Holly Springs Town Council
7:00 PM **Tuesday, March 2, 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 March 2, 2021 Meeting Agenda

PUBLIC COMMENT PERIOD **Notes on the Public 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. Oath of Office - Planning Board

REQUESTS AND COMMUNICATIONS

6. Donation in Memory of Owen Schroeder

7. Wake County Southern Regional Center Presentation

PUBLIC HEARINGS

8. Unified Development Ordinance Text Amendment 21-UDO-01 to Section 3.03 TV Town Village – Legislative Public Hearing

CONSENT AGENDA

9. Approve the minutes of the February 16, 2021 Business Meeting.

10. Staff Position Reclassifications

11. Recommendation of External Auditor for Fiscal Year Ending June 30, 2021

NEW BUSINESS

12. Together on Center Stage Anti-Bullying Grant

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.

Recognitions
Title: Oath of Office - Planning Board
Strategic Priority Area: Organizational Excellence
Staff Resource: Linda McKinney, Town Clerk

Action(s):
Issue the Oath of Office to newly appointed Planning Board member.

Explanation:

- Rick Madoni, Courtney Patterson, and Joanna Holder were appointed in-town members of the Planning Board.
- Mr. Madoni could not be present at the February 16th meeting, when Ms. Patterson and Ms. Holder were sworn in and will be sworn in tonight.

Background:

- On January 19, 2021 Council made their annual appointments to the Board of Adjustment and Planning Board.

Funding Source(s):
N/A

Attachment(s):
None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Requests & Communications
Title: Donation in Memory of Owen Schroeder
Strategic Priority Area: Engaged, Healthy, & Active Community
Staff Resource: Adam Huffman, Parks & Recreation

Action(s):
Receive a donation from the Schroeder family in the amount of $10,000 to support an expansion of the play area at Womble Park and honor the memory of their son, Owen.

Explanation:

- In October 2020, four-year old Owen Reed Schroeder, tragically lost his life while playing in a Holly Springs neighborhood.
- The Schroeder family is donating $10,000 to the Town from a GoFundMe community contribution effort in honor of Owen's memory.
- The donation will be used towards the addition of a double-bay swing set near the existing playground at Womble Park. A park bench will also be installed with an engraved memorial plaque.

Background:

- Owen's family wanted to honor his memory by contributing to a safe play space for other children in Holly Springs.
- Owen enjoyed playing at Holly Springs parks and specifically liked Bass Lake, Sugg Farm, and the playground at Womble Park.
- Staff worked with the Schroeder family to identify an opportunity at Womble Park to expand the existing play area with a double bay swing set (adding four swings) and a sitting bench with a small, engraved plaque.
- The total project cost including installation and safety surfacing is approximately $17,600 for which the department will fund the difference from the existing playground maintenance budget.
- The project is expected to be completed by May 2021.

Funding Source(s):
$10,000 donation to account 10-326.01

Attachment(s):
None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Requests & Communications
Title: Wake County Southern Regional Center Presentation
Strategic Priority Area:
Staff Resource: Randy Harrington, Town Manager

Action(s):
No action required.

Explanation:

- Residents and businesses in the Holly Springs community receive local government services from both the Town of Holly Springs and Wake County.
- While municipal Town of Holly Springs services are sometimes more recognizable on a daily basis to our public, Wake County also provides a wide array of important services.
- The Director of the Wake County Southern Regional Center recently reached out to the Town Manager to increase awareness about the services offered by the Center in Southwest Wake County. The Center is operated by the Wake County Human Services Department.
- The purpose of the presentation is to increase awareness of the Center's resources and services to the Mayor and Council and public.
- Richard Hayner, Director of the Southern Regional Center will provide an overview of the Center.

Background:

- Regional Centers exist to bring county services to residents in outlying communities.
- The Southern Regional Center provides a variety of services including:
  - Child Protective Services;
  - Family Support Services;
  - School Health
  - Emergency Energy Assistance;
  - Employment Services;
  - Medicaid;
  - Veterans and Military Services
  - Immunizations & Vaccinations;
  - Behavioral Health
  - Prenatal Clinic

Funding Source(s):

N/A

Attachment(s):

None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Public Hearings

Title: Unified Development Ordinance Text Amendment 21-UDO-01 to Section 3.03 TV Town Village – Legislative Public Hearing

Strategic Priority Area: Responsible & Balanced Growth

Staff Resource: Sean Ryan, Development Services

Action(s):

1. Conduct Legislative Public Hearing
2. Adopt Ordinance #21-01 to adopt the statement of compatibility and UDO text amendment

Explanation:

- In May of 2020, the Town Council adopted a series of UDO amendments related to the implementation of the Land Use & Character Plan. Staff has since identified a drafting error in the adopted ordinance that impacts permitted uses in the TV Town Village zoning district. This amendment will correct the error.
- The text to be removed is " ~~; Dwelling~~." The Planning Board staff report in the attachments provides additional explanation.

Planning Board Recommendation:

The Planning Board discussed the following issues and concerns on February 23, 2021:
The Board did not have any questions or concerns.

The Planning Board recommended approval (8-0-1)

Background:

- The purpose of the May 2020 ordinance was to remove townhomes as a permitted use in the TV District. During the drafting of the ordinance, a portion of the text was mistakenly not "crossed-out." This amendment will remove the remaining text to remove any potential interpretation issues.

Funding Source(s):

N/A

Attachment(s):

1. 21UDO01 Text Amendment Planning Board Report
2. 21-01 UDO01_Section3_03_DRAFT_ORD

Town of Holly Springs
Staff Report to the Planning Board

REQUEST FOR UDO TEXT AMENDMENT
21-UDO-01
Section 3.03 TV Town Village District

PETITIONER(S):
Town of Holly Springs
P.O. Box 8
Holly Springs, NC 27540

ANTICIPATED REVIEW SCHEDULE:

Planning Board:	February 23, 2021
Public Hearing and Town Council Action:	March 2, 2021

STAFF CONTACTS: Sean Ryan, Planning & Zoning

ATTACHMENTS:
Draft Ordinance Amendment

STAFF ANALYSIS

AMENDMENT OVERVIEW

The proposed amendments table below provides a summary of the proposed changes to the Town of Holly Springs Unified Development Ordinance (UDO) and an explanation of why the change is needed. Detailed language of the proposed amendment can be found in the attached draft ordinance.

In May of 2020, the Town Council adopted a series of UDO amendments related to the implementation of the Land Use & Character Plan. Staff has since identified a drafting error in the adopted ordinance that impacts permitted uses in the TV Town Village zoning district. This amendment, outlined below, will correct the error.

Purpose of Amendment

Purpose of Amendment Key	
Legal Compliance	Change made to comply with North Carolina General Statutes or other legal change.
Clarification or Correction	Change made to provide clarification on UDO intent, prevent misinterpretations, or correct grammatical errors.
Minor Change	Minor changes made to further achieve goals and policies outlined in the Comprehensive Plan or changes made to better implement the established policy based on resident, business, and development community feedback.
Major Change	Major changes to support a specific town policy or substantially change current UDO regulations.

Amendment Item	Ordinance Part	Purpose of Amendment	Reason for Amendment
Townhomes in TV Zoning	1	Clarification or Correction	The purpose of the May 2020 ordinance was to remove townhomes as a permitted use in the TV District. During the drafting of the ordinance, a portion of the text was mistakenly not “crossed-out.” This amendment will remove the remaining text to remove any potential interpretation issues. May 2020 Ordinance Text: Remove text as indicated in ~~strikethrough~~ to Section 3.03 A. TV Town Village District as follows: A. Permitted Uses. 1. *Primary Uses*- for existing *buildings* or *structures*. a. Residential: *Dwelling Unit* – upper level; Dwelling, ~~*Multifamily Townhouse*~~. Proposed UDO Amendment: Remove text as indicated in ~~strikethrough~~ to Section 3.03 A. TV Town Village District as follows: A. Permitted Uses. 1. *Primary Uses*- for existing *buildings* or *structures*. a. Residential: *Dwelling Unit* – upper level~~;~~ ~~Dwelling,~~

STAFF RECOMMENDATION TO THE PLANNING BOARD

PLAN CONSISTENCY STATEMENT:
The requested UDO Text Amendments are consistent with the Vision Holly Springs: Town of Holly Springs Comprehensive Plan: Executive Summary in regards to “Using the Plan to Implement the Town’s Vision” and “Adopting and Implementing the Plan”; Section 1: Land Use & Character; and Section 1: Land Use & Character Appendix A: Village District Area Plan. The proposed UDO Amendment implements the policy objectives identified in the Land Use & Character section of the Comprehensive Plan and provides the tools necessary for staff and the development community to implement the goals and objectives stated in the Plan.

