



Minutes

Board of Commissioners Regular Meeting with Budget Presentation

7 p.m. May 12, 2025

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

Present: Mayor Mark Bell and commissioners Meaghun Darab, Robb English, Kathleen Ferguson, Matt Hughes, and Evelyn Lloyd

Staff: Budget Director Emily Bradford, Administrative Services Director Jen Della Valle, Assistant Town Manager and Community Services Director Matt Efird, Budget and Management Analyst Josh Fernandez, Town Clerk and Human Resources Technician Sarah Kimrey, Communications Specialist JC Leser-McMinn, Finance Director Dave McCole, Town Attorney T.C. Morphis Jr., Town Manager Eric Peterson, Human Resources Manager Haley Thore and Interim Police Chief Jason Winn

Opening of the meeting

Mayor Mark Bell called the meeting to order at 7 p.m.

1. Public charge

Bell did not read the public charge.

2. Audience comments not related to the printed agenda

There were none.

3. Agenda changes and approval

Motion: Commissioner Kathleen Ferguson moved to approve the agenda as presented. Commissioner Evelyn Lloyd seconded.

Vote: 4-0. Absent: Commissioner Meaghun Darab.

Motion: Ferguson moved to open the public hearing. Commissioner Matt Hughes seconded.

Vote: 4-0. Absent: Darab.

Darab joined the meeting at 7:02 p.m.

4. Public hearing

A. Public hearing – Financing for the 86 North Facility renovation

No members of the public asked to speak on financing for the 86 North Facility renovation.

Motion: Ferguson moved to close the public hearing. Hughes seconded.

Vote: 5-0.

5. Presentations

A. 2024 Employee Innovation and Service Excellence Awards

The board received a presentation recognizing 27 town employees for excellence in innovation and service excellence demonstrated since July 2023.

6. Items for decision – consent agenda

- A. Minutes
 - Regular meeting April 14, 2025
 - Work session April 28, 2025
- B. Miscellaneous budget amendments and transfers
- C. Proclamation – Memorial Day 2025
- D. Proclamation – Police Week and Peace Officers Memorial Day
- E. Proclamation – National Public Works Week 2025
- F. Proclamation – Heat Awareness Week
- G. Special Event Permit – Fleet Feet Running Club Big Run 5K

Motion: Ferguson moved to approve all items on the consent agenda. Lloyd seconded.

Vote: 5-0. Nays: None.

7. Items for decision – regular agenda

- A. Resolution supporting an application to the Local Government Commission for approval of a financing agreement – 86 North Facility renovation and improvement

The board discussed a resolution supporting an application to the Local Government Commission for approval of a financing agreement for the Highway 86 North Facility renovation.

When asked about the difference between the initial estimated budget and the actual borrowing requirement, Finance Director Dave McCole noted that the town originally intended to borrow \$4.5 million, the total cost of the project. Town Manager Eric Peterson explained that although the overall project cost will be about \$4.5 million, only about \$3.5 million is being financed. The remaining \$1 million will be paid from the town's cash reserves. This approach was chosen to preserve the town's fund balance due to economic uncertainties. The resolution allows the town to borrow up to the total cost of the project, which protects the town from cost overruns and the need to secure additional financing.

Motion: Ferguson moved to approve the resolution. English seconded.

Vote: 5-0.

- B. Fiscal Year 2026-28 Recommended Budget Presentation

The town manager presented an overview of the recommended budget for fiscal years 2026-28. Key points included:

- Proposed changes to the town's rates and fees:
 - A tax rate of 51.3 cents, which is a 5.7-cent increase over the revenue-neutral rate.
 - A 7.5% increase in water and sewer rates.
 - A \$15 increase to the residential stormwater fee and proportional increases to the non-residential tiers.
- No new full-time equivalent positions planned for the next three years.
- Significant cost-control efforts across departments.
- Challenges in the Water and Sewer Fund due to needed improvements in the system.
- Employee compensation plans, including changes to match market-rate pay, a \$1,500 cost-of-living adjustment and merit increases of 3-5%.

Peterson also discussed strategies for long-term financial stabilization and highlighted the need for careful consideration of future capital projects and infrastructure investments.

C. Strategic Plan Update

Administrative Services Director Jen Della Valle presented the third-quarter update on the town's strategic plan. She went through each focus area and highlighted progress on various initiatives.

