



Minutes

Board of Commissioners Budget Retreat

9 a.m. Jan. 28, 2023

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

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

Staff: 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 Supervisor Bryant Green, Stormwater and Environmental Services Manager Terry Hackett, Police Chief Duane Hampton, Assistant Town Manager and Community Services Director Margaret Hauth, Town Manager Eric Peterson, Utilities Director Marie Strandwitz, Public Space and Sustainability Manager Stephanie Trueblood and Communications Manager Catherine Wright

1. Opening of the budget retreat

Mayor Jenn Weaver called the meeting to order at 9:01 a.m.

2. Agenda changes and approval

The mayor returned to this item after Item 3A. There were no changes.

3. In-depth discussion and topics

A. Financial Overview

Town Manager Eric Peterson presented the overview. He provided a look at the budget and financial plan to-do list for fiscal years 2024-26, including continuing to look at employee compensation and how the town compares with other jurisdictions. He noted that compensation will be a high priority item for Orange Rural Fire Department, which will affect the town's contractual allocations to the agency's budget.

Peterson said Hillsborough has had 40 to 50% growth in the last five years. He said the City of Salisbury also has experienced much growth and learned from leaders in Concord and Kannapolis that the biggest worry connected to growth is debt. He said financial information from Fiscal Year 2022 would be sent to auditors the following week. Return of that audit and the recent completion of the FY2021 audit will provide a clearer picture for decision making in building the upcoming budget. The manager said he thinks the town will end up with some flexibility in decision making because of the care it took in limiting expenditures during the COVID-19 pandemic. He said there is a long to-do list but only so much money. While he believes leaders will be able to say yes to many requests, help will be needed in determining strategic noes.

The manager reminded the board about how much growth would be needed to pay for one full-time employee as well as two sets of debt service retirements that are approaching and the opportunity to determine how funds freed from those completed projects could be budgeted.

B. Strategic Plan Update

Administrative Services Director Jen Della Valle provided the update virtually, presenting different aspects of the plan, which is still in progress, and gathering feedback.

Departmental workload template

Della Valle presented a template for visualizing a department's workload, noting it is intended to give the board context of what departments have on their plates amid discussions of new goals. She said the Administrative Services Department was used in the example and the finalized template would be rolled out to all departments. Della Valle said the plan is to update the workload document throughout the year. She said the Strategic Plan is a three-year plan, but opportunities to update the plan will be given after it is adopted. She walked the board through the document, noting it provides space to list the priorities for each division within a department and the rough percentage of time expected to be spent on priorities and daily work. Additional space is included to list items that are important but that staff members have no capacity to work on. She said the template does not list the daily work in an effort to not clutter the document. She reminded the board of a past exercise to determine core services across the town, noting that document was about eight pages. Board members expressed approval of the template and information contained.

Focus areas of plan

Della Valle noted changes made to the plan's focus areas, including:

- Moving resiliency from the sustainability focus area to the community safety focus area.
- Adding an equity objective to the community safety focus area.
- Adding two initiatives to the economic vitality focus area regarding developing a survey for applicants of select planning processes and regarding translating key business documents and implementing a system for returned documents to be translated for staff.

Planning and Economic Development Manager Shannan Campbell noted desired changes to the economic vitality focus area, including:

- Rewording Objective 1 to make it broader.
- Perhaps adding an initiative on workforce development to aid female and minority-owned businesses.

She said she would send her thoughts to the Administrative Services director. Board members expressed approval for the changes.

Equity objective in community safety focus area

Della Valle reminded the board that a member had wanted to see an equity objective added to community safety. She asked the board to discuss the objective and provided guiding questions.

Commissioner Kathleen Ferguson asked to return to the departmental workload template regarding the listing of performance data as an item under the Administrative Services Department's list of items for which it has no capacity. She said she wanted to ensure performance data is being tracked for the items the town already has said it wants to achieve. Della Valle said the plan is to incorporate data when reviewing the Strategic Plan and Comprehensive Sustainability Plan, which is also still in progress. She said there is additional performance data desired that the department is not able to work on.

Commissioner Robb English asked what the stay interviews are on the list of no capacity items. Della Valle explained that exit interviews are done with departing employees to learn from their experience with the town. Stay interviews are for active employees at various times of the year to determine how they are doing and what keeps them working for the town. She said the interviews help in supporting employees and retention. She also noted that guidance indicates they should not be tied to performance reviews. English noted the importance of employee engagement and stay interviews to help with long-term retention and employee performance and well-being. Della Valle said departments may be doing stay interviews informally but this would be a formal process rolled out by the Human Resources Division. There was discussion among board members and staff about wellness activities the town does, whether supervisors are providing real-time feedback, whether stay questioning is embedded in performance reviews, the types of questions asked

in stay interviews, and whether the questions include professional development. There were suggestions to include 360 evaluations to evaluate the supervisor, department and town in addition to the employee. Commissioner Mark Bell asked whether the board will be asked to review departmental workload documents and their progress and how management will know that the forms are being properly used. The town manager said that there will be check-ins with the board throughout the year and that the templates will make it easy for staff to update and check priorities and to ask the board which priorities should be set aside if there is a desire to add priorities.

Peterson also noted that employees have a series of questions that they respond to each year in their performance evaluations. He said the operations team spent months on changing the mid-year evaluation to provide a check-in on key items but to be lean, practical and flexible. He said the Police Department does quarterly evaluations.

