



May 1, 2018

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, May 1, 2018 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 five council members were present as the meeting opened.

Council Members Present: Mayor Sears, Councilmen Tom O'Brien, Dan Berry, Peter Villadsen and Councilwomen Christine Kelly and Cheri Lee.

Council Members Absent: None.

Staff Members Present: Daniel Weeks, interim town manager; Kendra Parrish, director of engineering and acting assistant town manager; John Schifano, town attorney; Joni Powell, town clerk, (recording the minutes); Linda Harper, deputy town clerk; Adam Huffman, assistant parks and recreation director; Gina Clapp, director of planning and zoning; Mary Hogan, finance director; Leroy Smith, fire chief; Billy Whitehead, information technology technician; Paul Allen, real estate acquisition agent, Seann Byrd, water quality director; Tamara Ward, communications specialist, and Mark Andrews, public information officer.

2 and 3. The Pledge of Allegiance was recited, and the meeting opened with an invocation by Elder Tony Guilarte of the Church of Jesus Christ of Latter Day Saints.

4. Agenda Adjustment: The May 1, 2018 meeting agenda was adopted with changes, if any, as listed below: Remove item 8g.,upgrades at Sugg Farm, from the agenda for discussion at a later date.

Motion by: O'Brien

Second by: Kelly

Vote: Unanimous

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 comments were recorded:

Jimmy Cobb and Kevin Little of the Kiwanis Club – On behalf of the Kiwanis Club, the speakers accepted a proclamation recognizing the annual Kids Appreciation Day celebration at Sugg Farm May 5. They then introduced several children who will be recognized at the event as Terrific Kids and teachers who will be recognized as Terrific Teachers.

Diana Gregory of Moms Demand Action of Southwest Wake County – Ms. Gregory addressed the Council to ask its support of Wear Orange Day to raise awareness of gun violence.

Christine Quante of the Holly Springs Chamber of Commerce – Ms. Quante reported on the Grapes, Grains and Giving event. She said the Chamber raised \$8,000 for the Holly Springs Food Cupboard through the event.

Councilwoman Lee – Councilwoman Lee noted that both she and Councilwoman Kelly were missing important milestones in the children's lives. She said this to point out that we have great kids in Holly Springs. Councilwoman Kelly's daughter was being sworn in as vice

president of the student body at Appalachian State University, and Councilwoman Lee's daughter Lauren was being inducted into the Holly Springs High School National Honor Society.

6a. ACCESS2040 Presentation – Ms. Ramona McGee addressed the Council on details of ACCESS2040, a comprehensive suite of improvements to the existing roadway network in Southeastern Wake County that the Southern Environmental Law Center believes could meet the transportation needs of our region. The ACCESS2040 transportation solution was developed by a transportation engineer as an alternative to NCDOT's proposed Complete 540 toll highway. By upgrading existing roads and implementing other transportation techniques—like updates to specific intersections—the SELC believes ACCESS2040 could ease congestion at a fraction of the cost and environmental disruption that would be caused by the Complete 540 project.

Action: None. Presented for the Council's information.

6b. Utility Development Fees Study Report – Ms. Parrish said the Town recently commissioned a study of utility development fees that is required by a new state law that sets out how water and sewer development fees are calculated for new homes and businesses in Holly Springs.

She said the draft development fee report went online Friday for public review and comment before Town Council action takes place on June 19.

Miss Parrish explained that the new law establishes statewide standards for how cities and counties determine their utility system fees for new development. Local governments charging such fees must conduct a new study at least every five years going forward.

Holly Springs' consultant used a 20-year planning horizon in calculating allowable water and wastewater development fees.

The intent of such fees is to ensure that new development pays a proportional cost of the water and sewer facilities that serve them.

Ms. Parrish said citizens have until June 19 to review and comment on the plan. Also, a public hearing will be held June 19 before Council action on the plan, which then will be reflected in the FY 2018-19 Town Budget.

Action: None.

6c. NC3C Video Awards – Ms. Powell said that Holly Springs continued its winning tradition again this year by being among 23 municipalities recognized at the North Carolina City and County Communicators conference in New Bern as winners in the NC3C Excellence in Communications contest.