Della Valle noted that the next update would be the final reporting for the current fiscal year and that preparations would begin for the next three-year strategic plan.

D. Hot topics for work session May 27, 2025

Assistant Town Manager Matt Efird said a second resolution related to the Highway 86 North Facility financing would need to be addressed at the upcoming work session.

8. Updates

A. Board members

Board members gave updates on the committees and boards on which they serve.

B. Town manager

The manager had no additional updates.

C. Staff (written reports in agenda packet)

There were no additional updates.

9. Adjournment

The mayor adjourned the meeting at 9:10 p.m.

Respectfully submitted,

Sarah Kimrey
Town Clerk
Staff support to the Board of Commissioners

FY 2024-2025

TOWN OF HILLSBOROUGH

BUDGET CHANGES REPORT

DATES: 05/12/2025 TO 05/12/2025

	<u>REFERENCE</u>	<u>CHANGE NUMBER</u>	<u>DATE</u>	<u>USER</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET CHANGE</u>	<u>AMENDED BUDGET</u>
Account-10-10-4400-5300-487 TAX COLLECTION ing	To cover O.C. tax collection fees.	46217	05/12/2025	JFernandez	45,000.00	3,000.00	48,000.00
Account-10-10-4400-5300-570 MISCELLANEOUS ing	To cover O.C. tax collection fees.	46216	05/12/2025	JFernandez	10,210.00	-3,000.00	4,710.00
Comms. 10-10-4600-5300-454 CONTRACT SERVICES	To cover translation services.	46241	05/12/2025	JFernandez	0.00	6.00	1,266.00
Comms. 10-10-4600-5300-458 DATA PROCESSING SERVICES	To cover translation services.	46240	05/12/2025	JFernandez	0.00	-6.00	1,692.00
	To cover 3CMA award entries.	46242	05/12/2025	JFernandez	0.00	-315.00	1,377.00
Comms. 10-10-4600-5300-570 MISCELLANEOUS	To cover 3CMA award entries.	46243	05/12/2025	JFernandez	6,200.00	315.00	505.00
Fleet Maint. 10-30-5550-5300-180 VEHICLE REPAIR - SOLID WASTE	To cover garbage truck repair	46218	05/12/2025	EBRADFORI	30,000.00	10,000.00	56,000.00
Fleet Maint. 10-30-5550-5300-330 SUPPLIES - DEPARTMENTAL	To cover oil	46219	05/12/2025	EBRADFORI	18,000.00	3,500.00	31,500.00
Solid Waste 10-30-5800-5300-320 SUPPLIES - OFFICE	To cover envelopes	46221	05/12/2025	EBRADFORI	500.00	500.00	1,000.00
Solid Waste 10-30-5800-5300-570 MISCELLANEOUS	To cover envelopes	46222	05/12/2025	EBRADFORI	1,000.00	-500.00	500.00
Special Approp. 10-60-6900-5300-570 MISCELLANEOUS	To cover oil & garbage truck repair	46220	05/12/2025	EBRADFORI	377,443.00	-13,500.00	229,429.01
WTP 30-80-8120-5300-310 GASOLINE	To cover generator diesel through year-en	46227	05/12/2025	JFernandez	2,625.00	2,000.00	6,625.00
WTP 30-80-8120-5300-323 SUPPLIES - CHEMICALS	To cover generator diesel through year-en	46226	05/12/2025	JFernandez	219,700.00	-2,000.00	214,700.00
Water Dist. 30-80-8140-5300-145 MAINTENANCE - BUILDINGS	To cover restocking of supplies and inven	46232	05/12/2025	JFernandez	2,000.00	-800.38	1,199.62
	To cover extermination services contract.	46245	05/12/2025	JFernandez	2,000.00	10.00	1,209.62
Water Dist. 30-80-8140-5300-158 MAINTENANCE - EQUIPMENT	To cover water main and valve location se	46248	05/12/2025	JFernandez	21,000.00	-2,510.00	19,505.00
Water Dist. 30-80-8140-5300-165 MAINTENANCE - INFRASTRUCTURE	To cover restocking of supplies and inven	46238	05/12/2025	JFernandez	50,000.00	-8,039.98	44,960.02
	To cover water main and valve location se	46249	05/12/2025	JFernandez	50,000.00	2,510.00	47,470.02
Water Dist. 30-80-8140-5300-320 SUPPLIES - OFFICE	To cover restocking of supplies and inven	46233	05/12/2025	JFernandez	2,000.00	-1,228.52	771.48
Water Dist. 30-80-8140-5300-326 SUPPLIES - PATCH	To cover restocking of supplies and inven	46235	05/12/2025	JFernandez	4,000.00	-1,208.87	17,964.13
Water Dist. 30-80-8140-5300-330 SUPPLIES - DEPARTMENTAL	To cover restocking of supplies and inven	46239	05/12/2025	JFernandez	120,000.00	13,694.53	124,299.53
Water Dist. 30-80-8140-5300-331 SUPPLIES - SAFETY	To cover restocking of supplies and inven	46237	05/12/2025	JFernandez	1,500.00	-1,336.40	163.60
Water Dist. 30-80-8140-5300-350 UNIFORMS	To cover restocking of supplies and inven	46236	05/12/2025	JFernandez	6,500.00	-663.07	5,836.93

