



TOWN OF HILLSBOROUGH

STRATEGIC PLAN



FY25 ANNUAL REPORT





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Message from the Manager

FY25 YEAR-END REVIEW

We are pleased to present the town's second annual report for the FY24-26 Strategic Plan. Our vision for our performance management efforts was to develop a plan that details where we're trying to go as an organization and how we can get there. The strategic plan is our attempt to fulfill that vision.

While we have provided updates throughout the year, this report provides a summary of the work that has been done to advance the strategic plan initiatives that were identified for FY25. Some of the initiatives were completed and can be checked off the list, while others will need to be continued into FY26 or beyond. In the report, you'll find the exact status of each of the initiatives.

I want to thank the town board for their continue support provided the last two years as we navigate the town's first strategic plan. Also, a big thanks to departments for their work in making progress toward the priorities set in the strategic plan.

Please don't hesitate to contact Administrative Services Director Jen Della Valle or myself if you have any questions, suggestions, concerns, or ideas related to this report. Most importantly, we look forward to listening and participating in the discussions of this report that will help us take the next steps in shaping Hillsborough's future.



Sincerely,

Eric Peterson
Town Manager

Elements of the PLAN

Vision

A statement that describes what organizational success will look like in the future.

Mission

A statement that outlines the organization's purpose.

Values

The set of core beliefs that will determine the approach to realizing the town's vision.

Focus Areas

Main categories that the town will focus on in the 3-year strategic plan window.

Strategic Objectives

A set of desired outcomes and promises that will align the town with its vision over the long-term.

Initiatives

Identifies specific action items to implement in the next 1-3 years to move the organization towards its goals.

PURPOSE

A strategic plan is a management tool that helps an organization align its leadership, resources, and operations to advance a set of goals. It also serves to establish priorities for policy initiatives, budgeting and staffing decisions, and capital investments to create outcomes that are important to the community.

The Town of Hillsborough has limited resources yet faces endless needs, opportunities, and distractions that compete for the use of these resources. The purpose of this strategic plan is to serve as an action-oriented road map that strategically aligns available resources with priorities, which is critical to the effective and efficient delivery of government services.

This strategic plan was drafted after years of collaboration among members of the Board of Commissioners and leadership from the town's departments and divisions.

STRATEGY MAP

VISION STATEMENT

We envision Hillsborough as a prosperous town, filled with vitality, fostering a strong sense of community, celebrating its unique heritage and small-town character.

MISSION STATEMENT

We are stewards of the public trust who exist to make the Vision for Hillsborough a reality. We manage and provide the infrastructure, resources, and services that enhance the quality of life for the living beings and land within our town.

VALUES

As we strive to achieve our goals, we commit to maintaining these core values:

- Vibrancy
- Equity & Inclusion
- Forward Thinking
- Public Service

FOCUS AREAS



VALUES

VIBRANCY

A vibrant Hillsborough is one that is lively and active. We see this manifest in cultural art events, recreation, and how people know each other and are connected by physical and social networks. The community can find ways to participate and connect from both inside and outside their homes. The people, physical environment, and business community are core to this vibrant atmosphere.

EQUITY & INCLUSION

Hillsborough is a place where every resident can thrive, where everyone who lives and works here feels they belong. We will strive to support policies, plans, and actions that are administered fairly to build a Hillsborough where people of all races, ethnicities, gender identifications, sexes, sexual orientations, abilities, and incomes want to live, can afford to live, and will be treated with dignity and respect.

FORWARD THINKING

We think and make decisions that can persist over generations for a sustainable Hillsborough, acknowledging that economic, environmental and social issues are interrelated. This community has a unique sense of place encapsulated by both Hillsborough's long and treasured history and where it meets change and looks to the future. We have an obligation to be fiscally, environmentally, and culturally wise in order to plan for the long term and be resilient to climate change and unforeseen events. We strive to foster a culture of innovation and creativity in town operations.

