Holly Springs Town Council
7:00 PM **Tuesday, January 5, 2021**

Regular Meeting
Holly Springs Town Hall Council Chambers
128 S. Main Street, 2nd Floor

Agenda

1. Call to Order

2. Pledge of Allegiance

3. Invocation

4. Adjustment and approval of January 5, 2020 meeting agenda

PUBLIC COMMENT PERIOD **Notes on the Comment Period** - Due to the current restrictions on mass gatherings, public comment will be received in writing and delivered to Council Members prior to this meeting.

RECOGNITIONS

5. Census 2020 Recognition

6. Retirement Recognition of Gina Clapp

REQUESTS AND COMMUNICATIONS

7. Update on UNC Rex Holly Springs Hospital

8. Comprehensive Transportation Plan (CTP) Update

9. Presentation of the fiscal year July 1, 2019 through June 30, 2020 Comprehensive Annual Financial Report (CAFR)

10. PLANWake: Wake County Comprehensive Plan Update.

CONSENT AGENDA

11. Approve the minutes of the December 15, 2020 Business Meeting.

12. America's Water Infrastructure Act (AWIA) Risk and Resilience Assessment/Emergency Response Plan Contract Approval

OTHER BUSINESS

MANAGER'S REPORT

CLOSED SESSION -

ADJOURNMENT

In accordance with ADA regulations please contact the Town Clerk's office at least 48 hours before the meeting to request an auxiliary aid or service needed to participate in this meeting:
linda.mckinney@hollyspringsnc.us 919-557-3900

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 5.

Requests & Communications
Title: Census 2020 Recognition
Strategic Priority Area: Organizational Excellence
Staff Resource: Gina Clapp, Development Services

Action(s):
Recognition of Census 2020 Staff Efforts

Explanation:

- Preparations for Census 2020 began back in 2017 with verifying and providing detailed address records for all known dwelling units in Holly Springs and providing annual updates as construction of new units occurred.
- Early in 2019, the Town's Census Committee developed a comprehensive and diverse public engagement plan that started with early education about the upcoming Census beginning in April 2019 with very specific outreach to the hardest to count residents and areas for February, March and April 2020.
- With the onset of COVID in February 2020, the public engagement plan adapted from in-person Census promotion activities to alternate COVID sensitive engagement approaches.
- The Town's Complete Count Committee (CCC) pivoted and quickly modified plans to extensive social media campaigns (including contests and prize packages delivered to front porches), extensive roadside signage, outreach and information packets to apartment complexes, churches, and the various food distribution outlets that opened up throughout the Town.
- The Town's CCC team members include:
    - Gina Clapp, Chair (Development Services)
    - Beth Trautz (Development Services)
    - Cassie Hack (Communications & Marketing)
    - Tamara Ward (Communications & Marketing)
    - Mark Andrews (Communications & Marketing)
    - Arthur Clarke (Police)
    - Joe Harasti (Fire Rescue)
    - Rachel Downey (Parks & Recreation)
- Staff had special informational signs developed in both English and Spanish and rotated the signs throughout the various apartment complexes and neighborhoods that have traditionally had lower self-response rates.
- Holly Springs was highly involved with the Wake County Complete Count Committee that had several representatives from the Town of Holly Springs on various sub-committees:
    - Gina Clapp/Beth Trautz- Local Government
    - Tamara Ward- Communications

  - Mayor Dick Sears- Education
- A special thanks also goes out to Angela Parsons (Planning & Zoning) and Andrew Rubley (Building Code Enforcement) as well as Officer Clarke (Police) for the rotation of all of the signs and to Sonia Delgado (Finance) for assisting with distributing hundreds of canvas bags to various food banks in Holly Springs that assisted with our Spanish speaking residents.
- Due to the early and quick success rates by the Town of Holly Springs, the Wake County Complete Count Committee members sought ideas and details from Holly Springs and implemented similar programs in their communities which also resulted in an increase in responses for them.

Background:

- Every 10 years the Federal Government conducts a decennial census to count all people living in the United States.
- The results from the census impacts the State's representation in the US House of Representatives, determines the distribution of billions of Federal funds for various state and county programs and used by the State of North Carolina to adjust the distribution of state tax dollars and funding for various programs, helps businesses and economic developers identify locations for future locations and investments, and much, much more.
- The State depends on local governments and community groups to promote and encourage all citizens to complete their Census questionnaires to ensure that all citizens are counted. Having a complete count of all citizens is very important to make sure that the State, County and Municipality receive all funds and programs available to them.
- The US Census Bureau provides status reports to track each county and municipality's self response rates (those who mailed, phoned or completed an on-line form without a census taker visiting their home) to assist in targeting outreach to ensure that residents are responding.
- Wake County's self response rate was 73.8% (2nd highest in NC) and the Town of Holly Springs self response rate was 85.1% (4th highest in NC behind: Beargrass (est. pop 68- 87.5%), Trent Woods (est. pop 4,045, 86.3%), and Wesley Chapel (est. pop 8,984, 85.5%)).

Funding Source(s):

N/A

Attachment(s):

None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Recognitions
Title: Retirement Recognition of Gina Clapp
Strategic Priority Area: Organizational Excellence
Staff Resource: Scott Chase, Asst. Town Manager, Randy Harrington, Town Manager

Action(s):
Recognition of Gina Clapp Retiring from Public Service

Explanation:

- Gina Clapp is retiring on January 8th after more than 20 years with the Town, and nearly 28 years in public service.

Background:

- Gina began her career in public service in 1993 as a Planner I for the Village of Orland Park, Illinois.
- In 1998, Gina served as a Senior Planner for the Town of Cary.
- In April 2000, Gina became the Director of Planning and Zoning for the Town of Holly Springs.
- Gina is an American Institute of Certified Planners (AICP) certified planner and holds a NC license in Real Estate.
- Gina through the years has been instrumental in the town's overall development and such initiatives as the Holly Springs Farmer's Market and awards such as the 2018 Great Main Street In-the-Making from APA-NC.

Funding Source(s):
N/A

Attachment(s):
None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Requests & Communications
Title: Update on UNC Rex Holly Springs Hospital
Strategic Priority Area: Safe & Friendly
Responsible & Balanced Growth
Staff Resource:

Action(s):
No action required

Explanation:
Roy Tempke, COO of UNC Rex Holly Springs Hospital will give an update on progress at the hospital.

Background:

- The Rex Healthcare of Holly Springs campus is located at the corner of Avent Ferry Road and Hwy 55 (850 South Main Street).
- The 50-bed hospital will provide a multitude of healthcare services to include an emergency department, maternity center, surgical suite and much more.
- Construction of the hospital began in April of 2019, and is scheduled to open during the early fall of 2021.

Funding Source(s):
N/A

Attachment(s):
None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Requests & Communications
Title: Comprehensive Transportation Plan (CTP) Update
Strategic Priority Area: Responsible & Balanced Growth
Staff Resource: Emmily Tiampati, Development Services

Action(s):

- Receive an update from Kimley-Horn on the Comprehensive Transportation Plan (CTP).

Explanation:

- Kimley-Horn, consultant team, will share the purpose and process for the Comprehensive Transportation Plan (CTP) update and provide a brief overview of recent and upcoming engagement efforts.

Background:

- The Town Council approved the CTP consultant contract with Kimley-Horn in September 2020.
- Kimley-Horn is currently assessing existing conditions, gathering data, and engaging with the Steering Committee and Stakeholders.
- The CTP will:
  - specify the details for the Town's multi-modal transportation planning and transportation improvement evaluation for new development.
  - provide guidance on the Town's planning for future transportation related investments over the next 5-10 years.
  - evaluate transportation improvements to be constructed as a part of the impacts of new development on the transportation system, sidewalk connectivity and construction priorities, and how the Town's transportation system will provide safe and identifiable connections with the Town's greenways (currently being identified in the Parks & Recreation and Greenway Master Plan).
- The current CTP was last completed in June 2011 with an amendment in July 2013.

Funding Source(s):

N/A

Attachment(s):

None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 9.

Requests & Communications

Title: Presentation of the fiscal year July 1, 2019 through June 30, 2020 Comprehensive Annual Financial Report (CAFR)

Strategic Priority Area: Organizational Excellence

Staff Resource: Antwan Morrison, Finance

Action(s):

Receive the Fiscal Year 2019-2020 financial audit report from the external auditors.

Explanation:

- Elliot Davis, the Town of Holly Springs external auditor, will present the audited financial report and management letter for the fiscal year July 1, 2019 through June 30, 2020.
- During the meeting the auditors will share all relevant information, including but not limited to the expressed audit opinion, concerns, recommendations, as well as the financial performance of the town for the fiscal year of 2019-2020.

Background:

- According to North Carolina General Statute 159-34, each local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts.
- It is the auditor's responsibility to express opinions on these financial statements base on the audit.
- The Government Auditing Standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
- The audit shall evaluate the performance of a unit of local government with regard to compliance with applicable federal and State agency regulations.

Funding Source(s):

N/A

Attachment(s):

1. Town of Holly Springs 2020 - SAS 114
2. Audit PowerPoint (FY20) - FINAL

Town of Holly Springs

Report to the Members of the Town Council

For the year ended June 30, 2020

Contacts:

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LeAnn Bagasala, Senior Manager
919.900.6973
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Members of the Town Council
Town of Holly Springs
Holly Springs, North Carolina

To the Members of the Town Council:

We are pleased to present this report related to our audit of the financial statements of Town of Holly Springs (the "Town") as of and for the year ended June 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Town's financial reporting process.

This report is intended solely for the information and use of the Town Council Members and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to you.