UDO AMENDMENT RECOMMENDATION:

Motion that the Planning Board recommend the Town Council approve / deny UDO Text Amendment #21-UDO-01 to modify the text of UDO Section 3.03 TV Town Village District.

Agenda Item Completeness Checklist				
	Approved for Distribution			
Staff Member	**Yes**	**No**	**Initials**	**Comments**
Sean Ryan	X		SR	
Rachel Jones				
Melissa Sigmund				
John Schifano, Town Attorney				

THE TOWN OF

Holly Springs

Ordinance Number: 21-01
Date Submitted: March 2, 2021
Date Adopted:

AN ORDINANCE TO AMEND SECTIONS OF THE CODE OF ORDINANCES TO MODIFY APPENDIX A: UNIFIED DEVELOPMENT ORDINANCE AND ADOPT THE COMPATIBILITY STATEMENT REQUIRED BY NORTH CAROLINA GENERAL STATUTES 160A-383

WHEREAS, the Town of Holly Springs Town Council adopted *Vision Holly Springs: Town of Holly Springs Comprehensive Plan* in November 2007 and updated the plan in 2009 and 2018; and

WHEREAS, Town of Holly Springs desires to amend the Unified Development Ordinance in accordance with the goals and policies contained within *Vision Holly Springs: Town of Holly Springs Comprehensive Plan*; and

WHEREAS, the Holly Springs Planning Board has reviewed this request at a Public Meeting and recommended approval; and

WHEREAS, an opportunity for public input into the suggested amendment has been offered in a public hearing before the Town Council; and

WHEREAS, the Holly Springs Town Council finds that the requested UDO Text Amendments are consistent with the *Vision Holly Springs: Town of Holly Springs Comprehensive Plan*: Executive Summary in regards to “Using the Plan to Implement the Town’s Vision” and “Adopting and Implementing the Plan”; Section 1: Land Use and Character; and Section 1: Land Use and Character Appendix A: Village District Area Plan. The proposed UDO Amendments implement the policy objectives identified in the Land Use and Character section of the Comprehensive Plan and provides the tools necessary for staff and the development community to implement the goals and objectives stated in the Plan; and

THEREFORE, BE IT ORDAINED by the Holly Springs Town Council of the Town of Holly Springs, North Carolina, that the Code of Ordinances Appendix A: Unified Development Ordinance of the Town is amended as follows:

Part 1: Amending Section 3.03 A. TV Town Village District; Permitted Uses, to correct a drafting error in the TV district:

Remove text as indicated in ~~strikethrough~~ to Section 3.03 A. TV Town Village District as follows:

A. Permitted Uses.

1. *Primary Uses*- for existing *buildings* or *structures*.

h. Residential: *Dwelling Unit* – upper level~~; Dwelling~~.

Part 2: **REPEAL OF CONFLICTING ORDINANCES**
All ordinances or parts of the UDO of the Town of Holly Springs conflicting or inconsistent with the provisions of this Ordinance are hereby repealed.

Part 3: **SEVERABILITY**
If any section, part of a section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held or declared to be unconstitutional, inoperative or void, such holdings shall not affect the remaining portion of this Ordinance and it shall be construed to have been the legislative intent to pass the Ordinance without such unconstitutional, invalid or inoperative part therein, and the remainder of this Ordinance after the exclusion of such part or parts shall be deemed to be held valid as if such part or parts had not been included therein, or if this Ordinance or any of the provisions thereof shall be held inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holdings shall not affect the applicability thereof to any other person, property or circumstances.

Part 4: **INCLUSION IN CODE**
It is the intention of the Town Council entered as hereby ordained, that the provisions of this Ordinance shall become and be made part of the Unified Development Ordinance of the Town of Holly Springs, North Carolina; that the Section(s) of this Ordinance may be renumbered or relettered to accomplish such intention, and that the word "Ordinance" may be changed to "Section, or "Article" or other word.

Part 5: **EFFECTIVE DATE**
The provisions of this ordinance shall become effective March 2, 2021 in accordance with the laws of the State of North Carolina.

Adopted this, the 2nd day of March 2021.

Attested to:

THE TOWN of HOLLY SPRINGS 1876 WAKE COUNTY NORTH CAROLINA

______________________________ ______________________________

Dick Sears, Mayor Linda McKinney, Town Clerk

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 9.

Consent Agenda
Title: Approve the minutes of the February 16, 2021 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 February 16, 2021.

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. 2.16.21 minutes - draft

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, February 16, 2021 in person and via video conferencing. Mayor Pro Tem Berry presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor Pro Tem and three Council members were present in the Chamber and one Council member was present via video conference as the meeting opened.

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

Council Members Present via video conference: Councilman Shaun McGrath

Council Members absent: Mayor Sears.

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; Daniel Weeks, *Assistant Town Manager*; Scott Chase, *Assistant Town Manager;* John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Mark Andrews, *Communication and Marketing*; Jeff Wilson, *Director, IT;* Mathew Mutter, *IT;* Irena Krstanovic*, Director Economic Development;*

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

MPT Berry noted that the Town's current electronic meeting policy is in conflict with Senate Bill 704 regarding quasi-judicial hearings, so he moved to suspend Administration Rule AD-15, Electronic Meetings Policy, to allow remote participation in the quasi-judicial hearing.

Council discussed the fact that the Policy was written before the General Assembly passed the statute allowing quasi-judicial matters to be handled in virtual meetings, and Town Attorney, John Schifano clarified that an electronic meeting has always been allowed by statute, but that SB 704 spoke to the permissibility of holding an electronic meeting so that witnesses could also participate remotely. Town Clerk, Linda McKinney was asked if any witnesses would be appearing remotely, and she affirmed that all witnesses were present in Town Hall. There was discussion about revising the Policy to bring it in line with SB 704 regarding quasi-judicial hearings, whether or not virtual attendance should be connected to the reasons for the State of Emergency, and other considerations. It was requested that this be made a topic on a future workshop.

Mayor Pro Tem Berry said that he brought this up because, with Mayor Sears out and Councilman McGrath attending virtually, there was the chance of a 2-2 tie, with no one to break the tie if CM McGrath were not allowed to participate. He made the motion in the interest of having enough people to conduct tonight's business. It was mentioned by several Council members that if Council moves to authorize the Board of Adjustment to conduct these types of quasi-judicial proceedings, like other municipalities in the area, this will not be an issue, because they have alternates to sit when members are unable to attend.

It was requested that the motion be amended to add that presenters be given the opportunity to continue their matter if they did not want to proceed with a Council member participating remotely. MPT Berry accepted this amendment.

Action: Motion to suspend that section of Administrative Rule AD-15 Electronic Meetings Policy which prohibits participation in quasi-judicial hearings by those attending remotely, and to provide an opportunity for those appearing before Council to object and continue their hearing to a later meeting.

Motion by: Berry
Second by: Villadsen
Vote: unanimous

4. Agenda Adjustment: The February 16, 2021 meeting agenda was adopted with changes, if any, as listed: none.

Motion: Villadsen
Second: Wolff
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 landscaping changes along the greenway next to Lowe's Home Improvement.

Recognitions

5. Oath of Office for new Planning Board and Board of Adjustment Members

Town Clerk, Linda McKinney, gave the oath of office to Planning Board members Courtney Patterson and Joanna Holder, and Board of Adjustment members Cody Loughridge and Christian Youngbluth.

