



TOWN OF CHAPEL HILL
Office of the Manager

405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514-5705

phone (919) 968-2743 *fax* (919) 969-2063
www.townofchapelhill.org

MEMORANDUM

To: Mayor and Town Council
From: Roger L. Stancil, Town Manager
Date: January 30, 2013
Subject: Background Information for Council Planning Retreat

The purpose of this memorandum is to provide summary information for reflection as we prepare for the annual Council Planning Retreat, which will be held Friday and Saturday, Feb. 1-2.

As you know, Friday night's Council Retreat session will be split between the LAUNCH Incubator site and 3birds Marketing, located respectively at 321 W. Rosemary St. and 505 W. Franklin St. We plan to kick off the retreat at LAUNCH at 5:30 p.m. and walk to 3birds at 6:15 p.m. I am forwarding the following information electronically as you begin to deliberate goals and action steps for the coming year; this information will be provided in hard copy at the retreat.

- Planning Retreat Agenda
- Planning Retreat Report with a Message from the Town Manager; Updates on Town Initiatives; and Successes, Trends and Priorities from each department/program area, as well as priorities from the Town's advisory bodies.
- Budget Update Report

Additional information will be provided at www.townofchapelhill.org/budget and in hard copy before the Council Planning Retreat. If you would like a hard copy binder of this material before the Retreat, please contact Deputy Clerk Amy Harvey at 919-969-5013.

I look forward to working with you to discuss the Town's success in achieving its goals, ways to improve our efficiency, clarify our expectations and develop measurements of success.

A handwritten signature in black ink, appearing to read "Roger".

Roger L. Stancil



**Town of Chapel Hill
Council Retreat
February 1 & 2, 2013
Retreat Agenda**

Friday, February 1

**Launch Incubator – 321 W. Rosemary St.
3birds Marketing – 505 W. Franklin St.**

5:30 pm Reception

6:00 pm Incubator Tour & Remarks

Key Board Members



6:15 pm Walk to 3birds



6:30 pm Call to Order

*Mayor Mark
Kleinschmidt*

6:45 pm Opening Remarks & Introductions

*Roger Stancil, Town
Manager*

7:00 pm Retreat Agenda Review

*Vi Lyles,
Vi Lyles Consulting*

7:05 pm 2020 and Other Updates

Roger Stancil & Staff

7:55 pm Closing Remarks

Mayor Kleinschmidt

Outcome: Informal updates by both staff and Council on topics identified by Council for the retreat

Saturday, February 4

Town Operations Center

8:30 am Breakfast

9:00 am Opening Remarks

Mayor Kleinschmidt



**Town of Chapel Hill
Council Retreat
February 1 & 2, 2013
Retreat Agenda**

9:05 am Check In

*Roger Stancil
Vi Lyles*

9:10 am Effective Council Meetings

Mayor Kleinschmidt

Outcome: Understand existing Council meeting rules and procedures; identify areas for change that will lead to more effective meetings

10:15 am Break

10:30 am Council Boards & Committee Update

*Matt Czajkowski
Laurin Easthom
Gene Pease*

Outcome: Shared understanding of the Committee charge, next steps and timeline

11:00 am 2013-14 Priority Budget Update

Roger Stancil & Staff

12:00 pm Lunch

12:15 pm Priority Budget Update, continued

Outcome: Council agreement on prioritization of budget objectives

1:00 pm 2013 Council Goals

Roger Stancil

Outcome: Approval of the 2013 Council Goals

1:30 pm Retreat Agreements

Vi Lyles

Outcome: Shared understanding of retreat decisions and next steps

1:50 pm Closing Remarks

Mayor Kleinschmidt

TOWN OF CHAPEL HILL

COUNCIL PLANNING RETREAT



Chapel Hill Public Library Expansion Project



CHAPEL HILL, NORTH CAROLINA

TOWN MANAGER'S REPORT FOR COUNCIL PLANNING RETREAT

February 1-2, 2013

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	1
INTRODUCTION	2
TOWN MANAGER’S MESSAGE FOR COUNCIL RETREAT.....	4
UPDATES ON TOWN INITIATIVES	8
COUNCIL GOALS	14
CHAPEL HILL 2020 THEMES	16
BUDGET GOALS AND OBJECTIVES	17
APPENDIX A: SUCCESSES	
Successes Identified by Departments/Programs	20
Business Management	20
Communications and Public Affairs	21
Fire	22
Housing.....	22
Human Resource Development	22
Library.....	23
Manager	24
Parks and Recreation.....	25
Planning	26
Police.....	28
Public Works.....	29
Transit	31
APPENDIX B: TRENDS	
Trends Identified by Departments/Programs	32
Business Management	32
Communications and Public Affairs	32
Fire	33
Housing.....	33
Human Resource Development	33
Library.....	34
Manager	34
Parks and Recreation.....	35
Planning	36
Police.....	37
Public Works.....	37
Transit	38

Trends Grouped by Town Manager	38
--------------------------------------	----

APPENDIX C: PRIORITIES

Priorities Identified by Departments/Programs	45
Business Management	45
Communications and Public Affairs	46
Fire	46
Housing	46
Human Resource Development	46
Library	46
Manager	47
Parks and Recreation	47
Planning	48
Police	49
Public Works	49
Transit	50
Priorities Identified by Committees, Board and Commissions Manager	51

COVER PHOTO: The Chapel Hill Public Library Expansion Project remains largely on budget and on schedule. Construction began in January 2012 and will be substantially completed by April 2013. The project is supported by Town residents, who approved a \$16.23 million library expansion bond in November 2003. This new state-of-the art facility will be a visible symbol of the Town's commitment to progress, education and lifelong learning. The expanded library – more than doubling its size to 62,500 square feet – will be a place for the community to gather and to connect.

ACKNOWLEDGEMENTS

Mayor and Town Council

Mark Kleinschmidt, Mayor
Ed Harrison, Mayor pro tem
Donna Bell, Council Member
Matt Czajkowski, Council Member
Laurin Easthom, Council Member
Sally Greene, Council Member
Gene Pease, Council Member
Lee Storrow, Council Member
Jim Ward, Council Member

Town Manager

Roger L. Stancil, Town Manager

Town Attorney

Ralph Karpinos, Town Attorney

Senior Management Team

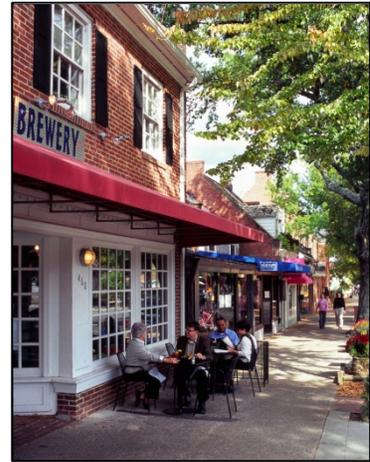
Mark Bayles, Interim Director, Chapel Hill Public Library
John Bjurman, Chief Technology Officer
Chris Blue, Police Chief
J.B. Culpepper, Director, Planning
Dan Jones, Fire Chief
Butch Kisiah, Director, Parks and Recreation
Catherine Lazorko, Public Information Officer
Brian Litchfield, Interim Director, Chapel Hill Transit
Florentine Miller, Deputy Town Manager
Mary Jane Nirdlinger, Director, Policy and Strategic Initiatives
Lance Norris, Director, Public Works
Sabrina Oliver, Director, Communications and Public Affairs
Ken Pennoyer, Director, Business Management
Frances Russell, Director, Human Resource Development
Tina Vaughn, Director, Housing

INTRODUCTION

The purposes of the Town Planning Retreat are to

- Establish the Council's policy goals for 2013-14
- Provide guidance for budget development
- Discuss specific topics of interest identified by the Council

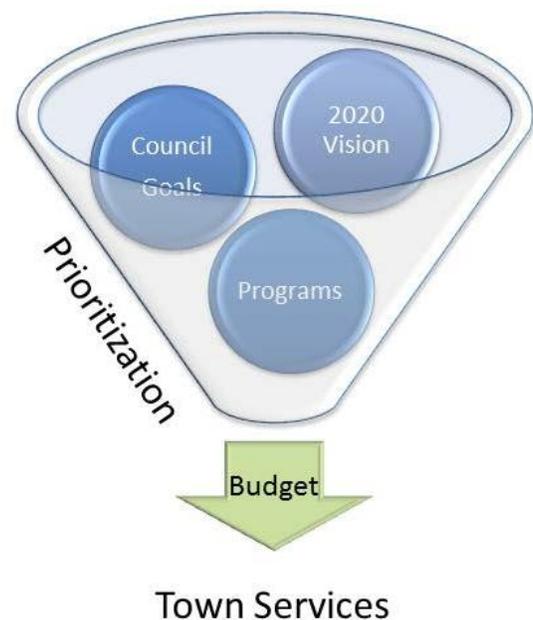
Policy Goals. The process for goal-setting begins with a celebration of the successes achieved by the Town as a result of direction from the last retreat. The Town's senior management team identifies trends from each of their unique perspectives (Appendices B, C) and proposed priorities based on those trends. The Town Manager has reviewed those trends and priorities and summarized them as background for Council discussion. The Council will review the current goals to determine if they are still appropriate. The Council adopted policy goals lay the groundwork for developing a staff work plan and guide the development of the budget to allocate resources.



Budget Development. The Council's Policy Goals, supplemented by the budget objectives identified in Priority Budgeting, guide the Town Manager in developing the Recommended Budget for 2013-14.

Topics of Interest. In planning for the Retreat, Council Members have identified specific topics of interest. Some of these are addressed with information in this book. Some will be topics for further discussion at the Council Planning Retreat.

Creating a rational basis for planning for the future and allocating resources to achieve the preferred future was the major Council Goal for 2011-13, through development and adoption of Chapel Hill 2020. With the adoption of Chapel Hill 2020, the Council has ratified the community's Vision for our preferred future. Subsequent action by the Council related to Priority Budgeting, asset management, workforce of the future initiatives and land use planning revisions have established a solid foundation for a decision-making infrastructure to achieve the preferred future.



The Themes of Chapel Hill 2020 define the Vision.

The annual Policy Goals of the Council set the direction for achieving that Vision. The budget objectives of priority budgeting, accompanied by an emerging strategic planning model,

establish the short term actions required of Town staff and community partners to advance the Vision.

Chapel Hill 2020: Connections. Choices. Community.

Chapel Hill will be a multicultural university town where each day celebrates connections and choice; where a dynamic downtown and networked community inspire connections among people, ideas, the region, and the world; where innovation, technology, discovery, learning, and the arts continually animate a town alive with choices, options, and opportunities to live, work, play, and prosper.

The themes of Chapel Hill 2020 are as follows: A Place for Everyone; Community Prosperity and Engagement; Getting Around; Good Places, New Spaces; Nurturing Our Community; and Town and Gown Collaboration.

The Budget Objectives are as follows: Strategic, Sustainable, & Balanced Development; Safe Community; Stewardship of the Natural Environment; Inclusive and Socially Thriving Community; Quality Governance & Stewardship of Public Assets; and Accessible & Connected Community.



MANAGER'S MESSAGE FOR THE COUNCIL RETREAT

A Review of Trends and Priorities

Roger L. Stancil, Town Manager
January 2013

As I review the trends and priorities identified by our senior managers, I see common themes that will help us think about the future and, more specifically, FY 2014. The first set of trends outlines external forces or activity already set in motion that affect how the Town allocates its resources. The second set of trends reflects our efforts to respond to our evolving conditions and become a more nimble work force that can adapt to changing environments.



In response to the forces in motion and our efforts to adapt, I have proposed a set of high priorities for consideration in development and consideration of the 2013-14 Town Budget.

FORCES IN MOTION

The shifting priorities and financial difficulties of other levels of government, some projected, and others unforeseen and unanticipated, will continue to challenge our ability to plan rationally. Changing budget priorities and grant requirements, as well as challenged resources at all levels of government, will particularly affect our operations dependent on grant funding: public housing, transit and community development. State and federal subsidies will likely shrink, forcing decisions by the Town about service levels or increased levels of local funding.

Changes in state and federal regulations, such as in water quality, are additional unfunded mandates.

Who knows how the 2013 Fiscal Cliff will affect us? Or the next Fiscal Cliff?

On the positive side, some aspects of the relationship with the County of Orange seem to be improving. Increased funding by the County for emergency communications and EMS services is positive, as well as discussion about increased collaboration in transit operations and library services.

Growth is coming to the Region; how will we handle it? Chapel Hill is affected by the Triangle's current attraction as a good place to live and the projected growth from that attraction.

The pressure of this projected growth is especially intense in Chapel Hill because we are a mostly built-out community without much undeveloped land and established boundaries of growth.

Redevelopment is an opportunity and a challenge.

It is an opportunity to plan for the future in a

different way. The challenge is to meet this opportunity while recognizing the threat that existing neighborhoods feel. These neighborhoods seek protection.



Student housing demands affect existing neighborhoods and compete for affordable housing. New single family home construction is down and lending practices encourage multifamily rental housing. Increasingly dense development affects how the Town provides services from public safety to solid waste to parks and recreation.

Effective land use planning considers how community services are affected by land use decisions and how people are affected in their choices and connections. How will the Town determine and decide the tradeoffs between the cost of land and development, environmental concerns, affordable housing interests and the financial sustainability of the public infrastructure, such as transportation and affordable housing subsidies?

The demographics of Chapel Hill are changing. Demographic changes include a notable increase in the Hispanic and Asian populations.

An aging population increases focus on public health and associated disability issues, while the reputation of our school system continues to draw families with young children.

A well-educated, young population has a perspective on what the town SHOULD offer (transit, green development, walkability, digital library) that challenges our current assumptions about infrastructure and resources.

Not only do these demographic shifts represent possible changes in service provision, they also require new thinking about how we communicate with these new audiences.

We face significant financial hurdles. Our economy has returned to 2008 levels. We have experienced minimal revenue growth over four years. On the expenditure side, we are faced with Big Rocks:

Transportation. The costs of our Transit system are rising dramatically. Our land use planning depends on a robust public transportation system. A recommended one half cent property tax increase for transit operations in 2012-13 was deferred. How do we sustain this system?

Pedestrian and bicycling infrastructure is limited in a Town that encourages both through land use planning. An infusion of capital funds is needed to build the infrastructure to support multiple modes of transportation.

Solid Waste. The cost of taking our garbage to Durham versus Orange County will require a significant increase in resources while we search for a more sustainable solution.



Library. At what level will the Town open and operate the greatly expanded library?

Post-employment health benefits. Market rate pay.
Restoring the street maintenance budget. Aging infrastructure (fire, police and recreation facilities)

ADAPTATION

As the world changes around us, we are striving to create a forward-looking, responsive body of people who work for the Town to respond to the external conditions we face. These changing conditions are challenging, often testing our assumptions about the system of services we have created and the sustainability of those systems. The old Roadmap of solutions is increasingly irrelevant, and we rely more on orienteering, using our core values as our compass.

The Town organization is changing

Less flexible budgets require strategic planning, priority budgeting and performance measurement as critical tools for planning how scarce resources are used to achieve the community vision of Chapel Hill 2020.

We have learned that we cannot assume people know what services we provide and how those services connect with the plan for the future. We recognize the need for increased outreach and mutual communication.

Our approach is increasingly multi-disciplined and based on learning from past experience.

Staff is exploring other options for service, from contracting to self-service to greater use of technology.

We have multiple initiatives underway designed to focus on retaining and recruiting an efficient, effective and more nimble workforce:

Our workforce is changing. We have an increasingly diverse workforce serving an increasingly diverse population of residents and visitors. We are working on recognizing,

understanding and appreciating that diversity as our strength. We focus on learning from our experience and training, developing and rewarding skills that help the Town achieve its goals. Turnover will increase as long term employees retire and a new generation comes to work without the same interest in long term employment with one organization.

