



Minutes

Board of Commissioners Work Session

7 p.m. Aug. 24, 2026

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

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

Absent: Commissioner Evelyn Lloyd

Staff: Planning and Economic Development Manager Shannan Campbell, Assistant Town Manager Matt Efird, Police Management and Accreditation Coordinator Marshall Grayson, Engineering Services Manager Bryant Green, Town Attorney Bob Hornik, Town Clerk and Human Resources Technician Sarah Kimrey, Communications Specialist JC Leser-McMinn, Town Manager Eric Peterson and Police Captain Chip White

1. Opening of the work session

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

2. Agenda changes and approval

Motion: Commissioner Meaghun Darab moved to approve the agenda as presented. Commissioner Kathleen Ferguson seconded.

Vote: 3-0.

3. Appointments

A. Historic District Commission – Reappointment of Sara Riek for a term expiring Aug. 31, 2029

Motion: Ferguson moved to approve the appointment. Commissioner Robb English seconded.

Vote: 3-0.

4. Items for decision – consent agenda

- A. Miscellaneous budget amendments and transfers
- B. Tourism Development Authority Fiscal Year 2027 Budget Amendments
- C. Proclamation – Women’s Equality Day 2026
- D. Sale and Indemnity agreement authorizing the retirement of Canine Officer Jett and transfer of ownership to Police Cpl. Juan Duran
- E. Special Event Permit – Historic Hillsborough Half-Marathon and 5K 2026
- F. Special Event Permit – Cycle North Carolina Mountains to Coast Ride
- G. Special Event Permit – Carolina Tarwheels Bikefest 2026
- H. Special Event Permit – Outlandish Friday Night Ceilidh
- I. Hillsborough Police Department Quarterly Transparency Report
- J. Water and Sewer Extension Contract for Altera Meadowlands

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

Vote: 3-0. Nays: 0.

5. In-depth discussion and topics

- A. Demolition ordinances for 613 Buttonwood Drive and 380 Cornelius Street
Commissioner Matt Hughes joined the meeting at 7:04 p.m.

Planning and Economic Development Manager Shannan Campbell presented the status of ongoing code enforcement efforts targeting vacant and deteriorating structures. She said code enforcement originally identified five structures of concern, notified property owners via first-class and return-receipt mail, held hearings, and granted a 90-day compliance period. Of those, one property on Corbin Street received an extension from the Board of Adjustment and is actively being worked on, one property on Torain Street and another at 533 W. King Street were demolished by their owners voluntarily. The two remaining properties — 613 Buttonwood Drive and 380 Cornelius Street — were brought before the board because their owners have taken no action.

Campbell said staff is actively soliciting bids for demolition, with an estimated cost of \$17,000 for both properties. The scope of work includes structure removal, debris hauling, and seeding and straw stabilization of the sites. She noted that coordination with Orange County Building Inspections is underway to determine whether asbestos abatement will be required prior to demolition, given the advanced deterioration of the structures.

Motion: English moved to adopt both demolition ordinances. Ferguson seconded.
Vote: 4-0.

- B. Review and Discussion of Draft Affordable Housing Strategy
Assistant Town Manager Matt Efird presented a draft Affordable Housing Strategy, developed with Central Pines Regional Council Housing Program Manager Hunter Fillers. The work was delayed for several months due to Tropical Storm Chantal. This presentation was the board's first formal review of the draft framework.

Background and Data Highlights

Fillers presented key data points illustrating Hillsborough's housing pressures. Home values have grown 88% over the past decade. IRS migration data shows incoming households to Orange County earn approximately \$19,000–\$20,000 more annually than existing residents, intensifying upward price pressure. The town's population has grown more than 7% since 2020, and apartment occupancy rates exceed 95%. Approximately 79% of Hillsborough's housing stock is single-family, leaving a shortage of diverse housing types. Among renters, one in two households is cost-burdened (spending more than 30% of income on housing), and one in four spends more than 50%. The county-level housing wage needed to afford a two-bedroom unit is \$32.90 per hour, while average wages for key occupations fall around \$29.19. An estimated nine households compete for every one available affordable unit.