Elliott Davis, PLLC

Raleigh, North Carolina
November 6, 2020

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Required Communications about the Financial Statement Audit

AU-C Section 260, *The Auditor's Communications With Those Charged With Governance*, and other professional and regulatory standards require the auditor to communicate certain matters related to the conduct of an audit to those who have responsibility for the oversight of the financial reporting process. The following summarizes these communications.

Audit Planning Process

Our audit approach placed a strong emphasis on obtaining an understanding of how your Town functions. This enabled us to identify key audit components and tailor our procedures to the unique aspects of your Town.

We obtained an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we established an overall materiality limit for audit purposes. We conducted formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

We used this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the Town's internal control).

We then determined the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit was based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods.

Internal Control Relevant to the Audit

Our audit of the financial statements included obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the Town's internal control was not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Required Communications about the Financial Statement Audit, continued

Auditor's Responsibility Under Professional Standards

As communicated in our engagement letter dated March 3, 2020, our responsibility, as prescribed by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally acceptable in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe that our audit accomplished that objective.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Town. Management has represented to us that the Town did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to your attention for approval.

Significant or Unusual Transactions

We noted no transactions entered into by the Town during the year that were both significant and unusual, and that, under professional standards, we are required to inform you of, or a transaction in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We have had discussions with management regarding the accounting treatment for certain transactions. However, there were no instances in the current year in which discussions revolved around transactions for which alternative accounting treatments are allowable under accounting principles generally acceptable in the United States of America.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of the Town to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. These estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting the estimates may differ markedly from management's current judgments.

Required Communications about the Financial Statement Audit, continued

The following describes the significant management judgments and accounting estimates reflected in the Town's June 30, 2020 financial statements:

Depreciation and Estimated Useful Lives of Fixed Assets

The Town capitalizes costs of fixed assets acquired. Assets are depreciated using straight-line methods over the estimated useful lives of the respective assets. The Town estimates the useful lives of fixed assets based on the period over which the assets are expected to be available for use or the term of the lease for leasehold improvements.

The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. The estimated lives are determined by management considering factors such as the inherent nature of the type and/or category of asset, the expected time the asset is expected to be in service, lease term for leasehold improvements, and pace of market and/or technology change that might cause more rapid impairment or obsolescence. Management reviews the carrying value of fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Pension Plan and OPEB Accounting

Accounting for pension benefits, other post-employment benefits (OPEB), costs and related liabilities are developed using actuarial valuations. These valuations include various assumptions determined by management. Two critical assumptions are discount rate and expected long-term rate of return on plan assets. The discount rate is intended to mirror the yield on high-quality fixed income investments at the measurement date. A lower discount rate increases the present value of benefit obligations and increases pension and OPEB expense and a higher discount rate has an inverse impact on the benefit obligations and pension and OPEB expense. The expected long-term rate of return on plan assets is based on the historical and expected returns on various categories of plan assets. Material changes in pension costs may occur in the future due to changes in these assumptions.

Required Communications about the Financial Statement Audit, continued

Financial Statement Disclosures

The disclosures in the financial statements appear to be neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the financial statements were as follows:

Uncorrected and Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Audit Adjustments

Audit adjustments recorded by the Town are shown on the attached “Summary of Recorded Audit Adjustments”, **Appendix A**.

Uncorrected Misstatements

Uncorrected misstatements are summarized in the attached “Summary of Uncorrected Audit Misstatements”, **Appendix B**.

Management Representations

We have requested certain written representations from management that are included in the management representation letter dated November 6, 2020. A copy of that correspondence is included in **Appendix C** for your information.

Disagreements with Management

For the purposes of this communication, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the Town’s financial statements or the auditor’s report.

No such disagreements arose during the course of the audit.

Consultations with Other Accountants

Management may consult with other accountants about auditing and accounting matters on certain situations. If a consultation involves the application of an accounting principle to the Town’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to notify us to determine that the consulting accountant has all the relevant facts.

To our knowledge, and as management has informed us, there were no such consultations with other accountants regarding auditing and accounting matters.

Significant Issues Discussed with Management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

No other significant issues arising from the audit were discussed or were the subject of correspondence with management.

Required Communications about the Financial Statement Audit, continued

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management relating to the performance of our audit and we appreciate the cooperation received.

Letter Communicating Significant Deficiencies and Material Weaknesses

We have separately communicated the significant deficiency identified during our audit of the financial statements, and this communication is the financial statement finding.

Certain Written Communications Between Management and Our Firm

Attached in **Appendix C** are copies of certain other written communications between management and Elliott Davis, PLLC.

Appendix A

Summary of Recorded Audit Adjustments
For the Year Ended June 30, 2020

During the course of our audit, certain adjustments were recorded by the Town. Following is a summary of those adjustments:

See attachment

Town of Holly Springs
Year End: June 30, 2020
Adjusting journal entries
Date: 7/1/2019 To 6/30/2020

PBC below indicates an entry prepared by client

Date	Name	Account No	Debit	Credit
6/30/2020	Due From Other Governments Wake Co Tax Collector	10.000.00.12501 10	57,290.63	
6/30/2020	Intergovernmental - State ABC Wake Co Revenues	10.000.00.31304 10		-57,290.63
	PBC - To record Wake County ABC Revenue for 6/30/2020			
6/30/2020	Due From Other Governments	10.000.00.00125 10	393,605.03	
6/30/2020	Intergovernmental - State Utilities Sales Distribu	10.000.00.31302 10		-393,605.03
	PBC - Record Utility Franchise Tax Receipts for June 2020			
6/30/2020	Developer Fees Stormwater BMP Maintenance	31.000.00.21502 31	296,620.57	
6/30/2020	Development Fees SFRF	31.000.00.32017 31		-296,620.57
	To correct the classification of SFRF funds			
6/30/2020	Fund Balance Retained Earnings	31.000.00.29009 31	296,620.57	
6/30/2020	Fund Balance Retained Earnings - SFRF	31.000.00.29018 31		-296,620.57
	To close SFRF FY20 revenue to net position			
6/30/2020	Developer Fees Stormwater Projects	31.000.00.21503 31		-59,546.70
6/30/2020	Development Fees Stormwater Review/Permit Fee	31.000.00.32011 31	59,546.70	
	To adjust Stormwater FIL			
6/30/2020	Benefits Payable OPEB Liability	30.000.00.22105 30		-80,385.00
6/30/2020	Fund Balance Retained Earnings	30.000.00.29009 30	80,385.00	
6/30/2020	Benefits Payable OPEB Liability	31.000.00.22105 31		-16,077.00
6/30/2020	Fund Balance Retained Earnings	31.000.00.29009 31	16,077.00	
6/30/2020	OPEB Liability	90.000.00.22105 90		-439,438.00
6/30/2020	Fund Balance Retained Earnings	90.000.00.29009 90	439,438.00	
	To record OPEB restatement.			
6/30/2020	Accrued Interest	90.000.00.20707 90		-395,761.83
6/30/2020	Fund Balance Retained Earnings	90.000.00.29009 90	395,761.83	
	PBC - To record accrued interest			

6/30/2020	Cash First National Bank	10.000.00.10103 10		-1,789,382.00
6/30/2020	Cash First National Bank	30.000.00.10103 30		-883,426.00
6/30/2020	Cash First National Bank	31.000.00.10103 31		-505,063.00
6/30/2020	Restricted Cash	10.000.00.10103A 10	1,789,382.00	
6/30/2020	Restricted Cash	30.000.00.10103A 30	883,426.00	
6/30/2020	Restricted Cash	31.000.00.10103A 31	505,063.00	

To reclass accounts to
restricted cash

Appendix B

Summary of Uncorrected Audit Misstatements
For the Year Ended June 30, 2020

During the course of our audit, we accumulated certain uncorrected misstatements, which were discussed with management and were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In evaluating the materiality of these audit differences, we considered both quantitative and qualitative factors. We concur with management's assessment that these items are immaterial both individually and in the aggregate to the financial statements as a whole. Following is a summary of those differences:

See attachment

Summary of Uncorrected Misstatements
For the Year Ended June 30, 2020

Debit (Credit)

Description	Fund Ref	ASSETS & DEFERRED OUTFLOWS Current	ASSETS & DEFERRED OUTFLOWS Long-Term	LIABILITIES & DEFERRED INFLOWS Current	LIABILITIES & DEFERRED INFLOWS Long-Term	Income Revenue	Income Expenses/ Expenditures	Net Position Fund Balance
To write off life/disability insurance from prior year	General Fund				281,425			(281,425)
Correction of 2012 Parks & Rec GO Bond Amortization from 30 years to 20 years.	Utility Fund				(54,241)		54,241	0
To correct depreciation expense.	Utility Fund		(151,230)					151,230
To correct depreciation expense.	Govt-wide		(141,278)					141,278
To correct double counted CIP.	Govt-wide		(191,046)					191,046

Appendix C

Material Written Communications
For the Year Ended June 30, 2020

Copies of these communications are attached.

THE TOWN OF

Holly Springs

November 6, 2020

Elliott Davis, PLLC
5410 Trinity Rd, Ste 320
Raleigh, NC 27607

This representation letter is provided in connection with your audit of the basic financial statements of the Town of Holly Springs (the "Town") as of and for the year ended June 30, 2020 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of November 6, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated March 3, 2020 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, longterm loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

10. We have informed you of all uncorrected misstatements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

11. No entities that are related to the Town should be included in our financial statements as of and for the year ended June 30, 2020 as component units based on requirements of statements 14, 39, and 61 issued by the Government Accounting Standards Board.

12. We have disclosed to you the restatement related to OPEB liabilities whose effects should be considered when preparing the financial statements.