Tamara Ward earned a first place award for her video to help the Holly Springs Police Department recruit new police officers.

Mark Andrews earned a second place award for his video advance promoting the Finding Patience play produced at the Holly Springs Cultural Center.

Action: None.

7a. Public Hearing: Annexation Ordinance A18-01 – Ms. Clapp said the Town has received a petition for voluntary annexation of approximately 1.095 +/- acres located at 4528 Sunset Lake Road. The property owner is Michele Lacatena, and the property is contiguous with city limits.

She added that the petition meets all the statutory requirements for annexation; however, the application is incomplete. Ms. Clapp asked that the Council table the public hearing until the May 15 meeting.

Action: The Council approved a motion to continue the public hearing and consideration of Annexation Ordinance A18-01 until the May 15, 2018 meeting.

Motion by: Lee

Second by: Berry
Vote: Unanimous

8. Consent Agenda: The Council approved a motion to approve all items on the Consent Agenda. The motion carried following a motion by Councilman O'Brien, a second by Councilman Villadsen and a unanimous vote. The following actions were affected:

8a. Resolution 18-16 - The Council adopted Resolution 18-16 declaring certain personal property surplus to the needs of the town. *A copy of the Resolution 18-16 is attached to these minutes.*

8b. Resolution 18-17 - The Council adopted Resolution 18-17 transferring unspent funds from closed capital project funds to reserve funds and general fund unappropriated fund balance. *A copy of the Resolution 18-17 is attached to these minutes.*

8c. Hunt Recreation Center Holiday Schedule Amendment - The Council approved proposed holiday schedule modification for the Hunt Recreation Center.

8d. Budget Amendment \$50,000 – The Council adopted an amendment to the FY 2017-18 budget in the amount of \$50,000 to cover costs of a trencher, replacement vehicle and contract services for a network as-built audit. *A copy of the budget amendment is attached to these minutes.*

8e. Budget Amendment \$24,000 – The Council adopted an amendment to the FY 2017-18 budget to transfer \$24,000 from 10-425-30.08 to 10-425-30-90-02, to purchase a van for public facilities maintenance.

8f. Carl Dean Greenway Fitness Equipment – The Council approved the purchase of fitness equipment for the Carl Dean Greenway for \$21,841.

8g. Sugg Farm Upgrades – *The Council removed this item from consent agenda during agenda adjustment to be heard at a later date.*

8h. 12 Oaks Phase 9 Reuse Agreement – The Council approved a major user agreement for reuse water in 12 Oaks Phase 9.

8i. Parks and Recreation Athletic Facility Use Guide – The Council approved the Parks and Recreation Athletic Facility Use Guide.

9a. Proposed 2018-19 Budget – Mr. Weeks presented the proposed FY 2018-19 Town budget for the Council's review. He reviewed the budget message providing the Council with the major highlights of the budget proposal.

Mr. Weeks said the General Fund and Utility Funds are balanced based on projected revenues for the coming year and a tax rate that is the same as last year at 43.25 cents per \$100 valuation.

The FY 2018-19 budget message is as follows:

Fiscal Year 2018-2019 Budget Message

Holly Springs continues to be a great place to live as the Town maintains positive growth that enhances the Town's ability to improve services provided to its citizens and to invest in the Town's future through upgrades to the transportation infrastructure, water and sewer treatment, distribution and collections systems, public works, public safety and its parks and recreation facilities.

To ensure that the Town's growth is managed in a sensible, strategic and sustainable way, the management team and staff constantly evaluate development to ensure that there exists a healthy balance of necessary and innovative growth, accompanied by adequate protection of our quality of life and Town character. As Holly Springs continues to develop, a clear vision is maintained with this balance in mind.

This vision should include policies that encourage well-managed growth and enhances the quality of life objectives of the Town. Examples include, but are not limited to economic development that is consistent with our community values, in an effort to create quality local employment opportunities and an additional more diversified tax base; identification of and efforts to secure various partnerships when public interests are served; investment in the Town's future through careful planning, funding and scheduling of capital projects; and innovation in developing the Town's identity and promoting the highest standards for our citizens.

