



# Minutes

## Board of Commissioners Work Session

7 p.m. March 23, 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 and Community Services Director Matt Efird, Stormwater Program Coordinator Heather Fisher, Engineering Services Manager Bryant Green, Stormwater and Environmental Services Manager Terry Hackett, Stormwater Technician Claire Hansen, Town Attorney Bob Hornik, Town Clerk and Human Resources Technician Sarah Kimrey, Communications Specialist JC Leser-McMinn, Town Manager Eric Peterson and Chief of Police Jason Winn

### 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 Matt Hughes moved to approve the agenda as presented. Commissioner Kathleen Ferguson seconded.

**Vote:** 4-0.

### 3. Appointments

- A. Planning Board – Appointment of Megan Kimball as a town representative for a partial term ending June 30, 2027

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

**Vote:** 4-0.

### 4. Items for decision – consent agenda

- A. Miscellaneous budget amendments and transfers
- B. Proclamation Recognizing April 2026 as Native Plant Month
- C. Proclamation Recognizing April 2026 as Sexual Assault Awareness Month
- D. Proclamation Recognizing March 2026 as American Red Cross Month
- E. Special Event Permit – 2026 Last Fridays and Art Walk Series
- F. Tourism Board and Tourism Development Authority Fiscal Year 2026 Budget Amendments
- G. Authorize a plat signature and accept a donation of land from 2340 Turner End Dr.

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

**Vote:** 4-0. Nays: 0.

### 5. In-depth discussion and topics

A. Special Event Permit – Wooden Nickel Pub’s Zwanze Day

Planning and Economic Development Manager Shannan Campbell presented a special event permit request from the Wooden Nickel Pub for “Zwanze Day,” a rare beer event involving 28 U.S. bars participating in a global simultaneous toast. The proposal includes temporarily closing a portion of the public parking lot behind the pub. During the presentation, concerns were raised about potential traffic impacts on Churton Street, police and EMS access, and the overall effect on downtown activity.

Commissioners discussed traffic management, emergency access, and the precedent such an event might set. They emphasized the need for careful logistical planning, adherence to sound regulations, and coordination with nearby businesses to minimize disruptions and support downtown vitality.

Staff recommend approval with the following conditions:

- Event organizers obtain written approval from all parking-lot property owners.
- Event organizers obtain an ABC permit premises extension for the event area.
- Event organizers obtain an event insurance certificate.
- Event organizers notify all businesses adjacent to the parking lot of the closure date and time(s).

The board added the following conditions:

- Event organizers work with local hotel and motel providers to create a package and encourage overnight stays in town.
- Event organizers explore options for providing off-site parking and shuttle service to the event site.
- Staff work with the event organizer to identify nearby private parking lots where they may request property-owner permission for event parking.
- Staff share amplified-music regulations with the event organizer due to nearby residential properties.

Motion: Commissioner Meaghun Darab moved to approve the special event permit with staff-recommended conditions and those discussed during the meeting. Ferguson seconded.

Vote: 4-0.

B. Annexation interest letter for 211 and 214 Rencher Street (voluntary, non-contiguous request)

The planning and economic development manager presented a voluntary annexation request for properties at the end of Rencher Street. The applicant seeks to establish a small subdivision necessitating water and sewer services through annexation.

Applicant representative Chris Rurkowski outlined a plan for creating up to 12 lots for workforce housing priced between \$300,000-\$400,000. The property is zoned R-10 and lies within the urban service boundary.

Staff had concerns about the annexation's non-contiguous nature since it would remain non-contiguous for a long time and consume limited satellite annexation capacity. Other issues included shared road maintenance responsibilities between the North Carolina Department of Transportation and the town, and the costs related to providing municipal services to an isolated area.

Commissioners opposed annexation due to its non-contiguous location and service delivery issues but were open to considering water and sewer extensions only. Commissioner Ferguson expressed concerns about the proposed home prices potentially driving up property values and favored smaller, affordable housing.

Engineering Services Manager Bryant Green clarified that the town could provide water and sewer services without annexation, yet residents would incur out-of-town rates and lack other municipal services.

Motion: Hughes moved to decline the annexation request and directed the applicant to pursue water and sewer extension without annexation. English seconded.

Vote: 3-1. Nay: Ferguson.