JFernandez

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FY 2024-2025

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Water Dist.	30-80-8140-5300-570 MISCELLANEOUS To cover restocking of supplies and inven	46234	05/12/2025	JFernandez	3,000.00	-417.31	877.69
WW Collect.	30-80-8200-5300-145 MAINTENANCE - BUILDINGS To cover extermination services contract.	46244	05/12/2025	JFernandez	2,500.00	-10.00	2,490.00
WW Collect.	30-80-8200-5300-322 SUPPLIES - LIFT STATION PUMPS To cover repair of utility cut.	46230	05/12/2025	JFernandez	40,000.00	-2,000.00	42,122.00
WW Collect.	30-80-8200-5300-326 SUPPLIES - PATCH To cover repair of utility cut.	46231	05/12/2025	JFernandez	6,000.00	2,000.00	10,827.00
Storm- water	35-30-5900-5300-446 C.S./ENGINEERING To cover Stomwater Fee collection expen	46229	05/12/2025	EBRADFORI	25,000.00	-1,500.00	23,500.00
Storm- water	35-30-5900-5300-495 COLLECTION EXPENSE Yr-end adj	46228	05/12/2025	EBRADFORI	26,000.00	1,500.00	27,500.00
Restr. Revenue	72-00-5100-3301-052 RESTRICTED REV-ABC BOARD GRANT Q4 payment from Orange County ABC B	46246	05/12/2025	JFernandez	27,157.85	3,500.00	41,033.96
Restr. Revenue	72-20-5100-5300-052 ABC BOARD EXPENDITURES Q4 payment from Orange County ABC B	46247	05/12/2025	JFernandez	27,157.85	3,500.00	41,033.96
						<u>7,000.00</u>	

APPROVED: 5/0

DATE: 5/12/25

VERIFIED: _____ *Janet E. Kimrey*



PROCLAMATION

Memorial Day 2025

WHEREAS, Memorial Day is a day of reflection and solemn observance to honor the men and women of the armed forces who have lost their lives in service to their country; and

WHEREAS, what is now known as "Memorial Day" has its roots in Decoration Day – a day first observed on May 1, 1865 and led by Black soldiers including the 54th Massachusetts and the 34th and 104th U.S. Colored Troops, Black veterans, white missionaries, and newly emancipated Black citizens of Charleston, South Carolina to honor the dead Union troops buried at a planters' racetrack; and

WHEREAS, we honor all men and women of all wars and conflicts who fought and died on behalf of our treasured ideals and do so with the clear-eyed recognition of the horrors war brings to all those it touches; and

WHEREAS, the military service members who have fallen in combat leave behind families and other loved ones who are left with the pain of their loss and carry that loss with them for the remainder of their days, experiencing the true cost of war in ways the majority of their countrymen and women cannot; and

WHEREAS, Memorial Day, in accordance with a joint resolution of Congress passed May 11, 1950, is also a day dedicated as a call to prayer for permanent peace; and

WHEREAS, toward the goal of peace, Memorial Day is a day for somber reflection on lives lost and potentials left unfulfilled, and for holding fast to our earnest hope for and commitment to non-violent solutions to conflict and a true, lasting peace where all people can thrive; and

WHEREAS, from that first Decoration Day until now, we have made much progress as a nation and people to live up to the ideals for which so many have given the ultimate sacrifice, yet have much more work to do; and

WHEREAS, one way to honor the dead is to treat the living well;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim May 26, 2025 as "Memorial Day" in the Town of Hillsborough in honor of all members of the armed forces who have lost their lives in service to their country and I call on community members to recognize and support the loved ones of the fallen, and encourage all residents to reflect on their role in creating a more just, peaceful nation and world.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 12th day of May in the year 2025.