Requests and Communications

6. Annual Report from the Parks and Recreation Advisory Committee

LeeAnn Plumer, Director of Parks and Recreation introduced Susan Smith, who was presenting remotely.

Susan Smith, Chair of the Parks and Recreation Advisory Committee (PRAC) apologized for not being able to come in person, because she was in self-lockdown. She said the purpose of the Committee is to work with Town Staff and Town Council to work on long-range planning for the Parks and Recreation Department. She said that in March of 2020 the Committee established two main areas of focus for the year: to review and take action on updates in reference to the Parks, Recreation, and Greenways Master Plan, and Department projects and initiatives as presented; also to actively attend Town and Department events as a way to gather feedback and information from the community and bring it back to the Department.

She shared some highlights of the past year: The PRAC received presentations and information from citizens; recommended a new Parks Ordinance establishing formal rules for Town parks and greenways. They made recommendations to support: purchasing of land west of Highway 55 for a future park; dog park and restroom facilities at Sugg Farm; and scholarship policy considerations and updates. They established new member events to integrate new members on the board. They toured facilities as a group, both to get COVID related information and also to see some of the facilities individual members might not be as familiar with. They participated as active members of the Greenways Steering Committee and worked with the Tree Committee. They instituted an electronic repository for PRAC information to allow the current board access, and to be shared with future boards as well. PRAC participated in Town Events including, tree planting, the new historic marker, and the Tree Trail at Ting.

She said the short list for 2021 goals includes working with departments to establish priority projects and initiatives as recommended by the Master Plan; to engage in Town events; to obtain community input; to continue committee communication with other boards such as the Tree

Advisory Board; to continue to tour facilities; and to continue to invite Parks and Recreation Staff to share their knowledge so the PRAC can communicate back to residents. She then welcomed questions, comments or feedback.

MPT Berry and Council members thanked her for her service. There were no questions.

Public Hearings

7. Voluntary Annexation A20-09, Regency at Holly Springs

Melissa Sigmund, Development Services, said that the Petitioner has requested a delay to the March 16th Council meeting, where the Development Plan and the Annexation may be handled at the same meeting. Because the hearing was advertised, she asked that Council open the public hearing and continue it to March 16, 2021.

Action: Motion to open the public hearing and continue to the March 16, 2021 business meeting.
Motion by: Kelly
Second by: Villadsen
Vote: unanimous

8. Rhamkatte Village PUD Amendment

Cheryl Caines, Development Services, said the purpose of this hearing was to consider a major amendment for the Rhamkatte Village PUD. The amendment concerns the streetscape buffer on Holly Springs Road on either side of the Rhamkatte Road/Bass Lake Road intersection. She explained that because of overhead powerlines, Duke Energy requires a lower-growing tree. The proposed amendment would not change the number of trees planted, but would change the species from red maple to crepe myrtle, and would change the alignment of the trees to in-line with the shrubs rather than behind them. The stone columns, rather than spaced every 50 or so feet, would be at entrance points, both vehicular and pedestrian.

Chris Deshazor, Planning Board, said the Planning Board recommended approval with a vote of 9-0. Councilwoman Kelly asked if the planting of additional trees in response to the loss of the oak was discussed at Planning Board. Mr. Deshazor said that it did not come up. There was a lot of discussion about what it would look like, that it would have more of an urban feel, and that the trees were similar to other trees planted around town.

With that information provided, Mayor Pro Tem Berry opened the Public Hearing.

Tom Spaulding and Garret Baker of The Spaulding Group, presented for the applicant. Mr. Spaulding showed the location of the amendment and the existing conditions in the area. He said that when the Lowe's Foods shopping center was built, there were two variances. One was to allow the height to be increased, and the other was to allow the columns. Part of the reason for that was there was no hedge behind the parking because of the landscape, and the decision was to move the hedge up to the top of the hill. It was done for the entire PUD, including both sides of the road. That was a long time ago. He said that on this side of the road they wanted the buildings to be more visible. He then said that the Duke Progress Energy requirements would not allow red maples to be planted under overhead powerlines. This is the same number of trees and the same species of shrubs. But the columns are moved. He said that the use of crepe myrtles was consistent with the Town of Holly Springs Thoroughfare Planting Plan and that the tree is similar to what is in front of Town Hall.

Garrett Baker said that the primary reason for requesting this amendment is that Duke Energy will not allow the red maple in this location. He said they worked with Duke for several months and this was what they were able to negotiate. The Chinese Pistache tree is on the Thoroughfare Planting Plan, but Duke said that gets too tall. But the adjacent lot has Biloxi Crepe Myrtle, which is the same tree used in the median in front of the site. They will use the same shrub, Dwarf Burford Holly, but they needed to shift the tree line towards the street to avoid the powerlines, and they can't plant a shrub on top of the tree's roots. The site has multiple access points. Across the street, the columns have disappeared under the shrubs, and they want to celebrate them and accent them, so that's why they want to change the spacing of the columns.

Councilwoman Kelly asked if, with the change to these smaller trees, if there would be more large trees somewhere else in the PUD to keep the number of small, medium, and large trees the same as in the original plan. Mr. Baker said that large trees, oaks, were added on the north side, between the parking lot and residential area, and he thinks it is probably a one-to-one replacement. Councilman McGrath asked for confirmation that the change was directed by Duke Energy. Mr. Spaulding said that the change in tree species was directed by Duke Energy and the applicant took that opportunity to change the location of the columns.

There being no further input Mayor Pro Tem closed the public hearing.

Action: Motion to approve Planned Unit Development amendment 00-PUD-05-A11 with conditions listed in the agenda packet.
Motion by: Wolff
Second by: Villadsen
Vote: unanimous

9. Rhamkatte Plaza Development Plan and Special Exception Use

Cheryl Caines, Development Services, said the purpose of this item was for Council to consider the request for Special Exception Uses, Development Plan, Variances and Waivers for Rhamkatte Plaza. The Land Use and Character Plan is Neighborhood Center, and the Zoning is PUD. The applicant's proposal is for an integrated center, with a mix of office and retail, with three buildings with an approximate square footage of 58,251 square feet. She said that the associated variances would be to reduce the front yard setback along Holly Springs Rd. from 30 feet to 20 feet, reduce the front yard setback along Rhamkatte Road from 30 feet to 20 feet, and to allow two drive aisles, parallel to Rhamkatte Road, with parking between them. The first three Waivers (20-WAV-26 -27, and -28) requested are for alternate compliance to Architectural Design Standards for each of the three buildings, which include a roof line greater than 50 feet without a change, and building bays which exceed 30 feet, and percentages of animated features less than minimum requirements. Waiver 20-WAV-29 would be to allow more than 75% of the parking to be between the building and Rhamkatte Road, and the third Waiver, 20-WAV-30, would be to allow loading spaces less than 12 ft by 55 ft, because the type of building use intended does not require deliveries from tractor trailer trucks.

Bronwyn Bishop, Utilities and Infrastructure, said the Traffic Impact Analysis was done for the original PUD and it was updated for this project. The TIA update studied four intersections and the applicant paid a fee-in-lieu of Holly Springs Road widening with the development of 2018 Market, and will pay a fee-in-lieu of the right turn lane at Holly Springs Rd. and Main Street. She said that there will be one right-in right-out access off of Holly Springs Rd., and the rest of the access would be from Rhamkatte Road. No additional right-of-way or pavement would be needed for the Holly Springs Road Widening project. She said the project would connect to existing sewer main and water main in the 2018 portion of the Rhamkatte PUD.

MPT Berry asked about the sidewalk project there, and what the applicant was doing towards it. Ms. Bishop said that the sidewalk is in existence already. This area will have repaving and restriping only.

There was discussion about whether to get the applicant's consent to proceed at this point or later. Town Attorney John Schifano said if they had a lot of questions they could ask now. Otherwise they could ask before opening the Public Hearing.