**WORKFORCE
OF THE FUTURE** 

Our work is different. We look for collaboration and partnerships to get our work done. We will plan more on strategic interests than departmental perspective. We need increased support to outreach and technology. We will develop new skills and connect talent with opportunity.

PRIORITIES

Continue to develop current efforts and find new ways for Chapel Hill 2020 to guide our work:

Priority Budgeting

Strategic Planning

Asset Management

Systemic thinking

Performance metrics

Strategic Partnerships



Experiment with new approaches to land use planning.

Make a successful and cost effective move to our new Library.

Transition our solid waste disposal to Durham. Plan for a short term transfer station in Chapel Hill. Work with Durham and others for a long term sustainable solution to waste disposal.

Consider strategic solutions to the financial sustainability of our transportation systems.

Focus on a nimble organization that retains, develops, rewards and attracts excellent employees to provide excellent service.

Increase support for technology.

Develop new approaches to programming for youth.

Updates on Various Town Initiatives

Council Resolution Items (from June 25, 2012 Business Meeting): Potential Changes to How the Town Does Business

Alternatives to the Town's provision of commercial garbage collection

The Town's solid waste services engineering consultant, SCS Engineers, conducted a review of the Town's commercial bulk waste services as part of its comprehensive review of the Town's solid waste collection and disposal options. They recommended that the Town continue its commercial bulk waste services. Additional recommendations by SCS Engineers for the Town to implement for commercial bulk waste services include:



- Conducting a routing and technology study to optimize routes and collection days (This item has been approved by Town Council and study cost estimates provided by the consultant. The Town of Carrboro will also be a party to this study.)
- Adjusting commercial fees to more closely align with allocated costs. (New fees will be proposed in the upcoming budget process.)
- Allowing commercial waste collection crews to begin collections as early as 4:30 a.m. to facilitate completing collections prior to heavy traffic times in commercial areas. (This option will be addressed in the routing and technology study, of which the Town of Carrboro will also be a party.)
- Changing the management of the two commercial compactors owned by the Town in the downtown commercial district to facilitate proper use and implementation of technology that restricts access, records frequency of compactor usage by businesses, and offers data retrieval for billings. (This recommendation is still under review.)

Establishment of alarm response fees

The Police Department has presented a program on its *response to alarms* to a number of business and community groups in an effort to educate residents on the issue. The presentations include a look at the data on false alarm activations and the time and resources expended including officer safety and staff time, liability, and the opportunity cost of repeated responses to false alarm activations.

The presentations described how the Town could benefit from a well-managed alarm program. We are continuing to collect data on the Town's response to alarms (Police and Fire), and we plan to present material for Council consideration in 2013.

Alternatives to the current management structure of Cemetery Operations

Management and operation of the Town's cemeteries can be divided into three main parts:

- Maintenance
- Administration of plot inventory, sales, service and record keeping
- Establishment and oversight of rules/regulations and policies in conjunction with the Cemetery Advisory Committee.

Of the four Town maintained cemeteries, three have no remaining plots available and the fourth is at 92 percent capacity. While we are required to maintain existing plots at Town cemeteries, we have the option of returning maintenance responsibilities of the Old Chapel Hill Cemetery back to the University. Additionally, we could consider ceasing sales and service of new plots in Memorial Cemetery, the only cemetery with remaining plots, and disposing of the potentially valuable unused land. We are including this land in our property asset inventory for Council's consideration.

Option for the delivery of Stormwater services with OWASA and Carrboro

Chapel Hill, Carrboro and OWASA managers have met to discuss potential changes to the way stormwater services are provided in the OWASA service area, including shifting some stormwater-related responsibilities from the municipalities to OWASA. The town managers are in the process of soliciting feedback from their respective staffs regarding potential changes, including identification of opportunities for increased efficiency and effectiveness and possible issues resulting from any service delivery changes.

Options for disposal of Real Property Assets

We have developed an inventory of Town-owned properties which we are currently reviewing in coordination with a group of local real estate professionals. The primary purpose of the review is to identify which properties make sense to consider for disposal, and to assess the viability of doing so. The list and corresponding maps will be provided to Council along with additional information on properties we might want to consider for disposal at a business meeting in late February or early March.

Workforce Development Initiatives

Employee Performance Management and Development System

The purpose of this project is to create a system to manage employee performance in order to achieve the goals of the Town and promote development opportunities for



its employees. The system will provide clarity in job expectations and successful job performance and will reinforce two-way communication among supervisors and their employees and the Town's commitment to being a learning organization.

We are utilizing human resource consultants to assist with this project. To date, we have held several meetings with focus groups and the general employee population to introduce the project, provide an overview and respond to questions. Using feedback gathered, several performance feedback tool prototypes were developed and provided to large focus groups for comment. The prototypes were sequentially refined based on employee feedback and management choices, leading to final approval by the Town Manager and implementation.

Over the next several months, the Senior Management Team, HRD staff and supervisors at all levels of the organization will be trained on how to effectively utilize the new evaluation tool. The new system will be effective July 1, 2013 with first annual evaluations to occur after July, 2014. In the spring of 2013 supervisors are expected to work with employees to develop expectations for the coming year.

Compensation and Classification Study

The goal of the Classification and Compensation project is to replace our existing, outdated job classification and compensation system with a new one that supports our strategic goal to retain and recruit a well-qualified and diverse workforce. To date, all employees have completed a "Job Description Questionnaire" designed to solicit descriptive information about each position in the Town. Supervisory staff completed a "Job Evaluations" on each position, which provides information about job requirements and relationships among positions.

We received preliminary findings from the consultant in mid-December. A core group of staff is reviewing the information and will work with the consultant to address any noteworthy issues before a recommendation is provided to the Manager. The Town Council has had preliminary discussions about the Town's compensation philosophy, and we anticipate further conversations will occur over the next few months as the data is finalized and the findings reported.

The Personnel Policy and Procedure Improvement Project

After a 10-month review of administrative personnel policies, the Town Manager approved and signed the Medical Leave Cluster of Policies with an effective date of December 1, 2012. The review was initiated based on employee concerns that policies were unclear and inconsistently applied throughout the Town. The new and revised policies replace and supersede any previous policies, sections of the employee handbook, or unwritten policies or practices covering the same subjects. The personnel policy review and revision process was designed to involve employee participation and included 20 feedback meetings with more than 90 employees as well as more than 20 trainings for 130 supervisors.

The Medical Leave Cluster of Policies consists of nine policies: Family Medical Leave Act (FMLA), Sick Leave, Workers' Compensation, Return to Work, Health Insurance Coverage and Payment, Sick Leave Donation, Leave of Absence, Medical Leave, and Reinstatement and Rehire of Former Employees. The Policy and Procedure Project will continue in 2013 with review of a new cluster of policies.



Employee Engagement Study

The Town partnered with the UNC School of Government in the fall to conduct an employee engagement study about the Town workplace. The study is important on several fronts. The Town is currently engaged in several initiatives in response to employee feedback about organizational policies and procedures, compensation and classification, and employment performance management and development. The study will solicit employee

perspectives on these topics so we can measure the effects of changes made over time. Additionally, we are interested in learning more about employee morale in the workplace in general, including perspectives on how the organization values its workers as employees and members of a team.

The study is comprised of two parts: 1) confidential in-person interviews with a small, random sample of employees, followed by 2) a survey sent to all Town employees, including those paid on an hourly basis. To date, we have completed the first part of the study. The information gathered will play a vital role in the development of the survey instrument. We are now in the process of developing the survey designed to solicit employee perspectives on the range of workplace issues described above.

We anticipate distributing the surveys electronically and through the mail sometime in early March, and hope to receive a report on the data collected in June.

Miscellaneous “Hot Topic” Items

Pay for Park & Ride

UNC will begin charging for parking at park and ride lots on August 15, 2013, consistent with the Department of Public Safety Transportation and Parking Five-Year Plan. CHT staff has recommended charging a fee at Town operated park and ride lots concurrently with UNC to assist in managing parking demand. Staff has identified the necessary resources and activities in order to implement a fee at CHT lots and made recommendations related to fee structure and type, necessary capital improvements and labor. Several items are still being discussed with the CHT Partners, including:

- Permits:
 - Ability to issue permits through UNC system since CHT/Town does not have that capability at this moment, and Chapel Hill Parking Services can only process in-person orders. CHT staff will continue working with UNC on addressing various



- mechanisms of issuing permits.
 - Annual permit cost as a potential challenge for an average transit user.
- Enforcement requirements that include:
 - Neighborhood stealth parking
 - Carrboro municipal lots parking
- Verify staffing requirements

Solid Waste Transfer Station

With the assistance of an engineering consultant specializing in solid waste issues, the Town is further exploring alternative options for solid waste disposal, as well as ways of increasing efficiency with solid waste collection. A recommendation from the consultant's report, delivered to Council in the fall of 2012, was that the Town site and construct its own transfer station facility, possibly partnering with other nearby jurisdictions.

As of mid-January, Carrboro officially partnered with the Town to take a collaborative approach to managing solid waste in our communities. A routing and technology study and a transfer station siting study are expected to occur during the latter part of this fiscal year.

Technology Master Plan Update

The Technology Master Plan is currently being updated and will be presented to Council in early spring. The update will outline the current and future plans for the use of technology in the Town of Chapel Hill. Several projects associated with the plan are underway, including GIG-U fiber, WI-FI into several neighborhoods in the Town, fiber optic broadband configuration and implementation, and several other smaller projects that will impact Town users, and ultimately the Town residents, positively. The updated Technology Master Plan will include these projects as well as information about the IT Division's business philosophy and the way Town IT conducts business.

GIG.U.

The North Carolina Next Generation Network (NCNGN) group, of which the Town is a member, developed a regional RFP to attract vendors to build out the proposed ultra-high speed communications network. (Other regional group members include Carrboro, Durham, Raleigh, Cary, Winston-Salem, UNC, Duke, Wake Forest and NC State.) At its January 14 Business Meeting, the Council authorized the Town Manager to continue participating in the process as set forth in the RFP. In the following days, the elected boards in Raleigh, Carrboro and Winston-Salem followed suit.

We anticipate the RFP will be released in early February 2013. The NCNGN group has formed a steering committee that will manage the project through procurement and acquisition. Each community and university will have a member on the steering committee to provide input in the negotiations phase of the project.

Fiber Network

Installation of the fiber network is complete. Implementation of the first phase of the Town Fiber Network (TFN), which includes connecting the network to Town facilities, is currently under way. The network was installed in conjunction with the new traffic signal system upgrade, which the Town assumed operation and maintenance responsibility for in September 2012. We are currently working with UNC and other regional partners on the GIG-U project (see above) that could result in expanded use of the network to provide high speed internet to community. The GIG-U Project regional RFP is scheduled for release February 1.



Town Council and School Board Meetings

The Mayor and Town Manager met with the Chapel Hill-Carrboro City Schools Superintendent and School Board Chair in December to initiate a dialogue regarding common goals and ways to align the 2020 Comprehensive Plan with the school district's long-range strategic plan. A meeting of the two boards will be held sometime in the spring of 2013.

COUNCIL GOALS 2012-13

1. Govern with Quality, Responsiveness, Efficiency

- A. *Adopt a format for strategic planning aligned with the Comprehensive Plan vision and priorities for action, including measurable milestones to guide decision-making and an annual strategic plan*
- B. *Adopt compensation philosophy that balances retention and recruitment, employee interests and financial sustainability to retain and attract the best employees to maintain quality, responsive and efficient services*
- C. *Ensure success of the organizational approach to strengthening community connections and resolving issues of discrimination and mistreatment*
- D. *Adopt a workforce plan that identifies jobs for the future and a future job structure aligned with the priorities of the Comprehensive Plan*
- E. *Define roles and responsibilities for advisory boards and commissions*
- F. *Adopt an asset management policy that identifies assets to be aligned and used in a way consistent with the priorities of the Comprehensive Plan*



2. Champion Downtown

- A. *Refine the vision of Downtown as a key element in economic vitality, social justice, and environmental protection consistent with the adopted Comprehensive Plan*
- B. *Compare alternative approaches from successful peer communities and modify ordinances and policies as appropriate in key downtown policy areas*



3. Focus Economic Development, Land Use and Transportation for a Balanced and Sustainable Future

- A. *Align Town operations and decision-making with the Comprehensive Plan, based on the principles of economic vitality, social justice, and environmental protection with measurable implementation steps.*
- B. *Identify policy aspects of the development review process for revision and adopt timetable for review and action including:*
- C. *Define Town role in transportation*
- D. *Make best effort to coordinate Comprehensive Plan with UNC, UNC Healthcare and Chapel Hill-Carrboro school system*



4. Maintain & Improve Community Facilities and Services

- A. *Decide Library expansion policy issues*
- B. *Align public investment strategy and the delivery of community services with the adopted Comprehensive Plan*
- C. *Decide municipal solid waste disposal strategy for the future in response to County landfill decision*



5. Set Course for a Sustainable Financial Future

- A. *Implement a strategic planning process that links the annual budget as a means for allocating resources and financial policies that supports the Comprehensive Plan*



CHAPEL HILL 2020 THEMES

The Chapel Hill 2020 comprehensive plan is organized around six main themes. These themes highlight which topics are important to the community and are an umbrella under which the plan's goals are organized.

The themes, and the goals associated with these themes, were developed by the community during numerous working sessions and outreach sessions.



The six themes are:



A Place for Everyone: This theme explored diversity and inclusion in a family-friendly, vibrantly creative environment. Participants focused on creating a welcoming community for all with special emphasis on the arts, teens, and the need for affordable housing.



Community Prosperity and Engagement: This group focused on sustaining the financial health of the community by creating a safe, vibrant, and connected community. Participants examined encouraging economic development, supporting existing and new local businesses, and sustaining healthy neighborhoods.



Getting Around: This theme included the study of all modes of transportation needed for an inclusive, connected community. Participants explored the potential for regional partnerships linking to thriving greenways, sidewalks, bicycle amenities, and other options within the town.



Good Places, New Spaces: Exploring what the Chapel Hill of the future should look like, this group focused not only on downtown and also on land use throughout the town including in existing neighborhoods, balancing respect for the old with the prospect of the new. Discussions of development coexisted with consideration of open space and the rural buffer.



Nurturing Our Community: Environmental sustainability is at the core of this theme. Participants examined the many aspects of people's interaction with the natural habitat, from parks and open spaces to locally grown agriculture to protecting water quality and solid waste disposal.



Town and Gown Collaboration: Collaboration with the University of North Carolina at Chapel Hill and the UNC Health Care System on lifelong learning and innovation is the centerpiece of this theme. Participants aspired to use the intellectual and financial capital of the University and the UNC Health Care System to help the town flourish.