Discussion returned to the equity objective for the Strategic Plan's community safety focus area. Board members confirmed they still want the objective added. Bell noted that embedding equity throughout the organization is listed in the focus area on service excellence. Della Valle said her understanding is the added objective would focus on community safety. Commissioner Matt Hughes said he had suggested the objective because people might want to see what is being done specifically on community safety and equity.

Board members were asked to consider the following guiding questions:

- If you are to imagine a community in which there is equity in community safety, what does that community look like? Can you describe it in a sentence or words?
- When discussing community safety for this objective, what is the scope for the purposes of the Strategic Plan?
- Thinking of the community we envisioned and the scope that is set, what does success look like in three years?

Answers included:

- Ensuring the whole community is meaningfully engaged, with public listening, public meetings, and public feedback received and with purposeful goals, tasks and strategies that can be measured.
- Ensuring every neighborhood feels safe for those living in and passing through; people who live, work and play in town feel comfortable with law enforcement interaction; mobility is safe regardless of available transportation or physical abilities; and race and physical abilities are not factors in safety. Success would be moving in a positive direction in all neighborhoods and moving toward making the town more accessible to everyone.
- Ensuring anyone in town feels Hillsborough is safe, trustworthy and just, with town services looked at through this lens and a success score over 85% initially but ideally 100%.
- Providing high quality services to everyone with a focus on inclusivity and community connectivity in how people move around and get their information, with the bike-pedestrian infrastructure especially important. High service provision includes ensuring that public spaces, parks and greenways meet the needs of everyone, that law enforcement engages with everyone in a consistent, respectful way regardless of background or experience, that policies are enforced consistently throughout town; and that public engagement includes all staff being approachable, people feeling safe to bring the town their concerns and issues, and the town listening and making changes if needed. Success would be making progress in three years.

A 30-minute lunch break was taken.

Sustainability focus area

Public Space and Sustainability Manager Stephanie Trueblood provided an update of the Comprehensive Sustainability Plan that is being worked on and noted the differences between a strategic plan and

comprehensive plan, explaining a comprehensive plan details best practices — what must be done, what should be done and what could be done — and a strategic plan is the “shall do” plan. She said the comprehensive plan is intended to include goals, strategies and actions within the town’s sphere of influence. Trueblood noted the draft implementation matrix for the plan’s climate and sustainability chapter is in the board’s retreat agenda packet and the dark green coloring signifies initiatives that staff think the board will want staff to focus on in the next three years. She said the board’s priorities will be added to the Strategic Plan in the sustainability focus area. That plan will be updated with check-ins throughout the year and the board can then determine other priorities to implement from the comprehensive plan.

Key priorities were discussed, including facility development with sustainability and climate initiatives; right-sizing fleet vehicles and evaluating fleet purchases from financial and energy standpoints; and continuing analysis with regional partners on suitable electric vehicle charging sites and types. Board members expressed approval of the key priorities and noted:

- A desire for staff to consider opportunities for micro-transit at facilities, such as cargo e-bikes.
- A need to think about the infrastructure that would be needed to charge town vehicles at employee homes and whether plug-in hybrid vehicles could be an option.

It was noted that the goal is to be flexible enough to pivot on priorities as needed depending on conditions and opportunities that arise.

C. Capital and Other Major Requests Discussion

Budget and Management Analyst Josh Fernandez led the discussion, asking for the board’s thoughts on the list of capital and other key requests. Two board members noted difficulty in prioritizing without information on plans for revenue bonds or the timing for debt service to end on other projects.

Della Valle noted the process is still in its early stages. The list is everything requested by departments, but staff do not currently have projections related to revenue, know the funding options to develop the financial plan or how to bundle items together. The administrative services director said budget staff would return to the board with a recommended plan. At this stage, staff members are seeking guidance on whether anything is missing from the list and seeking any specific questions board members have on the requests or any data they would like to see for a particular project.

Ferguson noted the Fairview community has a large number of requests. Staff noted that the Public Space and Sustainability Division is already working on a number of those requests, such as the addition of a bus stop, and that the requests are not capital requests. It was noted that the provision of funding for improvements to the community center in Fairview had been delayed until completion of the FY2021 audit.

Board members noted a desire to have the skate park built earlier than FY2025 if possible. There was discussion on funding options and whether to seek contributions, such as from the county, for the skate park. The manager noted contributions would be welcome if other entities desire but using staff time to seek contributions for a project of the park’s scale would delay the project.

The planning and economic development manager asked whether the board still wanted to allocate the same amount of funding to affordable housing as to sustainability efforts. Board members affirmed that desire. It was clarified that funding would be incrementally increased until the equivalent of 2 cents of property tax revenue is appropriated annually to cover existing and additional affordable housing items.

Stormwater fee increase request

Stormwater and Environmental Services Manager Terry Hackett said his division is proposing raising stormwater fees to primarily raise funds for a new position. He said the Public Works Division is responsible for maintaining the stormwater system and an increased stormwater allocation is needed to allow additional

people to be hired and equipment to be purchased for future needs. An additional employee is needed in the Stormwater and Environmental Divisions due to the number of stormwater devices throughout town, which is expected to reach 150, and the need to be on site for stormwater construction projects.

English noted a desire for increased educational opportunities and information to the public on where stormwater funds go.

D. Restarting Intern and Fellowship Program Discussion

The town manager noted staff wanted to check in with the board on restarting the program. Board members confirmed approval.

3. Adjournment

The budget retreat adjourned at 1:03 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Sarah Kimrey". The signature is written in a cursive, flowing style.

Sarah Kimrey

Town Clerk

Staff support to the Board of Commissioners