



---

## MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, March 10, 2026 at the Law Enforcement Center and via livestreaming. Mayor Kondratick presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and five Council members were present in the room as the meeting opened.

**Council Members Present in the room:** Mayor Mike Kondratick, Mayor Pro Tem Annie Drees, Council members Daniel Hewetson, Chris Deshazor, Sarah Larson, and Kara Foster.

**Council Members Absent:** none.

**Staff Members Present in the room:** Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Jesse Dixon, IT; Cassie Hack, Director, Communications and Marketing; Corey Petersohn, Director of Budget, Innovation, and Strategy; MaryBeth Spohr, Budget, Innovation, and Strategy; Tina Stroupe, Director, Finance; Elizabeth Goodson and Sean Ryan, Development Services; LeeAnn Plumer, Director, Parks and Recreation; Kristen Denton, Parks and Recreation; Kendra Parrish, Executive Director of Utilities and Infrastructure; Rachel Ingham and Carrie Mitchell, Utilities & Infrastructure; Sabrina McDonald, Director of Human Resources.

Mayor Kondratick called the meeting to order at 6:00 p.m.

**1. Overview:** Randy Harrington, Town Manager, gave an overview of the meeting agenda.

### **2. Retreat Follow-Up**

#### **a. Strategic Plan Updates**

Corey Petersohn, Office of Budget, Innovation and Strategy, said that he was submitting suggested updates to the Strategic Plan in order to get feedback and guidance from Council. He outlined the continuum of Mayor and Council to staff involvement in the Strategic Plan with elected officials setting the vision and staff delivering the services, and the cooperative nature of the steps in between. Mr. Petersohn outlined some successful initiatives and emphasized that these are removed, not because we are not doing them anymore, but because they have become part of our standard practice. He discussed how the Community Survey is used in setting the Strategic Plan along with input from Mayor and Council and staff. He said per the survey, two areas the community wants to see emphasized are management of traffic and management and planning of growth and development.

Mr. Petersohn said the Strategic Plan starts with the vision statement and then goes to the four strategic priority areas: Community Safety; Growth Management & Economic Vitality; Organizational Excellence; and Vibrant Community. Starting with Growth Management & Economic Vitality he suggested that two initiatives could be replaced with one, creating a Housing Affordability Action Plan. He said Goal 5 and Initiatives 5.2 and 5.7 could be tweaked to more accurately reflect the work going on with our neighbors regarding regional and local multi-modal

transportation investments. Moving to Community Safety, Mr. Petersohn outlined a new initiative for design and construction of Fire Station 5. Another new initiative under Growth Management & Economic Vitality is to assess and determine future options for wastewater treatment capacity beyond 8 million gallons per day. Under Vibrant Community, a new initiative is to assess new cultural and recreational program offerings to coincide with the opening of Eagles Landing Park.

Mr. Petersohn asked for Council's feedback.

Council member Deshazor said he would like the initiative on Fire Station 5 to be broader, to prepare for Fire Station 6 and beyond in addition to 5. Fire Station 4 is short-term and Fire Stations 5, 6, and beyond are longer term. Mr. Petersohn said whenever we work at the initiative level we try to keep them at the 1-5 year timeframe, but it is Council's Strategic Plan and we can do what Council consensus is. Council member Hewetson said that since we update the Strategic Plan every year, we should wait to add Fire Station 6 and beyond until Fire Station 4 or 5 is built. Council member Deshazor said we need to find the land, which is the most difficult part. If it's in our minds, as we see appropriate land we can move. Council member Hewetson suggested changing the language to "identify potential location for Fire Station 6" Council member Deshazor said he could agree with that. Randy Harrington, Town Manager, said the window for the Strategic Plan is a 5-year window, but we do have other internal documents looking beyond 5 years, so as opportunities present themselves we try to be mindful of those so we can secure our future. There is that piece even if it is not articulated in the Strategic Plan.