C. Stormwater Program Update

Stormwater and Environmental Services Manager Terry Hackett celebrated the 20th anniversary of the stormwater program, noting its growth from an \$85,000 annual contract to a \$1.1 million budget with three full-time staff. He shared key achievements such as educating over 4,600 adults and 11,000 students, planting nearly 6,500 plants, removing 139 tons of trash and debris, completing 21 watershed projects, and managing 165 stormwater control measures.

Stormwater Program Coordinator Heather Fisher discussed the Odie Street stream stabilization project, turning a degraded ditch into a stream, and mentioned future projects like potential Eno River dam removal and watershed restoration planning.

Stormwater Technician Claire Hansen addressed illicit discharges, highlighting recent incidents at Circle K and a car wash that caused green-colored water in the town cemetery.

Commissioners praised the program's significant environmental impact over two decades.

D. Settlement agreement for KEPSC Hillsborough LLC v. Town of Hillsborough

Town Attorney Bob Hornik presented the settlement agreement that has been under discussion for several months. He explained that approval would release both parties from all claims and avoid potential seven-figure damages and six-figure legal costs.

The Planning Board recommended approval of the associated rezoning and development agreement at their recent meeting. Following board approval, the settlement would go to court for a judge's order before returning to the board for final consideration of the development agreement.

Motion: Darab moved to adopt the resolution to approve the settlement agreement. Hughes seconded.

Vote: 4-0.

6. **Committee updates and reports**

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

7. **Adjournment**

Motion: Hughes moved to adjourn at 9:08 p.m. Ferguson seconded.

Vote: 4-0.

