



Minutes

Board of Commissioners Work Session with Budget Workshop

7 p.m. May 27, 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, Planning and Economic Development Manager Shannan Campbell, Administrative Services Director Jen Della Valle, Assistant Town Manager and Community Services Director Matt Efird, Budget and Management Analyst Josh Fernandez, Environmental Engineering Manager Bryant Green, Town Attorney Bob Hornik, Town Clerk and Human Resources Technician Sarah Kimrey and Communications Specialist JC Leser-McMinn

1. Opening of the work session

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

2. Agenda changes and approval

Add Item 3B – Recognition in Memory of Mayor Horace Johnson Sr. by state Rep. Renée Price

Motion: Commissioner Kathleen Ferguson moved to approve the amended agenda. Commissioner Matt Hughes seconded.

Vote: 5-0.

3. Presentations

A. Proclamation Honoring the Life and Legacy of Mayor Horace Johnson Sr.

Bell read a proclamation honoring the life and legacy of former Mayor Horace Johnson Sr., who died May 15 at age 95. The proclamation highlighted Johnson's service as Hillsborough's first Black mayor from 1989 to 2001, his advocacy for civil rights and equity, and his contributions to Hillsborough in establishing affordable housing, expanding emergency water access, and constructing key facilities.

Horace Johnson Jr. accepted the proclamation on behalf of his father, thanking the board and noting that his father always worked to help those at a disadvantage.

B. Recognition in Memory of Mayor Horace Johnson Sr. by state Rep. Renée Price

Rep. Renée Price read a letter from her office celebrating Johnson's life as a civil rights leader, mentor, family man, politician and visionary who transformed Hillsborough and guided younger generations. Johnson Jr. expressed gratitude for the recognition and reflected on his father's legacy of integration and forward-thinking leadership for the town.

4. Items for decision - consent agenda

- A. Miscellaneous budget amendments and transfers
- B. Proclamation – LGBTQ+ Pride Month
- C. Proclamation – Gun Violence Awareness Day

D. Final Resolution Approving Financing of the 86 North Facility Renovation

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

Vote: 5-0. Nays: None.

5. In-depth discussion and topics

A. Fiscal Year 2026 Budget Workshop No. 2

Budget Director Emily Bradford presented two charts comparing Hillsborough's proposed tax rate increase above revenue-neutral to other municipalities in the region. She noted that the charts show the town's rate increases are among the lowest in the region when comparing amount and proportion above revenue-neutral.

The board discussed planning-related fees and directed staff to increase several fees to help cover the costs associated with reviewing projects, holding public hearings and notifying the public. Board members emphasized the importance of education efforts alongside fee increases. Staff agreed to provide more detailed tracking of time spent on various applications to inform future adjustments.

For the town's engineering services fees, Assistant Town Manager and Community Services Director Matt Efirm clarified these were not duplicates of existing utility fees but rather fees being moved from the Water and Sewer Fund to the General Fund due to creating an engineering services division. Efirm also clarified a proposed change to charge the fees upfront. The board supported charging fees upfront rather than after reviews.

The budget director led a discussion on community reinvestment funding requests. The board reviewed two funding options presented by staff based on its previous discussions. After debate, the board directed staff to include requested funding in the budget proposal for the Fairview Community Watch, Hillsborough Arts Council and Orange Congregations in Mission. The board also directed staff to include \$10,000 of funding for Exchange Club Park. The remaining \$2,799 of community reinvestment funding would be returned to the town's general fund.

For affordable housing funding, the board reviewed several options presented by staff. After discussion, the board directed staff to include funding for:

- Developing an affordable housing strategy.
- An expansion request of the Orange County Partnership to End Homelessness.
- Habitat for Humanity of Orange County's affordable housing project at Auman Village.
- Two pilot programs focused on home repair and emergency housing assistance.

The board emphasized that funding beyond this budget cycle would be subject to reevaluation after completion of the strategy study. They requested staff clearly communicate this when presenting the final budget.

6. Committee updates and reports

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

7. Adjournment

The mayor adjourned the meeting at 9:23 p.m.