Information Provided

13. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;

    b. Additional information that you have requested from us for the purpose of the audit;

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and

    d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

14. All transactions have been recorded in the accounting records and are reflected in the financial statements.

15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

16. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

18. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

19. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

20. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

21. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Town's ability to record, process, summarize and report financial data.

22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

24. Regarding the impact of COVID-19, we have considered the potential impact on the Town and its revenues. In April and May of 2020 the Town experienced a decline in revenues. The Town has modified the budget for fiscal year 2021 to reflect projected revenues as a result of the COVID-19.

Supplementary Information

25. With respect to supplementary information presented in relation to the financial statements as a whole:

a. We acknowledge our responsibility for the presentation of such information.

b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP

c. The methods of measurement or presentation have not changed from those used in the prior period.

d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

26. With respect to the MD&A, Law Enforcement Officers Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Local Government Employees Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, and the Other Post-employment Benefit Schedule to Changes in Total OPEB Liability and Related Ratios, Town Contributions and Investment Returns,

presented as required by Governmental Accounting Standards Board to supplement the basic financial statements:

a. We acknowledge our responsibility for the presentation of such required supplementary information.

b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

2. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

3. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

4. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

5. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.

6. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

7. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

8. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.

9. Has a process to track the status of audit findings and recommendations.

10. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

11. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

12. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and those described in the *Audit Manual for Governmental Auditors in North Carolina,* issued by the Local Government Commission.

2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal and state programs.

3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal and state programs in existence prior to November 6, 2020, as well as for funding increments and new awards obtained after that date.

4. Management has prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.

5. Management has identified and disclosed all of its government programs and related activities subject to the compliance audit.

6. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program. Management has further identified each award resulting from programs in existence prior to November 6, 2020 and funding increments or new awards obtained after that date.

7. Management has made available all federal and state awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

8. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards or stated that there was not such noncompliance.

9. Management believes that the auditee has complied with the direct and material compliance requirements.

10. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

11. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.

12. Management has disclosed to the auditor any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

13. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

14. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance

15. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

16. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.

17. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

18. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

19. The copies of federal and state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

20. Management has charged costs to federal and state awards in accordance with applicable cost principles.

21. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance.

22. The reporting package does not contain protected personally identifiable information.

23. Management has accurately completed the appropriate sections of the data collection form.

Town of Holly Springs, North Carolina

Town Manager

Patricia A. Dressen

Finance Director (Interim)

November 6, 2020

To Management and Town Council
Town of Holly Springs
Holly Springs, North Carolina

In planning and performing our audit of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Holly Springs, North Carolina (the "Town") as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be internal control deficiencies and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

We consider the following conditions to be deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

1. **Timely Reconciliation of Cash Accounts**

   Criteria or specific requirement: All cash and investment accounts should be reconciled monthly within 15 days of month end.

   Conditions: We examined cash account reconciliations during the fiscal year and noted that certain reconciliations of cash and investment accounts were not consistently being completed in a timely manner.

   Context: Finance personnel complete monthly reconciliations for each cash and investment account. A majority of the reconciliations are completed 30-60 days after the end of the month being reconciled. There is no documented review of these reconciliations when complete.

Effect: Without timely bank reconciliations, reconciling items due to error, adjustments and potential fraud can go unnoticed for a significant amount of time.

Cause: There is no policy or procedures in place to ensure that the monthly reconciliations are being completed on a timely basis.

Recommendation: We recommend that all cash accounts be reconciled within 15 days after month end. These reconciliations should be signed and dated by the preparer. In addition, the reconciliations should be reviewed and approved by a second party and this should be documented by signing or initialing the reconciliation.

Management Response: Management agrees with the finding. Finance staff was completing reconciliations without a formal sign off procedure. Reconciliation procedures have been updated to include staff signing and dating the completion date. These reconciliations are reviewed by the Accounting and Finance Manager who will also sign and date the review. A signature page has been developed for this process and will remain a part of the record of said reconciliations.

2. Bond Premium Amortization

Criteria or specific requirement: In accordance with Government Accounting Standards Board No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, bond premiums are amortized under straight line method under the number of years included in the bond agreement.

Conditions: The premium of 2012 Parks and Recreation GO Bond was amortized over 30 years, when it should have been amortized over 20 years for fiscal years 2013-2019.

Context: This resulted in an understatement of bond amortization expense of approximately $55,000 for the years prior to June 30, 2020. Bond amortization expense totaled $118,505 for the year ending June 30, 2019.

Effect: Prior year's amortization expense has been understated.

Cause: An inappropriate life was used to amortize the bond premiums.

Recommendation: We recommend that all bond premium amortization schedules be prepared according to the accounting policy, and be signed and dated by a preparer and reviewer.

Management Response: Finance staff will prepare, sign and date amortization schedules. These schedules will be reviewed by senior management staff who will also sign and date. This signature page will remain a part of the permanent record for amortizations.

3. Unreconciled Accounts

Criteria or specific requirement: All balance sheet accounts should be reconciled on a monthly basis.

Conditions: During testing over the Stormwater funds' developer fees, it was discovered that the developer fee payable was understated by $59,547.

Context: Liabilities in the Stormwater fund were understated by $59,547 developer fee payable at June 30, 2020.

Effect: Stormwater fund developer fees payables balance was $458,093 as of June 30, 2020 and should have been $517,640.

Cause: Developer fees were not tracked and reconciled.

Recommendation: We recommend all balance sheet accounts be reconciled at least annually.

Management Response: Balance sheet accounts will be reconciled quarterly to allow proper time for verifying activity throughout the fiscal year. All payroll liabilities were reconciled prior to the June 30 year end.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance. As described in the schedule of findings and questioned costs which accompanies that report, we did identify certain deficiencies in internal control in addition to those described above that we consider to be material weaknesses.

This communication is intended solely for the information and use of management and Town Council, and is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott Davis, PLLC

Raleigh, North Carolina
November 6, 2020

Comprehensive Annual Financial Report for the fiscal July 1, 2019 -June 30, 2020

PRESENTED BY:

LeAnn Bagasala

Elliott Davis

Audit Senior Manager

January 5, 2020

Town of HOLLY SPRINGS

Agenda

- Auditor communications
- Audit process & results
- Financial performance
- Summary and other items
- Questions and discusson

Required Communications

Audit Results

Town of
HOLLY SPRINGS

Audit Results

Findings and Recommendations

Reconciliations of Cash Accounts	Bond Premium Amortization	Unreconciled Accounts

Town of HOLLY SPRINGS

Financial Performance Highlights

June 30, 2020

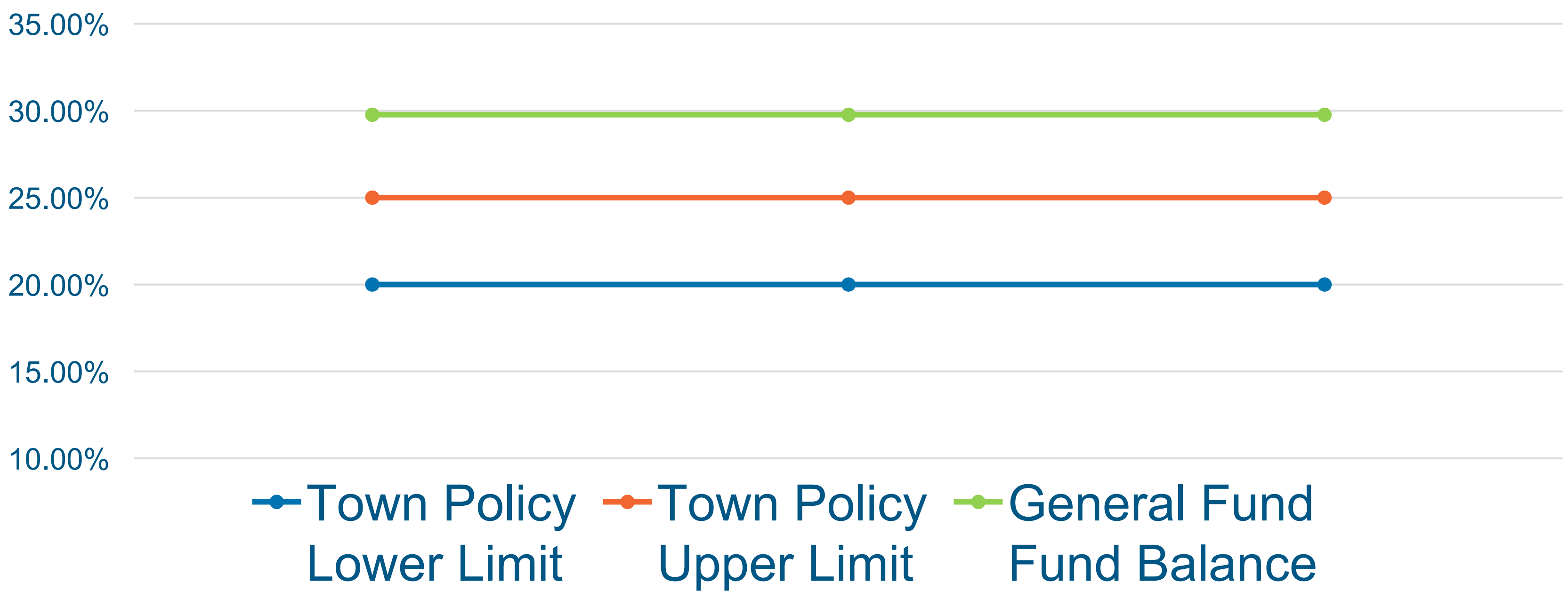
Property Taxes (page 108)