BUDGET GOALS AND OBJECTIVES

Development	BUDGET GOAL
	Strategic, Sustainable, & Balanced Development
	BUDGET OBJECTIVES
	<i>Long Range Zoning - Develops and prepares integrated, comprehensive long-range zoning and land use plans that are consistently followed and managed</i>
	<i>Public Infrastructure - Provides, maintains and invests in a well-planned public infrastructure network that accommodates the long-range growth needs of the community</i>
	<i>Economic Development - Plans, prepares and invests in development that stimulates the local economy while preserving the character of the community</i>
	<i>Neighborhoods - Plans and preserves residential neighborhoods that are safe, attractive and provide diverse, affordable housing options</i>

Safety	BUDGET GOAL
	Safe Community
	BUDGET OBJECTIVES
	<i>Emergency - Protects the community by justly enforcing the law, promptly responding to calls for service and being prepared for all emergency situations</i>
	<i>Community Presence - Fosters a feeling of personal safety through a visible and approachable presence that ensures proactive prevention and responds to community concerns</i>
	<i>Regulatory Compliance - Ensures regulatory compliance in order to protect property, the environment and the lives of its residents and visitors</i>
	<i>Safe Environment - Creates a secure, well-regulated, well-maintained community that is healthy, clean, well-lit and visually attractive</i>

Stewardship	BUDGET GOAL
	Stewardship of the Natural Environment
	BUDGET OBJECTIVES
	<i>Energy Conservation - Encourages energy conservation and efficiency through education, incentives and the provision of alternative solutions</i>
	<i>Human Threats - Manages and mitigates factors that impact environmental quality</i>
	<i>Regulations - Promotes and regulates a clean, orderly and ecologically balanced community</i>
	<i>Natural Threats - Controls and abates threats to the environment</i>

Community	BUDGET GOAL
	Inclusive and Socially Thriving Community
	BUDGET OBJECTIVES
	<i>Activities & Facilities - Offers and supports a variety of safe activities and facilities that provide for the physical health and social well-being of the community</i>
	<i>Neighborhood Housing - Supports residential neighborhoods that provide diverse, affordable housing options</i>
	<i>Enrichment - Coordinate the delivery of services to provide cultural, social and professional enrichment for the community</i>
<i>Recreation Planning - Plans for the creation, maintenance and accessibility of open space, parks, recreational activities and educational opportunities</i>	

Accessibility	BUDGET GOAL
	Accessible & Connected Community
	BUDGET OBJECTIVES
	<i>Transportation Network - Provides infrastructure for a safe, well-maintained transportation network for motorists, cyclists and pedestrians</i>
	<i>Public Transit - Build and operate a public transit system that provides personal mobility, while supporting local development and environmental goals of the community</i>
	<i>Traffic Flow - Facilitates traffic flow and offers safe mobility to motorists, cyclists and pedestrians</i>
	<i>Parking - Provide a parking system that supports the local culture, economy and environmental goals of the community</i>

Governance	BUDGET GOAL
	Quality Governance & Stewardship of Public Assets
	BUDGET OBJECTIVES
	<i>Manage Resources - Protects and prudently manages its financial, physical and technology resources</i>
	<i>Operations - Administers and manages operation of Town government, coordinates, communicates, develops and implements policy, programs and initiatives</i>
	<i>Asset Maintenance - Plans, provides and maintains the Town's infrastructure, facilities and assets with a commitment to financial, ecological and social sustainability</i>
	<i>Workforce - Attracts, motivates and develops a high-quality workforce, dedicated to public service</i>
<i>Decision Support - Supports decision-making with timely and accurate short-term and long-range analysis to enhance organizational and community sustainability</i>	

Appendix A: Successes

Business Management Department

1. **Increasing the focus on customer service in the IT function** by formalizing help-desk protocol and realigning staff assignments improved response time and shortened the wait time for resolving system problems that impact productivity.
2. **Implementation of parking pay-stations.** On-street parking and un-staffed off-street lots were successfully converted to multi-space pay stations that provide the added convenience of accepting credit card payments. Since the conversion about 70 percent of transactions have been made using credit cards.
3. **Health Savings Plan was successfully implemented** for new employees starting after July 1, 2010, cutting off the growth of the OPEB liability from adding new employees to the plan.
4. Successfully issued Limited Obligation Bonds (LOBs) for **140 West parking structure financing** and **Two-thirds bonds for various projects at excellent rates.** Issued refunding bonds for General Obligation (GO) and Certificates of Participation debt saving \$1.1 million in future debt payments.
5. **Received triple A rating,** the highest rating given, from both Moodys and Standard and Poors on new GO debt and our triple A rating was confirmed on outstanding GO debt.
6. We made progress in instituting a **Priority Budgeting process.** We have established a program based budget structure that will form the basis of prioritization. Also, working with the School of Government (SOG), we have developed Budget Goals and Objectives that are connected to the themes and goals of the 2020 process.
7. In preparation for moving to a priority based system **we completed the School of Government's "Budgetopolis" budget simulation** with about 60 participants including Town Staff, Council Members, members of Council Boards and Commissions and members of the public. The budgetopolis exercise simulates budget decision making scenarios focusing on linking decision making with established community values.
8. We have continued to maintain the highest standards for financial reporting receiving **our 27th consecutive GFOA award for excellence in financial reporting for the fiscal year 2011 report.** We believe that the fiscal year 2012 report meets all of the standards necessary for the receiving the GFOA award.
9. We received the **Distinguished Budget Presentation Award** for the fiscal year beginning July 1, 2012. This is the 17th year the Town has received this prestigious award for its budget document.
10. The fiscal year 2012-13 budget was approved with **no tax increase** and with **no lay-offs** and **no significant reductions in service.** This was achieved, in part, by using unsustainable strategies such as using bond funds for street repaving.
11. The Town's financial accounting system (**MUNIS**) **was successfully upgraded** and the use the systems document management capability was expanded for revenue, contracts, insurance certificates, vendor information and journal entries

Communications and Public Affairs Department

1. **Expanding our reach through Social Media** – 43 percent increase on Twitter, 20 percent increase on Facebook. Most “likes” ever received on single FB posting numbered 92.
2. **CaPA’s work with Money Magazine** reporter assisted ranking of Chapel Hill #10 Best Places to Live
3. **2nd Annual Mayor’s Breakfast for Advisory Board Officers:** Valuable opportunity for Mayor to share Council Goals with advisory board leadership
4. **2nd Annual Training Session for Advisory Boards:** Evaluation forms showed 97 percent strong agreed/agreed that the training session will aid them in doing their role, and 98 percent will use what they learned.
5. **Chapel Hill 2020** – Contributions include the graphic design of the 2020 Report, The People Bus, 2020 video, website and numerous participation events from U-Mall Fair to art contest to holiday parade – and marketing outreach, theme group meetings
6. **Successful grant application from eNC Authority** for new monitors for Town Hall, iMacs loaded with computer software for video editing
7. **Media Relations included presentations this year** to UNC Journalism students at Carroll Hall, Daily Tar Heel reporters at Town Hall, as well as a Budget Briefing and special conversation with CH News editor
8. **New Video Crew** - Hired new video crew (contracted) for videography of Council meetings and other events (woman-owned and veteran-owned company)
9. **Interns enlisted to assist our efforts** included Educating Stewards of the Public Information Infrastructure (ESOPI) graduate student (dual master’s degree program between UNC School of Government and School of Information and Library Science) and UNC Apples students
10. **Break-in of Yates Building** led to extensive public information effort, as well as extensive staff support of Community Policing Advisory Committee (November 2011 to October 2012)
11. **Homegrown Halloween** had successful 5th year in public communications and outreach
12. **Completion of Community Survey** with ETC presentations to SMT, Council, and CH 2020 participants
13. **Community Outreach at Town Events** - Improvements to outreach at Festifall via addition of Trivia Game and Mayor’s cutout for fun photos
14. **Completion of SMT Survey** of CaPA services, currently evaluating next steps
15. **Organized NC3C (NC City-County Communicators) conference** at Carolina Inn and Town Hall for public information officers from across NC cities and counties
16. **Contributed to internal campaigns** including Workforce of the Future, Martin Luther King Jr. Employee Event, and more
17. **Volunteer Appreciation Party** in May 2012

Fire Department

1. As a result of the new **Departmental Fleet/Logistics position**, fleet use charges have reduced by 19 percent and “Out of Service” time reduced by 23.5 percent in the first year of operation.
2. **New IT position has afforded department numerous successes** in the technology focus with apparatus-based mobile computer terminals, increased benefits with Firehouse database software and efforts to bring our communications equipment up to standards as mandated by federal government.
3. Significant progress towards updating 2006 Emergency Operations Plan (draft) for adoption of Townwide EOP and major strides in **National Incident Management System training** for Town staff in incident command.

Housing Department

1. The transfer of **public housing maintenance responsibility** back to the Housing Department went well. However, we continue to “play catch up” on some maintenance issues. We are short staffed. The length of time it takes to fill vacant staff positions is much too long.
2. **Comprehensive renovations** continue to be one of our strongest activities. The selection of the architect and the awarding of the renovation contract went very well. We were fortunate to be able to award a contract for the 30 apartments and site work through one bidding process.
3. We have not made any revisions to policies since last year. However, review has become an annual task. We must **regularly review the policies** to make sure they are consistent with federal rules, can be easily understood by our customers, and will allow the department to take needed actions.
4. The Resident Services Team demonstrated a great example of teamwork this spring when the group developed a needs assessment survey for the residents of public housing. The team also organized and hosted an Informational Service Fair at the Hargraves Center. Ten area human services agencies participated and 40 residents attended. Going forward, the team will meet on an as-needed- basis. To address resident issues that may occur, Jackie Thompson has been identified as the point person from the Police Department and Sabrina Farrar from the Housing Department.
5. A full time **Permanent Administrative Technician** was hired in June 2012. This position has significantly eased the work load of the Housing Officer II. With addition of this position the Housing Officer II has been able to respond more effectively to neighborhood and family issues.
6. The **staff’s facilitative conversation** with Wayne Blair (in February 2012) went as well as expected. Most of the staff was non-communicative. Recent staff changes will alleviate many of the issues that prompted the conversations with Wayne Blair.

Human Resource Development Department

1. Launched **Workforce of the Future**, including the classification and compensation, performance management and the policy review projects. The class and compensation project will review the current pay plan, benefits and job descriptions and make recommendations for revision. The performance management project will develop a new Employee Performance and Development

system that is intended to create a process that includes employee evaluation and development based on the job descriptions that are development as part of the classification and compensation project. The project will identify policies that required revisions, a process for feedback and distribution to all employees and creating online access to the policies.

2. Successfully revised and distributed to all employees the **first cluster of revised policies** (Leave Policies) from the Policy revision project.
3. Implemented a **facilities inspection program** that has resulted in a reduction in unsafe conditions throughout the Town.
4. Offered **Customer Service training** to all employees. Training was developed and conducted by the Town Training and Development Committee which is made up of representatives from various Town departments.
5. Successfully implemented an **Employee-On-Loan program**, which allows employees who have an interest in working in HRD to lead a project that assists them in enhancing their current skills and provide a professional development and growth opportunity.
6. Utilizing our online system, **we received more than 9,000 employment applications** for both regular and temporary positions

Library

1. **Successfully moved all library services and operations to the Mall.** Could have done a better job of (1) seeking information from peer libraries and agencies prior to hiring the moving company, (2) communicating with staff and customers during weeks closed, (3) seeking assistance with IT needs prior to re-opening.
2. Successfully installed **Patron Self-Checkout machines and RFID security gates** at the Mall library, and achieved 40 percent self-checkout rate to date.
3. **Finalized off-site materials storage program at TOC of ~26,000 items.** Library staff continues to provide customer access to stored materials through weekly retrievals.
4. Began and/or completed several collection development projects with CHPL Foundation Grants: music enhancement project, pilot Kindle loan program, summer reading collection expansion, tutor.com. Began work on initial **\$150,000 Opening Day Collection grant.**
5. Worked with Business Management Department and CHPL Foundation to develop **a process for submitting, receiving, and reporting on grants from the Foundation.**
6. Provided similar levels of service to the community despite the smaller space available at the Mall. Program attendance, circulation of materials and number of visitors to the library remained stable. Worked with Mall management to make good use of Mall spaces and resources.
7. **Continued Design and Project Team collaborations on the library expansion project.** Could have done a better job of communicating with Library Foundation and Friends group regarding expansion project timelines, funding requests, needs, and wish lists.
8. Prepared information for Manager and Council regarding a non-resident fee-for-use library card. Ultimate good outcome was that **Town of Chapel Hill and Orange County signed an inter-local agreement increasing Orange County library funding fiscal year 2011-12, and**

established a formula for future increases. Did not implement a fee for users residing outside of Town limits.

9. **Completed Digital Library Services survey.** Gathered over 1,000 user responses. Could have done a better job of sharing the results and using resulting data.
10. **Increased cooperation with other departments, agencies, and library stakeholders.** Staff expanded collaborations with community groups to offer new programs. Staff expanded participation in town-wide programs and committees.
11. The planning and implementation of a **successful move to University Mall**, which was accomplished with minimal service interruption and inconvenience to patrons.
12. Introduced **service enhancements at the Mall**, such as patron self check-out, self pick-up of holds, and online summer reading program registration.

Manager's Office

1. Brian Callaway hired as **Town's first Energy Management Specialist**
2. \$815,000 in federal stimulus funding awarded to enhance the **Chapel Hill WISE program** and explore program continuation and expansion
3. 16 of 25 sets of initial departmental/divisional performance measures now complete
4. 111 home energy retrofits complete, with estimated savings of at least 15 percent
5. **LED relamping of Wallace Parking Deck**, with estimated annual savings of \$15,000 in electricity and maintenance costs, 73 metric tons of carbon dioxide equivalent (MTCDE), and 155,000 kilowatt hours of electricity
6. High wattage CFL **relamping of Fire Station No. 5**, with estimated annual savings of \$1,000 in electricity and maintenance costs, yield just over 12,000 kWh of electricity savings each year (which is almost the average annual electricity use of a typical NC home) and will spare 5.7 MTCDE of GHG emissions (which is just over the equivalent annual emissions of an average passenger vehicle). A small project with less than one year payback.
7. Development of **Policy and Strategic Initiatives Office**
8. Recruitment of **Economic Development Officer**
9. Commenced various workforce initiatives including development of new **Employee Performance Management and Development system**, overhaul of **Administrative Policies and Procedures**, **Classification and Compensation Study**, and **Employee Engagement Study**
10. **Adoption of 2020**
11. **Creation of the Incubator**
12. **Creation of Ombuds Office**
13. **Beginning Implementation of 2020** – first focus area effort

Parks and Recreation Department

Park Maintenance and Landscape Services

1. Implementation of **contracted mowing and landscape services** at Public Housing units went well. This enabled maintenance staff elevate level of service in park areas. Consideration should be given to expanding contacted mowing services to include Fordham Blvd. and Martin Luther King Jr. Blvd.
2. Supplied **support to Library through transporting donated books** from storage POD at Community Center to the Library on a weekly basis. This project went well once a routine was established.
3. In-house project to regrade and stabilize the drainage and also refurbish the surface at the dog park at Southern Community Park went well and patrons were pleased.
4. Maintenance division received approval in the budget for the purchase of **a landscape tractor** along with implements which will enable the division to do more detailed landscape work in and around the parks.
5. **Department staff received IS 400 NIMS training** which will provide for more expertise in dealing with events such as Halloween, NCAA celebrations and inclement weather situations.
6. **The ability to maintain Merritt Pasture at a higher level of service** has complemented the opening of the Morgan Creek Trail and this has created a new area of recreation for the residents of Chapel Hill.

Cultural Arts

7. **The Cultural Arts Division engaged in developing a broader vision, mission and goals** and reached audiences from youth to seniors.
8. As the Artist-in-the Schools Residency, **The Painted Word Project** paired artists with teens from Chapel Hill High School telling the stories of the homeless and others through, painting, poetry and dance. The project culminated in an exhibition at the Teen Center, which helped bring attention to the potential for that space.
9. **The Up Clothes and Personal textile and fashion show** Community Art Project with seniors allowed participants at the Seymour Center to share each other's company and stories, and to contribute to collaborative art pieces that were imbued with personal meaning.
10. **Collaborated with Orange County Visitors Bureau to increase tourism** during special events. Measured economic impact thru arts and events in Chapel Hill. For every one dollar the town invests in festivals and events, we experience \$38 spending in the local economy.
11. **Successfully reinitiating the 4th of July event** with 50 percent of the cost subsidized by sponsorships and community donations.
12. The first annual **WORD Project Employee Poetry Contest** in honor of Dr. Martin Luther King, Jr. was initiated and resulted in employee's poems being read aloud at the annual MLK, Jr. Celebration and placed on Chapel Hill Transit Buses.
13. The construction document phase of **two public art projects at 140 West** was completed and both projects are scheduled for implantation in March 2013. Although the Library art project was terminated, a settlement was reach with the artist to move forward in a different direction.
14. A preliminary design for the **Veterans Memorial in Chapel Hill** was completed and approved by the Memorial Committee allowing the project to move to a final design stage.