Respectfully submitted,

Sarah Kimrey  
Town Clerk  
Staff support to the Board of Commissioners

# Budget Adjustment Report

## Adjustment Detail

For Date Range: 03/23/2026 - 03/23/2026

Town of Hillsborough, NC

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments Amount	Current Budget
<b>Budget Code: 2025-2026 - Budget 2025-2026 Fiscal: 2025-2026</b>						
<b>Fund: 10 - GENERAL</b>						
<b>Department: 3900 - FUND BALANCE APPROPRIATION</b>						
<a href="#">10-00-3900-3900000</a>	FUND BALANCE APPROPRIATION			-207,819.00	-15,000.00	-222,819.00
BA0000330	Cover legal fees for Governing Body	GLPKT02950	03/23/2026		-15,000.00	
<b>Department 3900 Total:</b>				<b>-207,819.00</b>	<b>-15,000.00</b>	<b>-222,819.00</b>
<b>Department: 4100 - GOVERNING BODY</b>						
<a href="#">10-10-4100-5300041</a>	ATTORNEY FEES			90,000.00	15,000.00	105,000.00
BA0000330	Cover legal fees for Governing Body	GLPKT02950	03/23/2026		15,000.00	
<b>Department 4100 Total:</b>				<b>90,000.00</b>	<b>15,000.00</b>	<b>105,000.00</b>
<b>Department: 5000 - FACILITY MANAGEMENT</b>						
<a href="#">10-10-5000-5300130</a>	UTILITIES			31,680.00	-800.00	30,880.00
BA0000341	Cover Facilities Mgmt Copier Lease	GLPKT03086	03/23/2026		-800.00	
<a href="#">10-10-5000-5300447</a>	CS - COPIER			11,000.00	2,800.00	13,800.00
BA0000341	Cover Facilities Mgmt Copier Lease	GLPKT03086	03/23/2026		2,800.00	
<a href="#">10-10-5000-5300570</a>	MISCELLANEOUS			2,000.00	-2,000.00	0.00
BA0000341	Cover Facilities Mgmt Copier Lease	GLPKT03086	03/23/2026		-2,000.00	
<b>Department 5000 Total:</b>				<b>44,680.00</b>	<b>0.00</b>	<b>44,680.00</b>
<b>Department: 5400 - ENGINEERING SERVICES</b>						
<a href="#">10-30-5400-5300330</a>	SUPPLIES - DEPARTMENTAL			300.00	500.00	800.00
BA0000339	Cover department supplies through year-end	GLPKT03041	03/23/2026		500.00	
<a href="#">10-30-5400-5300570</a>	MISCELLANEOUS			500.00	-500.00	0.00
BA0000339	Cover department supplies through year-end	GLPKT03041	03/23/2026		-500.00	
<b>Department 5400 Total:</b>				<b>800.00</b>	<b>0.00</b>	<b>800.00</b>
<b>Department: 6300 - PUBLIC SPACE</b>						
<a href="#">10-10-6300-5300154</a>	MAINT - GROUNDS			253,556.00	4,000.00	257,556.00
BA0000331	Cover grounds maintenance costs	GLPKT03000	03/23/2026		4,000.00	
<a href="#">10-10-6300-5300330</a>	SUPPLIES - DEPARTMENTAL			44,000.00	-4,000.00	40,000.00
BA0000331	Cover grounds maintenance costs	GLPKT03000	03/23/2026		-4,000.00	
<b>Department 6300 Total:</b>				<b>297,556.00</b>	<b>0.00</b>	<b>297,556.00</b>
<b>Department: 6600 - SAFETY &amp; RISK MANAGEMENT</b>						
<a href="#">10-10-6600-5300330</a>	SUPPLIES - DEPARTMENTAL			11,000.00	-2,000.00	9,000.00
BA0000332	Cover FastMed vendor services through year...	GLPKT03018	03/23/2026		-2,000.00	
<a href="#">10-10-6600-5300570</a>	MISCELLANEOUS			1,500.00	2,000.00	3,500.00
BA0000332	Cover FastMed vendor services through year...	GLPKT03018	03/23/2026		2,000.00	
<b>Department 6600 Total:</b>				<b>12,500.00</b>	<b>0.00</b>	<b>12,500.00</b>
<b>Fund 10 Total:</b>				<b>237,717.00</b>	<b>0.00</b>	<b>237,717.00</b>
<b>Fund: 30 - WATER/SEWER</b>						
<b>Department: 8140 - WATER DISTRIBUTION</b>						
<a href="#">30-80-8140-5300165</a>	MAINT - INFRASTRUCTURE			190,000.00	-18,000.00	172,000.00
BA0000338	Move meters to road ROW and close galvani...	GLPKT03024	03/23/2026		-18,000.00	
<a href="#">30-80-8140-5300505</a>	CS - PLUMBING			45,000.00	43,000.00	88,000.00
BA0000329	Cover on-call plumbing service: Water Distri...	GLPKT02948	03/23/2026		25,000.00	
BA0000338	Move meters to road ROW and close galvani...	GLPKT03024	03/23/2026		18,000.00	
<a href="#">30-80-8140-5300530</a>	DUES & SUBSCRIPTIONS			3,000.00	-50.00	2,950.00

**Budget Adjustment Report**

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments	Current Budget
Adjustment Number	Adjustment Description				Amount	
BA0000340	Cover dues and subscriptions for WW Collect...	GLPKT03060	03/23/2026		-50.00	
<b>Department 8140 Total:</b>				<b>238,000.00</b>	<b>24,950.00</b>	<b>262,950.00</b>
<b>Department: 8200 - WASTEWATER COLLECTION</b>						
<a href="#">30-80-8200-5300505</a>	CS - PLUMBING			45,000.00	-25,000.00	20,000.00
BA0000329	Cover on-call plumbing service: Water Distri...	GLPKT02948	03/23/2026		-25,000.00	
<a href="#">30-80-8200-5300530</a>	DUES & SUBSCRIPTIONS			2,500.00	50.00	2,550.00
BA0000340	Cover dues and subscriptions for WW Collect...	GLPKT03060	03/23/2026		50.00	
<b>Department 8200 Total:</b>				<b>47,500.00</b>	<b>-24,950.00</b>	<b>22,550.00</b>
<b>Fund 30 Total:</b>				<b>285,500.00</b>	<b>0.00</b>	<b>285,500.00</b>
<b>Budget Code 2025-2026 Total:</b>				<b>523,217.00</b>	<b>0.00</b>	<b>523,217.00</b>

APPROVED: 4/0

DATE: 3/23/26

VERIFIED: \_\_\_\_\_

*Shan E. Kinney*

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**Budget Adjustment Report**

**Description**

**Fund Summary**

Description	Fund	Original Budget	Budget Adjustments	Current Budget
<b>Budget Code: 2025-2026 - Budget 2025-2026 Fiscal: 2025-2026</b>				
	10	237,717.00	0.00	237,717.00
	30	285,500.00	0.00	285,500.00
<b>Budget Code 2025-2026 Total:</b>		<b>523,217.00</b>	<b>0.00</b>	<b>523,217.00</b>