- Assessed value = $5.04 billion – June 30, 2020
  - Compared to $4.83 billion – June 30, 2019
- Current year Ad Valorem Tax collections totaled $24.24 million – an increase of $3.39 million from the prior year
- **99.69%** of Levy Collected
- Total statewide average (10,000 – 49,999) – 99.16%
  - Total statewide average – all population groups – 99.72%

Town of
HOLLY SPRINGS

General Fund Balance

- Policy – unassigned fund balance between 20 -25% of General Fund expenditures
- LGC recommends a minimum of 8%
- 29.77% of actual operating expenditures (including capital purchases)



Fund Balance

Net change in fund balance for the past five fiscal years as follows:

General Government	Proprietary Funds
June 30, [illegible] 6,849,556	June 30, 2020 - $ 6,563,679
June 30, 2019 - $ 2,598,775	June 30, 2019 - $ 7,416,883
June 30, 2018 - $ 1,754,179	June 30, 2018 - $2,152,5763
June 30, 2017 - $ 958,956	June 30, 2017 - $ 9,659,642
June 30, 2016 - $ 203,559	June 30, 2016 - $15,224,877

Town of HOLLY SPRINGS

Debt Position

Fiscal year ended June 30, 2020

Debt Overview

- No new debt issuance for FY 2020

- Total Outstanding Debt - $65.2 million
  - Governmental - $31.6 million
  - Proprietary - $33.6 million

- Total Debt applicable to limitation - $95.1 million
  - Includes authorized but unissued G.O. bonds:
    - $ 8 million - Parks & Recreation – 2012 referendum
    - $40 million – Transportation – 2019 referendum

- Subsequent debt issuance & refinancing

Debt Compliance

- Percentage of debt to valuation –1.89%
  - Town Policy – 2.5%
  - State Statute – 8%

- Debt Servicer Ratio – 10.3%
  - Town Policy – 15%

Town of HOLLY SPRINGS

Key takeaways?

- Benefit of Wake County
  - Property tax collection rates
  - Sales tax
- Consideration of COVID-19
- Strong financial reserves
- Solid cash balances
- Why are these items important?

Other Items:

- Certificate for Achievement of Excellence in Financial Reporting from the GFOA
  - Awaiting certification for FY 2019 audit
  - Will apply for FY 2020 by deadline

- Special thanks to Finance Department staff members:
  - Patty Dressen and Doreen Muentener

- Questions/Discussion

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 10.

Requests & Communications
Title: PLANWake: Wake County Comprehensive Plan Update.
Strategic Priority Area: Responsible & Balanced Growth
Staff Resource: Sean Ryan, Development Services

Action(s):

- Receive update from Wake County on PLANWake: Wake County Comprehensive Plan.

Explanation:

- Terry Nolan, Planner III from Wake County will give an update on PLANWake: Wake County Comprehensive Plan.
- The draft PLANWake document has been released for public review. PLANWake, Wake County's comprehensive plan, sets forth the long-range vision for multiple issues from land use and growth management, to public services and environmental protection.
- Wake County is seeking to to engage with municipal elected officials to discuss the draft Plan which encourages partnerships and collaboration with Wake County's municipalities to help achieve the plan's goals.
- Highlights from the draft include directing new growth to existing towns, supporting the development of connected and walkable transit supportive centers, and working with rural landowners to protect important open spaces, farms and forests.
- The document also establishes new criteria for the County to evaluate a municipality's ability to provide services and its capability and commitment to good planning and managing of development as a prerequisite for extensions of Extra-Territorial Jurisdiction (ETJ).

Background:

- The draft document is available online: planwake.org
- The project was a 2 year long public planning effort.
- Planning priorities emerged from over a year of public engagement that involved thousands of community members, dozens of in-person events held across the county and tens of thousands of in-person and online community input data points.
- Public engagement was conducted in three phases: (1) Community Priorities, (2) Community Choices & Tradeoffs and (3) Growth Alternatives. Each phase of public engagement built upon the public input collected from the previous phase.
- The PLANWake process involved more than 8,800+ public surveys completed, with over 150,000+ inputs & comments.
- Holly Springs Development Services staff met with Wake County Planning Staff in January

2020 to discuss the draft Development Framework map that is included in the Plan.

Funding Source(s):

N/A

Attachment(s):

None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 11.

Consent Agenda
Title: Approve the minutes of the December 15, 2020 Business Meeting.
Strategic Priority Area: Organizational Excellence
Staff Resource: Linda McKinney, Town Clerk

Action(s):
Approve the minutes of the Council's business meeting held December 15, 2020.

Explanation:

- Minutes in draft form are attached for the Council's review.
- If there are any corrections, please call the Town Clerk at 919-557-3900 in advance of Tuesday night's meeting so that corrected versions of the draft minutes can be circulated for review before adoption of the Consent Agenda.

Background:

Funding Source(s):
N/A

Attachment(s):
1. 12.15.20 minutes - draft

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, December 15, 2020 in person and via video conferencing. 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 in the Chamber as the meeting opened.

Council Members Present physically: Mayor Sears, Mayor Pro Tem Dan Berry, Councilmen Peter Villadsen, Shaun McGrath and Aaron Wolff, and Councilwoman Christine Kelly.

Council Members Absent: none.

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; Daniel Weeks, *Assistant Town Manager*; John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Cassie Hack, *Director Communications and Marketing*; Mark Andrews, *Communication and Marketing*; Jeff Wilson, *Director, IT;* Mathew Mutter, *IT;* Kathy White, *Deputy Town Clerk;* Andrew Rubely, *Development Services*.

2. and 3. The Pledge of Allegiance was recited followed by an invocation by Pastor Jamal Brown, of Holly Springs United Church of Christ.

4. Agenda Adjustment: The December 15, 2020 meeting agenda was adopted with changes, if any, as listed: none.

Motion: Berry
Second: McGrath
Vote: Unanimous

Public Comment: Public Comment was requested in writing prior to the meeting. The following number of comments was received and provided to the Council prior to the meeting: one comment requesting Wildwood Way be open to Highway 55.

Recognitions

5. Introduction of NC District 37 Representative-Elect Erin Paré

Mayor Sears introduced Ms. Paré who is the representative-elect to the General Assembly for NC House District 37. Ms. Paré recently served on the Holly Springs Board of Adjustment. He invited Ms. Paré to say a few words.

Ms. Paré thanked the Mayor and Council for inviting her to introduce herself. She said she looks forward to working with Council, as an opportunity to work together for this part of Wake County and to give us a voice in the state house. She looks forward to getting to know them better and to working with them. She said that her door, cell phone, and email were open to the people of Holly Springs and she wants to hear from them. She wished everyone a happy holiday.

Requests and Communications

6. Holly Springs Police Department Annual Report for 2020

Police Chief Paul Liquorie said he wanted to acknowledge the men and women of the HSPD who put in hard work to produce this report, particularly Captain Jay Bruner. He said that the purpose of this report was to present information to Council on the activities of the Holly Springs Police Department from September 2019 to September 2020. He gave a snapshot of the department including number of officers and other staff with various certifications and degrees, and highlighted some achievements and awards won in 2020. He reported on the improved use of technology including the benefit to residents of utilizing GPS to dispatch the closest police units, and the department's progress on implementing a Body Worn Cameras system.

He showed trends in calls for service over the last five years in comparison with the Town's population growth. He then gave statistics on specific activities including Animal Control services, violent crimes, property crimes and arrest data. Holly Springs violent crimes are 10 times less than the national average; property crime rates are 3 times less than the national average. Chief Liquorie gave a breakdown on arrests and traffic stops by race and said that the Department needs to look at the reasons for disparity between town demographics and arrest demographics. He said that there had been only three use of force incidents out of 61,390 calls for service, and zero vehicle pursuits. He gave data on motor vehicle crashes by month. Finally, Chief reported on some of the many community engagement activities the department engaged in over the past twelve months. He said that the department continued to expand its efforts under COVID, as community engagement is very important to the Department. He said the full report would be shared on the Town webpage Transparency Portal after this meeting.

Councilman McGrath asked if, since he was new, there was anything in the report that surprised him, compared to what he expected. Chief Liquorie said there was not, that he had done his research before he applied for this position, and Holly Springs is really one of the safest communities in the country. He was not surprised, but very pleased by the community engagement the department does. He said that traffic was a concern, but not surprising.

Consent Agenda

The Council passed a motion to approve all items on the Consent Agenda. The motion carried following a motion by MPT Berry, a second by Councilwoman Kelly and a unanimous vote. The following actions were affected:

7. Minutes – The Council approved minutes of the Council business meeting held December 1, 2020 and the workshop meeting held December 8, 2020.

8. Janitorial Services Contract for COVID Day Porters - The Council approved the janitorial services contract for Town Hall, Holly Springs Fire Station No. 1, Public Works facility, and Utley Creek Water Reclamation facility through June 30, 2021 and to continue COVID day portering activities for multiple facilities through March 2021. Council authorized the Town Manager to extend COVID mitigation day portering activities at pricing consistent with the current contract past March 2021 if warranted by COVID conditions in the community and Town workplace.

NEW BUSINESS

9. Resolution Authorizing Eminent Domain to Acquire Utility Easements for the Carolina Springs Forcemain

John Schifano, Town Attorney, said that this item is to acquire land for a sanitary sewer line from the pump station serving the entire residential and nonresidential area north of Woods Creek, including a future town park and town fire station, and a few schools. The resolution would authorize the Town Attorney to initiate condemnation proceedings to acquire necessary easements for sewer line installation and right of way. He said that the Town entered into a development agreement with Carolina Springs which obligates the developer to install a sanitary sewer force main. The Developer successfully negotiated the voluntary acquisition for 16 out of 20 properties.

Four property owners are unwilling to convey easements after more than 20 attempts at negotiation and a town hall meeting.