Councilwoman Kelly asked about traffic flow, particularly for those crossing Holly Springs Road from the Lowe's Food shopping center. Ms. Bishop said that the construction of the median is dictating a lot of right-in right-out access points. NCDOT wants to see 1,200 feet between access points. Except where there are the median breaks, NCDOT requires right-in, right-out. Leaving

Lowe's Foods, one would turn right on Holly Springs Rd. and turn left into Rhamkatte Rd., or take a left onto Bass Lake Rd. out of the parking lot and cross Holly Springs Rd. at that intersection.

Chris Deshazor said that the Planning Board recommended approval with a vote of 8-1. He said they were pleased with the walkability. There was a question about a cemetery that used to be there. Mr. Crandall voted against because of the reduced loading zone sizes. Councilwoman Kelly asked if there was a question around EV Charging stations. Mr. Deshazor said there was and Planning Board was told there would be charging stations.

With that information provided, Mayor Pro Tem Berry asked for the applicant's consent to proceed with the public hearing. They said that they were comfortable with proceeding.

MPT Berry opened the Public Hearing.

Jason Baron, of Morningstar Law Firm, 421 Fayetteville Street, Raleigh appeared for the applicant. He asked that the staff report and attached exhibits be accepted into the record. He said that the vast majority of the modification requests are designed to facilitate a more urban pedestrian landscape. Second, he said they understand that the community is watching with respect to trees. They heard feedback from Council on the tree that was removed by the owner, without the applicant's knowledge. And because of that, six trees are being added between this project and the residential area. They understand the sensitivity of the removal of the oak, and want to add the screen between residential and commercial, without affecting the walkability.

Tom Spaulding, of The Spaulding Group, 1611 Jones Franklin Road in Raleigh, said that this PUD was 20 years old, and when they brought this project to the Technical Review Committee (TRC) a year ago, the TRC was happy to see the type of uses that were planned. He said that the project's being surrounded on three sides by roads affected their ability to meet the Local Business requirements. He said that the existing conditions on the site include over 25-foot elevation change, a Colonial Gas line and Duke Energy Power Line Easement, all of which make the site challenging.

Mr. Spaulding said the site plan is for three buildings. Building 1, two-story 10,000 sq. ft. per story; Building 2 – two-story 15,000 sq. ft. per story; and Building 3 one-story of 8,251 square feet. He said there were four vehicular access points, and seven pedestrian access points, and the vision was to have a pedestrian plaza of 3,500 sq. ft. with seating and moveable landscape pots and/or boxes. He said having roads on three sides created the need for the parking variance. He said that the loading zone regulations are set up for tractor-trailers, and the plan meets the requirements for the loading zone waiver because there will not be tractor-trailers making deliveries. He said that their buildings will be some of the smaller buildings in the area.

Mr. Ted VanDyke with City Design Group showed proposed building elevations and discussed the architectural waivers being requested. He said all four sides of the buildings are visible – there is no back. The buildings are attractive on all four sides. Moving them toward the street increases the urban feel, and gives more distance between commercial and residential. There are lots of variations in these buildings. The Plaza is over the Colonial Pipe Lines easement, where they could not build. This is "place making" and also, as COVID has shown, outdoor dining is very useful. They created corner elements because the back of the shops faces Holly Springs Rd. and they wanted to make a gesture to the corner with the awnings and plantings.

Garrett Baker, landscape architect with TMTLA Associates in Chapel Hill, showed an overhead rendering of the three buildings and the parking area. He showed how the street buffer PUD amendment would look. He showed that three pedestrian access points from Rhamkatte Rd. carried through to the front of the buildings. The Plaza is taking an abandoned utility easement and turning it into something that is more vibrant and useable. He said there were enhancements to the BMT pond, sight lighting that is pedestrian scale throughout, and full frontage of the buildings, fully landscaped around all sides of all buildings. There are overhead canopy trees in the parking lot. Three additional oaks and three Nellie Stevens Holly trees were added between the residential and the commercial uses. The BMT is another greenspace and there will be benches and other pedestrian friendly features there. He said they are increasing the site by 25% over what is required in terms of tree canopy cover, as well as providing some oaks to compensate for the smaller trees for the PUD amendment and the lost oak tree referred to earlier.

Mr. Barron said that he believed that this development plan satisfied the evidentiary requirements, and asked for approval.

MPT Berry asked the applicant to point out the loading spaces on the plan and asked if they would be striped. Mr. Spaulding said the first one is next to Building 2, parallel to the side and the second is closer to Building 3, also parallel, in front of the Plaza. He said they would probably be striped "loading zone."

Councilwoman Kelly said that she does not see pedestrian access from across Holly Springs Rd. She pointed out that there were no benches or anything on Holly Springs Road side that would make it pedestrian friendly She said the building with the awnings looks pedestrian friendly, but the big building does not feel like it has the same vibe. She said they were missing the opportunity to make it less clinical looking. She would like it to be more inviting for the people across Holly Springs Rd.

Mr. VanDyke said the site has been a challenge. They spent a lot of time creating pedestrian access to the Plaza. The sidewalk meets Holly Springs Road and there will be columns. The entry in the other side is articulated with a large entrance. He said that crossing Holly Springs Rd. was out of their scope, but they are trying to link the site from front to back for pedestrians.

Councilwoman Kelly asked what Council's options were for increasing pedestrian safety, since this PUD has been around for a long time.

Randy Harrington, Town Manager, said staff can continue to work with the applicant in terms of design. Obviously pedestrian safety is important to Mayor and Council.

Councilman Wolff said there is existing sidewalk at the school. Maybe that should move to the top of the list for installing a flashing crosswalk. Councilman Villadsen said there is already a flashing crosswalk at the school, but there are more things that the Town can do. Bass Lake has a crosswalk that is signalized. When Rhamkatte PUD was first updated five years ago, having commercial was a very positive thing. He said he was also glad that they are using the name Rhamkatte, as it's good to have that history around.

MPT Berry said that going back 20 years, it is interesting to see how that area has built out. It is going to continue to generate more pedestrian activity. He appreciates the interest in keeping pedestrian connections, and keeping them safe.

Mr. Harrington said that as part of the Comprehensive Transportation Plan update, staff is looking at the Bass Lake Rd. / Holly Springs Rd area, and maybe some features or improvements might come out of that.

There being no further input Mayor Pro Tem closed the public hearing.

Action 1: Motion to adopt Resolution 21-05 to make and accept the Findings of Fact for consideration of Special Exception Uses, Variances, and Waivers.

Motion by: Wolff
Second by: Villadsen
Vote: unanimous
A copy of Resolution 21-05 is attached to these minutes.

Action 2: Motion to approve Rhamkatte Plaza with the conditions stated in the agenda packet.

Motion by: Villadsen
Second by: Wolff
Vote: unanimous

10. 201 W. Elm Special Exception Use

MPT Berry asked the applicant if he consented to the electronic meeting. He consented.

Cheryl Caines, Development Services, said the purpose of this item was for Council to consider a request for a Special Exception Use to allow an Accessory Dwelling Unit (ADU) in an existing detached structure in the R-15 Residential District. The lot is on the corner of Elm and

Avent Ferry, in the Avent Acres subdivision. The applicant would like to use the accessory dwelling unit as a mother-in-law apartment.

Bronwyn Bishop, Utilities and Infrastructure, said the unit would be served by existing water and sewer services, and the connection made by a private plumber, since it will be behind the meter. No additional right-of-way dedication is required with this request.

Chris Deshazor, Planning Board, said that the Planning Board recommended approval with a vote of 9-0. There was a question about the pool in the back, but that has no bearing on this decision. He went through the timeline of the approval for the current structure. Councilwoman Kelly asked if parking was discussed. Mr. Deshazor said that there was parking in the driveway.

With that explanation, Mayor Pro Tem Berry opened the public hearing.

Alan Baumann, 201 W. Elm Ave., Holly Springs, the applicant, said that he wanted to upgrade the current outbuilding to a mother-in-law apartment. The use will not be injurious to the public health, safety, comfort, community moral standards, convenience or general welfare. The proposed use will not injure or adversely affect the adjacent area. He said that ADUs are becoming more needed as baby boomers age and need to move in with family members.