Respectfully submitted,

Sarah Kimrey
Town Clerk
Staff support to the Board of Commissioners

DRAFT



PROCLAMATION

Honoring the Life and Legacy of Mayor Horace Johnson Sr.

WHEREAS, Horace Johnson Sr., Hillsborough's first Black mayor and a dedicated public servant, passed away on May 15, 2025, at the age of 95; and

WHEREAS, Johnson served on the Hillsborough Board of Commissioners from 1977 to 1989 and as mayor from 1989 to 2001, leading with distinction during a pivotal time in the town's history; and

WHEREAS, the Alabama native settled in Hillsborough in 1954 and became a steadfast advocate for civil rights and equity, including efforts to end segregation and to support Black students during the school disruption of 1969; and

WHEREAS, his legacy includes major contributions to Hillsborough such as:

- Establishing affordable housing and expanding emergency water access;
- Constructing key facilities, including the town reservoir, police station and community center;
- Advocating for a meals tax to support tourism and easing truck traffic on Churton Street;
- Promoting sound financial management in town government; and

WHEREAS, Johnson represented Hillsborough with distinction regionally and statewide, including service on the Triangle J Council of Governments and as chair of a key policy committee for the North Carolina League of Municipalities; and

WHEREAS, his impact was recognized in 2017 with a Hillsborough proclamation of Horace Johnson Day and a commemorative exhibit at the Orange County Historical Museum;

NOW, THEREFORE, I, Mark Bell, on behalf of the Hillsborough Board of Commissioners, do hereby honor the life and legacy of former Mayor Horace Johnson Sr. and extend our deepest condolences to his family and all who mourn his passing.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 19th day of May in the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough

FY 2024-2025

TOWN OF HILLSBOROUGH

BUDGET CHANGES REPORT

DATES: 05/27/2025 TO 05/27/2025

	<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>
Water Dist.	30-80-8140-5300-080 TRAINING/CONF./CONV. To cover registration for NC Rural Water	46253	05/27/2025	JFernandez	4,000.00	700.00	4,390.00
Water Dist.	30-80-8140-5300-158 MAINTENANCE - EQUIPMENT To cover registration for NC Rural Water	46252	05/27/2025	JFernandez	21,000.00	-700.00	18,805.00
WW Collect.	30-80-8200-5300-080 TRAINING/CONF./CONV. To cover registration for NC Rural Water	46255	05/27/2025	JFernandez	5,000.00	300.00	8,400.00
WW Collect.	30-80-8200-5300-323 SUPPLIES - CHEMICALS To cover registration for NC Rural Water	46254	05/27/2025	JFernandez	500.00	-300.00	200.00
WW Collect.	30-80-8200-5300-326 SUPPLIES - PATCH To cover flowable fill repair of utility cut.	46259	05/27/2025	JFernandez	6,000.00	1,000.00	11,827.00
WW Collect.	30-80-8200-5300-330 SUPPLIES - DEPARTMENTAL For purchase of max adapters.	46257	05/27/2025	JFernandez	70,000.00	15,500.00	66,600.00
WW Collect.	30-80-8200-5300-351 RENTAL - EQUIPMENT To cover flowable fill repair of utility cut.	46258	05/27/2025	JFernandez	5,000.00	-1,000.00	4,000.00
WW Collect.	30-80-8200-5300-416 C.S./ROOT CONTROL SERVICE For purchase of max adapters.	46256	05/27/2025	JFernandez	17,000.00	-15,500.00	0.00
						<u>0.00</u>	

APPROVED: 5/0

DATE: 5/27/25

VERIFIED: Sharon E. Kimrey



PROCLAMATION LGBTQ+ Pride Month 2025

WHEREAS, all are welcome in the Town of Hillsborough to live, work, and play, and every family deserves a place to call home where they are safe, happy, accepted and supported; and

WHEREAS, the Town of Hillsborough denounces prejudice and discrimination based on age, gender identity, gender expression, race, religion, marital or familial status, national origin, immigration status, sexual orientation, or physical attributes as an affront to our fundamental principles; and

WHEREAS, Pride Month began in June of 1969 on the one-year anniversary of the Stonewall Uprising in New York City after Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) and allied friends rose and fought against the constant police harassment and discriminatory laws that have since been declared unconstitutional; and