15. **Summer camp 2012 ran six clay camps** for net-revenue gains, double the number of camps offered in previous summers. Clay Studio net income for current fall session is up 6 percent from this session last year.

Administration

16. Completed **draft Parks and Greenways Master Plans** for Council consideration in 2013.
17. Completed **three major playground renovations** (Community Center, Homestead, and Southern Community Parks).
18. Drafted a **no smoking in parks ordinance** and installed signs in the parks to allow enforcement.
19. Completed site plans for the **Umstead and Cedar Falls Park renovation projects**.

Recreation

20. **Easy access to registration process** for the public...multiple registration options.
21. **All Summer Day Camps, Athletic Camps were filled to capacity with waiting lists.** Community Center Camp and Middle School Camp capacities were increased due to demand and they filled to capacity as well.
22. **Special Olympics program grew** to over 300 athletes and over 1,100 volunteers.
23. Partnered with other Town department to establish the **employee health clinic and the Wellness @ Work Program.**

Planning Department

1. **Chapel Hill 2020 adopted in June 2012.**
 - a. Successfully experimented with new methods for community outreach
 - b. Used team approach – involved Town employees from various departments
 - c. Unanticipated impacts on staffing in both positive and negative way; broaden staff perspective on a variety of issues, yet stretched resources
 - d. Implementation of 2020 including Focus Area Studies, Priority Budgeting, “Big Ideas” etc.
2. **Development Review Improvements Implemented**
 - a. LUMO evaluation – moving forward with improvements identified in LUMO critique
 - b. Opened Permit Center
 - c. Implemented LAMA (program not functioning at full capacity; public portal not on-line as quickly as we anticipated). Recently approved additional staffing, added resource should address this shortcoming
 - d. Meeting performance measures for issuing permits
 - e. Roles of Boards and Commissions is underway
3. **Affordable Housing Strategy adopted by the Council in June 2011.**
 - a. Will continue to refine performance measures (underway)
 - b. Interest in developing a policy for incorporating affordable rental housing in new development.
 - c. Staff shortages have delayed implementation of some goals

- 4. Northside and Pine Knolls Community Plan adopted in January 2012.**
 - a. Implementation of some action steps underway including enforcement team
 - b. Working with community partners to implement activities
 - c. Staff shortages have delayed implementation of some goals

- 5. Long Range Transit Plans:**
 - a. Awaiting continued refinement of draft Chapel Hill/Carrboro Long Range Transit Plan
 - b. Coordinated with Triangle Transit in refinements to the Local Preferred Alternative.
 - c. Provided Triangle Transit with information on station area planning.
 - d. Contributed to the development of the EIS Scope of Work.
 - e. Assisted Triangle Transit in their public outreach program for the EIS Scope of Work.
 - f. Coordinated with Chapel Hill Transit on development of the Orange County Transit Plan.

- 6. Regional Transportation Planning:**
 - a. Played a lead role in the development of the Community Viz land use allocation model.
 - b. Managed the development of 2040 land use projections for Chapel Hill.
 - c. Prepared the highway, transit, bicycle and pedestrian elements of the 2040 Metropolitan Transportation Plan for Chapel Hill.
 - d. Coordinated with Town Transit, Public Works and Engineering staff on transportation issues.
 - e. Staff shortages restricted ability to fully participate in regional planning opportunities

- 7. Continued to discuss our future organizational structure**
 - a. Beginning to implement a plan to adequately staff the permit center (including shared receptionist position with Inspections and Engineering Services)
 - b. Reviewing challenges with grant funded positions and the 'team' approach
 - c. Crafting a plan to respond to overall department staffing needs including unexpected shifts of resources (personnel and financial)

- 8. Providing regular updates to the Council on Carolina North**
 - a. Implementation of Development Agreement provisions
 - b. Regular meetings with UNC staff

- 9. Continued to provide team support to Town wide efforts**
 - a. Enforcement Team
 - b. Transportation Management Team
 - c. Food Trucks
 - d. Customer Service Training Team
 - e. Special Events Team

- 10. Staff Training**
 - a. Continue the "Come Learn With Us" education series to provide no cost training sessions to Town employees and allow planners and others to obtain credits for professional accreditation
 - b. Concerned about ability to offer or take advantage of additional training opportunities

- 11. Implemented "Take the Planning Survey" to receive feedback on the department's services and customer service.**
 - a. Staff added link to the survey to our email signatures
 - b. Number of respondents has been disappointing (20 surveys over a 10 month period)
 - c. Need to find ways to solicit greater feedback and comments

12. **The Adoption of Chapel Hill 2020**
13. **The Department was integral with the development of the Enforcement Team**
14. **Secured funding from NC DOT to update Chapel Hill Bike Plan**
15. **Adoption of the Northside, Pine Knolls Community Plan, and the Glen Lennox Neighborhood**
16. **Conservation District Plans**
17. **Establishment of the Permit Center**

Police Department

1. **Many of the Police Department Strategic Plan's immediate strategies have been accomplished and we have begun the implementation of the middle-priority strategies.**
2. Results of the Town's Citizen Satisfaction Survey have been shared with the Strategic Planning Committee, and the committee has identified additional measures that need to be conducted to ensure we are meeting community expectations. We surveyed officers about Community Policing, and we are using that data to develop training. **We have made progress in connecting the organization's values and strategies into the daily work product of employees.** This has also helped us hold employees accountable for their efforts in the context of the strategic plan and our Town values.
3. We have received **positive feedback in community meetings** about the department's Strategic Plan and our initiatives.
4. **Employee engagement is an important part of our organizational success.** Employees continue to be represented at Shift Representative Meetings and Employee Safety Meetings. Police supervisors have been given the opportunity to express their concerns and needs in feedback sessions, which resulted in the design of a training program for them, which was completed in December 2012.
5. We continue to perform **personnel and equipment inspections**, and we keep our officers equipped with good and practical equipment. We have mandated ballistic vest wear for front-line officers, and we have worked to make sure these vests are as comfortable as possible. Employees are encouraged to notify their shift/safety representative of any safety concerns they have and, in emergencies, their supervisors. Officers are provided with **safety training annually** that assists them in keeping their skills sharp and refreshed. All employees are mandated to go to **decision-making training**, which lets officers practice dealing with real-life scenarios in a controlled environment.
6. **Weekly meetings between 2-3 employees and the Police Chief** have created a "safe" place for employees to raise issues and receive timely feedback.

Public Works Department

1. The **Comprehensive Review of Solid Waste Collection and Disposal Options** was successfully completed. In March 2012, the Town contracted professional engineering services with SCS Engineers for a Comprehensive Review of Solid Waste Collection and Disposal Options to thoroughly examine its current solid waste management programs. The goal of the study was to identify opportunities to enhance services, improve efficiencies, and evaluate the applicability of innovative technological developments in the solid waste industry. The results of the study were presented to Council in a work session on October 29, 2012.

Town Council approved the recommendations relative to immediate needs on December 3, 2012. Staff will report back at a later date on additional short-term and long-term recommendations for solid waste management as described in the Comprehensive Review of Solid Waste Collection and Disposal Options Report by SCS Engineers.

2. Successful management of the **Library Expansion project**. The Chapel Hill Public Library \$16.2 million expansion project that began in December 2011 continues to progress on schedule and on budget. The expansion will more than double the facility's size from 27,300 square feet to 62,500 square feet. The expanded Library will be a place for the community to gather and to connect. It will provide 5,200 square feet of badly-needed public meeting space, including two large meeting rooms, two large conference rooms, a quiet room and several study rooms. The relocation of the library from its temporary location at the University Mall to the expanded facility is anticipated by the spring of 2013.
3. In an effort to **modernize the Town's traffic signal system**, as well as improve traffic flow and pedestrian safety, we began an overhauled of the traffic signal system in 2010. The system upgrade is now complete. The project's key elements are: fiber optic communication cable infrastructure, closed-circuit television (CCTV) equipment at selected locations, new system detectors, pedestrian countdown displays at locations with existing pedestrian signals, replacement/upgrade of existing cabinets and controllers, new traffic signal phasing at selected locations, bicycle activated loops at selected locations, and allows for emergency vehicle preemption at selected locations.
4. The system upgrade also includes a **Traffic Management Center (TMC)**, which receives feeds from closed circuit television cameras positioned at major arteries, allowing traffic technicians to track traffic conditions at key locations in the community. The TMC is equipped with eight monitors to view the traffic flow through 16 traffic cameras at different locations in Chapel Hill and Carrboro. The TMC represents a technological leap forward for the Town, and is anticipated to have a noticeable positive impact on traffic congestion, motorist safety, and response efforts for special events and emergency situations. This project provided the department with additional opportunities to strengthen our project management capabilities, a stated objective of last year's business plan.
5. Last fiscal year, we completed a pilot project along West Rosemary Street adding 420 feet of sidewalk and pedestrian amenities, as well as installed a mid-block crosswalk and decorative mast arm pedestrian traffic signal on West Franklin Street. Additionally, this summer we completed a **streetscape project along West Franklin Street** from Chapel Hill Tire Company to North Graham Street. The streetscape upgrades include new sidewalk, ductbank, ADA curb ramps, tree plantings, and furnishings. We are currently in the survey and design phase of the next

Streetscape project located on the south side of West Franklin Street from Kenan Street to South Roberson Street.

6. **The department has hired three women into leadership positions**, including the first female Solid Waste Superintendent and Administrative Analyst the department have ever hired, as well as the Office Manager. All of these positions are part of the Senior Management Team and play a key role in the leadership team of the department. The hiring of women into these leadership positions is particularly significant, as Public Works is a field that continues to be predominately male, particularly in senior positions. It also strengthens the diversity of perspectives and experiences represented in Public Works.
7. Continued project management of the **140 West Project** has mitigated the impact of the construction activity for nearby residents and drivers. The project is on schedule to be substantially completed in the first quarter of 2013.
8. In our Fleet Management division, we have continued to add some reserve capacity, and by doing so, Town departments continue their operations while mainline equipment is repaired. We also continue to **purchase alternative fuel vehicles** when financially feasible. As a result, last year's replacement of 16 vehicles with alternative fuel vehicles resulted in a net savings of two metric tons of greenhouse gas equivalent.
9. The outsourcing of parts management services in our **Fleet Management division** has resulted in efficiency gains in technician productivity, as well as improvement in down time and fleet availability.
10. The establishment of the **Enforcement Team** has improved our ability to respond to enforcement issues in a more systematic and comprehensive fashion in collaboration with other Public Works divisions and Town departments.
11. Stormwater staff completed several **Land Use Management Ordinance text amendments** – a required revision to the Jordan Watershed Riparian Buffer Protection ordinance, enactment of the Jordan Watershed Stormwater Management for New Development ordinance, and enactment of revisions to the stormwater management requirements for individual single and two-family residential development.
12. Stormwater staff partnered with Orange County Recycling and Chapel Hill Solid Waste Management to design and print a business license insert on proper waste disposal and worked with Solid Waste Management to provide letters to restaurants and to provide signage and **cleanup of downtown grease corral and alleyway** behind Bank of America building.
13. Completed the **Bolin Creek Watershed Restoration Initiative** 319 grant project. This included the construction of two bioretention basins (Dickerson Ct. and Hargraves Community Center); reconstruction of the eroding fire lane at the Hargraves Community Center; bank stabilization at Trinity Court, and completion of the Bolin Creek watershed restoration plan and final project report.
14. Stormwater staff coordinated the 2012 NC Big Sweep and a backyard rain garden workshop. During the **Big Sweep in Chapel Hill and Carrboro**, 384 volunteers collected 4,375 pounds of trash.

15. Continued implementing Fordham Boulevard and Manning Drive Safety Workgroup's recommendations. In the 2012 fiscal year, we upgraded **street lighting on Fordham Boulevard** between Old Mason Farm Road and Oteys Road.
16. The NC DOT has begun construction on the \$4.5 million **Columbia Street widening project**. The project is expected to be complete in July 2014.
17. Continued to facilitate construction of **Weaver Dairy Road Widening Project**. NC DOT started construction in September 2010 and expects to complete the project by June 2013.
18. **Resurfaced 30 streets**, totaling approximately seven miles. Among the streets resurfaced was Old Sterling Drive, which was completely reconstructed using an eco-friendly method that utilizes recycled asphalt from the existing street.
19. **Installed art in five locations** throughout the Town for the Public Arts Division.
20. Successfully managed **storm debris clean-up efforts** following the severe thunderstorm that passed through Chapel Hill on July 24, 2012. The Public Works Department responded immediately following the storm to clear blocked right-of-ways of vegetative debris and led clean-up efforts for several weeks following the storm. Our crews collected approximately 290 tons of vegetative waste from affected neighborhoods.

Chapel Hill Transit

1. **Customer satisfaction** was maintained while significant service adjustments were implemented and ridership
2. **Community participation by staff:** Rosa Parks play, Holiday Parade and 2020 involvement.

Appendix B: Trends

Business Management Department

1. **Financial Resiliency** – Moving beyond financial stability and establishing strategies for surviving long-term economic downturns.
2. **Alternative payment options** – Expanding the use of electronic payment methods such as the Parking Pay-by-phone system.
3. **Tablet and smart phones** – Managing the migration from desk-tops and lap-tops while maintaining connectivity and system security.
4. **Sustainable (Priority) Budgeting** – Moving beyond the traditional incremental budgeting to a values based budget decision making system focused on funding based on prioritization of service programs.
5. **Town Fiber Network** – Implementation of the Town’s Fiber Network (TFN) to increase data and communication speed within the Town network and to provide redundancy in the event of system failure.
6. **Document Management** – Reducing the reliance on paper documents through systems that electronically store and retrieve documents.
7. **Cloud Computing** – Reducing the cost of on-site data storage by using off-site third party storage providers through the internet.
8. **Open Data** – Expanding the availability of public information by creating access portals that are comprehensive and user friendly.

Communications and Public Affairs Department

1. **Increased support/requests for public participation** (broadened from citizen to public participation)
2. **Increased demands for graphic design and videography**
3. **Increased public attendance at Council meetings**
4. **Focus on new audiences** due to demographic changes
5. **More demands for CaPA services** creating need for more staff resources to provide service
6. **Departments doing their own communications** due to our lack of these resources
7. **Large increase in public records** requests taking more and more staff time
8. **Increased emphasis on social media**
9. Open Data – **launched “Participate Chapel Hill”** in an effort to make local government data easier to access and to provide new opportunities for the public to share ideas and information through <http://www.townofchapelhill.org/participate>
10. We’ve observed **redundancies in communications functions** occurring across departments. Those resources could be redirected thus giving CaPA more resources to deliver more or better products.

Fire Department

1. **Communication efforts currently underway within Orange County** with regard to adding 800mHz antennas, narrow banding upgrades and adding dispatchers.
2. **Forecast changes to the EMS system with additional Orange County staffing.**
3. **Anticipated development issues** to include (a) high-rise buildings; (b) Obey Creek development; and (c) practice of development “isolation”.
4. Priority budgeting program and the **budgetary unknowns facing the Fire Department.**
5. **Purchase of OSSI software package by Orange County Emergency Services** designed to better handle dispatch information, information tracking and integration of our Firehouse database software.
6. The only new program trend that has been identified is the **False Alarm Program.** Until the program is up and running, staff is unsure how the public and commercial owners will react when fees are levied.