He gave the background of the permitting of the existing building in 2002. It is approximately 939 square feet and has electricity. The unit will be improved upon adding safety and comfort for his mother-in-law. It will be consistent in style and color with the main residence. The unit will have one bedroom and will occupy approximately 690 square feet of the existing building. He said there is ample parking for five vehicles on the property, with three in the driveway and two in the garage. No waiver from standards of use or building codes will be required. He said the ADU will have all of the typical facilities of any residential unit, and will have added features for handicapped accessibility.

He explained how this ADU meets the Vision in Holly Springs Strategic Plan to preserve a family-friendly community and the Mission Statement of the Comprehensive Plan in that it fosters a greater sense of community. The property is close to the downtown district and his mother-in-law would be able to enjoy the benefits of Downtown without getting in her car.

There being no further input Mayor Pro Tem closed the public hearing.

Mayor Pro Tem Berry and Council members thanked Mr. Baumann for an excellent presentation. Councilwoman Kelly asked for clarification that ADUs are currently allowed for family members, not as rentals. John Schifano, Town Attorney, said that was the case, but that the Supreme Court defines family as a collective group that shares expenses, so it is a broad definition. Councilwoman Kelly said she wanted to be sure the applicant was aware of that restriction, and also to ask that, if the rewrite of the UDO changes that, would there be enough parking if the unit were later rented to a non-relative. Mr. Baumann said that there was adequate parking.

Action 1: Motion to adopt Resolution 21-06 to make and accept the Findings of Fact for consideration of and to approve Special Exception Use.

Motion by: Villadsen
Second by: Kelly
Vote: unanimous
A copy of Resolution 21-06 is attached to these minutes.

Action 2: Motion to approve 201 W. Elm Avenue with the conditions stated in the agenda packet.

Motion by: Wolff
Second by: Kelly
Vote: unanimous

11. Woods Creek Elementary School Sewage Pump Station

MPT Berry asked the applicants if they consented to the meeting continuing with one Council member attending virtually. Mr. Haywood, attorney for the applicant, said they were prepared to move forward.

Cheryl Caines, Development Services, said the purpose of this item is for Council to consider a request for Special Exception Use (SEU), Development Plan, Variance and Waivers for Woods Creek Elementary School. The SEU is to allow a school in the R-30 Residential District. The associated Variance and Waivers are to allow a building height of 55 ft 7 inches (instead of the 35-foot maximum) and the Waivers are to allow a 25% reduction in parking from 196 spaces to 147, and to allow alternate compliance for architectural design standards. She showed on an elevation the few specific locations where the waivers are being requested. Rooflines are extending for more than 50 feet and there are metal panels on some facades.

Rachel Jones, Utilities and Infrastructure, said the Traffic Impact Analysis (TIA) studied four intersections. There will be three site access points. Under NC General Statute, the UDO Section 7.07 requirement for thoroughfare widening is not applicable to public school construction. But the school has provided the required right-of-way dedication to allow the full cross section buildout. There will be full access at the farthest north access point, ingress only in the middle, and egress only at the south end, near the pump station site. She said there will be a connection to reclaimed water and potable water, built either by the school or by Carolina Springs, depending on the speed of construction, and that sewage would go to the new Woods Creek Sewage Pump Station, formerly known as Carolina Springs Pump Station #2. It was moved across the street after further site study showed this to be the best site for the pump station. From there it will connect to a force main to Carolina Springs Pump Station #1. The necessary hydraulic studies were completed.

The lack of sidewalk improvement across the frontage of Woods Creek Road was discussed, and Ms. Jones said that, while state statute does not allow the Town to require a sidewalk, the school system did provide staff with a cost estimate for designing a public sidewalk, if the Town would like to look at it as a future project.

Chris Deshazor, Planning Board, said that Planning Board said it was always good to have a new school. They discussed tree preservation and the reduction of parking. Applicant explained that there is a middle school coming and they will share parking spaces. For special programs, cars can park on the bus loop. Planning Board voted for approval with a vote of 9-0.

With that explanation, Mayor Pro Tem Berry opened the public hearing.

Kenneth Haywood, Attorney with Howard, Stallings and From, 5410 Trinity Road, Raleigh, introduced himself as council for Wake County Public Schools. He said that this is a new school design, non-prototype, and it will be really exciting from an architectural standpoint, and also allow the children to learn under daylight instead of florescent lights.

Elizabeth Sharpe, Director of Planning and Design for WCPS, said this site would be a school full of collaborative spaces There will be an elementary school and later a middle school on the site. The elementary school would have a capacity of 716 K-5 and 20 Pre-K students. There will be no mobile classrooms. It will be a two-campus site, with non-prototype buildings. In the Spring of 2023 this will be used for Baucom Elementary School renovation swing space, and in Fall of 2024 will open as Woods Creek Elementary School.

Alice Reece, CLH Design, Cary, NC, landscape architect, said she was a licensed landscape architect in North Carolina. She said that the natural and manmade features of the site provide an opportunity for non-prototype buildings. The site fronts on Woods Creek Road. There is a ridge running through the site from north to south, there are streams on the perimeter of the site, and the low points of the site are along the stream area. There is a gas line along the south of the property. They sited the building on the ridge and took advantage of the topography to have a 2-story wing, whose upper level is the same height as the main part of the building. There are mature canopy trees in the tree buffer to the west. She outlined the driveways and the traffic flow through the site. Carpool stacking will provide 2,440 linear feet, which is more than is required. Play areas for the children are directly next to the building on three sides. The site will be served by town water and sewer. She said they are requesting a reduction in parking to 75% compliance with 147 spaces. Wake County Public School's guideline for a school of this capacity is 115 spaces, so this will meet the need. By reducing the parking, she said they can reduce the impervious surface and increase the buffer. Once the middle school is built parking will be shared. Before that time, the bus loop and the car pool lane will increase the parking to 209 possible spaces for after school events.

Brad Farlow, Skinner Farlow Currin, 301 Glenwood Ave, Suite 20, Raleigh said he is a registered architect and has been for 29 years. He explained that the waivers are requested so that the building functions as a school. They are keeping windows where they are needed for classrooms, keeping the wall plane to facilitate student movement, and expanding the roof plane to suit the site and the building's use. He showed elevations from the front and back of the building. He showed an overview, that showed the building was well set back from the road with landscaping that fits the location. He said most new elementary schools in Wake County are three floors. Because of the topography, they were able to keep it to one story, until the land slopes down where they can have two stories but keep the roof height the same as the one-story building. The large roof slope allows for windows that bring light into the middle of the building. He said the increased height is only at the peak points of the roof which are back from the front of the building. The average roof height is 36 feet, which is one foot above code, but the peaks are higher.

Mr. Haywood asked if there were any questions and said he could bring others up to answer questions as needed. He asked that the staff report be entered into the record to support their application. He said that their request meets all the requirements, and requested approval.

There being no further input Mayor Pro Tem closed the public hearing.

Mayor Pro Tem Berry asked whether this school would be year-round or traditional schedule and Ms. Sharpe said that would be decided according to what the needs are when the school opens as Woods Creek Elementary in 2024.

There was more discussion about the sidewalk, and the safety of children walking to school and having to cross Woods Creek Road. Mr. Haywood said there are going to be internal sidewalks, but that once you start talking about offsite road improvements you get to the statue passed by the General Assembly about who bears responsibility. Randy Harrington, Town Manager, said that the estimated cost for sidewalks across the full frontage was around $500,000. Council asked if children would be bussed if their parents did not think it was safe for them to walk, even if they lived closer than 1.5 miles, and Ms. Sharpe said that would be handled by the Transportation Department of Wake County Public Schools so she could not answer. Ms. Reece said that once Carolina Springs gets developed and the road gets built out, there will be a crosswalk and the opportunity to cross there and then walk within the site on the internal sidewalk.

Councilman McGrath said that to address the Finding of Fact that the project is not "injurious to safety" requires mentioning improving the bridge on Old Holly Springs Apex Road, especially if busses are going to use that road. He also asked about whether green energy would be incorporated into the building. Mr. Farlow said that green energy has not been cost effective in schools yet, but there is the space to add it in the future. The sloping roofs face south, and would be a place solar panels could go in the future, but that is not part of the plan at this point.