A handwritten signature in black ink that reads "Mark Bell".

Mark Bell, Mayor
Town of Hillsborough



PROCLAMATION

Police Week and Peace Officers Memorial Day

May 11-17, 2025

WHEREAS, there are approximately 900,000 law enforcement officers serving in communities across the United States, including the dedicated members of the Hillsborough Police Department; and

WHEREAS, on April 29, 1786, Sheriff Benjamin Brach of Chesterfield County, Virginia, became the first law enforcement officer to die in the line of duty in the United States; since then, more than 26,600 law enforcement officers in the United States have paid the ultimate price during the performance of their duties, including 639 in North Carolina; and

WHEREAS, over 50,000 assaults against law enforcement officers are reported each year, resulting in approximately 17,000 injuries; and

WHEREAS, the 87th Congress passed Public Law 87-726, a joint resolution authorizing the president to proclaim May 15th of each year as Peace Officers Memorial Day, and the calendar week during which May 15th occurs as Police Week; this was signed into law by President John F. Kennedy on Oct. 1, 1962; and

WHEREAS, the members of the Hillsborough Police Department play an essential role in safeguarding the rights and freedoms of our residents, they protect the innocent against deception and the weak against oppression, they unceasingly provide a vital public service without which our town would not enjoy the peace and liberty that we so dearly value; and

WHEREAS, it is important that community members know and understand the duties and responsibilities of our law enforcement officers and acknowledge the hazards and sacrifices that are a fundamental aspect of their profession;

THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim May 11 through May 17, 2025 as "Police Week" and call upon all organizations and residents to commemorate law enforcement officers, past and present, who have rendered dedicated service to their communities.

NOW, THEREFORE, I proclaim Thursday, May 15, 2025 as "Peace Officers Memorial Day" and call upon all residents of Hillsborough to honor those law enforcement officers who made the ultimate sacrifice in service to their community or became disabled in their performance of their duty.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 12th day of May in the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



PROCLAMATION

National Public Works Week 2025

People, Purpose, Presence

WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of Hillsborough; and

WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are responsible for rebuilding, improving, and protecting our town's transportation, water supply, water and sewer treatment, solid waste systems, and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the residents of Hillsborough to gain knowledge of and to maintain an ongoing interest and understanding of the importance of public works and public works programs in our community; and

WHEREAS, the year 2025 marks the 65th annual National Public Works Week sponsored by the American Public Works Association; and

WHEREAS, all residents are urged to join with representatives of the American Public Works Association and Town of Hillsborough to pay tribute to our public works professionals and to recognize the substantial contributions they make to protecting our town's health, safety, and quality of life.

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim May 18 through May 24, 2025 as "National Public Works Week" in the Town of Hillsborough.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 12th day of May in the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



PROCLAMATION

Heat Awareness Week May 25-31, 2025

WHEREAS, extreme heat causes heat-related illness or death and worsening of cardiovascular, respiratory and cerebrovascular diseases, with the greatest risks occurring in the first weeks of the heat season, which starts in June, as people's bodies adjust to the heat; and

WHEREAS, climate change causes more frequent and severe heat waves, with Orange County experiencing temperatures greater than 95 degrees on 8 days on average per year between 1983 and 2014, the National Weather Service issuing 12 heat advisories and 1 excessive heat warning in 2024, and the county expected to experience high temperatures on 28 to 41 days per year by the 2060s;

WHEREAS, North Carolina's urban and rural communities now have more nights with temperatures above 70 degrees and heat-related illnesses and deaths increase when temperatures stay high overnight; and

WHEREAS, heat-related illnesses can affect anyone but disproportionately affects infants and children, pregnant women, older adults, outdoor workers, athletes, people with underlying health conditions, and low-income individuals who are more likely to live in locations without easy access to air conditioning; and

WHEREAS, summer temperatures can be up to 11 degrees warmer in urban heat islands than surrounding areas, with these heat islands in low-income communities of color with fewer trees and more pavement; and

WHEREAS, heat-related illnesses are preventable, monitoring and minimizing risks are a shared responsibility, and North Carolina has collaborated with scientists, health experts and community leaders to develop heat resilience resources and has recognized heat's threat to the health and well-being of residents; and

WHEREAS, Hillsborough has partnered with Orange County and the towns of Carrboro and Chapel Hill to draft a heat action plan to build local resilience to the health impacts of extreme heat and other climate hazards;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim May 25–31, 2025, as "Heat Awareness Week" in Hillsborough and commend its observance to all people.