Strategic Framework

The strategy is organized around three overarching goals — increasing the supply of affordable housing, preserving existing units, and ensuring long-term affordability — supported by four pillars:

1. Preservation and Stability — Partnering with Orange County to expand tax relief programs for long-time homeowners, funding targeted rehabilitation of naturally occurring affordable units, and providing referral resources and access to small-dollar repair tools.
2. Regulatory and Land Use Reform — Reviewing development regulations and residential appearance ordinances for excessive burden on low-income residents, incorporating housing affordability priorities into the ongoing Unified Development Ordinance rewrite, and examining how Historic District standards affect maintenance costs for residents of limited means.

3. Developer Incentives and Tools — Standardizing and recalibrating the fee-in-lieu contribution formula so it reflects actual construction costs, exploring priority utility capacity allocations for affordable developments, and structuring permitting fee rebates for projects that include affordable units.
4. Permanent Affordability and Capacity — Establishing a formal special revenue fund to consolidate all town affordable housing dollars; dedicating at least 70% of those funds to households at or below 80% Area Median Income while retaining 30% flexibility for workforce housing opportunities; and building toward a dedicated staff position over a three- to five-year horizon.

Key Discussion Points

Commissioners discussed strengthening the local housing code beyond the county's standard, revising fee-in-lieu proportions, and maintaining early developer engagement to enhance housing commitments at the project idea stage. The board raised concerns regarding current staff capacity for implementing the proposed measures. The assistant town manager said that the reorganization of the community services department in Fiscal Year 2026-27 was designed in part to free up capacity, and that the approach will rely heavily on partnerships and contracted services rather than building an in-house affordable housing department.

Next Steps

Central Pines will finalize the draft document, incorporating feedback from tonight's session, and hand it off to town staff. Staff will create a plain-language summary and a public-facing survey. Direct outreach to the development community and nonprofit housing partners will follow. The board anticipates adoption within the next few months.

6. Committee updates and reports

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

Motion: Ferguson moved to go into closed session. Hughes seconded.
Vote: 4-0.

7. Closed session

- A. Closed session as authorized by North Carolina General Statute Section 143-318.11(a)(3) to consult with the town attorney in order to preserve the attorney-client privilege (economic development)
- B. Closed session as authorized by North Carolina General Statute Section 143-318.11(a)(5) regarding property acquisition
- C. Closed session as authorized by North Carolina General Statute Section 143-318.11(a)(3) to consult with the town attorney in order to preserve the attorney-client privilege (potential litigation)

Motion: Ferguson moved to return to open session. Hughes seconded.
Vote: 4-0.

8. Adjournment

Motion: Ferguson moved to adjourn at 10:07 p.m. Darab seconded.
Vote: 4-0.

Respectfully submitted,

Sarah Kimrey
Town Clerk
Staff support to the Board of Commissioners

This content was assisted by an artificial intelligence tool,
ClerkMinutes and reviewed by town staff.