Action 1: Motion to adopt Resolution 21-07 to make and accept the Findings of Fact for consideration of Special Exception Use, Variance, and Waivers.

Moved by: Wolff
Second by: Kelly
Vote: Unanimous

Action 2: Motion to approve Woods Creek Elementary with the conditions stated in the attachment.

Moved by: Villadsen
Second by: Kelly

Vote: Unanimous

Consent Agenda

The Council passed a motion to approve all items on the Consent Agenda. The motion carried following a motion by Councilman Villadsen, a second by Councilman Wolff and a unanimous vote. The following actions were affected:

12. Minutes – The Council approved minutes of the Council business meeting held February 2, 2021, the 2021 Annual Mayor and Council Retreat held February 5-6, 2021, and the Council workshop held February 9, 2021.

13. Monthly Budget Amendment Report - The Council received the monthly budget amendment report.

A copy of the budget amendment report is attached to these minutes.

14. Budget Amendment and Establishment of Capital Project Ordinances - The Council approved a budget amendment and adopted the following capital budget project ordinances: Parks and Recreation Capital Reserve Ordinance; Streets Capital Reserve Ordinance; Water Capital Reserve Ordinance; Waste Water Capital Reserve Ordinance; Stormwater Capital Reserve Ordinance; PAYGO Project Ordinance; Grants and Special Revenue Project Ordinance; Parks and Recreation Project Ordinance; Street and Sidewalk Project Ordinance; and Town Building Project Ordinance.

Copies of the Budget Amendment and Ordinances 21-02, 21-03, 21-04, 21-05, 21-06, 21-07, 21-08, 21-09, 21-10, 21-11, and 21-12, are attached to these minutes.

15. Woods Creek Elementary School Sewage Pump Station Preliminary Site Plan – The Council approved the Preliminary Pump Station Site Plan as submitted with the Woods Creek Elementary School Development.

NEW BUSINESS

16. I-540 Utility Relocation Agreement (TOHS Eng. Proj. #18-001)

Aaron Levitt, Utilities and Infrastructure, said the purpose of this item was for Council to consider approval of the I-540 Utility Relocation Agreement. He said that the I-540 project is under construction and will require several Town utilities to be relocated due to construction conflicts. The estimated completion date for this section is 2023 and the project is on schedule. A project budget was approved by Council in November 2019, but the design scope changes have required adjustments to the budget. He gave Council an update on what has been accomplished so far.

He showed where along Holly Springs Road and Sunset Lake Road these relocations would be needed. He said that NCDOT thought the Town needed a new pump station, but town staff developed a better option which will save the Town money and improve maintenance issues. He said that funding would be accomplished via the quarterly budget amendment previously approved, moving $739,750 to a project account which includes $644,750 originally held in Utility Fund Balance, along with $30,000 from Sewer Reserves and $65,000 from Water Reserves.

Councilman Wolff asked if the amount the town is required to cost share is dependent on the population at the time of the project. Mr. Levitt said it was and the Town was just shy of the population that would require we pay 50%. Councilman Wolff asked if that would change with the 2020 Census. Mr. Levitt said that to his knowledge DOT is using the 2010 numbers for this project. This should be the last change, pending design changes in the field. The Town does not pay this until the project is complete, in 2023.

Action: Motion to approve the utility relocation agreement between the Town and NCDOT/Turnpike Authority and increase the project budget by $95,000 using water and sewer reserves.

Moved by: Villadsen
Second by: Kelly
Vote: Unanimous

OTHER BUSINESS

Mayor Pro Tem Berry sent his best wishes to Mayor Sears and said he hopes he is doing well. He said in our zip code 27540 there were 2,110 COVID cases, and 5 deaths, which is sadly 2 more deaths than the last time it was reported in Council. Secondly, he asked residents to be cognizant of crosswalk safety. It is something the Town cares about, as evidenced by tonight's discussions. He asked people to please slow down in neighborhoods and watch out for kids.

Councilwoman Kelly asked that there be a future workshop agenda item to discuss the rules of procedure for electronic meetings, because this COVID situation has gone on for longer than was anticipated when the policy was approved. There was consensus to discuss this at a workshop, and it was suggested that this discussion should include using Boards to conduct quasi-judicial hearings, and increased funding in the budget for technology. Councilman McGrath expressed his agreement with this, and then the connection with him was lost.

Councilman Wolff said he was excited that kids are going back to school, at least those in K-3. He said that anyone who is a teacher or child care worker is eligible to be vaccinated starting Feb. 24th, with the rest of phase 3 eligible on March 10th. You can find out what phase you are in on the state's Find Your Spot web site.

MANAGER'S REPORT

Randy Harrington, Town Manager, said he wanted to recognize that in celebration of Black History Month the Cultural Center has been working with the MLK Committee to present a virtual movie event, Let Freedom Sing, on Feb 19th and 20th. Details are on the Town website.

Secondly, he said that he would be getting an update on Wednesday on where Wake County is vis a vis COVID, and if the numbers go in the direction he thinks they will, he will reach back out to see if Council is comfortable with moving back to in-person public attendance. Council members indicated that it they were amenable to this.

CLOSED SESSION: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(4) to discuss four economic development matters. No grants will be made in this closed session. There is one legal matter, pursuant to N.C.G.S. 143-318.11(a)(3).

Motion by: Kelly
Second by: Villadsen
Vote: Unanimous

General Account of Closed Session:

Irena Krstanovic, Director of Economic Development, gave Council and update on four Economic Development items. John Schifano, Town Attorney, gave Council an update on a potential litigation matter.

-End of General Account

Motion to seal the minutes of the closed session was made by Councilman Villadsen seconded by Councilwoman Kelly and passed with a unanimous vote.
Motion to return to open session was made by Councilwoman Kelly seconded by Councilman Wolff and passed with a unanimous vote.

Adjournment: Mayor Pro Tem Berry made a motion to adjourn at 11:04 pm. It was seconded by Councilman Wolff and passed with a unanimous vote.

Respectfully Submitted on Tuesday, March 2, 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#: 10.

Consent Agenda
Title: Staff Position Reclassifications
Strategic Priority Area: Organizational Excellence
Staff Resource: Erika Phillips, Director, Human Resources

Action(s):
Reclassify the existing Assistant Town Attorney position (#412-009), salary grade 81, to a Paralegal, salary grade 75 and Water Quality Director position (#434-001), salary grade 89 to Water Resources Director, salary grade 90.

Explanation:

- The reclass for the paralegal position will allow the Town Attorney to better use the staff position to complete the responsibilities of the office efficiently and effectively as well as help to complete the administrative tasks needed to provide legal services to the Town Council and staff.
- The reclassification of the Water Quality Director is a result of the realignment of the Utilities and Infrastructure Department.
- The Water Resources Director role is presently an interim position. The staff member serving in that role has effectively carried out the duties of the position to date.
- The reclassification of the Water Quality Director to Water Resources Director is necessary in not only removing the interim title but to establish a leadership role in the management of water and wastewater public utilities and assist in the development of long-range infrastructure plans.

Background:

- Occasionally, existing positions require reclassification to ensure that pay and position titles reflect the actual work performed by an employee.
- Reclassification requests are typically made through the annual budget process. However, periodic reclass considerations outside of the budget process are sometimes necessary to address strategic or particularly unique circumstances that are time sensitive.
- With the departure of the Assistant Town Attorney, a review of the type of work that is needed in the legal department was conducted. As a result, a reclassification is being requested of the Assistant Town Attorney position to a Paralegal position.
- The Water Resources Director reclass is necessary due to the realignment of departments, specifically Utilities and Infrastructure.
- The reclassification to the Paralegal results in an anticipated reduced budget impact. The Water Resources Director reclassification will result in a change of salary position grade, but no salary change in this case.

Funding Source(s):

- General Fund Operating Budget
- Utility Fund Operating Budget

Attachment(s):

None

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 11.