We have identified budgetary priorities in the upcoming fiscal year, in an effort to achieve both the goals of the organization and the service needs of our community residents. While our finances have remained consistently robust over the last year, it is prudent to budget conservatively. We have carefully scrutinized the number of new positions requested; identified areas that we feel can generate an additional revenue stream; and have restricted spending for the remainder of the year as we do every year. This budget has been developed to meet all the various needs of both our organization and our community, but one which I feel will provide us flexibility in the future."

Highlights of FY 2018-2019 budget are as follows:

Revenues – General Fund

- A. Ad Valorem Taxes: Figures are based on a 99% collection rate with an approximate tax base of **\$4,660,300,578** (as provided by the Wake County Tax Department), keeping the tax rate at **\$0.4325** per \$100 valuation.
- B. State Revenues: The state-shared revenues are estimated based primarily on previous years' collections. As you may recall, during the 2015 session of the General Assembly changes were ultimately made to the sales tax distribution formula which impacted the amount received by the Town. Although it does not appear the legislature is proposing more changes to the sales tax allocation formula, the staff will continue to monitor the state's progress on the revenue impact for the Town.
- C. Solid Waste Fees: Monthly garbage collection fees and recycling fees will remain at their current level of \$9.69 for garbage collection and \$4.34 for recycling. The current yard waste fee of \$3.00 will remain at its current level, although service levels are expected to be enhanced, as the purchase of a new leaf vacuum truck is included in the proposed budget.
- D. Fund Balance: We have not appropriated any funds from Fund Balance, for the purpose of balancing the Town operating budget. However, as in years past funding from the previous budget year for previously appropriated capital expenditures that did not take place are being proposed.
- E. Other Source Financing: No new financing is being proposed within the General Fund operating budget.

Revenues – Utility Fund

- A. Water & Sewer Rates: There is no recommendation for increase in access fees. The fees will remain at \$12.50 per month. There is a recommended increase of 3.02% in the actual utility user rates charged to citizens and Holly Springs businesses/industries. These proposed fee increases are recommended to help offset a portion of the expected decrease in development fee revenues, resulting from the currently under-review system

development fee study by Freese & Nichols. Assuming these proposed fee increases are implemented, using the UNC School of Government's Utility Rate Dashboard, our average utility bill will still be lower than our 50-mile and 100-mile averages for water and sewer utility providers. Aside from a small increase last year, which corresponded to a pass-through rate increase by our water provider Harnett County, the Town of Holly Springs has not increased utility user rates since the 2010-2011 approved budget.

- B. Fund Balance: We have not appropriated any funds from Fund Balance.
- C. Other Source Financing: No additional financing is being proposed within the Utility Fund.

Revenues – Stormwater Fund

- A. Stormwater Rates: There is no increase in proposed monthly stormwater fees in the FY 2018-2019 budget.

Expenditures – General Fund

- A. All capital items have been appropriated, and a list has been provided of each department's requests for your review in the Capital Outlay section of this proposed budget.
- B. Seventeen (17) new positions are proposed in the General Fund:
 - a. two (2) Public Works Technicians in the Public Works Streets Division;
 - b. one (1) Budget Analyst in the Finance Department;
 - c. three (3) Fire Engineers and one (1) Assistant Fire Chief in the Fire Department;
 - d. one (1) Assistant Town Attorney in the Town Attorney's Office. This position represents an upgrade from a current part-time position to a full-time position;
 - e. four (4) Sworn Police Officers and two (2) Telecommunicators in the Police Department;
 - f. one (1) Associate Planner in the Planning Department;
 - g. one (1) Lead Park Maintenance Technician in the Parks & Recreation Department;
 - h. one (1) Transportation Engineer in the Engineering Department;
 - i. More detailed information, as it relates to additional positions' pay grades/salaries/benefits can be found in the Salaries & Positions List section of this proposed budget.
- C. This budget includes contributions to nonprofit organizations of \$15,000 to be designated as the Council so desires, a \$10,000 Platinum membership renewal to the Holly Springs Chamber of Commerce and \$20,000 to the Chamber of Commerce for community/governmental programs, totaling \$45,000.
- D. All debt service requirements have been appropriated in this budget to meet our debt obligations. The statement of debt is included for your review.