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## PROCLAMATION Native Plant Month April 2026

**WHEREAS**, native plants are indigenous species that have evolved and occur naturally in a particular region, ecosystem, and habitat; and

**WHEREAS**, native plants are vital for maintaining and restoring the healthy ecosystem needed to sustain our environment, including seed dispersal; pollination of crops and natural vegetation; prevention of flooding, drought, and erosion; regulation of disease-carrying organisms; and moderation of weather extremes; and

**WHEREAS**, North Carolina is home to more than 3,900 native plant species, including trees, shrubs, vines, grasses, and wildflowers, making it one of the most diverse states for native plants in the Southeast; and

**WHEREAS**, native plants provide shelter as well as nectar, pollen, and seeds that serve as food for native butterflies, insects, birds, amphibians and other wildlife in ways that non-native plants cannot; and

**WHEREAS**, 969 of the native plant species in North Carolina have been designated as significantly rare and/or in decline and may be in danger of extinction; and

**WHEREAS**, 94 of those 969 imperiled plants have been found in Orange County;

**NOW, THEREFORE**, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim April 2026 as Native Plant Month to recognize the many benefits of native plants to the environment and economy of 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 23<sup>rd</sup> day of March in the year 2026.



*Mark Bell*

Mark Bell, Mayor  
Town of Hillsborough



## PROCLAMATION

### Recognizing April 2026 as Sexual Assault Awareness Month

**WHEREAS**, the nonprofit Orange County Rape Crisis Center provides support to survivors of sexual violence, their loved ones, and community professionals and has served Hillsborough, Chapel Hill, Carrboro, and surrounding areas since 1974; and

**WHEREAS**, the Hillsborough Police Department partners with the Orange County Rape Crisis Center as a resource for residents who have fallen victim to rape or sexual assault; and

**WHEREAS**, the Orange County Rape Crisis Center works with the county's two school systems and other groups to provide students with age-appropriate information about violence prevention, reaching over 10,000 youth and adults each year; and

**WHEREAS**, the Orange County Domestic Violence and Sexual Assault Response Committee is bringing together members of law enforcement, the medical community, the legal system and other community advocates to improve services for survivors of sexual assault who come forward; and

**WHEREAS**, one in five American women have been sexually assaulted at some point in their lives; and

**WHEREAS**, rape is the costliest crime to its survivors in the United States, totaling over \$3 trillion in lifetime costs considering factors such as medical cost, lost earnings, pain, suffering and lost quality of life; and

**WHEREAS**, 81% of women and 24% of men in the United States have experienced some form of sexual or physical violence committed by an intimate partner; and

**WHEREAS**, trans and gender non-conforming people, people with disabilities and children face the highest rates of sexual violence in our country; and

**WHEREAS**, victim-blaming continues to be an enormous problem in instances of rape and sexual assault; and

**WHEREAS**, the Orange County Rape Crisis Center is working to stop sexual violence and its impact through support, education and advocacy;

**NOW, THEREFORE**, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim April 2026 as Sexual Assault Awareness Month in the Town of Hillsborough and encourage all residents to speak out against sexual violence and to support their local community's efforts to prevent and respond to these appalling crimes.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 23<sup>rd</sup> day of March in the year 2026.

*Mark Bell*

Mark Bell, Mayor

Town of Hillsborough



## PROCLAMATION

### American Red Cross Month 2026

**WHEREAS**, in March, we celebrate American Red Cross Month by honoring our neighbors who make its humanitarian mission possible in Hillsborough, North Carolina. Every day, their acts of kindness change lives, bringing relief, comfort and hope when help can't wait. This compassionate spirit runs deep in our community, just as it has for 145 years through the American Red Cross; and

**WHEREAS**, today, those who serve with the emergency disaster response for local fires and hurricanes, blood donor services, and safety training light the way during emergencies — whether it's delivering shelter, food and comfort after disasters; providing a safe, lifesaving blood supply for patients facing conditions like cancer treatments, childbirth complications and traumatic injuries; assisting military members, veterans and their families with 24/7 global support; or empowering individuals with skills like first aid and CPR that save lives; and