Councilwoman Kelly asked if the appraisal took into account fences, big trees or other things owners would want the Town to consider. Mr. Schifano said that three of the four properties are not owner-occupied, and the one that is has no landscaping. The house is set far back from the road on a 5-acre property. He said that the Town doesn't usually compensate for plants and trees that have grown naturally. Fencing or planted landscaping would be replaced, but not volunteer growth.

Action: Motion to adopt Resolution 20-46 to Authorize Eminent Domain to Acquire Utility Easements, Rights of Way, and Temporary Construction Easements for Four Property Owners.

Moved by: Berry
Second by: Wolff
Vote: Unanimous
A copy of Resolution 20-46 is attached to these minutes.

UNFINISHED BUSINESS

10. Minimum Housing Standards Compliance

Andrew Rubley, Development Services, said the purpose of this item was to review the progress of the repairs to the subject home at 405 Bass Lake Road, and to consider extending the time for the owner to comply with the minimum housing standards. NC General Statues 160A-441 grants municipalities the authority to cause dwellings that do not meet minimum housing standards to be repaired, closed, or demolished. He outlined the timeline of engagement with the homeowner from January 2020 to the present.

The home was last inspected this afternoon. The homeowner has made substantial progress on items that are considered immediate hazards, including fixing unsafe electrical issues in the interior; fixing roof and siding that allowed water intrusion; repairing the living room ceiling; installing smoke alarms; and closing access to dilapidated exterior porches to prevent their use. Mr. Rubley said that minor minimum housing violations remain, including fixing eaves and fascia to prevent rodent and water intrusion; electrical covers on the interior and exterior; front porch balusters; fixing holes in walls throughout the interior; and bathroom ventilation. However, staff believes full compliance can be achieved within sixty (60) days with action by the homeowner.

Scott Chase, Assistant Town Manager, said that there are still important issues, but he believes the deferral is the right action. He said that he will engage with the homeowner during that sixty days.

Action: Motion to defer Resolution 20-26 for a period of sixty additional days.

Moved by: Wolff
Second by: Villadsen
Vote: Unanimous

OTHER BUSINESS

Mayor Sears said that the new Aldi just off Highway 55 is now open. He said there have been 999 cases of COVID 19 in our zip code, and 3 deaths. He commends the people of our zip code for following the 3 W's – Wear a Face Covering; Wash Your Hands; Wait 6 feet apart. As of Thursday, Rex Hospital will start innoculations and they have 2,900 doses of the vaccine. It will be primarily given to health workers who work with COVID patients. We are waiting for approval on the other two vaccines.

Councilman Villadsen said he encouraged listeners "of a certain age" to get a colonoscopy because these types of cancer are curable if caught early.

Councilwoman Kelly said the events staff has been putting on for the holiday season have been spectacular. To come up with innovative and cheerful events in this time of COVID is wonderful. She congratulated Communications, Parks & Recreation, the Fire Department, Public Works, everyone is doing the best they can in this circumstance. Merry Christmas, Happy Chanukah, Happy Kwanza.

MPT Berry thanked Mr. McConnell's civics class for inviting him to join them. He fieleded a lot of questions from the kids, most of whom asked if we were getting a Bojangles in town, and he was happy to tell them we are. There were lots of interesting questions and many bright minds over at the high school.

There was discussion about the County and our zip code going in the wrong direction as far as COVID19 cases, and the Governor's request that municipalities pass ordinances to add civil penalties to violations of the Executive Order on mask wearing and gathering sizes. It was agreed that putting the onus on businesses to enforce matters was unfair to the business owners and front-line workers, but the majority felt that the Police Department had enough to do without enforcing the mandate. The Town has not had a need for citations yet, but the Holly Springs Police Department is making visits to businesses when asked. Mayor Sears asked people not to travel or go to parties. Council agreed that another communications and education push to the Town, residents and businesses, would be a good thing, to encourage people to follow the guidelines and to encourage people to enjoy a more private, virtual, holiday to slow the spread. It was discussed that, if there was a need seen in the future for such an ordinance, they could discuss it again at that time.

11. Council Committee Report on Landfill Odor Mitigation Efforts

Councilwoman Kelly and Councilman McGrath gave reports on the activities of the Landfill Odor Mitigation committee. Councilwoman Kelly reported on the activities of the Alternative Solutions Sub-Committee. She said that the Council passed Resolution 20-04 in February 2020 to request action by the county on the malodor problem at the South Wake Landfill. The subcommittee focused on the first and fourth requests in that Resolution, which concern efforts that can be taken to assess alternatives, and to complete the odor reporting and resident engagement mobile app. She shared a history of the South Wake Landfill and the county's relations with the Town on the subject, saying that with new Commissioners on the Wake County Board of Commissioners, it was important to bring them current on the problem. She said that issues residents have with the landfill include environmental concerns, litter on local roads, negative impacts to businesses and residents, and, most concerning, odor issues. She said the subcommittee is looking into Industry Best Practices; what has been tried so far that has worked, or has not worked; odor complaint analysis, and what metrics would best serve Holly Springs.

Councilman McGrath said he concurs with Councilwoman Kelly about the concern for how we capture the odor problem. The challenge is what to communicate to residents and how it is communicated to the Commissioners and the partners in the ILA that we are not a party to. At this point it is 10 ½ years before those agreements can be renegotiated. He said he wants to figure out what can be done between now and 2031. There is language in the ILA that says that the landfill should be in use until 2050. He said therefore, there are short term (to 2031) and longterm (to 2050) actions to consider. He said the committee has had some good conversations with the landfill leadership and GFL. They reported on things that they have tried to do, including spending $2 million dollars in additional equipment to put dirt over the open face each evening. He said there is agreement that they had some poor management in the past at the landfill management level, and they replaced that manager last summer. The new manager is very atuned to having a landfill in a municipality. He has worked in that evironment and understands how to operate in it. They are being proactive. The design for Phase 2B is above and beyond the envorionmnetal standards required by the EPA. He said it was encouraging to see that additional investment by GFL. The landfill management are trying to get cause and effect by going back to see what is going on with weather, etc.when a malodor problem is reported. He empathizes with people who are frustrated, but thinks we need to figure out how to coexist with the landfill. He said he thinks GFL and Wake County Board of Commissioners are reasonable partners. He said the committee wants to come up with measures that are meaningful and can be tracked back to the cause. In the contract, the responsibility for odor control is born by Wake County, not GFL. The Town has to convince six people. If there is any change in the ILA, the Town would have to convince 11 other municipalites. There is work to do, but there is the potential for progress. The next step is, even if we agree on what is a reasonable odor, what do we do. There is no way to breach the contract for cause; only if they don't perform according to the contract. We need to continue to be sure we have a good joint message from the Town as we address the commissioners and the broader audience.

Mayor Sears thanked them for their efforts and said now we have the Commissioners' attention, so we are on the right track. If we continue to talk, we will get there.

Councilman Wolff said that when he proposed this committee, he envisioned it as a way to act as a facilitator to conect residents with Commissioners. That has been sideswiped by COVID. It is a way to educate, which you have done tonight, but that has also been made difficult by COVID. Another goal was that we have a unified voice to the Commissioners. With the subcommittees, do we have a unified message; do we have those action items to bring to them? There was discussion about what the message Council wished to bring to the Commissioners would be. Mayor Sears said Commissioner Matt Calibria supported the need for a timeline. If we all support that as a big piece of this action. We have never had a timeline. If we can all get together and support a timeline of what the options are at the end of that timeline, it woud be a positive step in that direction. It was discussed that the tipping fees are below the state average, so there was room to increase those in order to have the funds to work on the problem. John Schifano, Town Attorney said that the contract with the county requires GFL to use good industry standards as observed in the Southeast region of the United States. Council could hire a consultant to see if what they are doing meets that standard. There is probably a consultant you could hire to get that information. The danger is that the consultant might come back and say that they are meeting those standards. Councilman McGrath said that GFL should be required to hire the consultant. Council is trying to articulate that this is a county problem. The expense of a consultant should come from their budget. Councilman Wolff suggested that this would be a good option to put at the end of the potential timeline.

It was agreed that it is important to gather those metrics and stick to a timeline so that external factors are not delaying addressing this problem. It was also agreed that, the Town is finally getting the attention of the County, and that, since this has been an issue since 1995, it is not going to be quickly solved, but progress is being made.

MANAGER'S REPORT

Randy Harrington, Town Manager, said the intent of the Resolution on Landfill Malodor was to build momentum, and Council and the Committee have built a lot of momentum. Everyone has articulated that. David Ellis, Manager at the County, recognizes it and has been a good partner.

He said he had 3 items to report tonight.

1. Tomorrow evening from 6:30- 8:00, there is a Parks and Recreation Master Plan meeting via Zoom and the link is available on the calendar on the Town website;
2. He reminded the public, that due to rising COVID cases in the area, in January Council meetings will be going to a hybrid format, where only the Council and Mayor and minimal staff will be in the Chamber. The public will not be allowed in the chamber but are encouraged to use the Zoom link in the calendar to follow those meetings. Public Comments will be received as they have been since March, in writing by email to the Clerk or left in the drop box in Town Hall parking lot.
3. Finally, echoing comments Council has made about holiday events he wanted to recognize Tamara Ward for her coordination of many events and particularly the Ting Tree Trail. The Town has gotten great feedback on these events. He also wanted to recognize Chief Smith for his great relationship with Santa, and for bringing him down from the North Pole and taking him around town.

With that, Happy Holidays to everyone.

CLOSED SESSION: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(4) to discuss an economic development matter.

