 toward the dinner. However, Ms. Levy has requested an increase to \$1,000 for next year. The Board will deliberate this request during their budget discussions.

Alderman Slade informed the Board that he received a letter from Heidi Perov asking about electric bicycles for staff to use to get around town. This letter included information regarding a consultation from the Carrboro Bicycle Coalition. Alderman Slade asked that staff connect with Ms. Perov and the Carrboro bicycle coalition about this request.

Mayor Lavelle closed the public hearing and invited public input at any time, noting the various options for the public to provide input.

PUBLIC HEARING ON A LAND USE ORDINANCE AMENDMENT RELATING TO CONSISTENCY

The purpose of this agenda item was for the Board of Aldermen to receive public comment on an amendment to the text of the Land Use Ordinance relating to consistency for map and text amendments.

Town Manager, David Andrews, explained that this amendment is to bring the Town into compliance with the NC General Statutes relating to consistency. David introduced Attorney Nick Herman for the staff report. Attorney Herman explained that this is a technical amendment to the Land Use Ordinance regarding the procedures by which the Town can adopt or reject a zoning amendment. The new language allows for the adoption of a zoning amendment even if it is inconsistent with the comprehensive plan. But if the Town does so, and declares that the amendment ought to be adopted, then the amendment itself is deemed to amend the comprehensive plan. The Board has no choice on this matter.

Mayor Lavelle opened the public hearing.

Alderman Seils acknowledged the lack of choice on the issue but noted it provided an opportunity for Advisory Board input. He is interested seeing the comments from the Planning Board and would like to know how other municipalities have approached this issue.

Mayor Lavelle asked that since this is supposed to amend a comprehensive plan, and the Town does not have a comprehensive plan, does this have any impact on the Town? Attorney Herman clarified that it applies to any plans in place.

Alderman Haven-O'Donnell asked what precipitated this change. Attorney Herman said his guess was that it was to streamline the local government Board's process for adopting an amendment. Further discussion ensued among the Board members and Attorney Herman regarding this new requirement and the possible motivation and implications of the change.

Mayor Lavelle closed the hearing.

A MOTION WAS MADE BY ALDERMAN SEILS, SECONDED BY ALDERMAN FOUSHEE, THAT THE PUBLIC HEARING ON THE LAND USE ORDINANCE RELATING TO CONSISTENCY BE CONTINUED TO FEBRUARY 6, 2018. VOTE: AFFIRMATIVE SIX, ABSENT ONE (GIST)

PUBLIC HEARING ON LAND USE ORDINANCE AMENDMENTS RELATING TO TREE PROTECTION, SHADE TREES, CANOPY COVERAGE AND REPLACEMENT STANDARDS

The purpose of this item was for the Board to receive public comment on text amendments to the Land Use Ordinance (LUO) relating to the provisions in Article XIX, Screening and Trees, and the associated appendices A and E. A draft ordinance has been prepared.

Christina Moon, Planning Administrator, provided the staff report. She noted that the Advisory Boards have started the conversation but have not had a chance to finish talking through the issue. She noted that this is considered Part II related to shading and canopy coverage. Shade trees in parking lots are noted among the different options for providing relief. Applicants have to show what shade exists and from what source. They have looked at how they can be more innovative in regard to urban tree growth. In terms of canopy coverage they are trying to keep the standards they have, and clarify when modifications are permissible. Payment in Lieu, would require locations to be identified before being allowed and values were determined. She provided calculations for when plant updates need to occur and discussed Appendix A - noting that it was a technical guide for landscaping.

Mayor Lavelle opened the public hearing.

Alderman Chaney asked about the difference between arborists and landscape architects. She questioned the landscapers' qualifications as opposed to the qualifications of an arborist. It was noted that not having the designation of arborist does not preclude a landscape architect from doing these activities. Ms. Moon mentioned that there is a registry for arborists. Alderman Chaney wants the town to be careful about stacking on new expenses by requiring an arborist, when an arborist is not in fact required.

Alderman Haven-O'Donnell said it was unclear as to whether this was only about the downtown area and talked about residential areas. Ms. Moon stated that the focus of the canopy cover is the downtown area, but stated that there are a few subdivisions where particular lots also have requirements to protect certain trees. There will be a disclosure note making sure new property owners know if a particular tree needs to stay in place. Alderman Haven-O'Donnell asked if this would address the removal of trees – canopies being lost by the cutting of trees in tree stand areas. She stated that this practice is changing the landscape for the western edge of Carrboro. There was extended discussion regarding tree canopy and cover, the need to include a larger area, and single trees versus tree stand areas such as Plantation Acres. Alderman Haven-O'Donnell said that she appreciated the comments from the Environmental Advisory Board and Planning Board, but noted that the Greenways Commission needed to be a part of this conversation.