PUBLIC SERVICE

The town of Hillsborough is here to serve. We are committed to good and ethical governance. We are responsible stewards of community tax dollars put to use for the public good. We strive to ensure each resident, visitor, business, and employee are safe as they live, work, and play in Hillsborough, and this sense of safety should extend beyond the physical environment to foster a community where the people are free from worry regarding whether who they are has bearing on how they are treated.



FOCUS AREA 1

SUSTAINABILITY





Optimize the built environment in a way that aligns with smart growth principles.

- **Initiative 1.1** — Overhaul the Unified Development Ordinance and Zoning Map to reflect current development trends and patterns to incorporate sustainability, environmental and climate best practices, economic resiliency measures, and equity in development and redevelopment as well as meet water and sewer system-wide needs. (Fiscal Years 2024-25)

Inspire Placemaking was selected in Fiscal Year 2025 as the consultant to update the ordinance and worked with staff throughout the year to make progress on the update. The consultant is in the data collection phase, continues to meet with partners and will continue progress into Fiscal Year 2026.

- **Initiative 1.2** — Update the Future Land Use Map to simplify land use categories and express current preferred future land use and growth patterns (Fiscal Years 2024-25).

Staff met with the Board of County Commissioners and the town board to explain the challenges with water and sewer capacity and the future need to update joint planning agreements between the town and county as part of this project. Future Land Use Map was drafted. County board had questions for staff on Hillsborough's implementation of smart growth principles as it relates to the Comprehensive Sustainability Plan and asked staff to return in Fiscal Year 2026 to further discuss. Work is planned in FY26 to have the town board adopt the recommended Urban Service Boundary in the Comprehensive Sustainability Plan and then collaborate with Orange County and the other municipalities in the county to update Water and Sewer Management, Planning and Boundary Agreement and Central Orange Coordinated Area/Future Land Use Map.

Intensify efforts to meet 2030 and 2050 clean energy goals, reducing overall energy consumption and increasing the use of clean energy for town operations.

- **Initiative 2.1** — Assess renewable energy generation potential for solar photovoltaics and wind energy projects on town-owned properties and identify priority sites for planning and implementation (Fiscal Years 2024-26).

The town is participating in a study with Orange County to determine the feasibility of rooftop and ground-mounted solar at the following town facilities: Town Hall Annex, Highway 86 North Facility, Adron F. Thompson Water/Sewer Facility, Water Treatment Plant and the Wastewater Treatment Plant. Study will kick off in Fiscal Year 2026.

- **Initiative 2.2** — Investigate opportunities and incorporate to the greatest extent possible sustainability and climate initiatives in facility development including geothermal, solar, weatherization and green infrastructure (Fiscal Years 2024-26).

Facilities coordinator began developing an efficiency lens to evaluate options for efficiency measures for each repair and renovation project. Staff continue to evaluate and include, when feasible, sustainability initiatives for facility renovation projects, such as smart thermostats, LED retrofits, energy efficient equipment, recycled products and water conserving fixtures.

- **Initiative 2.4** — Evaluate the town's vehicle fleet to determine right-sizing and transition to electric vehicle potential. Transition the town's vehicle fleet to zero emission alternatives on a schedule consistent with vehicle lifecycles and market availability. Advance the schedule of this transition as feasible (Fiscal Years 2024-26).

Fleet staff monitored the town's hybrid police vehicles for fuel mileage increase over regular gas vehicles. The fleet has grown to seven hybrid vehicles. The reliability of the vehicles has been great so far, and the average fuel mileage per gallon has gone from about 11 miles to 28 miles for the patrol units. Hybrids do not require recharging infrastructure, which would be a challenge due to police vehicles being driven to officers' homes. Fleet Maintenance hosted a two-day in-house training on repair and maintenance on the police hybrid vehicles.



- **Initiative 2.5** — Ensure electric vehicle charging infrastructure is appropriately provided to support the town's vehicle transition (Fiscal Year 2025).