Motion by: Berry
Second by: Kelly
Vote: Unanimous

General Account of Closed Session:
Economic Director Irena Krstanovic gave Council an update on recent activity in potential Economic Development projects, and then shared a new project that the Town is in competition for, and asked for guidance. Council's consensus was for Ms. Krstanovic to continue in negotiations with the company along the lines presented to them in closed session.
No official vote or action was taken by the Town Council in closed session.
-End of General Account

Motion to return to open session was made by Councilman Wolff, seconded by Councilman Villadsen and passed with a unanimous vote.

Adjournment: Councilman Villadsen made a motion to adjourn at 9:50 pm. It was seconded by Councilwoman Kelly and passed with a unanimous vote.

Respectfully Submitted on Tuesday, January 5, 2021.

Linda C. McKinney
Linda C. McKinney, Town Clerk
Addenda pages as referenced in these minutes follow and are a part of the official record.

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 12.

Consent Agenda

Title: America's Water Infrastructure Act (AWIA) Risk and Resilience Assessment/Emergency Response Plan Contract Approval

Strategic Priority Area: Safe & Friendly

Staff Resource: Kendra Parrish, Utilities and Infrastructure, Kristi Moore, Utilities and Infrastructure

Action(s):

Award contract to Freese and Nichols in the amount of $130,390 to complete the Town of Holly Springs AWIA Risk and Resilience Assessment and Emergency Response Plan.

Explanation:

- America's Water Infrastructure Act (AWIA) of 2018, Section 2013, requires that all community water systems serving populations greater than 3,300 persons will assess the risks to and resilience of its system.
- Request for qualifications (RFQ) was posted August 2020. Freese and Nichols was selected as the most qualified contender.
- The town received 15 responses. Criteria for selection included:
  - Similar project experience
  - Working knowledge of the Town of Holly Springs
  - Technical capabilities of proposed staff
  - Solid understanding of the proposed scope of work and issues
  - Possession of sufficient technical and available staff to develop the response plan within the requested timeline
- Freese and Nichols responsiveness, past data collection and timely delivery of the plan was the reasons for their selection.
- Freese and Nichols proposes to furnish services as described herein for the lump sum fee of $130,390.
- Tasks and Deliverables outlined from the consultant include:
  - Project Kickoff, Data Collection and Review
  - Identification of Critical Assets and Threats
  - Cybersecurity Assessment
  - Risk and Resilience Analysis
  - Risk and Resilience Management
  - Risk and Resilience Report and Certification of Compliance

Background:

- American Water Infrastructure Act (AWIA) Risk and Resiliency Plan ($200,000) funding was approved in the FY21 Community Investment Plan (CIP) Budget.
- The Town of Holly Springs is required to approve a Risk and Resiliency Plan by 2021 to meet the standards of the AWIA.

- The AWIA requires the Risk and Resilience Assessment (RRA) to evaluate:
    - Risk to the system from malevolent acts and natural hazards
    - Resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment storage and distribution facilities
    - Resilience of electronic computer, or other automated systems which are utilized by the water system
    - Monitoring practices of the system
    - Financial infrastructure of the system
    - Use, storage, or handling of various chemicals by the system
    - Operation and maintenance of the system

Funding Source(s):

Fiscal Year 2020-21 Community Investment Plan, funded to 30-432 12.03.

Attachment(s):

1. HollySpringsAWIA Scope_Letter_20201202_Client - Updated

1017 Main Campus Dr. #1200 + Raleigh, North Carolina 27606 + 919-582-5850 + FAX 817-735-7491 www.freese.com

December 17, 2020

Kristi Moore
Asset Management Coordinator/ADA
Town of Holly Springs
PO Box 8 | 128 S. Main St.
Holly Springs, NC 27540

Re: AWIA Risk and Resilience Assessment & Emergency Response Plan

Town Project #________________________________

Dear Ms. Moore:

We are pleased to submit this proposal for providing professional services to the Town of Holly Springs (Town) for the Risk and Resilience Assessment and Emergency Response Plan.

A project description and detailed scope or work is provided below:

INTRODUCTION

America's Water Infrastructure Act (AWIA) of 2018, Section 2013, requires that all community water systems serving populations greater than 3,300 persons will assess the risks to and resilience of its system. The AWIA requires the Risk and Resilience Assessment (RRA) to evaluate:

- Risk to the system from malevolent acts and natural hazards
- Resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment storage and distribution facilities
- Resilience of electronic computer, or other automated systems which are utilized by the water system
- Monitoring practices of the system
- Financial infrastructure of the system
- Use, storage, or handling of various chemicals by the system
- Operation and maintenance of the system

The detailed RRA will be conducted following the Risk Analysis and Management for Critical Asset Protection (RAMCAP®) standard detailed in the J100 (Risk and Resilience of Drinking Water Systems) guidance developed jointly by the AWWA, ASME, and ANSI. The process outlined in the J100 standard provides the framework for the scope of work. The steps are as follows:

1. Asset characterization
2. Threat characterization
3. Workshop #1: Asset-Threat Pairs

4. Consequence analysis
5. Vulnerability analysis
6. Threat analysis
7. Cybersecurity Assessment
8. Workshop #2: Cybersecurity Workshop
9. Risk/resilience analysis
10. Risk/resilience management
11. Workshop #3: Baseline and Mitigated Risk

The RRA will include an implementation plan for capital and operational needs for risk and resilience management of the system. The assessment will be finalized and then certified by the Town to the Administrator of the Environmental Protection Agency (EPA) by June 30, 2021, in the case of systems serving a population of 3,301 or more but less than 50,000.

Within six months of completion and certification of the RRA (and no later than December 31, 2021), America's Water Infrastructure Act of 2018, Section 2013 also requires on-line certification to EPA that the Emergency Response Plan (ERP) for a utility is developed or updated. The ERP can be developed based on existing emergency plans but is required to include response protocols for any type of emergency or event identified as a threat during the RRA. The ERP update is included under this task authorization. The ERP development/update will be addressed after the RRA is performed and will follow the protocols of AWWA's M19 (Emergency Planning for Water and Wastewater Utilities, Fifth Edition) guidance.

To comply with the requirements of the AWIA of 2018, Section 2013 and to improve system resilience, the Town has retained Freese and Nichols, Inc. (FNI) to provide engineering services in support of the development of this RRA and ERP.

SCOPE OF SERVICES

PHASE 1: RISK AND RESILIENCE SCOPE OF SERVICES

The RRA includes three (3) workshops with the RRA team. An RRA report will be developed and provided. Due to the sensitive nature of the content, the RRA report is recommended to be protected from public access within applicable law. The RRA will be performed for the water utility.

Electronic document transfer for this project will be provided to the Town through a secure file-sharing platform. Confidential documents will not be emailed.

Task 1 – Project Kickoff Meeting, Data Collection and Review

FNI will conduct a kickoff meeting with Town staff to introduce the FNI project team, review the scope of services and project schedule, and identify communication approaches. The kickoff meeting will also include a discussion of the background/history related to vulnerability and resiliency for the Town.

During the kickoff meeting, FNI will meet with the Town to determine the RRA team participants, needs and schedule. The following items will be discussed during the meeting:

- Project goals
- Project schedule
- Data collection for review by FNI
- Communication and information flow for the project
- Additional entities to coordinate with in the development of the project

The Town will provide the following documents, if available, to FNI for review:

- Previous vulnerability and risk assessments
- System diagrams
- Existing security plans and procedures
- Business continuity plans / Continuity of operations plans
- SCADA system information
- Interlocal agreements with neighboring utilities
- Local natural hazard mitigation plan(s)
- Emergency response plans
- Other documents that may be related to the vulnerability and resilience of the water system.

Deliverable:
FNI will provide meeting minutes within seven (7) days to summarize major discussion items, decisions, and action items.

Task 2 – Identification of Critical Assets and Threats (and Workshop #1: Asset-Threat Pairs)
FNI will review the data collected for the Town's water system to identify a preliminary list of assets. A database of the assets will be created for future evaluation through the project. FNI will conduct a preliminary evaluation of identified threats based on available published information from the U.S. EPA, FEMA, USGS, DHS and other relevant agencies. Threats to be evaluated include direct hazards to the water system from malevolent man-made sources and natural events, as well as tangential hazards from impacts to system dependencies or unaffiliated but near-proximity infrastructure.

FNI will conduct one workshop (Asset-Threat Workshop) with the Town RRA team to develop a prioritized list of asset-threat pairs to conduct a further risk and resilience evaluation. In the workshop, FNI will lead the RRA team through a review of the assets and an initial screening of consequences of failure to develop a list of critical assets.

FNI will then lead the RRA team through an evaluation of malevolent, natural, and dependency hazards to identify those of most relevance to the water system. Finally, FNI will facilitate the RRA team through a review of asset-threat pairs to prioritize the pairs to focus the risk and resilience evaluation. A maximum of 15 asset-threat pairs will be prioritized for further evaluation.

The RRA will include a limited review of the operation and maintenance of the water system. FNI will discuss the status of an asset management program and approaches that could be undertaken to improve the Town's resilience. The results of the assessment will be included in the RRA Report.

Deliverable

1. FNI will provide meeting minutes within seven (7) days to summarize major discussion items, decisions, and action items.

Task 3 – Cybersecurity Assessment (and Workshop #2: Cybersecurity Workshop)

Town Staff members with knowledge of the Town SCADA system, software and hardware technology, and information security protocols and procedures will be identified at the kick off meeting and engaged through the RRA development. Utilizing a cybersecurity framework guide following AWWA's cybersecurity protocols, FNI will provide Town Staff a cybersecurity checklist to complete. Once the checklist is completed, the AWWA Cybersecurity assessment will be used to identify priorities for improvement, with a focus on "Priority 1" protocols identified in the AWWA Water Sector Cybersecurity Risk Management Guidance (2019).