Consent Agenda
Title: Recommendation of External Auditor for Fiscal Year Ending June 30, 2021
Strategic Priority Area: Organizational Excellence
Staff Resource: Antwan Morrison, Finance

Action(s):

Accept the contract and engagement letter of Cherry Bekaert LLP, as the Town auditor for a three-year period beginning with the fiscal year ending June 30, 2021.

Explanation:

- The Town completed its three-year audit contract for the previous external auditor with the fiscal year ending June 30, 2020.
- The Finance Department solicited proposals through the request for proposals (RFP) process.
- The Town received five audit proposals, which were independently evaluated according to selection criteria determined prior to the receipt of the proposals. This was conducted by an interdepartmental team consisting of Finance and Parks & Recreation staff.
- After review and evaluation of the proposing firms, staff recommends accepting the proposal of Cherry Bekaert LLP.
- The contract to audit accounts must be approved by the North Carolina Department of State Treasurer's Local Government Commission (LGC).
- A copy of the contract is attached.

Background:

- The Town of Holly Springs is required by NCGS 159-34 to have an annual financial audit. The purpose of the audit is to obtain an opinion from the auditor on the Town's financial statements. This is also referred to as a General Accepted Accounting Principles (GAAP) audit.
- In addition, to the GAAP audit, the Town is required to have a Single Audit. This is due to federal and state funding received by the town.
- The Town received five proposals from qualified auditing firms. An independent review team was established to evaluate the criteria within those proposals, which consisted of only one member who is directly involved with the audit process. The review team divided the analysis into five areas:

1. Responsiveness to the proposal
2. Understanding of the audit to be performed
3. Technical experience
4. Entity specific questions

5. Cost evaluation

Funding Source(s):

The total audit cost which includes the audit of the financial statements, preparation of those statements and other audit related items for the fiscal year ending June 30, 2021 is $39,250.

The funding required will be included in the FY 2022 and subsequent fiscal year operating budgets.

Attachment(s):

1. Auditor RFP - Final Summary
2. Signed Engagement Letter

		SECTION 1				SECTION 2	
Audit Year Ending:	6/30/2021	Responsiveness to the Proposal	Understanding of the Audit to be Performed	Technical Experience	Entity Preference	Cost Criteria Average divided by Cost X 10	Total Points
Proposal Due Date	1/29/2021						
Top Number of Bids Received:	5						
ACCOUNTING FIRMS	**Bid Amount**	0-20	0-30	0-25	0-15	0-10	Maximum of 100
Martin & Starnes Associates	$ 43,200.00	18.92	26.50	22.42	12.83	9.33	90.00
Mauldin & Jenkins	$ 33,000.00	14.58	27.67	21.00	11.33	10.00	84.58
Carr, Riggs & Ingram	$ 38,000.00	17.83	25.50	15.67	10.33	10.00	79.33
Cherry Bekaert	$ 39,250.00	19.25	29.50	25.00	13.67	10.00	97.42
Sharp Patel	$ 36,457.00	9.83	22.33	13.42	8.00	10.00	63.58

Cherry Bekaert LLP
CPAs & Advisors

February 16, 2021

VIA EMAIL:
antwan.morrison@hollyspringsnc.gov

Mr. Antwan Morrison, Finance Director
Town of Holly Springs, North Carolina
128 S. Main Street
P.O Box 8
Holly Springs, NC 27540

Dear Mr. Morrison:

This engagement letter between the Town of Holly Springs, North Carolina (hereafter referred to as the "Town" or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the Town's required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed-upon objectives of the Town.

Summary of services

We will provide the following services to the Town as of and for the year ended June 30, 2021:

Audit and attestation services

1. We will audit the basic financial statements of the Town as of and for the year ended June 30, 2021 including the governmental activities, the business type activities, each major fund and the remaining fund information.
2. We will audit the schedule of expenditures of federal and state awards. As part of our engagement we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS").
3. We will audit the combining and individual fund statements and schedules, budgetary schedules, and other schedules. As part of our engagement, we will apply certain procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements themselves.
4. The supplementary information, such as the introductory and statistical sections accompanying the financial statements, will not be subjected to the audit procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that information.
5. We will apply limited procedures to the required supplementary information (RSI), such as management's discussion and analysis (MD&A), the Law Enforcement Officers' Special Separation Allowance, the Local Government Employees' Retirement System,

and the Other Post-Employment Benefits, which will consist of inquiries of Town's management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements.

Nonattest accounting and other services

We will provide the following additional services:

1. Assist in the preparation of the financial statements and footnotes.
2. Assist in the preparation of the Annual Financial Information Report (AFIR).
3. Complete the appropriate sections of and sign the Data Collection Form.

Your expectations

Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the Town's expectations. Our services plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The Town recognizes that our professional standards require that we be independent from the Town in our audit of the Town's financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the Town and the Town should not expect that we will act only with due regard to the Town's interest in the performance of this audit, and the Town should not impose on us special confidence that we will conduct this audit with only the Town's interest in mind. Because of our obligation to be independent of the Town, no fiduciary relationship will be created by this engagement or audit of the Town's financial statements.

The engagement will be led by April Adams, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

Audit and attestation services

The objective of our audit is the expression of opinions as to whether the Town's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *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.

The *Government Auditing* Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Uniform Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB *Guidance for Grants and Agreements* (2 CFR 200) and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures as deemed necessary to enable us to express such opinions. We will also issue written reports upon completion of our Single Audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Nonattest accounting and other services

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting your basic financial statements. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the Town in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming Town's management responsibilities.

In conjunction with providing these accounting and other services, we may use third party software or templates created by Cherry Bekaert for use on third party software. Management expressly agrees that the Town has obtained no rights to use such software or templates and that Cherry Bekaert's use of the Town's data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.

Financial statement preparation

We will assist in the preparation of the Town's financial statements and related notes, based on information provided by the Town. However, the responsibility for the Town's financial statements and notes remains with the Town's management. This responsibility includes establishing and maintaining adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, the safeguarding of assets, and adjusting the financial statements for any material misstatements as well as reviewing and approving for publication the draft financial statements prepared with our assistance.

Data collection form

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the Town; however, it is the Town's management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

Town's management responsibilities related to accounting and other services

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the Town's management will need to sign a representation letter acknowledging its responsibility for the results of these services, and acknowledging receipt of all appropriate copies.

Town's management responsibilities related to the audit

The Town's management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the Town's management and financial information is reliable and properly reported. The Town's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationship in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The Town's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and State Single Audit Implementation Act, (3) additional information that we may request for the purpose of the audit and (4) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving (1) the Town's management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report. Additionally, as required by the Uniform Guidance, it is the Town's management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

The Town's management is responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (3) the methods of measurement or presentation have not changed from those used in the prior period or, if they have changed, the reasons for such changes, and (4) the Town has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The Town's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Town's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit and attestation services* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing Town's management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

The Town's management agrees to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management representations

The Firm will rely on the Town's management providing the above noted representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit.

Fees

The estimated fees contemplate only the services described in the Summary of Services section of this letter. If the Town's management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

The following summarizes the fees for the services described above:

Description of services	Estimated fee
Audit services	
Audit of the financial statements	$38,000
Audit of each additional single audit program beyond one (1) Federal and one (1) State program ($3,500)	
Preparation and filing of the AFIR	1,250
Total	$39,250

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% per month (18% annually) on the previous month's balance less payments received during the month, with a minimum charge of $2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. No change, modification, addition, or amendment to this letter shall be valid unless in writing and signed by all parties. The parties agree that this letter may be electronically signed and that the electronic signatures will be deemed to have the same force and effect as handwritten signatures.

If you have any questions, please call April Adams at (919)-782-1040.

Sincerely,

CHERRY BEKAERT LLP

Cherry Bekaert LLP

ATTACHMENT – Engagement Letter Terms and Conditions

TOWN OF HOLLY SPRINGS, NORTH CAROLINA

ACCEPTED BY ____________________

TITLE: Finance Director DATE: 2/17/21

Cherry Bekaert LLP
Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

Limitations of the audit report

Should the Town wish to include or incorporate by reference these financial statements and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the Town will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Limitations of the audit process

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by the Town's management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the Town) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the Town's counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the Town. You agree that the Town will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the Town's financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.