DRAFT

Budget Adjustment Report

Adjustment Detail

For Date Range: 08/24/2026 - 08/24/2026

Town of Hillsborough, NC

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments Amount	Current Budget
Adjustment Number	Adjustment Description					
Budget Code: 2026-2027 - Budget 2026-2027 Fiscal: 2026-2027						
Fund: 10 - GENERAL						
Revenue						
Department: 3980 - DEBT ISSUANCE PROCEEDS						
10-30-3980-3900100	POWELL BILL FUND BALANCE APPROPRIATION			0.00	-65,000.00	-65,000.00
BA0000500	Increase in street resurfacing cost: FY27 (use...	GLPKT04699	08/24/2026		-65,000.00	
Department 3980 Total:				0.00	-65,000.00	-65,000.00
Revenue Total:				0.00	-65,000.00	-65,000.00
Expense						
Department: 5600 - STREETS						
10-30-5600-5300310	GASOLINE			13,500.00	5,400.00	18,900.00
BA0000499	Cover refilling of new diesel tank at NC86 No...	GLPKT04676	08/24/2026		5,400.00	
10-30-5600-5300760	POWELL BILL			335,000.00	65,000.00	400,000.00
BA0000500	Increase in street resurfacing cost: FY27 (use...	GLPKT04699	08/24/2026		65,000.00	
Department 5600 Total:				348,500.00	70,400.00	418,900.00
Department: 6300 - PUBLIC SPACE						
10-10-6300-5100020	SALARIES			217,965.00	6,750.00	224,715.00
BA0000498	Adjust for HS internship program	GLPKT04650	08/24/2026		6,750.00	
10-10-6300-5120050	FICA			16,675.00	520.00	17,195.00
BA0000498	Adjust for HS internship program	GLPKT04650	08/24/2026		520.00	
Department 6300 Total:				234,640.00	7,270.00	241,910.00
Department: 9990 - CONTINGENCY						
10-00-9990-5300000	CONTINGENCY			450,000.00	-12,670.00	437,330.00
BA0000498	Adjust for HS internship program	GLPKT04650	08/24/2026		-7,270.00	
BA0000499	Cover refilling of new diesel tank at NC86 No...	GLPKT04676	08/24/2026		-5,400.00	
Department 9990 Total:				450,000.00	-12,670.00	437,330.00
Expense Total:				1,033,140.00	65,000.00	1,098,140.00
Fund 10 Total:				1,033,140.00	0.00	1,033,140.00
Fund: 30 - WATER/SEWER						
Expense						
Department: 8140 - WATER DISTRIBUTION						
30-80-8140-5300505	CS - PLUMBING			45,000.00	40,000.00	85,000.00
BA0000496	Cover water meter work re: galvanized lines	GLPKT04609	08/24/2026		40,000.00	
Department 8140 Total:				45,000.00	40,000.00	85,000.00
Department: 8200 - WASTEWATER COLLECTION						
30-80-8200-5300505	CS - PLUMBING			45,000.00	-40,000.00	5,000.00
BA0000496	Cover water meter work re: galvanized lines	GLPKT04609	08/24/2026		-40,000.00	
Department 8200 Total:				45,000.00	-40,000.00	5,000.00
Expense Total:				90,000.00	0.00	90,000.00
Fund 30 Total:				90,000.00	0.00	90,000.00
Budget Code 2026-2027 Total:				1,123,140.00	0.00	1,123,140.00

Budget Adjustment Report

Description

Fund Summary

Description	Fund	Original Budget	Budget Adjustments	Current Budget
Budget Code: 2026-2027 - Budget 2026-2027 Fiscal: 2026-2027				
	10	1,033,140.00	0.00	1,033,140.00
	30	90,000.00	0.00	90,000.00
Budget Code 2026-2027 Total:		1,123,140.00	0.00	1,123,140.00

APPROVED: 3/0

DATE: 8/24/26

VERIFIED: Shan & Kimmy

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Budget Adjustment Register**Adjustment Detail**

Town of Hillsborough, NC

Packet: GLPKT04724 - Auto Process - GL Budget Adjustment

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000502	Budget 2026-2027	08-12-2026 TDA Vote (CycleNC & Flushfest, >\$5K)	8/24/2026

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
<u>73-00-3900-39000000</u>	FUND BALANCE APPROPRIATI...	08-12-2026 TDA Vote (CycleNC & Flushfest, >\$...	-32,750.00	-25,000.00	-57,750.00
July: -2,083.33	October: -2,083.33	January: -2,083.33	April: -2,083.33		
August: -2,083.33	November: -2,083.33	February: -2,083.33	May: -2,083.33		
September: -2,083.33	December: -2,083.33	March: -2,083.33	June: -2,083.37		
<u>73-51-6250-5300731</u>	SPECIAL PROJ/PARTNERSHIPS	08-12-2026 TDA Vote (CycleNC & Flushfest, >\$...	95,700.00	25,000.00	120,700.00
July: 2,083.33	October: 2,083.33	January: 2,083.33	April: 2,083.33		
August: 2,083.33	November: 2,083.33	February: 2,083.33	May: 2,083.33		
September: 2,083.33	December: 2,083.33	March: 2,083.33	June: 2,083.37		