Fleet Maintenance has no plans to add electric vehicles at this time. Fleet supervisor will determine right sizing of fleet and explore opportunities to incorporate more fuel-efficient vehicles. The fleet has seven hybrids now.

- **Initiative 2.6** — Work with regional partners to expand the number of electric vehicle charging stations in the town to support readiness and encourage widespread adoption, especially in key places like Gold Park and the Town Hall Campus (Fiscal Years 2025-26).

Staff continue to explore grant opportunities for expanding publicly accessible Level 2 electric vehicle charging infrastructure but have not been awarded any funding at this time. The town is working in partnership with Chapel Hill, Carrboro and Orange County to be more competitive.

Protect and enhance natural resources.

- **Initiative 3.1** — Develop and adopt a tree inventory for town-owned and town-maintained properties (FY25).

Staff investigated opportunities to develop a tree coverage database in GIS. Arc Online training is needed to complete this task. This initiative will continue to be tracked in Fiscal Year 2026.

- **Initiative 3.3** — Develop and adopt a landscape management plan for town-owned and town-maintained properties (moved from Fiscal Year 2024 to 2025).

The grounds maintenance contract was updated in Fiscal Year 2025 to reflect best practices for landscape management of town-owned properties. A native plants resolution was adopted for owned and maintained properties.

- **Initiative 3.4** — Develop and adopt a native and adapted plant policy that improves and expands habitat for wildlife and pollinators for town-owned and town-maintained properties (Fiscal Years 2025-26).

A native plants resolution was adopted on April 14, 2025.

- **Initiative 3.5** — Investigate options to develop incentives for developers to incorporate sustainable environmental best practices for managed natural areas and landscapes (Fiscal Years 2025-26).

The consultants for the Unified Development Ordinance rewrite have been tasked with developing incentive options for developers to incorporate best practices. Staff is awaiting a draft. Discussions continue with the North Carolina Department of Environmental Quality through the Falls Lake Rules readoption process. Practices like soil amendment are likely to be incentivized under the readopted rules.

- **Initiative 3.6** — Update and adopt a comprehensive stormwater management plan (Fiscal Year 2025).

Initiative was completed in 2024. Stormwater and Environmental Services Division staff began implementing new stormwater management plan and permit requirements in Fiscal Year 2025. A key Year 1 aspect is updated stormwater training for town employees. The required annual report will be submitted to the state.

- **Initiative 3.7** — Continue implementing watershed improvement projects under the interim alternative implementation approach for compliance with the Falls Lake Stage 1 Existing Development Rule for Stormwater (Fiscal Years 2024-26).

In Fiscal Year 2025, the Stormwater and Environmental Services Division completed the following projects:

- Odie Street Stream Stabilization — Completed, including installation of plans and riparian protection fence in May.
- Compost Blanket at Wastewater Treatment Plant — Designed, with installation in Fall 2025.
- Compost Blanket at Downtown Parking Area — Designed, with installation in Fall 2025.
- Riverwalk Bioswale — Last portion completed.



Riparian protection fence installed as part of Odie Street Stream Stabilization Project



FOCUS AREA 2

CONNECTED COMMUNITY





Advance a multi-modal network that reduces single-occupancy vehicles and links Hillsborough residents to key places and each other.

- **Initiative 1.2** — Contribute annual budget allocations to expand public art and amenities and public spaces (Fiscal Years 2024-26).

Funds were increased from \$1,000 to \$2,500 per year in FY25. Two additional pieces of permanent public art have been added to the Town Hall campus, and a mosaic mural will be completed at the Dorothy N. Johnson community center in November 2025.

- **Initiative 1.3** — Ridgewalk feasibility study is complete. If directed by the board, design and engineering for the section from downtown to Collins Ridge will proceed (Fiscal Years 2024-25).

Study is complete, and the town board selected a preferred alignment. Staff will coordinate with North Carolina Department of Transportation on the Interstate 85 widening project before moving forward with engineering. The project is on hold until engineering for the widening project is initiated.