Housing Department

1. **HUD is considering merging the public housing operating and the capital funds.** The intent is that a merger would make it easier to use capital funds for public operating expenses. If the merger happens, the Housing Department may be affected because a merger could result in HUD eliminating the capital fund program. If the capital fund program is eliminated, the Housing Department’s ability to complete comprehensive renovations would probably end.
2. An interim rule that would change the PHAS scoring system resulted in the Housing Department being rated substandard under the management indicator (too many vacant units - tenants’ accounts receivables too high). If this happens again, **our funding may be affected.**

Human Resource Development Department

1. **Workforce Planning and Development**
2. **Employee Health and Wellness initiatives**
3. **Diversity in the workplace – Generational**
4. **Classification and Total Compensation**
5. **The use of Social Media**
6. **Rewards and Recognition**
7. **Workplaces that promote sustainability**

Library

1. Digital services: **Patron expectations for digital materials and services have grown**, use of digital services has increased, eBook and eAudio demand has increased, cost of digital content has increased, availability of digital content has decreased. This is an evolving issue. Meanwhile print, CD music, DVD film, and CD audiobook demand has remained stable. Demand for popular titles and children's materials remains particularly strong. Circulation continues to rise.
2. **Trial CHPL eReader loan program (Kindles).**
3. **Diverted more funds to digital content purchases** than in any previous years (spent less on print).
4. **Staff collaboration with Orange County librarians** to expand cooperative library services. This has the potential to impact all core library services.
5. **Patron expectations for self-service options have increased.** CHPL will add more self-service options at the expanded library.
6. **Began offering patrons self check-out, self pick-up of holds, summer reading program registration on-line.** Planned new services for fiscal year 2012-13: self payment of fines, online meeting room reservation system.
7. **Patrons require more assistance with portable information devices (e.g. eReaders) and expect a knowledgeable staff to help with all things digital.** More staff training required.
8. National trends show expanded **role of the library as public gathering space, work space, creator space, and resource provider.** While the Mall library is very small, it is heavily used. Customers frequently used all available seating in the library. Staff worked with Mall management to provide gathering spaces for library programs and "summer reading" events in various Mall venues.
9. Offered no public meeting space or public announcement postings at the Mall due to limited space. **There will be ample public meeting rooms and announcement space in the new library**, and ample gathering space for library programs and performances, though **staff support may be minimal.**
10. **Libraries nationwide have seen: reduced funding for libraries, reduced hours of operation, expanding demand for youth services and resources, client-server based IT solutions.**

Manager's Office

1. Continued focus on developing a strong, efficient and effective Town organization. **Work Smart** and "**If I Were the Boss...**" are ongoing, internal cost savings campaigns. Work Smart addresses organization-wide non-personnel costs such as utilities, fleet, copiers and printers. An example of a Work Smart initiative is our new videoconferencing capabilities, designed to help us save fuel, money and time by providing a meeting option that does not require vehicle travel from one Town facility to another.

2. **Wellness@Work** is a new comprehensive wellness program for employees of the Town of Chapel Hill. The program is a partnership between UNC Health Care Department of Family Medicine and the Town of Chapel Hill. The overall goals of the program include reducing high-risk health behaviors, improving prevention of chronic health conditions, and working to reduce the health care costs and insurance premiums of the Town of Chapel Hill. Educational programming is developed in partnership with the employee wellness committee and focuses on reducing the risk of heart disease, diabetes, obesity, and other chronic health conditions. The Ombuds Office is also a component of the Town's employee wellness initiative.

3. Over the last few years, multiple initiatives have been introduced to build a nimble, adaptable organization at the Town of Chapel Hill that is based on the Town's RESPECT values of Responsibility, Equity, Safety, Professionalism, Ethics, Communications and Teamwork. We are adding several new efforts that will continue the work of building our organization. They include development of a new **Employee Performance Management and Development System**, a study of the current **Employee Classification and Compensation** philosophy and practices, a revamping of some longstanding administrative personnel policies and procedures, and an **Employee Engagement Study** with the aim of learning more about how employees view the Town as a place to work and how they feel the organization values them as part of the Team.

Parks and Recreation Department

Park Maintenance and Landscape Services

1. There continues to be a **focus on improving the conditions of cleanliness and general appearance of the Downtown**. This trend will continue to require an increased presence in the Downtown of the Landscape division requiring additional efforts to provide a higher level of service. Additional resources of personnel and equipment will be required to continue to meet these rising expectations.

2. The successful implementation of **contracted mowing and landscape services** on Raleigh Road and now at Public Housing has set a trend to continue the use of this type service in other locations in Chapel Hill. It would be a natural progression to continue this trend by contracting the mowing and landscape services at Fordham Blvd. and Martin Luther King Jr. Blvd.

Administration

3. As the economy improves **design and construction costs are likely to increase**.
4. **Park and trail facilities continue to age**. The process will mean higher cost for future renovations if repairs are deferred.

Recreation

5. It is anticipated that the **summer camps will still have waiting list regardless of increasing the maximum number of participants**. There seems to always be a need of more camp space. Because of this trend, there is a need to locate alternate sites for conducting summer camps throughout the community.

Cultural Arts Division

6. There is a need to **re-connect public art with the community via projects that employ local artists**, are transparent in their development, and involve community participation and collaboration, as well as education.
7. The 2020 process identified citizen priorities for arts and cultural programs. In combination with the Parks and Recreation Master Plan, which also recognizes the need for a cultural arts program and facilities for Chapel Hill, **an arts plan should be completed.**
8. The **completion of the plaza at 140 West will require staffing and programming** to take advantage of this public space. The closing of the Wallace Deck for construction of the Kidzu Museum building will require re-thinking summer programs utilizing that space.
9. **More collaborative program efforts**, such as with that with the UNC Science Festival to rebrand Earth Action Day are needed to reduce expenses, while expanding awareness for Chapel Hill Parks and Recreation and to champion downtown.
10. **Art objects commissioned by the Town through the Percent for Art Program since 2002 continue to age** and may need better on-going maintenance to prevent future costly conservation.
11. **Demand for children's clay classes continues to rise.** This fall children's classes were full, with a total of eight children on a waitlist. These eight would constitute a new class and another net-revenue gain. Summer clay camp demand continues to grow. Additional sessions of clay camp would likely be successful. Authorization in the fiscal year 2013-2013 budget will be requested.
12. Increased Studio use during the heat of the summer and continuing HVAC issues require research into **environmental solutions for the studio.** We are looking into this with Public Works and Sustainability Office.

Planning Department

1. **Development activity increasing** as part of regional growth trends
2. **Planners functioning as project managers** (greater reliance on consultants in lieu of adding staff)
3. Transitioning to a Built-Out Community – **redevelopment pressure.**
4. Number of **new single-family housing is down**, instead seeing additions to single-family homes and attached housing.
5. **Participatory Planning** – Need for open, web-based and collaborative tools for outreach
6. Increased interest/requests for neighborhood protection
7. Pressure of **Student Housing** on existing neighborhoods
8. Current lending practices are focused on **multi-family rental development**
9. Increased focus on **public health, an aging population and associated disability** issues.
10. Continued emphasis on **sustainability/carbon-reduction.**

11. Continued **demand for alternate forms of transportation.**
12. Demographic changes include a notable increase in the percentage increase in the Hispanic and Asian populations.
13. The department is playing a more significant role in enforcement of zoning regulations. We believe the team approach will lead to improved compliance with existing regulations.
14. Implementation of the regional rail corridor between Durham and Chapel Hill will require ongoing coordination between the Town and Triangle Transit.
15. Changes in Programs from last year:
 - a. Implementing coordinated effort with Inspections, Engineering and Planning at the Permit Center
 - b. Preparing to bring Public Portal on-line.
 - c. Changes in funding to support the Metropolitan Planning Organization staff will require greater participation by Planning Dept. staff in MPO oversight.

Police Department

1. **We are losing officers more frequently** the last 3-5 years than we have in the past. While we have been able to replace them, the net result is an increasingly inexperienced workforce with limited ties to the agency and the community. This makes it a challenge to cultivate and sustain a strong organizational commitment from the employee. This issue is occurring in police agencies nationwide.
2. **Increasingly tight budgets** have reduced some of the discretionary funds we've used for equipment and training purchases in the past.
3. We are running a **Police Recruit Academy** that will be completed in early 2013. This will assist us in filling several vacancies in our ranks.
4. We are seeing **an increase in computer-related crimes**. We are seeking additional training to expand our investigative capabilities in this area.

Public Works Department

1. Increased focus on use of technological tools to manage our operations (i.e. - traffic signal system upgrade, Traffic Management Center, and possible use of unified work order system).
2. Master planning and management for major capital projects, including replacement, expansion, and renovation of aging facilities.
3. Continued changes in development patterns in the downtown area will likely result in increased developer interest in the area and continued increase in related building inspections.
4. Based on routine surveys by Institute for Transportation Research and Education (ITRE), while still rated above average, the overall condition ratings of our streets continue to decline.

5. Continued uncertainty of costs for construction materials related to changing economic conditions.
6. Continued focus on sustainability, which will result in more comprehensive design review requirements for both private and public projects.
7. New and expanded facilities will require additional resources to properly maintain the public's investment.
8. Continued reductions in residential and commercial solid waste collected and disposed.
9. Continued community expectations for timely collection of loose leaves, snow removal, and infrastructure maintenance.
10. Increased state and federal water quality regulations. This focus includes the Town's compliance with its National Pollutant Discharge Elimination System (NPDES) permit requirements; the identification and mitigation of impaired streams and stream segments; and the establishment of State standards for controlling pollutants entering Jordan Lake. We can anticipate additional federal and state regulations, which will create significant fiscal and physical resource impacts on the Town.
11. Further focus on integrating Chapel Hill 20/20, Performance Based Budgeting, and Performance Management plans into our department's business plan and culture.

Chapel Hill Transit

1. Core services – **demand continues to increase**, especially during peak hours. Park and rides are near or exceeding capacity. Planned developments and Carolina North will place significant demands on the system. Statewide consolidation efforts. New transportation bill will require investment in capital (SGR).
2. New programs – **pay for park and ride in fiscal year 2014**.
3. Changes in programs from last year – **advertising program was initiated in 2011-12**.

Trends Grouped by the Town Manager

Federal and state and county changing regulations and opportunities

HSG1. HUD is considering merging the public housing operating and the capital funds. The intent is that a merger would make it easier to use capital funds for public operating expenses. If the merger happens, the Housing Department may be affected because a merger could result in HUD eliminating the capital fund program. If the capital fund program is eliminated, the Housing Department's ability to complete comprehensive renovations would probably end.

HSG2. An interim rule that would change the PHAS scoring system resulted in the Housing Department being rated substandard under the management indicator (too many vacant units - tenants' accounts receivables too high). If this happens again, our funding may be affected.

PLN16. Changes in funding to support the Metropolitan Planning Organization staff will require greater participation by Planning Dept. staff in MPO oversight.

FIR1. Communication efforts currently underway within Orange County with regard to adding 800MHz antennas, narrow banding upgrades and adding dispatchers.

FIR2. Forecast changes to the EMS system with additional Orange County staffing.

FIR5. Purchase of OSSI software package by Orange County Emergency Services designed to better handle dispatch information, information tracking and integration of our Firehouse database software

PW10. Increased state and federal water quality regulations. This focus includes the Town's compliance with its National Pollutant Discharge Elimination System (NPDES) permit requirements; the identification and mitigation of impaired streams and stream segments; and the establishment of State standards for controlling pollutants entering Jordan Lake. We can anticipate additional federal and state regulations, which will create significant fiscal and physical resource impacts on the Town.

LIB4. Staff collaboration with Orange County librarians to expand cooperative library services. This has the potential to impact all core library services.

CHT2. New Programs – pay for park and ride in fiscal year 2014

Development of the Town

PLN1. Development activity increasing as part of regional growth trends

PLN3. Transitioning to a Built-Out Community – redevelopment pressure

PLN4. Number of new single-family housing is down, instead seeing additions to single-family homes and attached housing.

PLN6. Increased interest/requests for neighborhood protection

PLN7. Pressure of Student Housing on existing neighborhoods

PLN8. Current lending practices are focused on multi-family rental development

FIR3. Anticipated development issues to include (a) high-rise buildings; (b) Obey Creek development; and (c) practice of development “isolation”.

PW3. Continued changes in development patterns in the downtown area will likely result in increased developer interest in the area and continued increase in related building inspections

Demographics

PLN9. Increased focus on public health, an aging population and associated disability issues.

PLN12. Demographic changes include a notable increase in the percentage increase in the Hispanic and Asian populations.

CPA4. Focus on new audiences due to demographic changes

Changes in organization/ organizational pressures

PLN2. Planners functioning as project managers (greater reliance on consultants in lieu of adding staff)

PLN5. Participatory Planning – Need for open, web-based and collaborative tools for outreach

PLN13. The department is playing a more significant role in enforcement of zoning regulations. We believe the team approach will lead to improved compliance with existing regulations.

PLN15. Changes in Programs from last year:

Implementing coordinated effort with Inspections, Engineering and Planning at the Permit Center

Preparing to bring Public Portal on-line.

FIR4. Priority budgeting program and the budgetary unknowns facing the Fire Department.

POL2. Increasingly tight budgets have reduced some of the discretionary funds we've used for equipment and training purchases in the past.

PW11. Further focus on integrating Chapel Hill 20/20, Performance Based Budgeting, and Performance Management plans into our department's business plan and culture.

PR2. The successful implementation of contracted mowing and landscape services on Raleigh Road and now at Public Housing has set a trend to continue the use of this type service in other locations in Chapel Hill. It would be a natural progression to continue this trend by contracting the mowing and landscape services at Fordham Blvd. and Martin Luther King Jr. Blvd.

LIB 5. Patron expectations for self-service options have increased. CHPL will add more self-service options at the expanded library.

LIB6. Began offering patrons self check-out, self pick-up of holds, summer reading program registration on-line. Planned new services for fiscal year 2012-13: self payment of fines, online meeting room reservation system

LIB8. National trends show expanded role of the library as public gathering space, work space, creator space, and resource provider. While the Mall library is very small, it is heavily used. Customers frequently used all available seating in the library. Staff worked with Mall management to provide gathering spaces for library programs and "summer reading" events in various Mall venues

LIB9. Offered no public meeting space or public announcement postings at the Mall due to limited space. There will be ample public meeting rooms and announcement space in the new library, and ample gathering space for library programs and performances, though staff support may be minimal.

LIN10. Libraries nationwide have seen: reduced funding for libraries, reduced hours of operation, expanding demand for youth services and resources, client-server based IT solutions

TM1. Continued focus on developing a strong, efficient and effective Town organization. Work Smart and "If I Were the Boss..." are ongoing, internal cost savings campaigns. Work Smart addresses organization-wide non-personnel costs such as utilities, fleet, copiers and printers. An example of a Work Smart initiative is our new videoconferencing capabilities, designed to help us save fuel, money and time by providing a meeting option that does not require vehicle travel from one Town facility to another.

TM2. Wellness@Work is a new comprehensive wellness program for employees of the Town of Chapel Hill. The program is a partnership between UNC Health Care Department of Family Medicine and the TM3. Town of Chapel Hill. The overall goals of the program include reducing high-risk health behaviors, improving prevention of chronic health conditions, and working to reduce the health care costs and insurance premiums of the Town of Chapel Hill. Educational programming is developed in partnership with the employee wellness committee and focuses on reducing the risk of heart disease, diabetes, obesity, and other chronic health conditions. The Ombuds Office is also a component of the Town's employee wellness initiative.

TM4. Over the last few years, multiple initiatives have been introduced to build a nimble, adaptable organization at the Town of Chapel Hill that is based on the Town's RESPECT values of Responsibility, Equity, Safety, Professionalism, Ethics, Communications and Teamwork. We are adding several new efforts that will continue the work of building our organization. They include development of a new Employee Performance Management and Development System, a study of the current Employee Classification and Compensation philosophy and practices, a revamping of some longstanding administrative personnel policies and procedures, and an Employee Engagement Study with the aim of learning more about how employees view the Town as a place to work and how they feel the organization values them as part of the Team.