APPROVED: 3/0

DATE: 8/24/26

VERIFIED: _____

*Shan E. Kimrey***DRAFT**

Budget Adjustment Register

Packet: GLPKT04724 - Auto Process - GL Budget Adjustment

Budget Code Summary

Budget	Budget Description	Account	Account Description	Before	Adjustment	After
2026-2027	Budget 2026-2027	73-00-3900-3900000	FUND BALANCE APPROPRIATION	-32,750.00	-25,000.00	-57,750.00
		73-51-6250-5300731	SPECIAL PROJ/PARTNERSHIPS	95,700.00	25,000.00	120,700.00
2026-2027 Total:				62,950.00	0.00	62,950.00
Grand Total:				62,950.00	0.00	62,950.00

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Budget Adjustment Register

Packet: GLPKT04724 - Auto Process - GL Budget Adjustment

Fund Summary

Fund	Before	Adjustment	After
Budget Code:2026-2027 - Budget 2026-2027 Fiscal: 2026-2027			
73	62,950.00	0.00	62,950.00
Budget Code 2026-2027 Total:	62,950.00	0.00	62,950.00
Grand Total:	62,950.00	0.00	62,950.00

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PROCLAMATION

Women's Equality Day 2026

WHEREAS, Women's Equality Day is celebrated annually on August 26 to commemorate the adoption of the 19th Amendment to the United States Constitution in 1920, which prohibited states from depriving citizens of the right to vote based on gender; and

WHEREAS, women of color fought for the right to vote for another four decades until the passage of the Voting Rights Act in 1965; and

WHEREAS, recognizing Women's Equality Day as a day of celebration emphasizes the importance of women's work for democracy and calls attention to women's continuing efforts toward full equality; and

WHEREAS, Hillsborough benefits from the leadership and representation of women who embody gender equality, including the Honorable Jennifer Weaver, the first woman Mayor of Hillsborough from 2019 to 2023; Commissioner Evelyn Lloyd, the longest-serving woman on the Hillsborough Board of Commissioners at 34+ years and newest Hillsborough Commissioner Meaghun Darab; Commissioner Phyllis Portie-Ascott, Orange County Board of Commissioners, District 2; Wendy Padilla, first Hispanic female member of the Orange County Board of Education; Congresswoman Valerie Foushee of North Carolina Congressional District 4; and Representative Renee Price of North Carolina General Assembly District 50; and

WHEREAS, Hillsborough is home to the Northern Orange Branch of the NAACP, an organization devoted to ending racial discrimination and which joins in a statewide effort to honor and acknowledge women annually, and as an organization has been led by numerous women leaders from our community; and

WHEREAS, Hillsborough honors organizations like the League of Women Voters, serving the people of Orange, Durham and Chatham Counties, that work to protect and expand voting rights and defend democracy through advocacy, education, and litigation, at the local, state and national levels; and

WHEREAS, Hillsborough is committed to advancing gender equity and protecting women's rights and to making equity and inclusion a reality in the town's policies and procedures and throughout the community;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim Aug. 26, 2026, as Women's Equality Day 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 24th day of August in the year 2026.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough

NORTH CAROLINA
ORANGE COUNTY

SALE AND INDEMNITY AGREEMENT

THIS AGREEMENT is made as of the date below by and between Corporal Juan Duran, Indemnitor, hereinafter known as "Cpl. Duran" and the Town of Hillsborough, North Carolina, a North Carolina municipality, Indemnatee, hereinafter known as "Hillsborough".

WHEREAS, "Jett" a canine owned by Hillsborough and heretofore used by the Hillsborough Police Department as a valuable member of its K-9 unit, has been retired from service because of her age and current health condition.