Expenses – Utility Fund

- A. All capital items have been appropriated and a list of each department's request is provided for your review.
- B. Two (2) new staff positions are requested in the Utilities Fund:
 - a. two (2) Public Works Technicians in the Public Works Collections Division

- b. More detailed information, as it relates to additional positions' pay grades/salaries/benefits can be found in the Salaries & Positions List section of this proposed budget.
- C. All debt service requirements have been obligated in the FY 2018-2019 budget. A statement of debt is included for your review. Over the last ten (10) years, we have been placing funds in reserve to cover the cost of the Harnett County Water Plant Capacity debt, as well as the Water Reclamation Facility expansion debt service to accommodate development.

Expenses – Stormwater Fund

- A. No significant changes are noted in the Stormwater Fund. Primary expenses within this fund are for salaries and contract services.

Other Highlights

The salary requirement for next year includes a market adjustment for full time employees of 2.0%. Funding is provided in each department for merit/performance pay in the amount of 3% of salaries. The salary budget also includes a 5% 401(k) contribution and longevity benefits, as well as a State-mandated Retirement benefit of 7.81% for non-law enforcement personnel and 8.5% for sworn law enforcement officers.

Employee health insurance has been budgeted with an increase of 1.9% in the rates for next year. This is largely due to lower than usual claims and employee education efforts that are initiated by our Human Resources Department.

With the current economic environment and accompanying healthy rate of growth within Holly Springs, our goal is to create a budget that will maintain and improve services to citizens while still controlling the costs for these services. As previously stated, I feel the Town of Holly Springs has a solid and conservative budget for next year capable of achieving this stated goal.

I have included within your budget the departmental worksheets we used in developing this budget proposal. I hope this will provide you with a better overview of the process and issues discussed during the budget-balancing procedure.

As we proceed into the next several years, we will continue to evaluate projects and personnel needs as they relate to the provision of services. We have several substantial projects which will potentially impact all major funds during this fiscal year; therefore, it will be important to prioritize programming needs with future budgets. We will continue to work with members of the Town Council, staff, and our citizens to establish our goals and objectives as the Town grows to provide the level of services expected.

Town staff has been instrumental in the development of this document, and I feel they have done a good job of controlling costs while providing service levels expected by the Town Council and our citizens. This budget is my best estimate of what we should expect next year, and I feel it represents a fair assessment of our anticipated revenues and expenditures.

This budget reflects my recommendations based on department meetings over a three-week period, an evaluation of existing service needs, and input from Town residents and the Town Council. I would like to give a special thanks to our department heads for their time and effort in the preparation of this document. Without their help, this budget could not have been developed to address both present and future service needs.

Furthermore, a special recognition is due to Mary Hogan and Patty Dressen in our Finance Department, and Kimberly Keyes in our Administration Department. These individuals continue to be instrumental in budget creation and approval. Their contributions to the budget process, which spans months, cannot be overstated.

In closing, the FY 2018-2019 Budget reflects the challenges typically associated with a rapidly growing community, but it also represents the Town's ability to continue investing in its infrastructure and in some cases improve service levels due in large measure to our continued growth. It is important to note that with any budget, external forces can affect our projections and it is for that reason that the figures proposed in the FY 2018-2019 Budget are a very conservative forecast of our revenues and expenditures for the next year. A copy of the proposed budget document will be available for public review online on the Town official website."

Mr. Weeks asked the Council to schedule a special meeting for a budget workshop. He said the public hearing and formal adoption of the budget would be in June.

Action: The Council approved a motion to set a special meeting of the Council to hold a budget workshop at 5:30 p.m. Monday, May 14, 2018 in the Holleman Room (location changed May 8 to the Law Enforcement Center.)

Motion by: Villadsen

Second by: O'Brien

Vote: Unanimous

9b. Parks and Recreation Advisory Committee Appointments - Mr. Huffman said the Parks and Recreation Advisory Committee has three vacancies that need to be filled due to terms expiring June 30. After advertising on the Town's website, the Parks and Recreation office received 11 applications.