FOCUS AREA 3

ECONOMIC VITALITY





ECONOMIC VITALITY

Develop public projects, policies and marketing related to economic system goals.

- **Initiative 1.1** — Conduct a downtown parking study to develop and adopt a long-range parking plan (continued into Fiscal Year 2025).

Parking study data was collected and compiled and focus groups with partners were held in Quarter 4. Parking study was presented to the town board in early Fiscal Year 2026 for adoption. Next steps are to begin implementing short-term goals. This initiative will not be tracked in Fiscal Year 2026.

- **Initiative 1.2** — Complete Train Station Development Master Plan (Fiscal Years 2024-25).

Delayed to Fiscal Year 2026 due to staff capacity.

- **Initiative 1.3** — Invest in wayfinding and interpretive signage programs (Fiscal Years 2024-26).

Two additional interpretive signs will be designed in Fiscal Year 2026, with fabrication and installation expected in Fiscal Year 2027. The sign topics are trees and riparian restoration areas on Riverwalk.

- **Initiative 1.4** — Market and brand Hillsborough through town website and social media as a great place to live, work and do business by engaging in partnerships to highlight success stories and incentive opportunities (Fiscal Years 2024-26).

This initiative is ongoing. Actions taken in Fiscal Year 2025 that relate to this initiative are:

- Worked with Yonder on a paid story for Chapelboro and WCHL on the vibrant live music scene in Hillsborough at local bars, restaurants and breweries.
- Highlighted new businesses on social media, including Rookery, Sanja Chulha food truck, Bull Town Fabrics and Sip @ Steve's Garden Market.
- Worked with the Communications Division for a general promotional news release on what economic development is, why it's important and how the town supports it in our community.
- Continued to compile the "Best Of" Chapel Hill Magazine award winners for 2025 and to design and run a half page ad highlighting those winners from Hillsborough. Worked with the Hillsborough Visitors Center to hire a summer intern to make video reels for Facebook and Instagram highlighting local businesses. These will be rolled out in early 2026.

Develop partnerships and programming that provide jobs, employment education, workforce development and training.

- **Initiative 2.1** — Identify and analyze current labor market and skills gaps and needs through partnership, contract or town-led study (Fiscal Year 2025).

Worked with the Hillsborough/Orange County Chamber of Commerce on a business survey to identify needs. Met with Orange County Economic Development to coordinate on its new economic development plan. Town staff need to confer with partners to ensure this is still a shared goal.

- **Initiative 2.2** — Engage with the local business community through periodic small business workshops hosted by town or in conjunction with economic development partners (Fiscal Years 2024-26).

Worked with the Chamber of Commerce to reestablish the Hillsborough Merchants Association. At the February meeting, participants discussed the schedule for upcoming educational workshops and seminars. Held

workshop in April on how to best market and interface with Visit Hillsborough, which is a free resource. Worked with chamber to offer two additional small business workshops in June on social media marketing and cost and operations reductions.

Create equitable economic opportunities for all residents.

- **Initiative 3.1** — Translate business documents and forms into other relevant languages and set up a system for staff to be able to communicate in other languages with residents (Fiscal Year 2025).

Staff were unable to translate documents and forms due to staff capacity. Planning staff recommend moving this to the Communications Division for townwide development and implementation. Planning and Economic Development Division set up Google Translate application to be able to communicate with walk-ins who speak another language. This does not solve the need to have documents, applications and signage translated into other languages or to have a concerted effort across the organization.

- **Initiative 3.2** — Work with local and regional partners to identify and promote woman and Black, Indigenous and People of Color (BIPOC) owned businesses through marketing success stories and tracking contractual partnerships with the town (Fiscal Years 2024-26).

The Chamber of Commerce conducted a survey to identify women- and BIPOC-owned businesses so staff can reach out about marketing initiatives. The survey identified some but not all women- and BIPOC-owned businesses. Staff is working with the chamber on ideas and strategies for identifying more opportunities for self-reporting so staff can have a better idea of the businesses so they can be promoted.