**WHEREAS**, these collective efforts are a powerful reminder that the strength of our community lies in our shared commitment to one another. Here in Orange County this past year the Red Cross collected 3,765 units of blood and blood products at 129 blood drives; trained 1,761 individuals in First Aid, CPR & AED; assisted 46 military members, veterans and their families; installed 56 smoke alarms making nearly 30 homes safer; assisted 23 people after home fires; and provided shelter, food and support after Tropical Storm Chantal flooded nearby areas in Chapel Hill and Carrboro. As we mark Red Cross Month, let's celebrate our local heroes and resolve to continue lifting each other up, so no one faces an emergency alone;

**NOW, THEREFORE**, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim March 2026 as American Red Cross Month in the Town of Hillsborough and I encourage all residents to reach out and support its humanitarian mission.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 23rd day of March in the year 2026.



*Mark Bell*

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Mark Bell, Mayor  
Town of Hillsborough



**Budget Adjustment Register**

**Packet: GLPKT03019 - Auto Process - GL Budget Adjustment**

**Budget Code Summary**

Budget	Budget Description	Account	Account Description	Before	Adjustment	After
2025-2026	Budget 2025-2026	<a href="#">74-00-3900-3900000</a>	FUND BALANCE APPROPRIATION	-100,779.00	-12,500.00	-113,279.00
		<a href="#">74-51-6250-5300731</a>	SPECIAL PROJ/PARTNERSHIPS	6,000.00	12,500.00	18,500.00
			<b>2025-2026 Total:</b>	<b>-94,779.00</b>	<b>0.00</b>	<b>-94,779.00</b>
			<b>Grand Total:</b>	<b>-94,779.00</b>	<b>0.00</b>	<b>-94,779.00</b>

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**Budget Adjustment Register**

**Fund Summary**

Fund	Before	Adjustment	After
Budget Code:2025-2026 - Budget 2025-2026 Fiscal: 2025-2026			
74	-94,779.00	0.00	-94,779.00
<b>Budget Code 2025-2026 Total:</b>	<b>-94,779.00</b>	<b>0.00</b>	<b>-94,779.00</b>
<b>Grand Total:</b>	<b>-94,779.00</b>	<b>0.00</b>	<b>-94,779.00</b>

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## RESOLUTION

### Approving a Settlement Agreement and Consent Order For Resolution of Pending Litigation

**WHEREAS**, the Town of Hillsborough was named as a Defendant in the litigation styled KEPSC Hillsborough, LLC, Plaintiff, v. Town of Hillsborough, Defendant, Orange County Superior Court, Case No. 24CV003340-670, which made certain allegations concerning the Plaintiff's planned development of property on statutory and constitutional grounds, and the town has denied any wrongdoing or liability; and

**WHEREAS**, the parties have reached an agreement to settle the litigation after a court-mandated mediated settlement conference; and

**WHEREAS**, the proposed development has been made the subject of a rezoning application and proposed development agreement that were presented to the Hillsborough Board of Commissioners and the Hillsborough Planning Board at a joint public hearing of those bodies on February 18, 2026, where public comment was received; and

**WHEREAS**, the Hillsborough Board of Commissioners wishes to enter into the Settlement Agreement attached to this Resolution as Exhibit A and to request that an Orange County Superior Court Judge enter the Consent Order attached to this Resolution as Exhibit B, with the intention of fully and finally resolving the litigation;

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

1. The Settlement Agreement attached to this Resolution as Exhibit A is approved and the Assistant Town Manager is hereby authorized and directed to execute the Settlement Agreement on behalf of the Town of Hillsborough.
2. The Consent Order attached to this Resolution as Exhibit B is approved and counsel for the Town of Hillsborough is authorized and directed to present the Consent Order to a judge of the Orange County Superior Court for consideration.
3. Upon execution of the Settlement Agreement and entry of the Consent Order, the Town of Hillsborough Board of Commissioners shall undertake all necessary steps to carry out the duties agreed to in the Settlement Agreement and required by the Court in the Consent Order.

Approved this 23rd day of March of the year 2026.



*Mark Bell*

Mark Bell, Mayor  
Town of Hillsborough

Attestation:

*Sarah E. Kimrey*

Sarah Kimrey, Town Clerk