MPT Drees said she thinks the wording for Initiative 5.2 is confusing. The intention is to seek out opportunities to engage with adjacent municipalities on multi-modal transportation. We're looking to connect Holly Springs to our neighbors, right? Mr. Petersohn said when we have opportunities. We do not live in a vacuum and are interested in engaging with a connected multi-modal approach on projects on the municipal edge. Mr. Harrington suggested changing the wording to "engagement with our neighbors." MPT Drees asked if we could add an initiative under Organizational Excellence, Goal #3. This Council wants more interaction with the community with more opportunities for feedback. She asked if we could add an initiative to capture that. Consensus was to add an initiative. Mr. Harrington asked for key words or phrases they wanted included in such an initiative. Council discussed various wording options, and Mr. Petersohn suggested Council clarify what success looks like to assist in wording the initiative. Council said there is a question on the Community Survey about community engagement and success would be if those numbers show improvement. Staff will work on the wording and bring it back to Council for consideration.

Mayor Kondratick said he had a question on Initiative 4.1. We have already achieved our tax ratio of 70/30, is it time to try for 60/40? Mr. Petersohn said there is no right answer to what the perfect tax split is; it depends on what you want your community to be like. At the time we chose the 70/30 goal there was a desire to go after commercial development to diversify our tax base to make services cheaper for everyone. If that is the Council's desire that is one thing, but there is no textbook that gives a perfect split. Mr. Harrington said that right now a portion of the Economic Development first Phases are affecting our tax base, and there are Phase 2's to come. So once those are built out we may be closer to the 60/40 split, but there is no magic number. Mr. Petersohn said we have a healthy residential tax base, so to get to the 70/30 split shows strong growth on both ends. We might get to 60/40, but it also depends on macro-economic issues whether we get there. Council member Hewetson asked if there was any other type of event, besides home values dropping drastically, that would disrupt this balance, or do you anticipate that if we continue to grow in the way we are will that balance stay the same. Mr. Petersohn said you won't land a whale of a company every year, so it depends on economic development, but as one rises, the other naturally seems to rise. It is important to know what your outcome goal is. Council member Foster asked if we have any metrics tracking how many small businesses we want to attract. Mr.

Petersohn said that is not in the Strategic Plan, but there are other metrics, particularly in Development Services. Tax base level is a higher-level goal.

Council member Deshazor said he would like something about seniors added into the new initiative on cultural and recreational programs under Vibrant Community. LeeAnn Plumer, Director of Parks and Recreation said it is within this initiative, but it isn't called out. It is difficult to target one group because we have a lot of demographics that are growing in Holly Springs, and we are continuing to look at other groups that need to be included. Council member Larson suggested adding "multi-generational" to the initiative. Council member Deshazor said he worries that the seniors are still not getting enough attention. He wants to be sure we are calling it out. Council member Larson said in some of the presentations on Eagles Landing Park Seniors are always in the forefront and it has been one of the leads in making it multi-generational, so she feels they are included. MPT Drees said that last year we had a concentrated effort with Seniors and we are seeing a lot of progress, but she isn't sure they have the "what's next" piece in place.

Mr. Petersohn said that next steps include discussion at the April workshop, if needed, with anticipated adoption of the Strategic Plan at the April 21<sup>st</sup> Town Council Business Meeting. The Strategic Plan, as adopted, would then inform the Manager's recommended budget, which will be presented on May 12<sup>th</sup>.

#### **b. FY27 Budget**

Mr. Petersohn said this next item was to provide updates on revenue forecasts and preliminary budget considerations for Fiscal Year 2026-27. He showed the different funds in the current year's budget and said we would be talking tonight about the General Fund, which is the largest segment of the budget. General Fund revenues come from property tax (46%) sales tax (23%) and other revenues (31%). He discussed the economic issues responsible for the slowing growth. He said that in Holly Springs over the last ten years property tax valuation has increased about 8% per year, with spikes in revaluation years. At the retreat this expected increase was what was discussed. However, the County provided data that indicates the growth will be closer to 4% this year. This is a county-wide issue, and he showed statistics for the other 11 municipalities in the County compared to Holly Springs' statistics. He discussed the market forces driving this change and said that the budget impact to Holly Springs of this is that there is about \$1.7 million lower than expected revenue growth.

Mr. Petersohn outlined what the revenue growth is expected to be from the various revenue sources, and said that there would be approximately \$3.7 million in revenue growth for FY27. Budget considerations that could use those revenue increases include salary and benefit changes, the merit and pay plan, health insurance premium increases, the mandatory employer retirement contribution, operating expenses for the Operations Campus, and general increase in utilities, contracts, etc. This does not include additional considerations that have been discussed such as positions needed in anticipation of Eagles Landing Park opening, facilities maintenance positions and projects, internal service and business management and project management positions, and growth-related service demands and inflationary increases.

