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## MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, May 21, 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 Chris Deshazor, Danielle Hewetson, Kara Foster, and Sarah Larson.

**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; Kameron Womack, IT; Corey Petersohn, Director, Office of Budget, Innovation, and Strategy; MaryBeth Spoehr, Budget, Innovation, and Strategy; Cassie Hack, Director, Communications and Marketing; Tamara Ward and Kelly Miller, Communications and Marketing; Chris Hills, Director Development Services; Kendra Parrish, Executive Director of Utilities and Infrastructure; Rachel Ingham, Michael Leonas, and Tim Athy, Utilities & Infrastructure; LeeAnn Plumer, Director, Parks & Recreation; George Brown, Director, Office of Customer Care; Paige Scott, Director, Public Works; Paul Liquorie, Police Chief; LeRoy Smith, Fire Chief; Tina Stroupe, Finance Director; Sabrina McDonald, Director of Human Resources; Irena Krstanovic, Director of Economic Development; Jeff Wilson, Director IT.

Mayor Kondratick called the meeting to order at 6:20 p.m.

**1. Recommended Budget Presentation:** Randy Harrington, Town Manager, outlined what has already happened toward adopting a budget, including the presentation and Public Hearing, as well as answering their questions. He said that as Council discusses the recommended budget that any additions, deletions, or amendments to the recommended budget require support from at least three Council members. Additionally, state law requires a balanced budget, so any additions require an offsetting expenditure reduction, or identification of new funding. He said that there were a few areas he wanted to touch on and then it would be turned over to Council for discussion. These areas include expanded hours for the Hopper, the Utility Bill Round Up Program concept, timing considerations for a future transportation bond, and others.

Corey Petersohn, Director, Office of Budget, Innovation, and Strategy, said that FY27 recommended municipal water and wastewater rates in the County average \$93.92 per month for a typical user of 4,000 gallons per month. He said that Fuquay-Varina's are higher than Holly Springs. Holly Springs' are higher than Raleigh, Apex, and Cary because of the rapid growth and the need to expand the service. He explained that this is related to the age and size of the water systems, as active investments are happening here. Further, the source of the water going to Raleigh, Apex, and Cary comes from closer to the cities, so the distance the water has to travel is less. MPT Drees asked if we were legally allowed to subsidize the utility fund and if others do. Mr. Harrington said the rating agencies frown on that as not being a sustainable way to run the business unit. MPT

Drees asked what the impact would be. Mr. Harrington said it would mean lower bond ratings, which make future investing less affordable.

Mr. Petersohn said that Holly Springs' proposed property tax rate is the lowest in the County and unchanged from last year. He showed how that worked out across different property values.

Council member Deshazor asked to go back to the water. He said an email was received about charging more to businesses than residences for water. He asked if it was a general practice to charge a different rate to businesses. Mr. Harrington said it is a common practice to charge a bulk rate, and that is generally lower. As you saw in the budget presentation, there are funds to do a rate study, which is a good thing to do on a regular basis. We would like to bring that back to you at the annual retreat to see what those results were. Council member Deshazor asked if Council would have an opportunity to change those rate increases that were decided in 2022. Mr. Harrington said it is the rate structure, rather than the rates. It would be a redistribution. Mr. Petersohn said that model is already adjusted every year based on the data. MPT Drees asked how long this rate increase plan was. Tina Stroupe, Finance Director, said we look out 10 years, but we can only feel comfortable predicting at 5 years because there are too many unknowns.

Mr. Petersohn said there is a language clarification change to the Personnel Policy to show that all full and part-time employees are eligible to use the gym and exercise facilities at the Hunt Center. It is not a policy change, but a clarification.

Chris Hills, Director of Development Services, gave statistics on ridership on the Hopper, and the availability to increase service without committing additional Town funds. He said that nearby municipalities that offer Saturday service have highest ridership from 11 am to 7 pm, and lower ridership on the earlier and later hours. A survey of current Hopper riders indicates that the preferred time on Saturday would be between 11 am and 5 pm, with a secondary preference of 9 am to 3 pm.

Mr. Hills outlined the costs associated with adding Saturday service and/or expanding weekday service. Adding 13 hours on Saturday would cost \$32,899. Adding one additional hour (until 9 pm) on weekdays and seven hours on Saturday would cost \$30,369. Either of these options would be covered by the additional grant funding available from CAMPO of \$38,089. Staff recommends adding 13 hours on Saturdays, which would maximize the available grant money.

Council member Larson said she loves the Saturday option and thinks it would get us more new riders. Having the later end time on Saturday would also expand the ridership. Mayor Kondratick agrees, but asked, if we want to make changes as we implement this, what the process would be. Mr. Hills said as long as ridership is going up we do not want to make changes. But if we find hours that are not utilized, we could move those around to cover hours that are utilized. Council member Deshazor asked what happens with the banked hours with this option. Mr. Hills said we would be able to continue to utilize them. As the program expands in the future knowing where hours are not utilized, shifting to the utilized hours is a better option because reliability is important. Council member Deshazor said he likes Option 1. He thinks people will use this. He asked Economic Development to work with businesses to stay open to 10 pm so we can get folks there. MPT Drees said she likes Option 1. But asked if there was a risk to growing too quickly. Mr. Hills said from a perspective of funding, there is no risk. But we have seen that wait times are going to go up, so that is the tradeoff. That is where the number of vehicles is to be looked at in the future. Council member Deshazor asked if we could expand 10pm on Friday to use the rest of the grant. Mr. Hills said that staff worked really hard to find the right balance. He thinks it would be difficult to make that change at this point. Council member Foster said she likes Option 1. But since not a lot of businesses are open until 10, how challenging would it be to make Fri and Sat until 9. Would that be less confusing. Mr. Hills said he understands but what we have is a 13 hour window. Over time as the data set moves, we can make changes. He suggested waiting to see what the data shows. MPT Drees said from her own polling, people who don't ride the Hopper now want later hours. If we