FUTHERMORE, the Hillsborough Board of Commissioners encourages everyone to sign up for OC Alerts, monitor the county's website and social media for heat advisories and warnings, and take simple steps during heat waves to stay safe, such as reducing time outside, visiting cooling centers if without air conditioning, and staying hydrated.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 12th day of May in the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



RESOLUTION

Supporting an Application to the Local Government Commission for Approval of a Financing Agreement – 86 North Facility Renovation and Improvement

WHEREAS, the Hillsborough Board of Commissioners has previously determined to carry out a project to renovate and improve the town's 86 North Facility; and

WHEREAS, the board has also made a preliminary determination to finance this project through installment financing, as authorized under Section 160A-20 of the North Carolina General Statutes. In installment financing, the town's repayment obligation is secured by a mortgage-type interest in all or part of the property being financed, but not by any pledge of the town's taxing power or any specific revenue stream. In this case, the town expects that the 86 North Facility will serve as the collateral; and

WHEREAS, state law requires that the town's financing be approved by the North Carolina Local Government Commission, a division of the North Carolina State Treasurer's office. Under the Local Government Commission's guidelines, this governing body must make certain findings of fact to support the town's application for approval of the town's financing arrangements;

NOW, THEREFORE, be it resolved by the Hillsborough Board of Commissioners as follows:

- The town makes a preliminary determination to finance approximately \$4,500,000 to pay project costs.
- The board will determine the final amount to be financed by a later resolution. The final amount financed may be higher or lower than \$4,500,000. Some of the financing proceeds may represent reimbursement to the town for prior expenditures on project costs, and some proceeds may be used to pay financing expenses or to provide any appropriate reserves.

The Hillsborough Board of Commissioners makes the following findings of fact in support of the town's application to the Local Government Commission:

- a) The proposed project is necessary and appropriate for the town under all the circumstances.
- b) The proposed installment financing is preferable to a bond issue for the same purposes. The financing is for a discrete facility and is therefore particularly suitable for installment financing.
- c) The town has no meaningful ability to issue non-voted general obligation bonds for this project. The project will not produce revenues to support self-liquidating financing. The town expects that in the current interest rate environment for municipal securities that there will be no material difference in the overall financing costs between general obligation bonds and installment financings for the project.
- d) The estimated sums to fall due under the proposed financing contract are adequate and not excessive for the proposed purpose. The town will closely review proposed financing rates against market rates with guidance from the Local Government Commission and the town's financial adviser. All amounts financed will reflect either approved contracts, previous actual expenditures, or professional estimates.
- e) As confirmed by the town's Finance Officer, the town's debt management procedures and policies are sound and in compliance with law, and the town is not in default under any of its debt service obligations.

- f) Given the town's need for the project, the board believes that the effect on the town's budget and tax rate from repaying the borrowed money will be reasonable under all circumstances. The board will work to minimize the tax rate impact in a manner consistent with moving forward with the project and addressing the full range of town needs.
- g) The Town Attorney is of the opinion that the proposed project is authorized by law and is a purpose for which the town's public funds may be expended pursuant to the Constitution and laws of North Carolina.

FUTHERMORE, be it resolved by the Hillsborough Board of Commissioners that:

- The town intends that the adoption of this resolution will be a declaration of the town's official intent to reimburse project expenditures from financing proceeds. The town intends that funds which have been advanced for project costs, or which may be so advanced, from the town's general fund, or any other town fund, may be reimbursed from the financing proceeds.
- The board directs the town manager and the finance officer to take all appropriate steps toward the completion of the financing, including (i) completing an application to the Local Government Commission for its approval of the proposed financing, and (ii) soliciting one or more proposals from financial institutions to provide the financing. The board ratifies all prior actions of town representatives in this regard.

Approved this 12th day of May of the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough

Attestation:

Sarah E. Kimrey

Sarah Kimrey, Town Clerk