FNI will conduct one workshop (Cybersecurity Workshop) with the Town RRA Team/Designated IT representative(s) to review the AWWA Cybersecurity Self-Assessment Tool, which will be used to identify cybersecurity strategies and priorities.

With the Cybersecurity Self-Assessment completed by the Town, FNI will compile the information to summarize the prioritized recommendations for improvements.

If any of the asset-threat pairs or resulting mitigation measures involve technology services, FNI will coordinate with the designated IT department contact at the Town.

Deliverable:

1. FNI will provide a priority listing of recommended focus areas for improvement based on the AWWA Cybersecurity assessment.
2. FNI will provide meeting minutes within seven (7) days to summarize major discussion items, decisions, and action items.

Task 4 – Risk and Resilience Analysis

For each of the prioritized asset-threat pairs, FNI will conduct an initial evaluation to estimate the probability of occurrence of the threat (T), the vulnerability (V) of the assets to failure from the threat, and the consequence (C) of asset failure. FNI will initially input existing measures in place that serve to increase the resilience of the critical assets by mitigation of one or more of the risk factors. The risk to each asset is calculated as: Risk = Consequence * Vulnerability * Threat.

Task 5 - Risk and Resilience Management (and Workshop #3: Baseline and Mitigated Risk)

FNI will evaluate the additional mitigation measures identified in the Risk and Resilience Analysis, and as appropriate, identify supplemental mitigation measures for consideration. Mitigation measures may include policy and procedure improvements, physical security upgrades, structural improvements, staffing adjustments, and other actions. The mitigation measures will be analyzed for risk reduction and resilience improvement, and rough approximation conceptual cost to the Town. FNI will develop a prioritized list of mitigation measures based on benefit-cost ratio.

FNI will facilitate a final Workshop with the RRA team to present, evaluate and adjust the baseline and mitigated risk for each asset-threat pair assessed based on team feedback. During the workshop, any refinements or additional mitigation measures to further reduce risk and improve resilience will be identified. A summary table of baseline and mitigated risks with a cost-benefit analysis will be developed to prioritize recommended measures for implementation.

1. FNI will provide meeting minutes within seven (7) days of the Baseline and Mitigated Risk Workshop to summarize major discussion items, decisions, and action items.

Task 6 –RRA Report and Certification of Compliance
FNI will document the RRA and the prioritized mitigation measures for implementation in a draft RRA report. FNI will meet with the Town to provide a final briefing on the RRA and deliver the draft report.

Upon receipt of comments on the draft RRA report, FNI will finalize the RRA report. FNI will assist the Town to complete and submit the certification of the Risk and Resilience Assessment through the online EPA portal. A copy of the certification will be included in an appendix of the final RRA report.

Deliverable:
1. FNI will provide meeting minutes within seven (7) days of the meeting to summarize major discussion items, decisions, and action items.
2. FNI will deliver the draft RRA report to the Town in electronic PDF format for review and comment.
3. FNI will deliver one electronic PDF copy and one electronic MS Word copy of the final RRA report.

RRA DELIVERABLES SUMMARY

Task	Description
1	Kickoff meeting minutes
2	Asset-Threat Pairing Workshop minutes
3	Cybersecurity Workshop minutes
4 / 5	Baseline and Mitigated Risk Workshop minutes
6	Draft RRA report and Final RRA Report with Compliance Certification

PHASE 2: EMERGENCY RESPONSE PLAN SCOPE OF SERVICES

The ERP includes up to three (3) workshop meetings with the Town's designated ERP team and one final briefing. An ERP compliant with the requirements of AWIA of 2018 will be provided. Due to the sensitive nature of the content, the ERP report is recommended to be protected from public access within applicable law. The ERP will include documentation applicable to the water utility.

Electronic document transfer for this project will be provided to the Town through a secure file-sharing platform. Confidential documents will not be emailed.

Task 1 – ERP Data Collection and Review

FNI will request any additional information not received during the RRA portion of the project to complete the ERP. The Town will provide the following documents, if available and if not already provided through the RRA process, to FNI for review:

- Existing emergency response plans for the utility or the overall organization
- Emergency preparedness plans
- Safety and security procedures
- Hazard mitigation plans
- System recovery plans
- System diagrams
- Business continuity plans / Continuity of operations plans
- Interlocal agreements with neighboring utilities
- Local natural hazard mitigation plan(s)
- Crisis communications plan
- Other documents that may be related to the preparedness of the water system.

Task 2 – Review of Existing Plans and Preparation of Initial ERP Outline (and Workshop #1 Gap Analysis and Document Format Discussion)

FNI will review the data collected for the Town's water system to identify gaps and necessary information for an up-to-date ERP. FNI will prepare an initial inventory of available information to review/update and identify gaps in information where development by the ERP team will be required. The ERP will be developed generally according to the outline identified in the EPA's guidance document.

FNI will conduct an initial workshop (ERP Kickoff/Gap Analysis and Document Format Discussion) with the ERP team. In this workshop, FNI will discuss the project scope and schedule, Town's goals for the ERP, provide an overview of the proposed ERP contents and approach and the current status of information to fulfill these needs. A schedule of future ERP workshops will be established. Additional personnel necessary for the proper preparation of the ERP will be identified for inclusion in one or more of the future workshops.

Deliverable

1. ERP data gap analysis
2. FNI will provide meeting minutes within seven days of the meeting to summarize major

discussion items, decisions, and action items.

Task 3 –Emergency Response Plan Preparation Workshops (Workshop #2: Review Sections 1-4 and Discuss Section 5; Workshop #3: Discuss Section 6)

Through workshop meetings, FNI will facilitate the ERP team to identify the components of the ERP. The critical components of an ERP include the following:

1. System overview
2. Incident management overview
3. Roles and responsibilities, based on NIMS and ICS
4. Communications plan
5. Internal and external contact information
6. General emergency response guidance
7. Emergency preparedness and planning

Hazard-specific plans addressing relevant threats identified in the Risk and Resilience Assessment will be developed through the workshops. FNI will provide initial content for the hazard-specific plans based on the Town's existing ERP and/or industry-standard guidance.

Deliverable

1. FNI will provide meeting minutes within seven (7) days to summarize major discussion items, decisions, and action items.
2. Draft sections of the ERP based on the results of each workshop

Task 4 – Draft Emergency Response Plan

FNI will compile the information collected and developed in the series of workshops to prepare a draft ERP. FNI will meet with the Town to present a briefing on the draft ERP, provide implementation recommendations, and solicit comments on the plan.

Deliverable:

1. FNI will deliver the draft ERP to the Town in electronic PDF format for review and comment.
2. FNI will provide meeting minutes within seven days of the meeting to summarize major discussion items, decisions, and action items.

Task 5 – Final ERP and Certification of Compliance

Upon receipt of final comments on the draft ERP, FNI will finalize the ERP. FNI will assist the Town to complete and submit the certification of the Emergency Response Plan through the online EPA portal. A copy of the certification will be included as an appendix to the Town's ERP.

Deliverable:

1. FNI will deliver the draft ERP to the Town in electronic PDF for review and comment.
2. FNI will deliver one electronic PDF copy and one electronic MS Word copy of the final ERP.

ERP DELIVERABLES SUMMARY

Task	Description
2	ERP Data Gap Analysis Workshop #1 meeting minutes
3	Draft ERP Sections Workshop #2 and #3 meeting minutes (2)
4	Draft Emergency Response Plan Meeting minutes
5	Final ERP with Compliance Certification

ADDITIONAL SERVICES

The following services are not included in the proposed scope described in the tasks above. However, FNI can provide these services, if needed, upon the Town's written request. These Additional Services include, but are not limited to, the following:

- Presentation of Results to Elected Officials
- Risk and Resilience Assessment or Emergency Response Plan for Wastewater Utilities
- Standard Operating Procedures
- Public Meeting Assistance
- Design of Risk Mitigation Improvements
- Preparation of Funding Assistance for Risk Mitigation Improvements
- GIS Mapping Services
- Emergency Response Plan Training Exercises
- Cybersecurity Audit
- Detailed Standard Operating Procedures for the Water System

TIME OF COMPLETION: FNI is authorized to commence work on the project upon execution of this agreement and agrees to complete the services in accordance with the following schedule:

1. Risk and Resilience Assessment (RRA) is to be certified to the EPA on or before June 30, 2021. Final RRA will be delivered to the Town prior to that date.

   Kickoff meeting (and data request) will be conducted using online (virtual) meeting methods. This meeting will be scheduled within two weeks of execution of the contract and is expected to occur by mid-January.

   Later workshops will be scheduled based on the availability of staff and impacts of the COVID-19 pandemic. If necessary, those workshops may be conducted using online (virtual) meeting methods to maintain the schedule to meet the compliance deadline of June 30, 2021.

2. Following completion of the RRA, the Emergency Response Plan activities will begin with an updated data request, if needed. The ERP is to be certified to the EPA on or before December 31, 2021, and no later than 6 months after the submission of the RRA certification. The Final ERP Document will be delivered to the Town prior to that date.

A milestone schedule will be developed for the project and reviewed at the kickoff meeting. The delivery dates of draft and final documents for both the RRA and ERP is dependent on the Town providing requested information by the interim deadlines. The milestone schedule will be developed and updated through the project. The updated schedule will be provided monthly in the project status report and presented at workshop meetings. The RRA draft will be submitted to the Town no later than June 4, 2021, which provides the Town a two-week review period, returning comments by June 18, 2021. The final RRA to be completed no later than June 28, 2021. The ERP draft document will be submitted to the Town no later than December 3, 2021 which provides the Town a two-week review period, returning comments by December 17, 2021. The final ERP to be completed no later than December 28, 2021.

