



June 7, 2011

## MINUTES

The Holly Springs Town Council met in regular session on Tuesday, June 7, 2011 in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street. Mayor Sears presided, calling the meeting to order at 7 p.m. A quorum was established as the mayor and four council members were present as the meeting opened.

**Council Members Present:** Mayor Sears, Councilmen Jimmy Cobb, Parrish Womble and Chet VanFossen and Councilwoman Linda Hunt-Williams.

**Council Members Absent:** Councilman Tim Sack.

**Staff Members Present:** Carl Dean, town manager; Chuck Simmons, assistant town manager; John Schifano, town attorney; Joni Powell, town clerk (recording the minutes); Jeff Wilson, IT director; Mark Andrews, public information officer; Stephanie Sudano, director of engineering; Elizabeth Goodson, development review engineer; John Herring, police chief; Gina Clapp, director of planning and zoning; Daniel Weeks, project analyst; Cecil Parker, fire chief; Jenny Mizelle, economic development director; and Drew Holland, finance director.

**2 and 3.** The Pledge of Allegiance was recited, and the meeting opened with an invocation by Rev. Lewis Gentry.

**4. Agenda Adjustment:** The June 7, 2011 meeting agenda was adopted with changes, if any, as listed below.

**Motion By:** VanFossen

**Second By:** Womble

**Vote:** Unanimous

**Items added to Agenda:** None.

**Items removed from Consent Agenda:** None.

**Items removed from the agenda:** None.

**Other changes:** None.

**5. Public Comment:** At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council on any variety of topics not listed on the night's agenda. The following input was recorded: None.

**6a. Public Hearing: FY 2011-12 Operating Budget** – Mr. Dean said the Council will receive public comment on the budget proposal, which has been available for public inspection in the Clerk's office and online since early May. Action on the proposed budget ordinance and a proposed ordinance setting the water and sewer rates for FY 2011-12 will follow during a special meeting that has been set for 6 p.m. Tuesday, June 28 in the Council Chambers of Town Hall.

Mr. Dean then outlined the budget proposal. He explained that it is based on a 98% collection of a 41.5-cent tax rate applied to a total town value of \$3,202,889,457. The General Fund is balanced at \$23,552,000, and the Utility Fund is balanced at \$10,275,000.

The following bullet points are highlights of the budget.

- Proposed budget is based on 98% collection rate
- Approximate tax base of \$3,202,889,457
- No Tax Rate Increase = \$0.415 per \$100 valuation
- One new position in GF – Facilities Maintenance Tech
- No new positions in UF, upgrade of existing position to a higher certificate level and will handle reclaimed system and FOG program
- \$30,000 in non-profit contributions
- \$10,000 in discretionary funds for potential Chamber projects
- \$30,000 for civic organization sign
- Temporary lease for police substation
- Development fees will remain the same for next budget year
- No COLA, merit/performance pay funded at 2%
- 5% 401k contribution and longevity benefits
- State mandated 0.53% increase in retirement
- Health insurance rates budgeted with 11% increase (switch from BCBS to United Healthcare)

With the manager's explanation completed, Mayor Sears opened the public hearing to accept comment. The following comments were recorded: None.

There being no comments, the public hearing was closed.

**Action:** The Council approved a motion to set a special meeting date of 6 p.m. Tuesday, June 28, 2011 for the purpose of adopting the FY 2011-12 budget.

**Motion By:** VanFoseen

**Second By:** Cobb

**Vote:** Unanimous

**7. Consent Agenda:** The Council approved a motion to approve all items on the Consent Agenda. The motion carried following a motion by Councilman VanFossen, a second by Councilman Womble and a unanimous vote. The following actions were affected:

7a. Minutes – The Council approved minutes of the Council's regular meeting held April 19, 2011.

7b. Contract Report – The Council received a report of contracts approved by the town manager.

7c. Budget Amendment, \$200,00 – The Council adopted an amendment to the CDBG project fund in the amount of \$200,000 to receive grant revenues and establish a scattered sites project budget. *A copy of the budget amendment is incorporated into these minutes as an addendum page.*

7d. New Hill Place Plan Amendment - The Council amended the approval for master plan 08-MAS-01 for New Hill Place by applying an additional condition to address concerns of state and federal environmental agencies.

**8a. Twelve Oaks Development Agreement** – Mr. Schifano said the 12 Oaks development agreement originally was entered into in June 2004. At that time, a lock on fees was negotiated by that developer where the builders or developers would pay sewer and water fees at the rate as it existed in 2004, which is substantially less than the current rate.

He said the development did not build-out at the rate that was expected in 2004 and the current developer did not realize the full extent of their bargained-for fee lock. They are requesting an extension of the fee lock under a full re-write of the developer agreement.

While a new development agreement is being prepared, the developer has requested a short extension of the fee lock, for 90 days.

Councilwoman Williams asked if this request was unusual.

Mr. Schifano said the agreement to lock fees is unusual in and of itself. He said it was to great benefit of the development.

**Action:** The Council approved a motion to approve the developer's request for a 90-day extension of a fee lock on rates as set forth in the 2004 development agreement for Twelve Oaks.

**Motion By:** Womble

**Second By:** Cobb

**Vote:** Unanimous

**8b.2010-11 Street Improvement Project Amendment** - Ms. Sudano said at the Council's May 17 meeting, Council approved change order 1 which consisted of adding funds to the project budget to cover three small changes plus the paving of the Wastewater Treatment Plant Road.

The day after the Town Council meeting, the contractor removed pavement from Cliffdale Road -- one of the streets scheduled to be resurfaced -- and discovered a severe deterioration of subgrade condition.