Councilwoman Kelly asked what the role the committee plays in the operation and return on investment for parks and recreation facilities. Mr. Huffman said the members bring concerns and issues from the public and have input into most phases of programming and facility planning.

Councilwomen Kelly and Lee agreed that the board is very talented and qualified and could help the town. They broached the subject of expanding the role of the committee.

Mr. Huffman agreed and believes the committee is heading in that direction.

The Council agreed to meet in a special meeting workshop to formalize the structure of the Parks and Recreation Advisory Committee.

In the meantime, the Council was asked to fill the vacancies and appoint new members to the committee or re-appoint interested members. The terms will be for three years from July 1, 2018 to June 30, 2021, Mr. Huffman said.

He added that Elizabeth Stone and Alice Reese are incumbents requesting re-appointment.

Each member of Council nominated three applicants and explained their reasoning.

Councilman Berry said he was looking for townwide representation and felt Liz Stone, Len Lloyd and Kim Henry were qualified applicants who would satisfy his desire to have townwide representation on the committee.

Councilwoman Lee said she felt all of the applicants were strong contenders, and she noted that there is a lot of enthusiasm and chemistry on the current board. She said Liz Stone has provided strong leadership in her role as chairman and Alice Reese has a tremendous background in working with young people. She also nominated Len Lloyd, noting his experience with the Town of Cary Parks and Recreation program and that he has a lot of experience with facilities.

Councilman Villadsen echoed Councilman Berry and Lee and nominated Elizabeth Stone for her leadership and Lenard Lloyd and Kim Henry.

Councilman O'Brien commended all of the applicants, saying the Town has received an impressive pool. He nominated Kim Henry for her local involvement; Jason Guetgemann and Liz Stone

Councilwoman Kelly said she felt all applicants were active in programs, and she was looking for geographic townwide representation. She nominated Len Lloyd, Mike Kondratick and Jeff Palumbo.

Action: The Council approved a motion to appoint top nominations Elizabeth Stone, Kim Henry and Len Lloyd to the Holly Springs Parks and Recreation Advisory Committee with terms July 1, 2018 to June 30, 2021.

Motion by: Lee

Second by: O'Brien

Vote: Unanimous

9c. Town Code of Ordinance Amendment - Mr. Schifano said Section 12-341 of the Holly Springs Town Code prohibits the open consumption of alcohol on public property or public rights of way in town. In 2004 an exception was made for renters at Bass Lake Retreat Center to be able to have beer and wine at functions under certain circumstances. The exception was later broadened to include a beer garden at Womble Park during town festivals.

The Salamanders sell beer and wine at Ting Park currently, and the Cultural Center sells beer and wine at shows, so this ordinance change would reflect the current conditions. This change also expands what can be sold at Ting to include fortified wine and mixed beverages (i.e., liquor drinks), which town staff understands from the vendor would be done at private events generally.

Action: The Council approved a motion to adopt Ordinance 18-02 to amend the Town Code on drinking in public places.

Motion by: Berry

Second by: Kelly

Vote: Unanimous

A copy of Ordinance 18-02 is attached to these minutes.

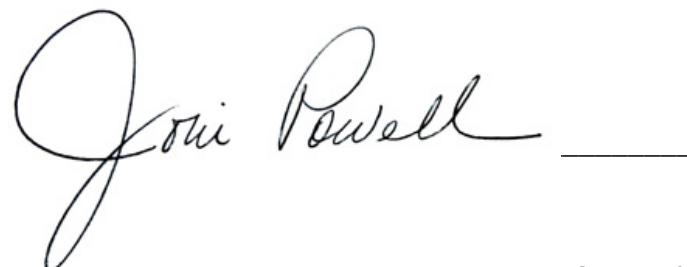
10. Other Business: None that resulted in Council action.

11. Manager's Report: None that resulted in Council action.

12. Closed Session: None.

13. Adjournment: There being no further business for the evening, the May 1, 2018 meeting of the Holly Springs Town Council was adjourned.

Respectfully Submitted on Tuesday, May 15, 2018.



minutes follow and are a part of the official record.