CPA1. Increased support/requests for public participation (broadened from citizen to public participation)

CPA2. Increased demands for graphic design and videography

CPA3. Increased public attendance at Council meetings

CPA5. More demands for CaPA services creating need for more staff resources to provide service

CPA6. Departments doing their own communications due to our lack of these resources

CPA7. Large increase in public records requests taking more and more staff time

CPA8. Increased emphasis on social media

CPA9. Open Data – launched "Participate Chapel Hill" in an effort to make local government data easier to access and to provide new opportunities for the public to share ideas and information through <http://www.townofchapelhill.org/participate>

CPA10. We've observed redundancies in communications functions occurring across departments, those resources could be redirected thus giving CaPA more resources to deliver more or better products.

BMD1. Financial Resiliency – Moving beyond financial stability and establishing strategies for surviving long-term economic downturns

BMD3. Tablet and smart phones – Managing the migration from desk-tops and lap-tops while maintaining connectivity and system security.

BMD4. Sustainable (Priority) Budgeting – Moving beyond the traditional incremental budgeting to a values based budget decision making system focused on funding based on prioritization of service programs.

BMD5. Town Fiber Network – Implementation of the Town’s Fiber Network (TFN) to increase data and communication speed within the Town network and to provide redundancy in the event of system failure.

BMD6. Document Management – Reducing the reliance on paper documents through systems that electronically store and retrieve documents.

BMD7. Cloud Computing – Reducing the cost of on-site data storage by using off-site third party storage providers through the internet.

BMD8. Open Data – Expanding the availability of public information by creating access portals that are comprehensive and user friendly.

HRD1. Workforce Planning and Development

HRD2. Employee Health and Wellness initiatives

HRD3. Diversity in the workplace – Generational

HRD4. Classification and Total Compensation

HRD5. The use of Social Media

HRD6. Rewards and Recognition

CHT3. Changes in Programs from last year – advertising program was initiated in 2011-12.

Environment

PLN10. Continued emphasis on sustainability/carbon-reduction.

PW6. Continued focus on sustainability, which will result in more comprehensive design review requirements for both private and public projects.

HRD7. Workplaces that promote sustainability

Services demand

PLN11. Continued demand for alternate forms of transportation.

PLN14. Implementation of the regional rail corridor between Durham and Chapel Hill will require ongoing coordination between the Town and Triangle Transit.

FIR6. The only new program trend that has been identified is the False Alarm Program. Until the program is up and running, staff is unsure how the public and commercial owners will react when fees are levied.

POL4. We are seeing an increase in computer-related crimes. We are seeking additional training to expand our investigative capabilities in this area.

PW1. Increased focus on use of technological tools to manage our operations (i.e. - traffic signal system upgrade, Traffic Management Center, and possible use of unified work order system).

PW2. Master planning and management for major capital projects, including replacement, expansion, and renovation of aging facilities.

PW4. Based on routine surveys by Institute for Transportation Research and Education (ITRE), while still rated above average, the overall condition ratings of our streets continue to decline.

PW7. New and expanded facilities will require additional resources to properly maintain the public's investment.

PW8. Continued reductions in residential and commercial solid waste collected and disposed

PW9. Continued community expectations for timely collection of loose leaves, snow removal, and infrastructure maintenance.

PR1. There continues to be a focus on improving the conditions of cleanliness and general appearance of the Downtown. This trend will continue to require an increased presence in the Downtown of the Landscape division requiring additional efforts to provide a higher level of service. Additional resources of personnel and equipment will be required to continue to meet these rising expectations.

PR4. Park and trail facilities continue to age. The process will mean higher cost for future renovations if repairs are deferred.

PR5. It is anticipated that the summer camps will still have waiting list regardless of increasing the maximum number of participants. There seems to always be a need of more camp space. Because of this trend, there is a need to locate alternate sites for conducting summer camps throughout the community.

PR6. There is a need to re-connect public art with the community via projects that employ local artists, are transparent in their development, and involve community participation and collaboration, as well as education.

PR7. The 2020 process identified citizen priorities for arts and cultural programs. In combination with the Parks and Recreation Master Plan, which also recognizes the need for a cultural arts program and facilities for Chapel Hill, an arts plan should be completed.

PR8. The completion of the plaza at 140 West will require staffing and programming to take advantage of this public space. The closing of the Wallace Deck for construction of the Kidzu Museum building will require re-thinking summer programs utilizing that space.

PR9. More collaborative program efforts, such as with that with the UNC Science Festival to rebrand Earth Action Day are needed to reduce expenses, while expanding awareness for Chapel Hill Parks and Recreation and to champion downtown.

PR10. Art objects commissioned by the Town through the Percent for Art Program since 2002 continue to age and may need better on-going maintenance to prevent future costly conservation.

PR11. Demand for children's clay classes continues to rise. This fall children's classes were full, with a total of eight children on a waitlist. These eight would constitute a new class and another net-revenue gain. Summer clay camp demand continues to grow. Additional sessions of clay camp would likely be successful. Authorization in the fiscal year 2013-2013 budget will be requested.

PR12. Increased Studio use during the heat of the summer and continuing HVAC issues require research into environmental solutions for the studio. We are looking into this with Public Works and Sustainability Office.

LIB1. Digital services: Patron expectations for digital materials and services have grown, use of digital services has increased, eBook and eAudio demand has increased, cost of digital content has increased, availability of digital content has decreased. This is an evolving issue. Meanwhile print, CD music, DVD film, and CD audiobook demand has remained stable. Demand for popular titles and children's materials remains particularly strong. Circulation continues to rise.

LIB2. Trial CHPL eReader loan program (Kindles).

LIB3. Diverted more funds to digital content purchases than in any previous years (spent less on print).

LIB7. Patrons require more assistance with portable information devices (e.g. eReaders) and expect a knowledgeable staff to help with all things digital. More staff training required.

BMD2. Alternative payment options – Expanding the use of electronic payment methods such as the Parking Pay-by-phone system

CHT1. Core Services – demand continues to increase, especially during peak hours. Park and rides are near or exceeding capacity. Planned developments and Carolina North will place significant demands on the system. Statewide consolidation efforts. New transportation bill will require investment in capital (SGR).

Personnel

POL1. We are losing officers more frequently the last 3-5 years than we have in the past. While we have been able to replace them, the net result is an increasingly inexperienced workforce with limited ties to the agency and the community. This makes it a challenge to cultivate and sustain a strong organizational commitment from the employee. This issue is occurring in police agencies nationwide.

POL3. We are running a Police Recruit Academy that will be completed in early 2013. This will assist us in filling several vacancies in our ranks.

Cost factors

PW5. Continued uncertainty of costs for construction materials related to changing economic conditions.

PR3. As the economy improves design and construction costs are likely to increase.

Appendix C: Highlights (Priorities)

Business Management Department

1. Completion of first phase of **Fiber Project**
2. **Government Finance Officers Association Awards** for CAFR and Budget
3. **Parking par-station deployment**
4. Completing the financing for **140 West Parking Structure**
5. **Saving \$1.1 million** through Bond refunding
6. **Issuing Two-Thirds Bonds** to help fill the gap in capital funding
7. Participation in **GIG-U project** with UNC and regional group
8. Balancing the FY13 Budget with **no tax increase**

Communications and Public Affairs Department

1. **Funding Needs** include Software, AV equipment and maintenance, merchandise and staff
2. **People Needs:** Web Content Manager, Public Records Coordinator, Community Engagement Specialist
3. **Authority:** We need the authority to set and implement communications guidelines (to keep our organizational brand and messaging consistent across the organization) as well as have the ability to deliver consequences for noncompliance.
4. **Social Media Strategy:** As this communications resource continues to grow, we need to prepare to maximize our processes and education of best practices for an entire team of communicators.
5. **Document Management System** that will work for the entire organization (organizational effort underway)
6. Early efforts of Participate Chapel Hill! must continue to **improve website interactivity** (interactive forms, online payments, etc.) new apps, and provision of online data to assist public demands for data, transparency, interactivity, openness. This will be an ongoing initiative offering opportunities for public interaction with government.
7. 2013 is expected to focus on implementation of a Chapel Hill 2020 Big Idea: **Community and Neighborhood Outreach.**
8. Investigating the **formation of a video stewards group** to offer support for video services (in addition to newly contracted woman-owned veteran-owned video crew)
9. Working to create process to review **UNC Educating Stewards of the Public Information Infrastructure (ESOPI) graduate intern projects**
10. We continue to develop the **Council Orientation process**

Fire Department

1. Realization by staff that citizens don't know about the Fire Department. It has become obvious that a **marketing campaign should be launched** to reach out and educate the citizens about our services and abilities.
2. Create a **Fire Department Strategic Plan**
3. **Address infrastructure needs** to include facility upgrades, equipment upgrades and apparatus upgrades/additions
4. **Replace current Self-Contained Breathing Apparatus** with current, serviceable units. The lifespan of our current SCBA will sunset in approximately two years.
5. **Replacement of Fire Station #2, Fire Station #3 and Fire Station #4 with Training Center**
6. **Construction of Public Safety Center** with Town Emergency Operations Center

Housing Department

1. Need support for **social worker/case manager position** for the Housing Department. Continuing to operate as a "bricks and mortar" agency is not in the best interest of our customers and their multi- human service needs and issues. The Resident Services Team has been successful in preparing reports and planning resident events and surveys. However, the Team is not the best option for the multi-human service needs of the public housing families.
2. Survey Findings — In the area of improvement from the last survey, **public housing maintenance** showed the most significant increase.
3. **Informational Service Fair** – We had the largest participation of residents we have ever had for any (information –only event). I am considering replacing the Housing Board's Annual Meeting with this type of event.
4. **Colony Woods Contract** – We were successful in awarding a contract (with no deducts) through one bidding process for all 30 apartments and site work.

Human Resource Development Department

1. As a team, work through the process of creating norms that allow us to **function as a team and create a collective sense of stability** for both the team and our customers.
2. Complete **Town Personnel Policies Revision** project.
3. Developing and implementing the **Workforce Development program**.
4. The implementation and alignment of the **Performance Management and Development** program with the Compensation programs and/or Rewards and Recognition.

Public Library

1. **Complete design and construction phases of the expansion project.** Plan and implement a successful move of all services and operations back to Pritchard Park.

2. Work to ensure that the **transition back to the expanded library** causes the least amount of disruption to our service to the public.
3. Capitalize on momentum of “opening day” at the new facility to **celebrate the library’s role in the community and renew community engagement at the library.**
4. Continue to develop, conduct, and **promote library programs and services** and conduct outreach to underserved populations.
5. **Publicize the features and possibilities that the new facility offers:** Teen space, community gathering space, meeting rooms, computer classroom, and study spaces.
6. **Work on staffing issues** to provide services to meet community expectations in larger facility: revise staffing request for operations at the expanded library, hire new staff, conduct staff development and training, address staff morale.
7. **Increase resources for Teen services and IT support.**
8. **Hire a new library director** and introduce that person to the community. Integrate all new staff into Town and library operations.
9. Begin to develop a **new library master plan** and mission statement aligned with the Town 2020 Comprehensive Plan under the leadership of a new Director.
10. Continue to **explore cooperative library services with Orange County** and prepare report to identify potential interoperability options, costs and benefits.

Manager’s Office

1. **Implementing Chapel Hill 2020** - The Chapel Hill 2020 comprehensive plan is a reflection of the values, aspirations, and ideas of the community. The participants in the Chapel Hill 2020 process envisioned a town that is accessible, affordable, and sustainable; asserted the importance of protecting the community's natural resources; and emphasized the importance of a vibrant downtown and active neighborhoods.
2. Beginning with the FY2012-13 budget the Town will be developing a new process to help support decision making. The Town will be incorporating **Priority Driven Budgeting techniques** to provide a budget structure that facilitates making difficult decisions in times of scarce resources. Priority Budgeting is a new approach to making budgetary decisions that works by determining the relative value to the community of each service that the Town provides.

Parks and Recreation Department

Park Maintenance and Landscape Services

1. **Further develop the Landscape division** to be able to maintain community facilities more efficiently and with improved safety. Continue to look at alternatives that are more efficient ways for completing work such as the use of artificial turf athletic fields and the increased use of contracted mowing and landscape services. By doing so, staff will be able to accomplish other necessary tasks in the parks in the horticultural areas.

2. **Further development of staff training** program must be an ongoing process. A challenging and innovative program would be beneficial to the division.

Administration

3. Begin implementation of the **Parks and Greenways Master Plans** after Council adoption, possibly in 2013.
4. **Complete several major construction projects** including: Bolin Creek Trail Stairs/Renovation, Cedar Falls Park, Battle Branch Trail renovation, Morgan Creek Trail (Phase 2), light installation at Southern Community Park, and renovation of Umstead Park
5. **Complete design and permitting for several major projects** including: Bolin Creek Trail (Phase 3) and the Tanyard Branch Trail.

Recreation

6. Increase resources for the **Teen program and the Adaptive Recreation** programming

Cultural Arts Division

7. Complete a **public and cultural arts strategic plan** based on the Chapel Hill 2020 Comprehensive Plan with goals of building community, raising awareness of the arts, and contributing to the Town's artistic and economic vibrancy. Include objectives for integrating cultural programming more fully into the life of the community.
8. Develop a **survey and distribute to Chapel Hill residents, visitors, organizations, and businesses to determine cultural arts programs/activities** that best meet the community's needs and aid in the development of a more comprehensive arts plan. This will require assistance of a consultant.
9. Continue existing programming and community events, but consider new opportunities as expressed through the 2020 visioning process. **Incorporate new collaborative efforts with other organizations and identify funding opportunities to offset costs.**
10. Complete contracted **Percent for Art Projects at 140 West**. Reinitiate **The Chapel Hill Library Art project** and coordinate. Continue to coordinate the **Veterans Memorial at Chapel Hill** memorial design process.
11. Staff and program, on an on-going basis, the plaza at **140 West as a public gathering place and cultural arts venue.**
12. Begin planning for a **formalized arts/entertainment district** that includes cultural, dining and entertainment assets in downtown Chapel Hill, Carrboro, and the University, by starting a dialog with key stakeholders.

Planning Department

1. **Implementation of Chapel Hill 2020** including: Focus Area Studies, the Land Use Management Ordinance update, introduction of Form-Based Code.
2. **Continue Permit Center Improvements:**
 - a. Enhance coordination effort with Inspections, Engineering and Planning at the Permit Center.

- b. Preparing to bring public portal on-line.
- 3. Continued development of improved department organization and work to **enhance perception of the department.**
- 4. Identify additional **opportunities to collaborate** with other Town department and outside agencies.
- 5. **Take lessons learned** (for example CH 2020, Glen Lennox, Northside) and apply to other planning projects.
- 6. The department is playing a more significant role in **enforcement of zoning regulations.** We believe the team approach will lead to improved compliance with existing regulations.
- 7. Promote continued coordination between the Town and Triangle Transit regarding implementation of the **regional rail corridor between Durham and Chapel Hill.**
- 8. Changes in funding to **support the Metropolitan Planning Organization** staff will require greater participation by Planning staff in MPO oversight.

Police Department

- 1. We need to be **more aggressive in developing our website** and utilizing our internal communication capabilities.
- 2. We need to do **a better job of getting employees excited about the strategic plan and understanding its concepts.** Our internal survey revealed that some officers readily understand the Community Policing concepts. However, we still have employees who need training in this area.

Public Works Department

- 1. Review and implementation, as approved, of the immediate, short- and long-term recommendations of solid waste review, including an inter-local agreement with Orange County.
- 2. Increase the stormwater fee in order to reduce the use of fund balance to cover the program's expenditures. The stormwater fee rate has remained unchanged since the Town began billing in August 2004. And while new development and redevelopment have occurred, it has not resulted in an appreciable increase in impervious area, upon which the stormwater fee is based. As a result, allocations from fund balance have been necessary during the past three years in order to balance the stormwater budget. A fee adjustment would be consistent with recent discussions about the preference of a broader base rather than stringent stormwater control requirements on new single- and two-family residential properties. A fee adjustment could help facilitate the needs associated with the Jordan Lake Rules.
- 3. Consider long-term funding needs associated with street resurfacing in order to protect the community investment in the town's street infrastructure.
- 4. Continue strengthening our efforts to utilize the department's established performance measures as a management tool to improve service delivery and achieve Council and Management goals.