WHEREAS, the K-9 "Jett" has been declared surplus property, and the Hillsborough Town Board has authorized the sale of "Jett" to Cpl. Duran on the terms set forth herein; and

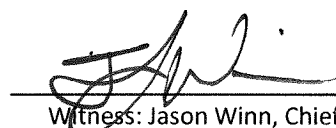
WHEREAS, Cpl. Duran agrees to purchase and acquire "Jett" for the consideration stated herein and to indemnify and hold harmless the Town of Hillsborough, North Carolina, a municipality, and its employees, agents or elected officials Hillsborough, from (1) veterinary and health related expenses for "Jett" and any and (2) all other claims, actions, suits, damages, costs, losses and expenses, including attorney's fees, in any manner arising related to "Jett's" activities and conduct subsequent to the sale; and

NOW, THEREFORE, in consideration of the agreements stated herein and the payment by Cpl. Duran to the Town of Hillsborough of One Dollar (\$1.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Cpl. Duran does hereby indemnify and hold harmless the Town of Hillsborough, North Carolina and its employees, agents or elected officials of Hillsborough from (1) veterinary and health related expenses for "Jett", and (2) all other claims, actions, suits, damages, costs, losses and expenses, including attorney's fees, in any manner arising related to "Jett's" activities and conduct subsequent to the date hereof.

This the 25 day of August, 2026.



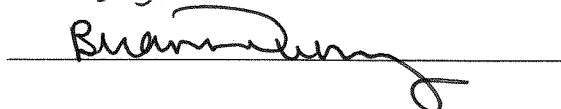
Signature



Witness: Jason Winn, Chief of Police

I have hereby received the sum of \$1.00 from Cpl. Duran for the sale of K-9 "Jett" which has been declared as surplus property by the Town of Hillsborough Board of Commissioners.

This the 08th day of August, 2026.
25th



Juan Duran

ORDINANCE #20260824-5.A



ORDINANCE

Directing Removal or Demolishment of Structure and Notice Regarding Occupation

WHEREAS, the Hillsborough Board of Commissioners finds that the structure described herein is unfit for human habitation and dangerous to the health, safety and welfare of the residents of Hillsborough pursuant to the minimum housing code of the Town of Hillsborough, North Carolina; and

WHEREAS, the town's contracted code enforcement officer has verified that all of the procedures of the town's minimum housing ordinance have been complied with; and

WHEREAS, this structure should be removed or demolished as directed by the code enforcement officer and should be placarded by placing thereon a notice prohibiting use for human habitation; and

WHEREAS, the owners and parties in interest of this structure have been given a reasonable opportunity to bring the structure up to the standards of the town's minimum housing ordinance pursuant to an order issued by the code enforcement officer on March 31, 2026, and the owners have failed to comply with the order.

NOW, THEREFORE, the Hillsborough Board of Commissioners ordains:

Section 1. The code enforcement officer is hereby authorized and directed to place a placard on the structure located at **380 Cornelius Street**, Parcel ID 9865801221, in Hillsborough, Orange County, North Carolina, containing the legend:

"This building is unfit for human habitation. The use or occupation of this building for human habitation is prohibited and unlawful."

Section 2. The code enforcement officer is hereby authorized and directed to proceed to remove or demolish the above-described structure in accordance with his order to the owner and parties in interest thereof dated March 31, 2026, and in accordance with the Minimum Housing Ordinance.

Section 3. The cost of removal or demolition shall constitute a lien against the real property 380 Cornelius Street. The lien shall be filed in all appropriate offices of the Town of Hillsborough, including the Orange County Clerk of Superior Court's Office, and shall have the same priority and be collected in the same manner as the lien for special assessments in Article 10 of Chapter 160A of the General Statutes.