WHEREAS, throughout much of the history of the United States, same-sex relationships were criminalized in many states and many LGBTQ+ people in the United States were forced to hide their LGBTQ+ identities while living in secrecy and fear, including under previous policies such as "Don't Ask, Don't Tell"; and

WHEREAS, LGBTQ+ people in the United States face disparities in employment, healthcare, education, housing, and many other areas central to the pursuit of happiness in the United States; and

WHEREAS, numerous states have no explicit ban on discrimination based on sexual orientation and gender identity in the workplace (16), housing (18), public accommodations (21), and in schools (25); and

WHEREAS, there are members of the North Carolina General Assembly who remain insistent on attempting to pass legislation that prohibits LGBTQ+ people, especially transgender youth, from living authentic, thriving lives; and

WHEREAS, Hillsborough has historically offered support to the LGBTQ+ community by extending same-sex partner benefits to town employees before the legalization of same-sex marriage and officially opposing the 2012 amendment to the North Carolina Constitution defining marriage as being between one man and one woman; and

WHEREAS, Hillsborough first proclaimed LGBTQ+ Pride Month in 2019 at the suggestion of the town's first out member of the Board of Commissioners; and

WHEREAS, Hillsborough became the first municipality in North Carolina to pass a non-discrimination ordinance after the sunset of House Bill 142 to extend vital protections to LGBTQ+ individuals in our town; and

WHEREAS, the Town of Hillsborough appreciates the cultural, civic, and economic contributions of the LGBTQ+ community which strengthens our collective community and social welfare; and

WHEREAS, it is imperative that young people in our community, regardless of sexual orientation, gender identity, and expression, feel valued, safe, empowered, and supported by their community; and

WHEREAS, despite being marginalized, LGBTQ+ people continue to celebrate authenticity, acceptance, and love;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim the month of June 2025 as "LGBTQ+ Pride Month" and urge residents to recognize the contributions made by members of the LGBTQ+ community and to actively promote the principles of equality, liberty, and justice 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 27th day of May in the year 2025.



Mark Bell

Mark Bell Mayor
Town of Hillsborough



PROCLAMATION

National Gun Violence Awareness Day

WHEREAS, every day, more than 120 Americans are killed by gun violence and more than 200 are shot or wounded; and

WHEREAS, Americans are 26 times more likely to be murdered with guns than people in other developed countries; and

WHEREAS, North Carolina ranks 23rd amongst states for gun deaths in the United States with an average of 1,636 deaths every year with 54% of gun-related deaths by suicide; and

WHEREAS, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from dangerous people; and

WHEREAS, together with our neighbors in Orange County, Carrboro, and Chapel Hill, the Town of Hillsborough supports efforts to enact commonsense gun safety laws and educate the community on gun safety; and

WHEREAS, anyone can join this campaign by pledging to wear orange on Friday, June 6th to help raise awareness about gun violence; and

WHEREAS, by wearing orange on June 6th, Americans will raise awareness about gun violence and honor the lives and lost human potential of Americans stolen by gun violence; and

WHEREAS, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the wrong hands and encourage responsible gun ownership to help keep our children safe;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim June 6, 2025, as "National Gun Violence Awareness Day" in the Town of Hillsborough and encourage everyone to support their local communities' efforts to prevent the tragic effects of gun violence and to honor and value human lives.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 27th day of May in the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



FINAL RESOLUTION

Approving Financing of the 86 North Facility Renovation

WHEREAS, the town has previously resolved to implement a plan to renovate and improve the 86 North Facility; and

WHEREAS, the town has decided to fund the project costs through an installment financing method, as authorized under Section 160A-20 of the General Statutes; and

WHEREAS, in this form of financing, the town's repayment obligation is secured by a mortgage-like interest in all or part of the property being financed, without any pledge of the town's taxing power or any specific revenue stream; the facility will serve as the collateral; and

WHEREAS, the town's finance officer has provided this board with the draft agreements outlined in Exhibit A of the agreement, which pertain to executing the financing plan; and

WHEREAS, the town has requested competitive proposals from banks and other financial institutions to secure the desired financing and staff recommends that the town accept the proposal submitted by JPMorgan Chase Bank, N.A.; and

WHEREAS, in this resolution, the board formally approves the lender's proposal and other financing terms, endorses substantially final documents, and authorizes town representatives to finalize the financing arrangements;

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

1. **Determination To Proceed with Financing** – The town confirms its plans to undertake the project. The town will carry out the project with financing from the lender substantially in accordance with a financing proposal dated May 12, 2025.