Chapel Hill Transit

1. **Ridership and safety:** CHT provided 6,970,915 rides and operated over 2,800,000 miles, while preventable accidents continue to be within industry standards.
2. **Customer satisfaction** continues to be high: Community and Transit Surveys indicate high levels of satisfaction and support. The Partner's has also continued to show strong support for the system.
3. **Staff development:** 8 employees completed the Operations supervisor training program and planning has begun on a similar program for Maintenance.
4. **Financial management:** staff continues to be focused on improving our financial management process. CHT ended the fiscal year with a budget savings of around \$900,000. Partners committed to increases in funding for FY12-13.
5. **Regional rail referendum and OPT/CHT consolidation efforts:** implementation agreement with MPO, TT and Orange County has been completed and the consolidation effort continues to move forward.
6. **Budget and Funding:** costs continue to grow around 7 percent annually, while state and federal revenues are stable or declining. Fund balance continues to decline. Financial Sustainability Plan will be undertaken in 2012-13 with the Partners.
7. **Service:** due to fiscal constraints we've not been able to implement service improvements/adjustment to meet customer needs identified in the Community and Transit surveys.
8. **Fleet and Capital Management:** 51 buses need to be replaced and while park and rides are at or near capacity, they are beginning to show their age and fund have not been identified for repair or expansion.
9. **Departmental (CHT) team building:** with a number of staffing changes/vacancies we were not able to focus on this initiative.
10. **Staffing, training and departmental support:** need for operations supervisors, mechanics, parts manager, procurement manager (procurement review) and planning manager. Need for maintenance training. Need for increasing levels of (dedicated) support from BMD, IT and HRD.

PRIORITIES identified by Committees, Boards and Commissions

Board/Committee	Priority
Bicycle and Pedestrian Advisory Board	Continue to seek funds for the Campus to Campus (C2C) bicycle and pedestrian connection (additional funding sources to Transportation Improvement Program)
	Continue funding projects identified in the Sidewalk Construction Program and maintaining support for Safe Routes to School
	Earmark or set aside funds for construction of bicycle facilities and establishment of bicycle programs to result from the update of the town's bicycle plan
Community Design Commission	<u>Community Design and Sustainability Center</u> – The Commission supported a proposal for creation of a public exhibition space to exhibit information and display area of current development proposals, Small Area Plans, and continuing development of the 2020 Comprehensive Plan. Also the space could be used as an information hub for local builders and companies to display new sustainable technologies. The space could also function as an open venue to actively engage potential clients.
	<u>Update of Design Guidelines</u> : Assist the Town Staff and/or outside consultants in the review/revision of the Design Guidelines section of the Comprehensive Plan.
Community Policing Advisory Committee	Provide funding for materials and staff time for delivery of an enhanced citizen police academy curriculum.
	Continue development and refinement of the quarterly professional standards report to Council and continue periodic review of policy matters.
	Enhance community relations between the police department and residents through a variety of outreach and communication initiatives.
Greenways Commission	The annual Greenways CIP funds are extremely valuable in our efforts to repair, renovate, and maintain trails, and provide matches for various grants. We recommend that the Greenways CIP be maintained at the current level. In most years the CIP is used almost entirely for repair and renovation. Next year, we would like to use a small portion of the funding to start work on the Horace Williams Trail. This phase would be a natural surface trail from Homestead Road to Eubanks Road. Eagle Scouts and other volunteers could perform most of the work. Funds would be used to purchase materials to construct the trail. The trail would eventually be converted to a hard surface greenway trail in the future according to

Board/Committee	Priority
	the Town's Greenways Master Plan.
	<p>The Commission recommends that that Town move forward with Phase 2 of the Tanyard Branch Trail as proposed to the Council by the Chapel Hill/Carrboro City Schools on December 3, 2012. We believe that the Town should participate in that project. We also believe that this is an opportunity to expand the paved Tanyard Branch Trail to the Bolin Creek Trail. This would allow a direct connection from the Northside neighborhood and the downtown area directly to the Bolin Creek Trail and Umstead Park. We request design funds to make it possible to position the Town for construction in the near future should construction funding become available.</p>
	<p>The Town is preparing to construct two major greenways trail segments (Bolin Creek, Phase 3 and the Fan Branch Trail, Phase 3). Once those projects are complete, we will have no other major trail segments designed or under design. This could delay for years our ability to build a trail should funds become available. We recommend that design funds be made available for a major new greenway trail segment. By far, the citizens of Chapel Hill have communicated to the Commission that the next trail that they would like to see developed is a westward extension of the Morgan Creek Trail to connect the current Fan Branch and Morgan Creek trails with Smith Level Road. All of these trail segments would effectively link most of southern Chapel Hill and Carrboro. We recommend that design funds be made available through the CIP process to start detailed design of this major greenway trail along Morgan Creek to Smith Level Road.</p>
Historic District Commission	Funding for preparing and distributing information to homeowners in the Historic District—specifically information aimed at curbing violations and after-the-fact certificate of appropriateness requests
	Town sponsorship for the creation of a single and defensible list of historically significant properties in the Town
	Continued funding for training board members and staff
Human Services Advisory Board	To fund safety net services for disadvantaged residents.
	To fund education, mentorship, and afterschool programming for youth.
	To fund programs aimed at improving resident health and nutrition.

Board/Committee	Priority
Library Board of Trustees	<p>Full Services in the New Building A strong well supported library provides "A Place for Everyone" regardless of age, race, culture, income level or disability. To maximize the investment in the new building and respond to the Town citizens who recognized and supported the need for additional public library space, an increase in the Base operating budget is required. The Trustees urge adoption of an increase to the budget to <u>staff the additional entrance and service desks and maintain the current operating hours.</u></p> <p>Expanded Collection and Resources The library continues to be an essential resource for "Community Prosperity and Engagement." Studies show that for every dollar invested in the public library, a community enjoys a return on that investment of \$4– \$7. To keep library services relevant, a budget increase is essential to meet the goal of a <u>larger and more diverse collection</u> of both print and digital materials, additional <u>public-access computers</u>, and other <u>electronic equipment</u> to serve our growing population and keep current with advances in technology.</p> <p>Community Outreach Public libraries are transitioning from centers of information to centers of community. They provide "Good Places, New Spaces." The addition of more public meeting rooms, a resource in short supply in Chapel Hill, opens the way to make new connections for civic engagement through community discussion and education. To realize the potential for engagement, <u>two staff positions</u> are necessary. Duties would include reaching out to residents of all ages, economic levels and cultural backgrounds, planning educational and cultural programs and events, initiating and implementing collaborative connections to other Town departments, social service agencies, University organizations and community groups, as well as educating the public on the more active role of the library in building community.</p>
Parks and Recreation Commission	<p>Implement recommendations from the Town's new Parks and Recreation Master Plan, including the construction of a new cultural arts building and a new administrative headquarters for the department.</p> <p>Provide sufficient funding for maintenance in all parks and park facilities, as well as efficient maintenance for non-park facilities that the department maintains. This includes implementation of the Master Plan maintenance guidelines, continued funding of the playground replacement program at \$100,000, and expansion of contracted mowing for right-of-ways, public housing, and park-and-ride lots.</p>

Board/Committee	Priority
	Increase recreational offerings to currently underserved populations- especially teens and people with disabilities.
Planning Board	<p>Development Visualization Tools - in order to help the community better visualize and understand the massing and effect of higher density developments, in relationship to the surrounding area, provide resources to expand the town's urban design and visualization capacity (3D modeling software, building photomontage). Such tools should be used as part of the Central West Study Area process and other Future Focus Study areas.</p> <p>Implement a project that begins to consolidate existing visualization plans (i.e 140 West, other areas of downtown) with newer projects and create a comprehensive visualization map of the town. Seek assistance and student resources for this task from local university planning and architecture programs.</p> <p>"Dress-Up" Downtown Building Aesthetics - implement a program that encourages, supports and champions existing business owners who strive to enhance and revitalize their exterior presence and streetscape character along Franklin and Rosemary Street in partnership with the Downtown Partnership, the Chamber of Commerce and Town staff.</p> <p><i>Help "Jump-Start" a Comprehensive Greenways/Bikeway Plan</i> - help push the Town's greenway and bicycle plan into the next phase by implementing the necessary legal and financial tools to acquire the needed greenway easements and bicycle rights-of-way</p> <p><i>Expand the Fordham/Ephesus Small Area Plan Process to Other Redevelopment Opportunity Areas:</i> - recognizing the past and current success of the Fordham/Ephesus Small Area planning process, expand similar planning programs into other area of the community that offer similar redevelopment opportunities</p> <p><i>Fund and Implement Multiple 2020 Future Focus Area Studies:</i> provide timely funding for additional 2020 Future Focus Areas so multiple studies can occur simultaneously and in a timely manner</p> <p><i>Create "Two-Way" Communication between Residents and Current Planning Issues</i> - provide a real-time two way communications tool that allows residents to dialogue and received feedback on town wide planning issues, offer funding toward staff/consultant for public communications - create opportunities for the whole community use available planning tools - create the "informed citizens" by using smart phone tools [i.e Quick Response Codes (QR)] - allow access to planning data.</p>

Board/Committee	Priority
Public Arts Commission	Complete a public and cultural arts strategic plan based on the Chapel Hill 2020 Comprehensive Plan with goals of building community, raising awareness of the arts, and contributing to the Town's artistic and economic vibrancy. Objectives for integrating cultural programming more fully into the life of the community will be included.
	Develop a survey and distribute to Chapel Hill residents, visitors, organizations, and businesses to determine cultural arts programs/activities that best meet the community's needs and aid in the development of a more comprehensive arts plan. This will require assistance of a consultant.
	Expand marketing efforts to educate the public about the value of the arts in contributing to the goals in #1.
	Continue existing programming and consider new programs as expressed through the 2020 visioning process. Incorporate new collaborative efforts with other arts organizations and identify funding opportunities. Completion of the survey mentioned in #2 above will be necessary to fully meet this goal.
	Begin planning for a formalized arts/entertainment district that includes cultural, dining and entertainment assets in downtown Chapel Hill, Carrboro, and the University, by starting a dialog with key stakeholders.
Sustainability Committee	Play a significant role in the implementation of the Comprehensive Plan (Chapel Hill 2020) to reinforce the importance of sustainability. Assist in the creation of a decision-making mechanism to continuously advance sustainability within our community and the development of community sustainability metrics. (Consistent with all Council Goals, specifically 1.A.)
	Identify short and long term community issues and develop/advocate for sustainable solutions. (Consistent with Council Goal 3.A.)
	Increase awareness of the Sustainability Committee as a resource. Build new relationships with other local sustainability entities, as well as Town boards such as the Community Design Commission and Planning Board. An example: work with the Community Design Commission (CDC) to explore the potential creation of a Chapel Hill Design Center. (Consistent with Council Goals 2.B., 3.D.)
Transportation Board	Ensure that there is dedicated funding for Chapel Hill Transit to use for the local match required for capital acquisitions, specifically fleet replacements

Board/Committee	Priority
	Provide funding to increase the number of mechanics and supervisors to the required level, particularly in light of likely service expansions, at Chapel Hill Transit
	Commence the development of a comprehensive, i.e., all modes of transport – vehicular, light rail, pedestrian, and bicycle, five to ten year Transportation Master Plan for the Town that: <ul style="list-style-type: none"> a) Defines/documents key challenges in terms of safety, mobility, and productivity b) Specifies overall goals and priorities c) Provides a prioritized list of key initiatives d) Addresses costs and cost-benefit
Stormwater Management Utility Advisory Board	Reduce and then eliminate the use of the Utility fund balance to cover the program’s expenditures (personnel and operating)
	Implement the Stormwater Master Plan, scheduled to be completed in December 2012.
	Fund an appropriate level of CIP projects as determined by the Town Council upon completion of the Stormwater Master Plan
	Repair catastrophic failures of the Town’s drainage system, and
	Construct retrofit projects that may be necessary under the Jordan existing development rule.

The Town’s other boards, committees, and commissions were not included above because they did not submit priorities to the Town Council.

Boards and Commissions not included above: Board of Adjustment, Chapel Hill Downtown Partnership, OWASA Board of Directors, Personnel Appeals Committee, Public Housing Advisory Board, Cemeteries Advisory Board, Planning Board.

This page Intentionally Left Blank

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: Kenneth C. Pennoyer, Director of Business Management
Mary Jane Nirdlinger, Director of Policy and Strategic Initiatives
Bruce Heflin, Special Projects Facilitator

SUBJECT: Budget Update

DATE: February 2, 2013

PURPOSE

The purpose of this update is to review the progress toward implementation of a Priority Based Budget System and to outline next steps in the development of the FY2013-14 Budget.

- Selection of Budget Objectives 5 minutes
- Program Relevance Scores 10 minutes
- Next Steps: Update Objective Priorities 10 minutes
- Revenue Projections 15 minutes
- Projected Budget GAP 10 minutes

BACKGROUND

Selection of Budget Objectives for Emphasis

At the January 9th Council Work Session Council selected budget objectives to be emphasized in the FY2013-14 budget. The selection process consisted of each Council member picking 9 of the 25 objectives using a paper ballot. The Council's selections were accumulated and reported back in the aggregate. The objectives were placed into the following three tiers based on the number of Council Members that select them:

- **High Priority** - Emphasis will be placed on fully funding programs that support these objectives and programs associated with achieving these objectives will be considered first for increases in funding level
- **Medium Priority** – Emphasis will be to fully fund programs that support these objectives after the funding needs of the high priority programs have been met.
- **Low Priority** – Emphasis will be to fully fund programs that support these objectives after the funding needs of the medium and high priority programs have been met.

The results from the January work session are shown in Exhibit 1. These priorities are a “first cut” at guiding next year’s budget. Additional information, linking programs and objectives is described in the following program relevance section and shown in Exhibit 2. With this additional information, Council may wish to adjust their priorities or repeat the budget objective ballot process at the Council Retreat.

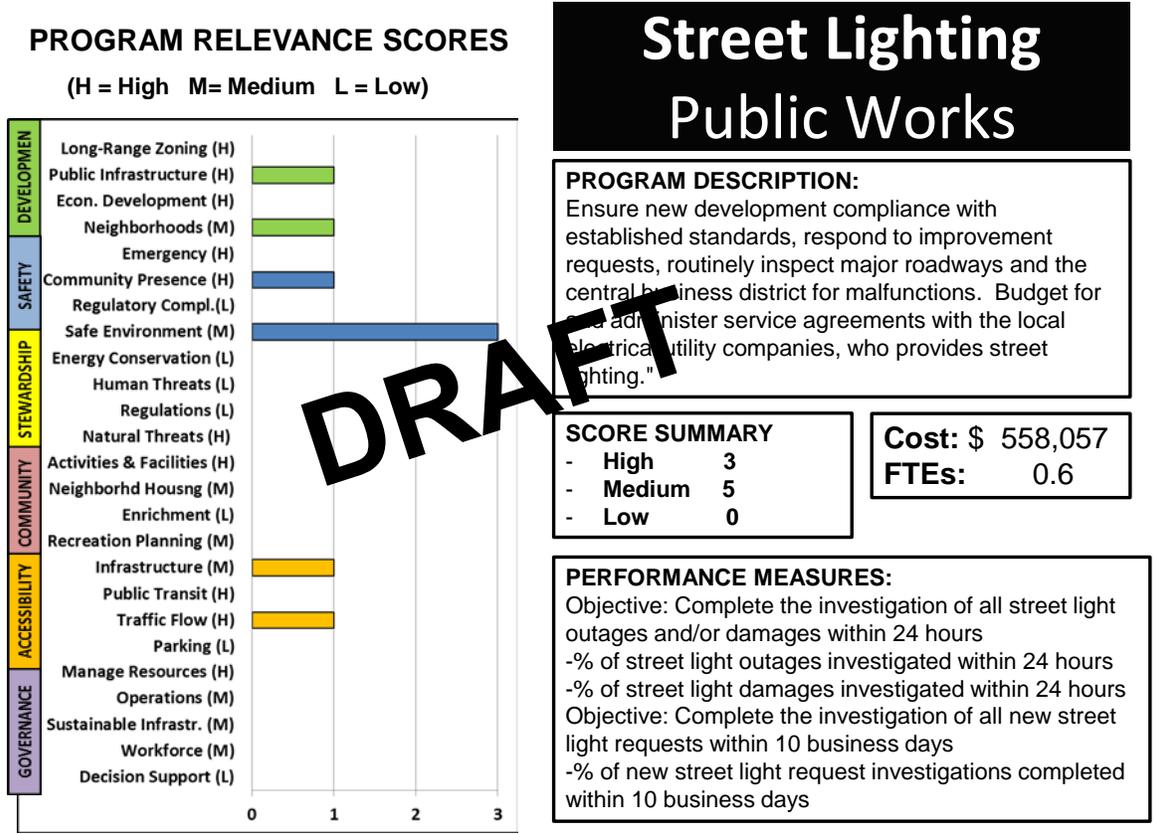
Program Relevance Scores

The Program Relevance Scores are designed to determine the extent to which the Town budget programs support and advance the 25 budget objectives and to determine if these programs have “special attributes” that should be considered when making funding decisions. The result of this process will be a profile of each program that identifies its degree of “relevance” to each of the budget objectives and its characteristics with regard to certain attributes.