Alderman Haven-O'Donnell asked at what point the Tree Coalition could be a part of the community climate action task force. Ms. Moon said they are still working on this question and that it needed to be explored further. Mayor Lavelle said that with other commissions just getting off the ground that this may be delayed, but that she was not sure that the Board would want to delay this that long. Ms. Moon

stated that they look to the Appearance Commission and Environmental Advisory Board for tree advice. She suggested moving forward and then revisiting when a Tree Coalition is formed. Mayor Lavelle stated that if this is something that is going to get passed she would like more information about the Tree Coalition. Alderman Seils questioned what the role of the Coalition would be. He remembered it as a group of interested community members operating on their own. Discussion continued regarding shading requirements; redevelopment, pavement around dripline on trees; and new technologies. Alderman Chaney agreed with Alderman Seils that the Tree Coalition was not meant to be a Town Advisory Board or Commission. She would like the Town to be careful about the number of external bodies the Town relies on as true advisory boards.

Alderman Slade thanked Ms. Moon for her presentation and work on this issue. He appreciated the sentiment behind the shade trees, the parking lots, and the new provisions. He is concerned; however, with the provisions that are in the canopy standard because, as Ms. Moon said in her presentation, there have to be real reasons for when standards are not met. He acknowledged that the sentiment behind these changes is because of received feedback and the actual experience from new developments in the downtown. He identified the three items that the revised ordinance identifies as reasons for not meeting the canopy standard: solar, storm water, and shrubbery. The solar and the storm water seem to be in line with pretty significant positions the Town has taken as demonstrated by the Climate Change Action Plan and the creation of a stormwater utility. However, he was concerned with the shrubbery item because the Town was talking about displacing, or not meeting the canopy standards, in lieu of providing totally different functioning plants. He continued to explain that he is concerned about the diminishment of the intent of the canopy standard, but recognized that it is hard, at times, for developers to meet these.

Alderman Slade also asked, in reference to D16(a), if the masterplan would have to be in place before the Town implemented the payment in lieu policy. Ms. Moon replied that staff had discussed this question and that, if Carrboro could identify some Town owned property, the Town could set something up in the short term, but in the long term the Town probably would need to look at some type of master tree planning. Alderman Slade said he was hesitant for the payment in lieu, because the Town does not really have good sense of where it could allocate the resources that would be received from a payment in lieu. He also found it problematic because there is a very different cost represented by requiring a developer to have a tree taking up space on a property that could have an alternative use. There is an opportunity cost represented with that, and he does not think the cost of the tree itself, or the work entailed in planting it, captures what that opportunity cost is. He asked that staff develop a method for assessing tree values for payment in lieu that, along with the cost of the tree itself and the labor to plant it, also better reflects the actual cost of the space that a tree takes up, and he provided an example using the analogy of easements. He asked about the cost represented in allowing a developer to not have a tree on a property. Alderman Slade asked about what the Town is exchanging here, and stated that he wanted to make sure the Town is not undermining a good policy too much.

Another point, in attachment F5 in the table, speaks of granting understory trees at a percentage less than what a canopy tree is, but he said that this clause undermines the reason for having the canopy tree provision. Canopy trees are described in this ordinance as trees that are 30 feet or larger. And so along with that, to remain consistent, in Attachment F26 where it speaks to identify specific large trees, he said it would be valuable to mention that these large trees are also canopy trees. He stated that there is no connection between the recommended trees and the canopy tree provision, and there should be. Alderman Slade requested that his comments be referred to the Environmental Advisory Board for them to think about as questions.

Alderman Seils asked Ms. Moon to what extent these policies apply to the Town. Ms. Moon said the Town would meet the same standards, and had not identified any opportunities for the Town to opt out at this point.

Mayor Lavelle looked to the audience for comment and identified and introduced Jack Haggarty.

Jack Haggarty spoke to proposed changes to the ordinance. He was supportive of what is being put forward. He mentioned that every lot is unique. He stated that there should be alternatives and flexibility. The tree coalition can always revisit this. Every lot is different and certain things can work on some lots and certain on others. Flexibility is important.

Mayor Lavelle closed the public hearing.

A MOTION WAS MADE BY ALDERMAN SLADE, SECONDED BY ALDERMAN FOUSHEE, THAT THE PUBLIC HEARING ON THE LAND USE ORDINANCE AMENDMENT RELATING TO TREE PROTECTION, SHADE TREES, CANOPY COVERAGE, AND REPLACEMENT STANDARD BE CONTINUED UNTIL FEBRUARY 27, 2018 AND WILL INCLUDE ALDERMAN SLADE'S COMMENTS AND STAFF RESPONSE. VOTE: AFFIRMATIVE SIX, ABSENT ONE (GIST0

REQUEST TO AUTHORIZE MANAGER TO ENTER INTO A CONTRACT WITH AXIA CREATIVE FOR A WAYFINDING PROGRAM.