Under the financing plan, the lender will make funds available to the town for use on project costs. The town will repay the amount advanced, with interest, over time. The town will grant to the lender a mortgage-type interest in the facility (and its associated real property) to secure the town's repayment obligation.

2. **Approval of Agreements** – Direction to Execute Agreements:
 - a) The board approves the forms of the agreements submitted to this meeting. The board authorizes the mayor and the town manager, or either of them, to execute and deliver the agreements in their final forms. The agreements in their respective final forms must be in substantially the forms presented, with such changes as the mayor or the town manager may approve. The execution and delivery of any agreement by an authorized town officer will be conclusive evidence of that officer's approval of any changes.
 - b) The agreements in final form, however, must be consistent with the financing plan described in this resolution and must provide:
 - For the amount financed by the town not to exceed \$3,600,000.

- For an annual interest rate not to exceed 4.12% (in the absence of default, or a change in tax status, as described in the draft agreements).
- For a financing term not to extend beyond August 1, 2040.

3. **Officers To Complete Closing** – The board authorizes the town manager, the finance officer and all other town officers and employees to take all proper steps to complete the financing in cooperation with the lender and in accordance with this resolution.

The board authorizes the town manager to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the town's behalf until the conditions for their delivery have been completed to that officer's satisfaction, and then to release the executed copies of the documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the board authorizes the town manager to approve changes to any documents previously signed by town officers or employees, provided that the changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The town manager's authorization of the release of any document for delivery will constitute conclusive evidence of that officer's approval of any changes.

In addition, the board authorizes the town manager and the finance officer to take all appropriate steps for the efficient and convenient carrying out of the town's on-going responsibilities with respect to this financing. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under this resolution or otherwise with respect to the financing, and making appropriate payments prior to the loan closing for costs related to the financing.

4. **Resolutions as to Tax Matters** – The town will not take or omit to take any action the taking or omission of which will cause its obligations to pay principal and interest under the agreements to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest components of the installment payments to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the town will comply with any code provision that may require the town at any time to pay to the United States any part of the earnings derived from the investment of the financing proceeds. In this resolution, "Code" means the United States Internal Revenue Code of 1986, as amended, and includes applicable Treasury regulations.
5. **Obligations are "Bank-Qualified"** – The town designates its payment obligations as "qualified tax-exempt obligations" for the purpose of Code Section 265(b)(3), which provides certain tax advantages for financial institutions providing financing to the town.
6. **Additional Provisions** – The board authorizes all town officers and employees to take all further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. The board ratifies all prior actions of town officers and employees to this end. Upon the absence, unavailability or refusal to act of the town manager, the mayor or the finance officer, any other of those officers may assume any responsibility or carry out any function assigned in this resolution. The board authorizes the town clerk to apply the town's seal, and to attest to the seal, on any document related to the purposes of this resolution. The mayor pro tem or any deputy or assistant town clerk may in any event assume any responsibility or carry out any function assigned to the mayor or the town clerk, respectively, in this resolution. All other board proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

Exhibit A -- draft Agreements

- a) A draft dated May 20, 2025, of an Installment Financing Contract to be dated on or about June 24, 2025, between the town and the lender. The financing contract provides for the advance of funds to the town for the town's use on the project, sets out the town's repayment obligation, and sets out the town's obligations regarding care for the collateral and other matters.
- b) A draft dated May 20, 2025, of a Deed of Trust and Security Agreement to be dated on or about June 24, 2025, from the town to a deed of trust trustee for the lender's benefit. The Deed of Trust provides for a security interest in the 86 North Facility and its associated real property to the lender to secure the town's repayment obligation.

Approved this 27th day of May of the year 2025.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough

Attestation:

Sarah Kimrey

Sarah Kimrey, Town Clerk