Mr. Petersohn said that one success from this budget year is the Holly Springs Hopper. Service was launched on January 5<sup>th</sup> for Monday – Friday 7 am to 8 pm. He shared demographics of the ridership and compared them to Town demographics. He showed the date and time trends for ridership, with an explanation that the last hour may be low because it would only be return trips as people going out at that hour could not book a return ride. He showed a heatmap that showed the popular destinations as Walmart, downtown, the Hunt Center, and other shopping centers.

Mr. Petersohn said that CAMPO has funded 50% of costs in FY26, but for FY27 they will cover 65% of costs, with the program capped at \$576,300. Staff expects a 3% cost increase, which

would make the town match \$164,748, which leaves a savings of \$63,752. With this in mind, the town can add up to \$105,590 worth of additional service at a cost to the town of only \$36,957. Any costs over the \$105,590 would be 100% town funded. He offered options of increasing services during the weekdays by extending hours, or by adding weekend options and gave the costs for each of these options. He said Council has the option of using the \$63,752 savings for other General Fund purposes, or applying it to expanded Microtransit offerings.

Mayor Kondratick asked if we collect verbatim feedback from riders or is it all star ratings. Sean Ryan, Development Services, said that riders can leave comments, but the vendor gets them. We have the ability to add a survey to the app, and we are having a 90-day check-in with the vendor and can get that information from them. Mr. Petersohn said this is early data, but we wanted to bring it into the budget discussion. Mr. Harrington said that as he looks at this, one of the considerations if Council wants to expand service, would be to add one additional weekday hour and 6 hours on the weekend and see how that tests out. Council member Hewetson said that was what she was thinking of too. Adding the hour gets you home from dinner and on the weekend, 6 hours may not be enough, but it is a place to start to get a good idea. Council member Foster said adding an hour in the evening would be a help for our restaurants because downtown parking is an issue. She also likes the 6 hours on Saturday to get people to the Farmers Market. Council member Deshazor said that ridership is slower on a Monday morning. He asked if we could stagger the vans, running one van in the first hour of the morning, and the other two later in the day. Council member Hewetson suggested keeping the hours the same on Monday, but extend Tuesday - Friday to 10 instead of nine. Council member Foster said, with so many seniors using it, it would be challenging for them to have a changing time on different days of the week. Mr. Harrington said we could test how many vans are running on the ends where we don't have the ridership to see if that gives us some flexibility. We should test on whether the consistency is important. Council member Larson said she would like to see how many vans are used at one time, but she gathers that, with the grant, it makes financial sense to expand the service. Mr. Petersohn said that with the grant we pay 25 cents to the dollar. Sean Ryan said we have had preliminary conversations on moving vehicle hours but are still trying to work it out. In principle, moving a vehicle to a different hour is something the vendor is willing to do but they want to wait the 90 days in order to understand where those riders are coming from and what that looks like. If the rides are scattered, we may not be able to reduce the number of vans. We are also moving the vehicles from downtown to Fire Station 3 to charge, which could make it take a little longer to get to the other side of town. Council member Deshazor said he doesn't want to change the available times, just change the vans assigned for flexibility. MPT Drees said she likes the survey idea, ask people who are already using it and wait for the 90 days before making changes. Mr. Harrington said we will test some things with the vendor and come back to the April workshop with ideas on which expansion Council wants to do.

Mr. Petersohn explained how General Fund Unassigned Fund Balance works as the Town's savings account for cash flow purposes, emergency funding source and one-time expenses. He said "unassigned fund balance" is funds that are not restricted to a specific use. He said Town Policy is to maintain unassigned fund balance at 20-25% of operating expenses. The current fund balance is at 37.92% of operating expenses, which is \$7.9 million above the 25% policy range and \$11 million above the 20% policy range. It is financially healthy to have a larger unassigned fund balance. Especially for ratings from ratings agencies. That is good background as we go into some capital projects.