Audit procedures – general

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Town's management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Town or to acts by the Town's management or employees acting on behalf of the Town. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits, nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of the Town's management of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit procedures – internal controls

Our audit will include obtaining an understanding of the Town and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control, including cybersecurity, and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the Town's management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants ("AICPA") professional standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act.

Audit procedures - compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Town's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs. The purpose of these procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Nonattest services

All nonattest services to be provided in the attached engagement letter (if applicable) shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the Town's designated individual will assume all the Town's management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us
- Ensuring that all material information is disclosed to us
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence
- Identifying and ensuring that such nonattest complies with the laws and regulations

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the Town's designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the Town's designated individual. Such advice and guidance shall be limited as permitted under the AICPA Code of Professional Conduct.

Communications

At the conclusion of the audit engagement, we may provide the Town's management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the Town make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are communicated to the appropriate members of the Town. Such matters include (1) our responsibilities under GAAS, (2) the initial selection of and changes in significant accounting policies and their application, (3) our independence with respect to the Town, (4) the process used by Town's management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates, (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report, (6) any disagreements with the Town's management concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements, (7) our views about matters that were the subject of the Town's management's consultation with other accountants about auditing and accounting matters, (8) major issues that were discussed with the Town's management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards, and (9) serious difficulties that we encountered in dealing with the Town's management related to the performance of the audit.

Other matters

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking voluntary access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the Town may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the Town, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information, between the Firm, the Town, and other third party providers utilized by either party in connection with the engagement.

Use of third party providers

In the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

Subpoenas

In the event we are requested or authorized by the Town, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Town, the Town will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution provision

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to any dispute or claim arising out of or relating to this engagement letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of the Firm or any of its subcontractors or agents to the Town or at its request ("Disputes"), and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Mediation

All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR"), at the written request of a party, shall designate a mediator.

Arbitration procedures

If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the "Rules"). The arbitration shall be conducted before a panel of three arbitrators. Each of the Town and the Firm shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the Commonwealth of Virginia (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

Waiver of trial by jury

In the event the parties are unable to successfully arbitrate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No third party beneficiaries

The parties do not intend to benefit any third party by entering into this agreement, and nothing contained in this agreement confers any right or benefit upon any person or entity who or which is not a signatory of this agreement.

Statute of limitations

The Town agrees not to bring any claims against any partner or employee of the Firm in any form for any reason. The Town and the Firm agree that any suit arising out of or related to the services contemplated by this engagement letter must be filed within one year after the cause of action arises. The cause of action arises upon the earlier of (i) delivery of the final work product for which the firm has been engaged, (ii) where applicable, filing of the final work product for which the firm has been engaged, or (iii) the date which the services contemplated under this engagement letter are terminated by either party.

Terms and conditions supporting fees

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the Town's personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed-upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden Town requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fees do not include assistance in bookkeeping or other accounting services not previously described. If, for any reason, the Town is unable to provide such schedules, information, and assistance, the Firm and the Town will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the Town will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the Town with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fees. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the Town will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the Town at this time, but do not include any time related to the application of new auditing or accounting standards that impact the Town for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the Town concerning the scope of the additional procedures and the estimated fees.

The Town agrees to pay all costs of collection (including reasonable attorneys' fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the Town will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the Town and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

EISNERAMPER

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Report on the Firm's System of Quality Control

October 22, 2019

To the Partners of Cherry Bekaert LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, an audit of broker-dealers, and an examination of service organizations [SOC 1 engagement].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Cherry Bekaert LLP has received a peer review rating of pass.

EisnerAmper LLP

EisnerAmper LLP

Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 12.

New Business
Title: Together on Center Stage Anti-Bullying Grant
Strategic Priority Area: Safe & Friendly
Engaged, Healthy, & Active Community
Staff Resource: Mayor Pro Tem Dan Berry, Councilman Aaron Wolff

Action(s):

Approve a $5,000 sub-grant from the Town's Department of Public Instruction grant to Together On Center State (TOCS) for Anti-bullying initiatives.

Explanation:

- In late 2018 the Town received a $50,000 grant for the purposes of anti-bullying initiatives, school safety and supplies, and the Mayor's Youth Advisory Board.
- On April 16, 2019, Council appropriated the following sub-grants totaling $27,000:
    - Mayor's Youth Advisory Board: $2,500
    - Mayor's Anti-Bullying Campaign: $5,000
    - School Safety and Supplies: $20,000
- A portion of the above funds have lapsed from the prior appropriation, and combined with the unallocated grant balance, the current amount available for appropriation is $28,308.80.
- TOCS has submitted a request to the Mayor for a $5,000 contribution to support their youth theater program and training ground for teens to learn redirection skills and buddy with those with disabilities in the TOCS program.
- Due to the COVID-19 pandemic, TOCS had to shut down its facility where rehearsals, activities, and programs/performances occurred due to the inability to pay rent.
- TOCS states that the grant funds would be used to obtain a new facility in the Triangle area. A GoFundMe page has also been established by TOCS to solicit contributions from the community.

Background:

- TOCS has worked with thousands of special needs individuals and other adult and youth volunteers in NC providing education and inclusive theater projects over the past ten years.
- The TOCS program has been recognized with the VSA's Dare to Dream Award and The ARC of the Triangle's Distinguished Service Award. The program is set in a safe environment and helps individuals with socialization skills, building self-esteem, and making the most unlikely friendships to last a lifetime.

Funding Source(s):

Grants and Special Revenue Fund - NC DPI 2019 Grant

Attachment(s):

1. TOCS Request Letter to Mayor Sears

TOCS·ENCORE center for the arts · INC ·

January 16, 2021

Mayor Dick Sears
128 S. Main St,
Holly Springs, NC 27540

Seeking a donation to our GoFundMe effort

Dear Mayor Sears:

As you know, Together On Center Stage (TOCS), the award winning inclusive theater initiative, and Encore Productions – our youth theater program & training ground for teens to learn redirection skills to buddy with those with disabilities in the TOCS program, has and continues to work with many individuals in Holly Springs.

We have combined these programs to form the nonprofit TOCS/Encore Center for the Arts. TOCS & Encore Productions were two separate theatrical entities that were hosted throughout the Raleigh triangle area in Cary, Holly Springs, and Apex since 2010. Sadly, the Covid-19 Pandemic forced us to shut down and were unable to pay our rent and ultimately we lost the facility where we provided rehearsals, activities, and our program/performances. TOCS Togetheroncenterstage.org has worked with a couple thousand special needs individuals and other adult and youth volunteers in NC providing education and inclusive theater projects for the past 10 years. This program was recognized and received VSA's Dare To Dream Award and The ARC of the Triangle's Distinguished Service Award here in NC. The program is always set in a safe environment and helps individuals with socialization skills, building self-esteem, and making the most unlikely friendships to last a lifetime.

We became a NC nonprofit in the summer of 2020 and have applied for 501C3 status. TOCS/Encore Center for the Arts, Inc. or TECA, Inc. Our hope is to expand our services and programs at no charge to participants. We are seeking funding/donations to purchase our own building in the Triangle, renovate it to include a stage with lighting & sound equipment etc., seating for our audience, and to provide computers, a dance studio, a board room and a hangout area for our participants. All monies and in kind materials received will go directly to this project.

We need to raise funds quickly so we can open the doors to our new home and begin programs as soon as our healthcare experts tell us it is safe. Please consider a donation of $5,000.

To support this initiative please go to: **www.gf.me/u/zghzdx**
Our new website www.TECAinc.org should be up and running by February 15, 2021. Attached is a copy of our EIN notice.

Sincerely,

Alan Rosen, Director
Andy Portelance, Director
Kim Deame, Director
Jeff Bryant, Secretary
Elaine Bryant, Treasurer

TOCS·ENCORE
center for the arts
· INC ·

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