Preservation of naturally occurring affordable housing.

- **Initiative 4.1** — Actively participate in county-wide housing plan effort to inform a local action plan (Fiscal Year 2024).

There is not a current effort for a county-wide housing plan. The town is well represented in countywide housing efforts as staff provide support to efforts of the Local Government Affordable Housing Collaborative, Orange County Affordable Housing Coalition, Orange County Repair Consortium, Orange County Low Barrier Housing working group, Community Home Trust land availability study and Triangle Community Foundation Housing Matters. This initiative will not be tracked in Fiscal Year 2026. Tracking can continue if countywide efforts resume.

- **Initiative 4.2** — Develop local action plan (Fiscal Year 2025).

An initial affordable housing workshop was held in Summer 2024. The town board approved funding for a town affordable housing strategy, which will be developed in Fiscal Year 2026. This initiative will continue to be tracked in Fiscal Year 2026.



Affordable housing in Hillsborough includes the Crescent Magnolia townhouse community.

Develop policies and invest in projects that contribute to meeting identified affordable housing needs in town.

- **Initiative 5.2** — Support changes to town code and state law to provide new funding sources and reduce administrative barriers for affordable housing creation (Fiscal Years 2024-26).

The Unified Development Ordinance update will include recommended local changes. State law changes are an ongoing effort, with work done on these efforts through the town's advocacy networks.

- **Initiative 5.3** — Prioritize surplus of town-owned land for creation of affordable housing and strategically acquire additional land or financial participation from new development for affordable housing (Fiscal Years 2024-26).

This effort is being completed as part of joint work with Orange County Affordable Housing Coalition and Community Home Trust task force. A consultant has been selected by the steering committee, and work is underway.

Performance Measures

- Completed 80% of downtown parking study.
- Train Station Development Master Plan on hold until Fiscal Year 2026.
- Sixteen social media and/or website story highlights promoted in collaboration with Communications Division or local news media outlets.
- Three small business workshops held with workforce development partners.
- No business documents and forms translated into other languages. Recommendation to move to Communications Division as a townwide language access initiative.



FOCUS AREA 4

COMMUNITY SAFETY





COMMUNITY SAFETY

Ensure that all people are safe and feel safe throughout town.

- **Initiative 1.1** — Complete North Carolina League of Municipalities risk assessment and begin follow-up on implementation of results (moved from Fiscal Year 2024 to 2025).

The risk review documents were completed and submitted. The self-assessment and on-site review were completed in Fiscal Year 2025.

- **Initiative 1.2** — Host a community conversation that focuses on a broader concept of safety. Pilot completed in Fiscal Year 2023 (Fiscal Year 2024).

The community safety summit was hosted on Sept. 25, 2024, with about 15 community members attending. The Hillsborough Police Department hosted a police summit in Fiscal Year 2026. This initiative is complete.



The North Carolina League of Municipalities presented the Risk Review Award to the town in August 2025.

Reinforce resiliency in town operations by implementing emergency preparedness strategies.

- **Initiative 2.1** — Complete refresh of the Emergency Operations Plan (moved from Fiscal Year 2024 to 2025).

The town is under contract with Orange County for a joint Emergency Operations Plan update. Kickoff on this work was delayed due to Tropical Storm Chantal. It restarted in earnest in Fiscal Year 2026.

- **Initiative 2.2** — Establish quarterly management check-ins (Fiscal Years 2024-26).

The Emergency Management Team completed quarterly check-ins in Fiscal Year 2025.

- **Initiative 2.4** — Establish Emergency Operations Centers (Fiscal Year 2024).

In Fiscal Year 2024, the Emergency Management Team developed portable emergency operations centers that could be deployed to different locations. The centers will be finalized with the updated Emergency Operations Plan, which will be finalized in fall 2026.