The purpose of this item was for the Board to consider entering into a contract for wayfinding graphic design and professional services.

Annette Lafferty, Community and Economic Development Director, gave the staff report on AXIA Creative for the wayfinding program. She mentioned that with the scope of work and public input process the Town is trying to move this project along to come up with a plan before the summer. This is all about economic development and making sure the Town is using their assets in the best way possible. The Town is at the step of selecting design consultants. The consultant would take the Town through to the bidding process. Carrboro has done the branding and is ahead of the process in that regard. Ms. Stone explained the consultant selection of AXIA Creative and the proposed upcoming process. She stated a goal of getting back to the Board by mid-June for approval. Funds have been committed and the budget has already been approved. She asked for the Town to enter into a contract for \$52,600.

Alderman Slade asked if this was all before the signs are designed. He further questioned the estimate of the signs specifically. Ms. Stone said the figure for the signs would be around \$200,000. She pointed out that the City of Durham is embarking on a similar process and that the cost for its signs is around \$650,000. She acknowledged that Durham does have grant money from the Department of Transportation and stated that she is gathering information to try to get some grants for the Town.

There was discussion among the Board of Aldermen as to whether the Town's fabrication shop has the skills and tools to produce and appropriate signs. Alderman Slade suggested modifying the designs to signage that the Town could produce, or maintain, using the patterns this firm supplies. Ms. Stone did not think the Town's sign shop could complete these types of signs but said she would check on all

possible options. Alderman Chaney expressed that the Town had already determined that wayfinding was needed. She supported spending the money on the design in order to help meet the goals set out in the parking plan. Alderman Seils commented that the Tourism Development Authority had already committed some funds to the project, and asked if there is an expectation for addition funding from them. Ms. Stone said that the Town would need to identify if this qualifies as an infrastructure issue in order to determine the answer to that question. Alderman Haven-O'Donnell stated that she would like this wayfinding work be coordinated with the new Communications Manager.

A MOTION WAS MADE BY ALDERMAN SLADE, SECONDED BY ALDERMAN HAVEN-O'DONNELL, TO ENTER INTO A CONTRACT WITH AXIA FOR WAYFINDING AND ALSO FOR THEM TO LOOK INTO DESIGNS THAT CAN POTENTIALLY BE USED BY OUR SIGN DEPARTMENT, BOTH FOR WAYFINDING AND FOR PARKING SIGNS, ALONGSIDE OTHER DESIGNS THEY CREATE

CAPITAL IMPROVEMENT PLAN UPDATE AND FINANCIAL PLANNING MODEL

The purpose of this item was to present to the Board of Aldermen the updated Capital Improvement Plan (CIP) for FY 2018-19 through FY 2022-23 and a Financial Planning Model.

Arche McAdoo, Finance Director, advised the Board that the Capital Improvement Plan (CIP) will include a financial planning model this year. The Director noted that capital planning is a process, not an appropriation. He stated that the Finance Department was in the process of identifying the Town's needs. He reviewed the six primary CIP goals: maintain existing infrastructure to protect the Town's investments; comply with State and Federal mandates; incorporate energy and climate protection strategies; provide Town services in an effective and safe manner; orderly implementation of Town adopted needs assessments, strategic and program master plans; and expand the Town's tax base in a way that will benefit both current and future citizens. He noted specific challenges of the major expenditures such as infrastructure, vehicle and equipment costing over \$30k, information technology of \$50k or more, and stormwater management.

Mr. McAdoo noted that there are 15 capital projects that are currently funded, which totals \$25.4 million dollars, and he spoke about how the funding for the current projects is allocated. He noted that the Rogers Road Sidewalk Project (no longer a capital project) has received bids, is on schedule, and advised that a notice to proceed should be issued fairly soon. Per Mr. McAdoo, some current projects are expected to be completed on budget: Homestead-Chapel Hill High School Multi-Use Path, Town Commons, Planning Software, Rogers Road Conduit, and Public Safety Radios. However, some are expected to need additional funding: 203 S. Greensboro Street, Jones Creek Greenway, Morgan Creek Multi-Use Path, and street re-surfacing. He expected the need of another \$1.5 million dollars for street re-surfacing over the next five years.

Alderman Seils asked about funding from the Orange County Transit Plan for some of the transportation projects. Mr. McAdoo stated that the amounts presented represent the total cost of the projects and that he would be providing additional grant information later in his presentation. Mr. McAdoo discussed the SPOT prioritization of some transportation projects that would require matching funding. He discussed the stormwater projects and noted that there is a \$4.3 million dollar funding deficit over the next five years, which could be addressed by the enterprise fund. He said that there was

a need for the Town to be better able to project and evaluate the impact of capital projects on the Town's General fund and overall financial position.