Mr. Petersohn discussed the Wake County Joint Use Agreement for the Cultural Center and the projected Town portion of the upcoming lobby renovation, roof replacement, and mechanical systems maintenance. He said the projected Town portion would be \$2,294,637, spread over a five-year period starting in FY27. He explained the hospitality tax levied by Wake County, which can

only be used to support the arts, culture, sports, or convention facilities. The Town was awarded \$1.789 million from this, which requires a 50% match. He outlined various projects at North Main Athletic Complex (NMAC) that these funds could be used for and the estimated costs of each project. He said we are waiting for feedback from the County on which elements included in the application the money would be tied to. Mr. Petersohn outlined major facilities which would have maintenance needed in the near future due to their age.

Council member Hewetson asked if the recommendation on the NMAC would be decreasing our fund balance in favor of the projects. Mr. Petersohn said that would be the source of the town match portion. Council member Hewetson asked if the decrease in our general fund growth was a consideration as well. Mr. Harrington said by best practice you do not appropriate fund balance for ongoing expenses. Small capital projects are a good use of those funds. The upcoming budget will be higher than the current budget, which will require more fund balance retention, but revenues will be some higher which will leave us with more fund balance. It is all connected. Mr. Petersohn said as this fiscal year closes we will add more funds to the fund balance, so you will see positive growth. But even when we budget to use Fund Balance, it still goes up if we beat revenues and don't use all our expenses. There is flexibility there. We are lining it up so that we are keeping the healthy percentage. Mr. Harrington said we will probably look at \$3-5 million of fund balance, but we need more time to work out the details. MPT Drees asked how much we need to fund the Intelligent Transportation System (ITS). Mr. Harrington said that is on his radar; one of the things he is looking at is getting the technology in place this year, but there is also a personnel component, which would be a year following. Mayor Kondratick asked how many employees we would need for ITS. Mr. Harrington said probably one or two. We don't know enough yet to be sure. MPT Drees asked about major facilities maintenance, from the asset management work that was done. Mr. Petersohn said this proposal is aligned with that. We are looking at what investments we could knock off from that list.

Mr. Petersohn said that next steps will include the presentation of the Town Manager's recommended budget on May 12<sup>th</sup>, the budget public hearing on May 19<sup>th</sup>, the budget workshop on May 21<sup>st</sup>, and anticipated budget adoption on June 2<sup>nd</sup>.

### **3. Eagles Landing Park Operational Framework**

LeeAnn Plumer, Parks and Recreation, said that this item was to provide an update on construction of Eagles Landing Park and confirm the aligned vision on a potential operational model based on the Council Approved Parks and Recreation Cost Recovery Policy, and to seek feedback on the vision and operational model. She gave an overview of the site and the amenities that would be included and showed conceptual images of the building. She said that offsite utilities, site grading, paving, and the greenway have been constructed. And the steel framework and conduit for the building have been constructed. She showed photos of the construction so far.

Ms. Plumer said that upcoming milestones include the upcoming topping off ceremony for the Recreation Center building planned for April 6, 2026, the maintenance barn renovation in the late spring of this year, with the shelter and restroom construction set for summer of 2026. The Park completion target is mid-summer of 2027 with the recreation center substantially completed by late fall of 2027. Council member Deshazor asked how she was feeling about the timeline. Ms. Plumer said we are on schedule. There are things that could throw it off, but she is staying positive. She talked about the vision and programming planned for the park. She talked about the multi-generational outlook for the park and how it serves as a place to build community.

Ms. Plumer said she wanted to engage Council on what success looks like from the data, a healthy & engaged community. She said staff is customer-focused and responsive and wants to

focus on a good use of resources. The park should be a reflection of our strong culture and a source of community pride. Data is important, but quality of life issues are harder to measure.

Ms. Plumer outlined the park operations, including amenities (outside of the building) and the athletics that would be possible. She outlined the services in the Recreation Center, including rentals, special interest programs, a café, and camps and said that marketing would be needed to let the community know about these options, including outreach, event collaboration and sponsorships/partnerships.

Ms. Plumer said the recreation center will be open seven days of the week, approximately 93 hours per week. Estimated use would be about 1,250 people per day, with upwards of 3,000 people on event days. Park visitation is expected to be 500 to 4,000 visitors per day, depending on weather and the season. Full time staff needs include recreation center staff, park maintenance, public works facilities maintenance, athletics program specialist and a marketing specialist.