ORDINANCE #20260824-5.A

- Section 4.** Upon completion of the required removal or demolition, the code enforcement officer shall determine whether any of the materials have resale value and shall make a reasonable effort to sell the same if so. If any materials are sold, the code enforcement officer shall credit the process against the cost of removal or demolition, and this shall be noted as such in the recorded lien. If a surplus remains after sale of the materials and satisfaction of the cost of removal or demolition, the code enforcement officer shall deposit the surplus in the Superior Court, where it shall be secured and disbursed in the manner provided by Article 12 of Chapter 160D of the General Statutes.
- Section 5.** It shall be unlawful for any person to remove or cause to be removed the placard referenced herein and affixed to the structure. It shall likewise be unlawful for any person to occupy or to permit the occupancy of any structure building therein declared to be unfit for human habitation.
- Section 6.** This ordinance shall become effective upon adoption.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 24th day of August in the year 2026.

Ayes: 4
Noes: 0
Absent or excused: 1





Sarah E. Kimrey, Town Clerk

ORDINANCE #20260824-5.A2

Return to: Shannan Campbell, Town of Hillsborough, PO BOX 429 Hillsborough, NC 27278



ORDINANCE

Directing Removal or Demolishment of Structure and Notice Regarding Occupation

WHEREAS, the Hillsborough Board of Commissioners finds that the structure described herein is unfit for human habitation and dangerous to the health, safety and welfare of the residents of Hillsborough pursuant to the minimum housing code of the Town of Hillsborough, North Carolina; and

WHEREAS, the town's contracted code enforcement officer has verified that all of the procedures of the town's minimum housing ordinance have been complied with; and

WHEREAS, this structure should be removed or demolished as directed by the code enforcement officer and should be placarded by placing thereon a notice prohibiting use for human habitation; and

WHEREAS, the owners and parties in interest of this structure have been given a reasonable opportunity to bring the structure up to the standards of the Town's Minimum Housing Ordinance pursuant to an order issued by the Code Enforcement Officer on March 31, 2026, and the owners have failed to comply with the order.

NOW, THEREFORE, the Hillsborough Board of Commissioners ordains:

Section 1. The code enforcement officer is hereby authorized and directed to place a placard on the structure located at 613 Buttonwood Drive, Parcel ID: 9875417807 Town of Hillsborough, Orange County North Carolina, containing the legend:

"This building is unfit for human habitation. The use or occupation of this building for human habitation is prohibited and unlawful."

Section 2. The code enforcement officer is hereby authorized and directed to proceed to remove or demolish the above-described structure in accordance with his order to the owner and parties in interest thereof dated March 31, 2026, and in accordance with the Minimum Housing Ordinance.

Section 3. The cost of removal or demolition shall constitute a lien against the real property 613 Buttonwood Drive. The lien shall be filed in all appropriate offices of The Town of Hillsborough, including the Orange County Clerk of Superior Court's Office, and shall have the same priority and be collected in the same manner as the lien for special assessments in Article 10 of Chapter 160A of the General Statutes.

Section 4. Upon completion of the required removal or demolition, the code enforcement officer shall determine whether any of the materials have resale value and shall make a reasonable effort to sell the same if so. If any materials are sold, the code enforcement officer shall credit the process

ORDINANCE #20260824-5.A2

against the cost of removal or demolition, and this shall be noted as such in the recorded lien. If a surplus remains after sale of the materials and satisfaction of the cost of removal or demolition, the code enforcement officer shall deposit the surplus in the Superior Court, where it shall be secured and disbursed in the manner provided by Article 12 of Chapter 160D of the General Statutes.

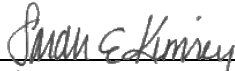
Section 5. It shall be unlawful for any person to remove or cause to be removed the placard referenced herein and affixed to the structure. It shall likewise be unlawful for any person to occupy or to permit the occupancy of any structure building therein declared to be unfit for human habitation.

Section 6. This ordinance shall become effective upon adoption.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 24th day of August in the year 2026.

Ayes: 4
Noes: 0
Absent or excused: 1





Sarah E. Kimrey, Town Clerk

Note: This ordinance must be recorded in the office of the Register of Deeds in the county where the property is located and must be indexed in the name of the property owner in the grantor.