David Cheatwood, Managing Director at First Tryon from Charlotte, NC introduced himself and his colleague, Charlie Shoemaker. He provided some background on First Tryon and how it has extensive experience working with cities and towns. He discussed the elements of Capital Planning and gave a report on the financial planning model. He also provided advice and recommendations to make sure the Board has all the information they need to make sound financial decisions. He stated that the model is only as good as the assumptions. He emphasized that the goal is to be interactive and allow for many scenarios. The focus of the model, as presented, is on existing debt structure and the Town's credit profile. Mr. Cheatwood said that this first introduction of the model is meant to create discussion as to the possible benefits to the Town. He noted that typically his discussion is more focused one or two consumer driven scenarios. He went on to speak generally about what his company can offer. He provided a financial picture based on data he had accessed and discussed the projected growth rate, which was noted, historically, as about six percent.

Questions and comments from the Board members focused on ability to hold the percentage of the tax base allocated towards debt. The reply was that generally the policy is no more than fifteen percent. Mr. Cheatwood asked the Board to communicate with the Finance Department if there were other scenarios they would like to see, or if there were other funding ideas.

Mayor Lavelle thanked the presenters.

Alderman Chaney thanked them and asked if, or to what degree, the assumptions for revenue growth are inclusive of anticipated completion of development projects.

Mr. Cheatwood responded that for this report they did not incorporate specific development projects. For this presentation they used a flat line growth with property tax revenue of one and a half percent per year, but they can incorporate that information, as requested, for certain development projects.

Alderman Chaney would like to see models showing the impact of anticipated development proceeds, and the remaining gap that would need to be covered by a tax rate increase, other increases in the tax base. She stated that there are big decisions moving forward about projects that are not yet in front of them, and she felt it was important to use a model like this in making development decisions. Mr. Cheatwood said that the Board would know better what is coming on line, and the firm can adjust for specific revenues or expenditures going up or down, and then they can layer those amounts into the model. Alderman Chaney stated that it would be interesting to know how much more new value would need to be created to equal the amount that taxes would have to be raised to meet future needs.

Alderman Slade thanked Mr. Cheatwood for a timely presentation when the Board is in the process of considering construction of offices above the library. He noted that it was important for the citizens to know this information, and also for the Board of Aldermen, as they are still weighing various alternatives, and cost is a major factor in their decision making. He asked that the Town use this tool to compare various library building options.

Alderman Slade also spoke about the opportunity costs potentially competing with the construction of offices above the library; specifically the implementation of the Town's climate change plans, and questioned if the model allowed for combining competing costs. He requested that climate change plans implementation costs be included in the model. He noted that both for the library building and

for the climate plans, the various figures have different assumptions tied to them. For example, in the municipal climate change plan, such as vehicle and equipment costs for fossil fuel vehicles vs. up-front costs for electric, in the electric car scenario future savings in fuel needs to register as does postponement of vehicle purchasing, as electric vehicles do not get replaced as often. Mr. Cheatwood affirmed that the model can incorporate the factors mentioned by Alderman Slade.

Alderman Haven-O'Donnell asked if there was a way to model what the tipping point would be regarding the amount of revenue that would need to be generated by projects to support the Town's finances. She sought a snapshot of how a three cent, or a five cent, tax increase would affect the overall affordability of living in Carrboro. Mr. Cheatwood stated that it would be a good idea to convert the possible cent increases into amounts on property tax bills for citizens, as a means of humanizing the three or five cent increase. Town Manager, David Andrews, weighed in, making a comparison of Carrboro's tax model as compared to those of surrounding cities and towns. He noted that overall, Carrboro is very efficient. The debt per capita is very low. He acknowledged that the tax rate may seem high, but pointed out that there are no storm water fees, that trash is collected within the property tax rate, and noted that the cost of water greatly contributes to the costs (which the Town does not control). He stated that it is possible to provide data for comparative analysis. Mayor Lavelle said that this conversation will continue, and if they do move forward with a rate increase, there will have to be a detailed understanding of what that means for the residents. Mr. Andrews explained that his goal was for the Board and the Town to start thinking about a property tax increase. He stated that there has not been a tax increase in seven years and, that even with the debt incurred for the Capital Improvement Plan, the Town would still be in great financial shape. Alderman Seils agreed with Mr. Andrews that there is need for future financial planning and he noted that a lot of costly items have been deferred as long as possible (like the repairs of Town property) and must be addressed.

Mayor Lavelle thanked everyone involved and said the presentation was very well done.

ADJOURNMENT

A MOTION WAS MADE BY ALDERMAN HAVEN-O'DONNELL, SECONDED BY ALDERMAN CHANEY TO ADJOURN THE MEETING. VOTE: AFFIRMATIVE SIX, ABSENT ONE (GIST).