Council discussed the balance of tournaments versus Parks and Recreation needs and the staffing needs, and timing of those positions over three fiscal years, building up to the opening of the park. Ms. Plumer said the estimated expense for programming and staff in the first year would be \$300,000 for the athletics division, \$106,500 for the administration division, \$326,850 for park maintenance, and \$1,773,800 for operation expenses for a total of \$2,507,350 in the first year, not including insurance, utilities, and public works.

Ms. Plumer said that in 2022 Council approved the Parks and Recreation Fees and Charges / Cost Recovery Policy as a framework for setting fees based on community benefit. The philosophy for this policy is that services with a higher community benefit would have a lower cost recovery, and those with a more individual benefit would have a higher cost recovery. She gave examples of the three levels of cost recovery as defined in this policy and the percentage of cost recovery for each. She said that in planning for this level of cost recovery for Eagles Landing Park staff did a benchmark review that included eight other municipal agencies or counties, five private facilities and a nonprofit facility. She discussed the various things that they looked at from usage, fees & charges, operating hours, and other information. She said that the goal of being affordable, but keeping to the cost recovery policy as well as the experience of our peers led to the recommendations.

Ms. Plumer said that the outdoor amenities and activities at Eagles Landing would be free and not require a membership. These include the skate park, greenway, shelters, outdoor playground, and splash pad. She outlined the current membership model at the Hunt Center, which results in a cost recovery of around 45%. She said using this model for Eagles Landing would result in 50% - 72% cost recovery. There are physical differences which make the passes for Eagles Landing necessary for the indoor playground and the track. Bundled passes, which would include both the Hunt Center and Eagles Landing would lower the cost recovery to 48%-60%, but staff does not know how many residents would want to buy a bundled pass. She said other revenue could come from room rentals, tournament rentals, programs, new athletic leagues, café rental, personal training, etc., and also included the possibility of sponsorships and naming rights.

Council discussed whether there was a way to make just the walking track free. Ms. Plumer explained that the track is more complex than the one at the Hunt Center and connects to the fitness center, making control of the building a difficulty. Council member Larson said that this was discussed during design, but it was not financially feasible to construct the track as a stand-alone amenity. Council discussed the costs of the various passes and whether the “per visit” cost should be the same on a bundled pass as on a single facility pass.

Ms. Plumer gave some options of amenities that could be opportunities for naming rights or sponsorships, for some additional revenue. She showed examples of these from other locations, and said the benefits are that this is non-tax revenue, it supports economic vitality with local businesses, offers enhanced marketing and promotion opportunities, and gives businesses to share in community identity and pride. She said not everything would be involved, but there are some parts that could be opportunities: the recreation center building; the indoor play area; the eSports lounge; or the shelters.

Ms. Plumer asked Council if there was alignment on this vision and what success looks like for Eagles Landing Park. She asked if there was consensus on the operational framework for achieving the cost recovery targets. She sought Council's feedback on seeking strategic sponsorships or naming rights for certain elements of Eagles Landing Park.

Council agreed with the proposed framework and said they need to communicate it to the community early, perhaps using the Parks and Recreation Advisory Committee to help, staying at the 60% cost recovery model and pursuing some sponsorship and naming rights opportunities. Concerns were raised about strict rules for size and type of signs on the fields, and on making sure the Hopper could get anyone in town to the park.

**5. Open Discussion:**

Council member Larson said with strategic plan and community engagement, she would like to find time to work with staff to define what we want to see in engagement. Consensus was yes. She said today is national Mario Day – MAR10.

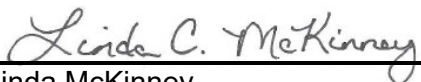
Council member Foster said we talked about the transportation plan. To make it not so piecemeal, she asked if Council could have a conversation on a policy about what bike transportation would look like. Consensus was yes.

**6. Closed Session:** none.

**7. Adjournment:**

Motion to adjourn was made by Council member Deshazor seconded by Council member Hewetson and passed with a unanimous vote. The March 10, 2026 workshop meeting of the Holly Springs Town Council was adjourned at 8:26 pm.

Respectfully submitted on Tuesday, April 21, 2026.

  
\_\_\_\_\_  
Linda McKinney  
Town Clerk