Departments have scored each of their programs indicating the level of relevance to each of the 25 budget objectives. There are 4 possible scores from 0 (no relevance) to 3 (highest level of relevance). In addition to scoring programs based on the 25 objectives, departments will also be providing information on the following three general attributes that will provide additional information regarding the impact of each program.

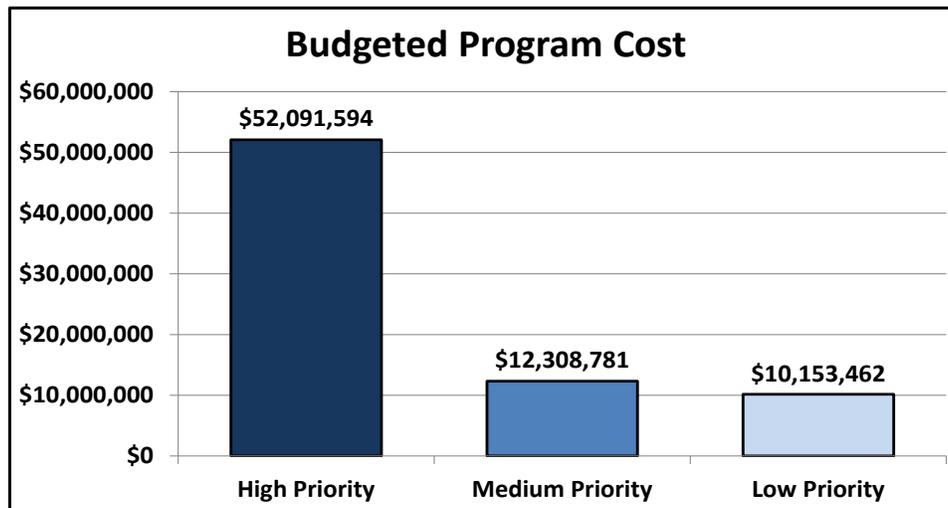
- Authority/Mandate to Provide the Service (Federal, State, Local or N/A)
- Program Revenues that Offset Operating Costs
- Population Served

A cross-department team is currently reviewing the program relevance scores. The information will be presented as a profile for each of the 88 budget programs that will include program relevance scores, program description, cost and staffing information and performance measures. A draft sample of a program profile for the Street Lighting Program is shown below. We plan to provide the full results for the February 18th Budget Public Forum.



We have a preliminary identification of the primary support relationships between each of the 88 budget programs and the budget objectives. This information is provided in Exhibit 2. Although programs may support multiple objectives, it is useful to see the primary relationship between programs and objectives

The following graph shows the combined FY13 budgeted costs for all programs split between the high, medium and low priorities selected by Council and reflected in the tables above. Programs were allocated to the objectives based on their primary focus. As the graph illustrates, the vast majority of the Town's budget is spent on programs that primarily support high priority objectives.



Revenue Projections

As we develop our priority budgeting system, we are using the feedback from Council as well as the experiences of other jurisdictions to create a budgeting system that meets the Town's needs, while following the basic principles of Priority Based Budgeting. One of the basic principles is spending within your means. To accomplish this, it is important to use revenue estimates as a starting point in creating the budget. The revenue estimate determines what we can afford to do in the next year and should be used as a limit to spending. This does not preclude consideration of initiatives or additions to the budget that would require additional revenue, however those additions are considered outside of the "base budget" which is created within the limits of available resources.

The largest component of the Town's General Fund revenues are taxes. Property, Sales and Occupancy taxes represent about 70% percent of the Town's current operating revenues (FY13). An additional 10% comes from other state collected taxes such as Utility Franchise Tax, Video Programming Tax and Powell Bill funding. Our outlook for these revenues is stable, with a very modest overall increase of about 1% in the aggregate, driven almost entirely by sales taxes which are now back to their high-water mark of FY2009 before the impact of the financial crisis was felt. As we get additional actual revenue data for the current fiscal year we will adjust our estimates accordingly.

Based on year to date data, we project that we will meet or slightly exceed our current year revenue budget by 0.5% to 1%. The following table compares FY12 actual revenues with current year estimates and projections for FY14.

	FY2011-12 Actual	FY2012-13 Est.*	FY2013-14 Projected
Current Revenues	\$ 50,801,459	\$ 51,227,546	\$ 51,444,232
Fund Balance	0	1,336,454	2,000,000
Total Revenues	\$ 50,801,459	\$ 52,564,000	\$ 53,444,232

**Fund balance number will be determined by the gap between expenditures and revenues. If we finish the year with revenues exceeding expenditures, no fund balance will be used.*

In the table above we are using \$2 million as the amount of fund balance (non-current revenues) that will be used to supplement current revenues in FY14. This amount is based on the approximate amount of non-recurring expenditures, for CIP and other projects, that may be included in the FY14 Budget. The idea is to use fund balance, a one-time revenue source, only to the extent of the non-recurring expenditures that are contained in the budget.

Projected Budget Gap

In order to understand how available resources (revenue projections) stack up against next year's budgetary needs we need to create a proxy for the FY14 budget request. The current year's budgeted expenditures can serve that purpose until departmental budget requests are prepared. The difficulty in using the current year's budget is that, it appears to be contrary to the principles of priority based budgeting, which include questioning past patterns of spending. In other words, basing our gap projections on the current year's budgeted expenditures uses current spending patterns as a benchmark. However, for our purposes, this is an appropriate reference point because the alignment of our programs and objectives makes it more likely that we will be making adjustments to existing service levels rather than sweeping changes to the mix of services we provide.

Revenues: As described above, our preliminary General Fund revenue projections for FY14 are \$53,444,000. These are likely to change as additional information becomes available.

Expenditure: The current year's adopted budget is \$52,564,000. This will serve as an interim base-line budget number to which we will add and subtract based on program priorities. Specifically, we will be using the priority objectives identified by Council to evaluate the "Big Rock" budget items that are listed below and adjusting program funding levels based on the relationship between the program outcomes and the priority of the objectives that those programs support.

At this stage of the development of the FY2013-14 budget we have identified elements that may contribute to the FY14 budget gap. Some of these have costs associated with them but we have not completed the task of costing all of them out. The following represent the major funding issues "big rocks" that must be addressed in the FY14 Budget and an estimate of their cost if available.

- Library Costs for Expanded Building \$ 132,110 – (building costs only)
- Solid Waste Changes due to landfill closure \$ 341,000
- Street Paving (bond funded last two years) \$ 661,000
- Retiree Health Benefits Liability \$ 400,000
- Employee Costs ?
- Pay and Comp Plan Implementation ?
- Capital Improvement Plan ?

Projected Budget Gap: The difference between projected revenues and our base-line budget number is \$880,000. The cost of the “big rocks” listed is more than twice the projected available funding. In order to balance the budget adjustments to the funding level of programs and initiatives that are focused on low priority objectives, will need to be reduced.

Next Steps in Budget Process

1. Agree on Direction for Budget Preparation
2. Completion of Program Relevance Matrix
3. Identify Focus Areas for Discussion
4. Public Forum
5. Development of departmental and program budgets
6. Manager’s Recommended Budget
7. Council Budget Review
8. Public Hearing on Budget
9. Adoption of the Budget

RECOMMENDATION

That the Council accept this report and provide feedback.

- Exhibits:
1. Budget Objectives by Council Priority Ranking
 2. Budget Programs by Primary Objective

High Priority

Development	Safety	Stewardship
(Long Range Zoning) Develops and prepares integrated, comprehensive long-range zoning and land use plans that are consistently followed and managed	(Emergency) Protects the community by justly enforcing the law, promptly responding to calls for service and being prepared for all emergency situations	(Human Threats) Manages and mitigates factors that impact environmental quality
(Public Infrastructure) Provides, maintains and invests in a well-planned public infrastructure network that accommodates the long-range growth needs of the community	(Community Presence) Fosters a feeling of personal safety through a visible and approachable presence that ensures proactive prevention and responds to community concerns	
(Economic Development) Plans, prepares and invests in development that stimulates the local economy while preserving the character of the community		
Community	Accessibility	Governance
(Activities & Facilities) Offers and supports a variety of safe activities and facilities that provide for the physical health and social well-being of the community	(Public Transit) Build and operate a public transit system that provides personal mobility, while supporting local development and environmental goals of the community	(Manage Resources) Protects and prudently manages its financial, physical and technology resources
	(Traffic Flow) Facilitates traffic flow and offers safe mobility to motorists, cyclists and pedestrians	

Medium Priority

Development	Safety	Governance
(Neighborhoods) Plans and preserves residential neighborhoods that are safe, attractive and provide diverse, affordable housing options	(Safe Environment) Creates a secure, well-regulated, well-maintained community that is healthy, clean, well-lit and visually attractive	(Operations) Administers and manages operation of Town government, coordinates, develops and implements policy, programs and initiatives
Community	Accessibility	
(Neighborhood Housing) Supports residential neighborhoods that provide diverse, affordable housing options	(Transportation Network) Provides infrastructure for a safe, well-maintained transportation network for motorists, cyclists and pedestrians	(Workforce) Attracts, motivates and develops a high-quality workforce, dedicated to public service
(Recreation Planning) Plans for the creation, maintenance and accessibility of open space, parks, recreational activities and educational opportunities		(Asset Maintenance) Plans, provides and maintains the Town's infrastructure, facilities and assets with a commitment to financial, ecological and social sustainability

Low Priority

Development

Safety

Stewardship

(Regulatory Compliance) Ensures regulatory compliance in order to protect property, the environment and the lives of its residents and visitors

(Energy Conservation) Encourages energy conservation and efficiency through education, incentives and the provision of alternative solutions

(Regulations) Promotes and regulates a clean, orderly and ecologically balanced community

(Natural Threats) Controls and abates threats to the environment

Community

Accessibility

Governance

(Enrichment) Coordinate the delivery of services to provide cultural, social and professional enrichment for the community

(Parking) Provide a parking system that supports the local culture, economy and environmental goals of the community

(Decision Support) Supports decision-making with timely and accurate short-term and long-range analysis to enhance organizational and community sustainability

High Priority

Budget Objective	Budget Program	Department
------------------	----------------	------------

Development

Long Range Zoning	Long Range and Transportation Planning	Planning
Public Infrastructure	Civil Engineering and Landscape Architecture Services	Public Works
Economic Development	Economic Development	Manager
	Current Development Review	Planning

Community

Activities & Facilities	Recreation Programming	Parks & Recreation
------------------------------------	------------------------	--------------------

Safety

Emergency	Police Patrol Division	Police
	Police Investigative Unit	Police
	Police Crisis Unit	Police
	Urban Search and Rescue	Fire
	Fire Emergency Operations	Fire
	Fire Training & Development	Fire
	Fire Command - Control-Administration	Fire
	Fire First Responder Medical Services	Fire
Community Presence	Police School Resource Officers	Police
	Police Special Events and Court Liaison	Police
	Police Support Services	Police
	Fire Prevention and Safety Education	Fire

High Priority (cont.)

Budget Objective	Budget Program	Department
------------------	----------------	------------

Accessibility

Public Transit	Fixed Route Bus Service	Transit
	Demand Response Service	Transit
	Transit Advertising	Transit
	Transit Maintenance	Transit
	Transit Administration and Finance	Transit
Traffic Flow	Traffic Signs/Markings/Calming	Public Works
	Traffic Signals	Public Works

Stewardship

Human Threats	Street Sweeping	Public Works
	Solid Waste Collection	Public Works
	Speial Waste Collection	Public Works
	Commercial Special Waste Collection	Public Works

Governance

Manage Resources	Financial Planning & Support	Business Management
	Budget	Business Management
	Network Infrastructure	Business Management
	Purchasing & Contracts	Business Management
	Payroll and Payables	Business Management
	Accounting and Financial Reporting	Business Management
	Billing and Collections	Business Management
	Risk Management	Business Management
	Liquidity Management	Business Management
	IT User Support	Business Management
	IT Planning & Coordination	Business Management
	Database Management & Application Support	Business Management
	Telecommunications	Business Management

Medium Priority

Budget Objective	Budget Program	Department
------------------	----------------	------------

Development

Neighborhoods	Housing & Neighborhood Services	Planning
----------------------	---------------------------------	----------

Community

Neighborhood Housing	Housing Residential Services	Housing
	Housing Maintenance Services	Housing
	Rental Income for Low-Income Families	Housing

Recreation Planning	Cemetary Operations	Parks & Recreation
	Park Maintenance and Landscape Services	Parks & Recreation

Safety

Safe Environment	Street Lighting	Public Works
-------------------------	-----------------	--------------

Accessibility

Transportation Network	Streets & Parking Lots	Public Works
	Stormwater Infrastructure	Public Works
	Miscellaneous Construction	Public Works

Governance

Operations	Executive Management	Manager
	Public Records	CAPA
	Stakeholder Communications	Manager
	Communications & Public Information	CAPA

Medium Priority (cont.)

Budget Objective	Budget Program	Department
Workforce	Employee Recruitment Services	HRD
	Employee Benefits	HRD
	Employee Relations	HRD
	Employee Training and Development	HRD
	Classification and Compensation	HRD
	HRD Administration	HRD
	Ombuds Services	Manager
Asset Maintenance	Fleet Services	Public Works
	Facility Management	Public Works

Low Priority

Budget Objective	Budget Program	Department
Community		
Enrichment	Library Collections	Library
	Library Materials	Library
	Information/Reference Services	Library
	Community Library Programs	Library
	Online Patron Support	Library
	Community Gathering Place	Library
	Public & Cultural Arts	Parks & Recreation
	Special Event Services (PW)	Public Works
	Police Human Services	Police

Low Priority (cont.)

Budget Objective	Budget Program	Department
------------------	----------------	------------

Safety

Regulatory Compliance	Fire Code Enforcement	Fire
	Building Permits	Public Works
	Code Compliance and Enforcement (PW)	Public Works
	Employee Safety and Wellness	HRD

Accessibility

Parking	Parking Enforcement	Parking
	On-Street parking	Parking
	Off-Street Parking	Parking
	Parking Administration & Parking Permits	Parking

Stewardship

Energy Conservation	Sustainability	Manager
Regulations	Stormwater Regulatory Compliance	Public Works
Natural Threats	Inclement Weather	Public Works

Governance

Decision Support	Citizen Participation	CAPA
	Council Support	Manager
	Governance Support	CAPA
	Consultation and Ancillary Support	CAPA