Ms. Sudano said that staff retained the services of a geotechnical engineer for a recommendation of repair for this roadway. The repairs needed are significant and will necessitate using a large portion of the funds that were added to the project for the wastewater treatment plant road paving.

She said "Change Order #1 Revised" is offered for approval in place of the originally approved change order -for the purpose of repairing Cliffdale Road properly.

Change Order 1 Revised now consists of:

- The three WCD's previously funded at the May 17 Council meeting in the amount of \$11,464.99;
- Cliffdale Road repairs in the amount of \$27,502.50;

for a total project increase of \$38,967.49. Funds sufficient to cover this were already approved at the May 17, 2011 meeting.

Ms. Sudano said that the paving of Treatment Plant Road will not be included in the resurfacing project this year.

**Action:** The Council approved a motion to approve Change Order Revised #1 in the 2010-11 Street Improvement project.

**Motion By:** Womble

**Second By:** Cobb

**Vote:** Unanimous

At this time, Councilman Cobb made a motion to recuse Councilman Womble from the meeting for the duration of this agenda item because he is a subject property owner along the sidewalk corridor. Councilman VanFossen seconded the motion. The vote was unanimous.

**8c. Grigsby Avenue Sidewalk Project** - Mr. Schifano said the Town has received an NCDOT grant to construct a sidewalk from Raleigh Street to Stinson along Grigsby Avenue. In order to comply with the grant conditions, the Town must certify that we have acquired easements for a sidewalk along this road.

He said Resolution 11-16 is needed for the Town to exercise eminent domain in the event that voluntary acquisition is not possible or the landowners cannot be reached. It is important for the Council to know that the landowners listed in Exhibit A of the resolution have not at this time refused to grant easements to the Town; however, to meet the NCDOT deadline for easement certification by Sept. 1, the Council should exercise the eminent domain authority of the Town now or risk forfeiting NCDOT funds.

Mr. Schifano noted that the Town cannot enter into voluntary land negotiations with a sitting town council member and therefore a condemnation resolution is necessary for Mr. Womble's parcel.

**Action:** The Council approved a motion to adopt Resolution 11-16, a resolution authorizing the eminent domain process as and if needed to obtain easement for the Grigsby Avenue sidewalk project.

**Motion By:** VanFossen

**Second By:** Cobb

**Vote:** Unanimous

*A copy of the Resolution 11-16 is incorporated into these minutes as addenda pages.*

Councilman VanFossen made a motion to readmit Councilman Womble into the meeting, and it was seconded by Councilman Cobb. The vote was unanimous.

**8d. Wright-Stafford Tract** - Mr. Schifano said the Town Council previously authorized the town attorney to enter into negotiations with the landowner of an approximately 17.5-acre tract in the downtown area owned by Wright-Stafford, LLC. This undeveloped tract is centrally located in Town and surrounds a historic home, the Leslie-Alford-Mims House (which is displayed on the town seal,) a historic cemetery and springs (although it is not confirmed that these are the springs for which the town is named.)

He said the landowner is willing to do a combination of sale and donation of the property. They have supplied a recent (December 2010) appraisal valuing the land at \$1.3 million. The contract states that the Town would give \$550,000 in cash and accept a donation of \$750,000 from the landowner.

Councilman Womble asked how the Town would pay for the land. Mr. Schifano said the town manager is planning installment financing at low interest for the purchase.

Councilman Womble asked how much of the property was usable. Mr. Schifano said staff feels certain that there is an amount of the land that is buildable because there was a development plan approved for townhomes. An exact idea of how the property could be used would be subject to a survey that would be performed by the town.

Councilman Womble said the Town needed the land.

**Action:** The Council approved a motion to approve a purchase contract for the 17.5-acre Wright-Stafford tract for \$550,000 in cash with a donation of the balance of land valued at \$750,000.

**Motion By:** Williams

**Second By:** Cobb

**Vote:** Unanimous

**9. Other Business:** Councilman Womble said he was proud of the baseball team and was pleased about the police and fire escort leading the team back into town.

Councilwoman Williams said she was interested in learning more about how the Town might be able to help the Trotter Bluff subdivision, following emails from a resident reporting that the subdivision sign was damaged during the April 16 tornado.

**10. Manager's Report:** None.

**11. Closed Session:** The Council approved a motion to enter into Closed Session, pursuant to NCGS 143-318.11(a)(3), to discuss economic development incentives.

**Motion By:** Williams

**Second By:** Cobb

**Vote:** Unanimous.

**General Account Closed Session – June 7, 2011**

In Closed Session, the Council discussed with the Town Attorney and gave direction to staff regarding incentives it might be willing to provide in exchange for the taxbase and jobs offered by a company locating or expanding in Holly Springs.

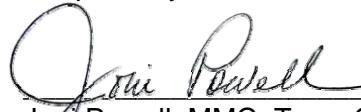
-- ***End of the General Account***

No further action was taken in Closed Session other than the motion to return to Open Session.

Councilman VanFossen made a motion to return to Open Session, and it was seconded by Councilman Cobb. The vote was unanimous in favor of the motion.

**12. Adjournment:** There being no further business for the evening, the June 7, 2011 meeting of the Holly Springs Town Council was adjourned following a motion by Councilman Cobb, a second by Councilman VanFossen and a unanimous vote.

Respectfully Submitted on Tuesday, Aug. 2, 2011.

  
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Joni Powell, MMC, Town Clerk

Adendum pages as referenced in these minutes follow and are a part of the official record.