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation and FNI shall be entitled to adjust contract schedule consistent with the number of days of delay.

DESIGNATED REPRESENTATIVES FNI and the Town designate the following representatives:

Town's Designated Representative	Kristi Moore Town of Holly Springs PO Box 8 | 128 S. Main St. Holly Springs, NC 27540 Phone: 919-557-2933 Kristi.moore@hollyspringsnc.us
FNI's Project Manager	Marsha Leroux, PE 531 N. Liberty St. Winston-Salem, NC 27101 Phone: 336-355-5944 Marsha.leroux@freese.com
FNI's Accounting Representative	Jana Collier 4055 International Plaza, Suite 200 Fort Worth, Texas 76109 Phone: 817-735-7354 Jana.Collier@freese.com

COMPENSATION

FNI proposes to furnish services as described herein for the lump sum fee of One Hundred Thirty Thousand, Three Hundred Ninety Dollars ($130,390) for Basic Services. All mileage, copying, courier delivery, meals, postage, and other miscellaneous expenditures are included in the fee for Basic Services. If FNI sees the Scope of Services changing so that additional services are needed, FNI will notify the Town before proceeding. Additional services shall be negotiated at a later date if required.

FNI shall bill monthly for work completed. Payment of the services actually completed on the month billed shall be due and payable upon submission of a statement for services. Statements for services shall not be submitted more frequently than monthly. All invoices submitted under this contract will contain the Town's project number.

TERMS AND CONDITIONS OF AGREEMENT

FNI will assist with any necessary audit processes through the Holly Springs Finance Department.

We propose to furnish our services as described herein in accordance with Attachment TC, "Terms and Conditions of Agreement".

We appreciate the opportunity to submit this scope and fee proposal, which is good for 60 days. If additional information or clarification is desired, please do not hesitate to contact us.

If you are in agreement with the services described herein and wish for FNI to proceed with this assignment, please sign attached Town of Holly Springs Contract Signature Page.

Yours very truly,

FREESE AND NICHOLS, INC.

Bryan Jann
Vice-President/Principal

TOWN OF HOLLY SPRINGS CONTRACT SIGNATURE PAGE

NOTICE TO ALL CONTRACTORS & VENDORS:

Notwithstanding anything to the contrary in your contracts, this Contract is valid and enforceable only on the following conditions: Any language in the attached contract purporting to create an indemnity against the Town is hereby stricken and given no effect. Any provision for forum selection or choice of law other than the situs of this contract (Wake County, North Carolina) is hereby stricken and given no effect. The signatures below are only effective upon your acceptance of the foregoing. In the event that you do not accept this notice and notification, inform the Contract Manager/Contact listed below immediately. For contracts obligating a town expenditure exceeding $500, a PO is required.

VENDOR SIGNATURE:

I certify the above language is acceptable.

______________________________________ Date: ___________

Printed Name & Title:_____________________

Approved as to form:

____

John Schifano, Town Attorney

Town Contact: ______________________________

This instrument has been pre-audited in the manner described by the Local Government Budget and Fiscal Control Act.

____

Antwan Morrison, Finance Director

PO Number:___________

TOWN OF HOLLY SPRINGS

By:______________________________

Randy Harrington, Town Manager

ATTEST: (Town Seal)

By:______________________

[ ] Linda C. McKinney, Town Clerk

[ ] Kathryn White, Deputy Town Clerk

Town Standard Signature page Rev 8/19

TERMS AND CONDITIONS OF AGREEMENT

1. **DEFINITIONS:** The term Client as used herein refers to the Town of Holly Springs. The term FNI as used herein refers to Freese and Nichols, Inc., its employees and agents; also its subcontractors and their employees and agents. As used herein, Services refers to the professional services performed by Freese and Nichols pursuant to the Agreement.

2. **CHANGES:** Client, without invalidating the Agreement, may order changes within the general scope of the work required by the Agreement by altering, adding to and/or deducting from the work to be performed. If any change under this clause causes an increase or decrease in FNI's cost of, or the time required for, the performance of any part of the Services under the Agreement, an equitable adjustment will be made by mutual agreement and the Agreement modified in writing accordingly.

3. **TERMINATION:** The obligation to provide services under this Agreement may be terminated by either party upon ten days' written notice. In the event of termination, FNI will be paid for all services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination.

4. **CONSEQUENTIAL DAMAGES:** In no event shall FNI or its subcontractors be liable in contract, tort, strict liability, warranty, or otherwise for any special, indirect, incidental or consequential damages, such as loss of product, loss of use of the equipment or system, loss of anticipated profits or revenue, non-operation or increased expense of operation or other equipment or systems.

5. **INFORMATION FURNISHED BY CLIENT:** Client will assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project. FNI shall have no liability for defects or negligence in the Services attributable to FNI's reliance upon or use of data, design criteria, drawings, specifications or other information furnished by Client and Client agrees to indemnify and hold FNI harmless from any and all claims and judgments, and all losses, costs and expenses arising therefrom. FNI shall disclose to Client, prior to use thereof, defects or omissions in the data, design criteria, drawings, specifications or other information furnished by Client to FNI that FNI may reasonably discover in its review and inspection thereof.

6. **INSURANCE:** FNI shall provide to Client certificates of insurance which shall contain the following minimum coverage:

Commercial General Liability		**Workers' Compensation**
General Aggregate	$2,000,000	As required by Statute
Automobile Liability (Any Auto)		**Professional Liability**
CSL	$1,000,000	$3,000,000 Annual Aggregate

7. **SUBCONTRACTS:** If, for any reason, at any time during the progress of providing Services, Client determines that any subcontractor for FNI is incompetent or undesirable, Client will notify FNI accordingly and FNI shall take immediate steps for cancellation of such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in the Agreement shall create any contractual relation between any subcontractor and Client.

8. **OWNERSHIP OF DOCUMENTS:** All drawings, reports data and other project information developed in the execution of the Services provided under this Agreement shall be the property of the Client upon payment of FNI's fees for services. FNI may retain copies for record purposes. Client agrees such documents are not intended or represented to be suitable for reuse by Client or others. Any reuse by Client or by those who obtained said documents from Client without written verification or adaptation by FNI will be at Client's sole risk and without liability or legal exposure to FNI, or to FNI's independent associates or consultants, and Client shall indemnify and hold harmless FNI and FNI's independent associates and consultants from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle FNI to further reasonable compensation. FNI may reuse all drawings, report data and other project information in the execution of the Services provided under this Agreement in FNI's other activities. Any reuse by FNI will be at FNI's sole risk and without liability or legal exposure to Client, and FNI shall indemnify and hold harmless Client from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

FNI__________
CLIENT__________

9. **POLLUTANTS AND HAZARDOUS WASTES:** It is understood and agreed that FNI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site, if any, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. The parties agree that in performing the Services required by this Agreement, FNI does not take possession or control of the subject site, but acts as an invitee in performing the services, and is not therefore responsible for the existence of any pollutant present on or migrating from the site. Further, FNI shall have no responsibility for any pollutant during clean-up, transportation, storage or disposal activities.

10. **OPINION OF PROBABLE COSTS:** FNI will furnish an opinion of probable project development cost based on present day cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs prepared by FNI hereunder will be made on the basis of FNI's experience and qualifications and represent FNI's judgment as an experienced and qualified design professional. It is recognized, however, that FNI does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices.

11. **CONSTRUCTION REPRESENTATION:** If required by the Agreement, FNI will furnish Construction Representation according to the defined scope for these services. FNI will observe the progress and the quality of work to determine in general if the work is proceeding in accordance with the Contract Documents. In performing these services, FNI will endeavor to protect Client against defects and deficiencies in the work of Contractors; FNI will report any observed deficiencies to Client, however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for the supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or the safety precautions and programs incident to the work of the Contractor. FNI shall not be responsible for the acts or omissions of any person (except his own employees or agent) at the Project site or otherwise performing any of the work of the Project. If Client designates a person to serve in the capacity of Resident Project Representative who is not a FNI's employee or FNI's agent, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in writing and made a part of this Agreement before the Construction Phase of the Project begins.

12. **PAYMENT:** Progress payments may be requested by FNI based on the amount of services completed. Payment for the services of FNI shall be due and payable upon submission of a statement for services to CLIENT and in acceptance of the services as satisfactory by the CLIENT. Statements for services shall not be submitted more frequently than monthly. Any applicable new taxes imposed upon services, expenses, and charges by any governmental body after the execution of this Agreement will be added to FNI's compensation.

    If CLIENT fails to make any payment due FNI for services and expenses within thirty (30) days after receipt of FNI's statement for services therefore, the amounts due FNI will be increased at the rate of one percent (1%) per month from said thirtieth (30th) day, and, in addition, FNI may, after giving seven (7) days' written notice to CLIENT, suspend services under this Agreement until FNI has been paid in full, all amounts due for services, expenses and charges.

13. **ARBITRATION:** No arbitration arising out of, or relating to, this Agreement involving one party to this Agreement may include the other party to this Agreement without their approval.

14. **SUCCESSORS AND ASSIGNMENTS:** CLIENT and FNI each are hereby bound and the partners, successors, executors, administrators and legal representatives of CLIENT and FNI are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

    Neither CLIENT nor FNI shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent FNI from employing such independent associates and consultants as FNI may deem appropriate to assist in the performance of services hereunder.

15. **PURCHASE ORDERS:** If a Purchase Order is used to authorize FNI's Services, only the terms, conditions/instructions typed on the face of the Purchase Order shall apply to this Agreement. Should there be any conflict between the Purchase Order and the terms of this Agreement, then this Agreement shall prevail and shall be determinative of the conflict.

FNI__________
CLIENT__________