Performance Measures

- Community Survey question “How safe do you feel in Hillsborough overall?” — 90% of respondents feel “very safe” or “safe.”
- Community Survey question “How satisfied are you with town’s efforts to prevent crime?” — 75% of respondents were “very satisfied” or “satisfied.”
- Community Survey question “How satisfied are you with visibility of police in neighborhoods?” — 75% of respondents were “very satisfied” or “satisfied.”
- Applicable National Incident Management System and Incident Command Structure training — 62% of employees have completed the 100-level course of the National Incident Management System (71 of 115 employees).



FOCUS AREA 5
SERVICE EXCELLENCE





SERVICE EXCELLENCE

Provide quality municipal services through operational excellence and a culture of innovation.

- **Initiative 2.1** — Evaluate onboarding process and identify gaps and redesign process (moved from Fiscal Year 2024 to 2025).

Staff have made minor improvements to the new employee orientation, held monthly, and are continuing to make improvements. The town provides a branded Hillsborough item to new employees on their first day of employment to welcome them to the organization. Staff also updated new employee orientation materials to align with the Employee Handbook updates. Staff are in the process of revising a 90-day onboarding checklist or guide for supervisors to use, as well as a 3-month check-in with Human Resources and the new employee and supervisor. This initiative can be considered complete.

- **Initiative 2.2** — Explore and develop strategies to encourage the timely completion of performance evaluations (Fiscal Year 2024).

In Fiscal Year 2024, the town extended the timeframe for employees and supervisors to complete all evaluations. The deadline was extended from July 31 to Aug. 15 since many departments have a lot of tasks at the end of a fiscal year and the beginning of a new one. More leniency was given in the Fiscal Year 2025 evaluation cycle due to Tropical Storm Chantal and the unexpected workload it created for many employees. Fifty-eight percent of those performance evaluations were completed on time. Staff will continue to make improvements to the process. This initiative can be considered complete.

Promote inclusive community engagement in town services, programs, and projects.

- **Initiative 3.1** — Assess representation on appointed boards and boost recruitment efforts for underrepresented groups and areas (moved from FY24 to FY25).

A Human Resources intern was able to analyze and identify gaps in membership. The next step is to brainstorm strategies with staff support to boards and with the Communications Division for how to boost representation in areas of town that are underrepresented. This initiative will continue to be tracked in Fiscal Year 2026.



An appointed board member discusses the work of her board at a 2024 Government 101 session on planning and economic development.

Embed racial equity throughout the organization and in the services provided to the community.

- **Initiative 4.1** — Develop, adopt and implement a racial equity plan (Fiscal Years 2024-26).

Staff have been exploring options on how to move forward to develop an equity action plan and are continuing to monitor progress of House Bill 171.

Performance Measures

- Community Survey statement “Overall quality of services provided by the town” — 88.9% of respondents selected “satisfied” or “very satisfied.”
- Percentage of geographic areas with appointed board representation — Map was completed but is not broken out by geographic areas.
- Alignment of appointed board representation with community demographics —
 - Males are overrepresented (61% on boards compared to 46.6% in population)
 - 45-64 age group is overrepresented (42% on boards compared to 31% in population)
- 95% of employees have completed Racial Equity Institute’s Groundwater training.
- 58% of performance evaluations were completed on time, by Aug. 15.
- 1.98 sewer breaks for 100 miles of collection pipe (101 miles total; 2 sewer breaks).
- 30.67 leaks per 100 miles of distribution pipe (150 miles total; 46 water main leaks).
- 0.76% of gravity sewer mains were inspected by CCTV camera.
- 9.59% of gravity sewer mains were cleaned by water jetting.
- Asset depreciation metric from Environmental Finance Center dashboard — Data on this metric is not available on the dashboard for the Fiscal Year 2023 audit. This metric will be updated when results are available.
- 85% of Employee Survey respondents agree or strongly agree that the town encourages innovation.
- 74% of Employee Survey respondents agree or strongly agree that the town works to attract, develop and retain people with diverse backgrounds.