try on Saturday and examine that data, we can come back and see if people really do use that. Council member Hewetson said that makes sense. She said she still likes Option 2, but it makes sense that the reasons it would be used on the evenings tend to be restaurants and smaller businesses. She likes the extra hour on weekdays, but a 13 hour Saturday would be good to see. She said she could see needing more vehicles as wait times go up. That might be the next thing rather than other hours. Council member Deshazor said we are in month 5 and we are already making a large change. He likes the idea of taking this step, monitoring it, and seeing what we do next. Mr. Harrington said he thinks what he is hearing is consensus for the Saturday option. Council confirmed that was their desire.

Tina Stroupe, Finance Director, said that the Round Up for Holly Springs Utility Assistance Program would be to create a framework wherein residents can voluntarily support other residents experiencing temporary financial hardships with paying the water bills. She explained how the program would work and how a non-profit partner, such as NeighborUp would be needed to objectively administer the program. Staff is asking for guidance if Council desires to implement such a program.

Ms. Stroupe said that historically 1% of the town's 16,900 utility accounts are delinquent and only 0.5% get disconnected. She explained that disconnection only occurs if bills are 45 days past due and it is necessary to ensure the business remains solvent. She outlined the steps taken by the Town to notify people when their bill is delinquent.

MPT Drees asked about the fees charged if someone's water is disconnected. Ms. Stroupe said there is a \$10 late fee, and a \$35 delinquent fee. You have time to pay your bill before you are cut off, but that fee is still assessed because we need to cover the administrative costs.

Ms. Stroupe offered examples of how residents could support this program, how the funds would be used, and how it would be administered. NeighborUp would require a 5% to 10% administration fee to do this. Eligibility requirements would need to be set and staff recommends going with NeighborUp's existing eligibility process and recommends limiting assistance to one time in a 12-month period, limiting it to \$200 per occurrence, and to assess all late fees. Council member Deshazor requested clarification of the percentage that would be paid to Neighbor Up. Ms. Stroupe said it is calculated on how much they grant as assistance, not the amount we have in the account. Council member Hewetson said this is a wonderful program, but she is sensitive to the optics of the 10% off the top and making sure the funds go only to Holly Springs residents. Ms. Stroupe explained that the Town would take in the donations, and hold that money. Our residents go to Neighbor Up and say they need help. We would send funds to NeighborUp who would send them back to us, OR NeighborUp would notify us whose account to apply the funds to and we apply it. Council member Foster asked if the program would be opt in or opt out. Ms. Stroupe said it is opt in. It is totally voluntarily. Council member Hewetson asked what the requirements were for application. Ms. Stroupe said NeighborUp is suggesting the same framework as other municipalities. They look at income and it is based on the poverty level. There are guidelines. We can work with NeighborUp if we want to set stricter guidelines.

Council member Larson asked if there were instances where NeighborUp can help pay just fees, not the bill, for cases like when a card is denied. Ms. Stroupe said we would have to talk to NeighborUp about that, but we can set our own guidelines for the way we want to make the program work. Mayor Kondratik asked how the staff recommendations track with other municipalities that use NeighborUp. Ms. Stroupe said we only heard back from one and they go up to \$600, but they also have an electric utility. Holly Springs does not have electric so that is why they set a higher maximum. Council member Hewetson said we have a very generous community. What happens if our funds exceed the need? Ms. Stroupe said we would take direction from Council. But we could raise the maximum or allow applications more often than once every 12

months. Mr. Harrington said that's a good question but in reality I'm not sure we will ever see that situation. Ms. Stroupe said the other municipality we talked to gets about \$400 a month in donations. Council member Hewetson asked if a customer would have to elect every month or could they set it up to be monthly. Samantha Sleeter, Deputy Finance Director, said residents could set it up to donate every month.

Ms. Stroupe said that if Council desires to move forward, staff would need to continue discussions with NeighborUp to define the purpose, create eligibility guidelines, and determine administration fees or other costs to the Town. Staff would also need to coordinate with the current billing software team to make adjustments, communicate the program to residents, and collect funds for approximately 6-8 months prior to the official program start.

Council discussed seeing what level of donations come in over the first 6 months and discussing at that point whether the cap needs to increase or decrease, engaging with corporate partners, and how many customers could be helped. Council member Foster asked how much extra staff time would be required. Ms. Stroupe said staff time would be more in the beginning to get it up and running but then it would require applying donations to the account and reconciling the account. Mr. Harrington said he was hearing agreement to move forward and staff will work within this framework.

Randy Harrington, Town Manager, said we are a AAA rated organization, which gives us the lowest interest rates. Our financial advisors give us debt modeling that gives us strong debt management. He gave an overview of general government debt capacity, and the debt model the Town uses for planning. He said that the debt affordability model projects an additional capacity of around \$100 million. He explained the potential debt issuance timeline for maximum benefit, assuming no change to the existing property tax rate. These issuances could be used for future fire stations, transportation projects, and the Operations Campus, Phase 2. He outlined ways the timing of a bond affects projects, and said that staff needs at least a 7-month runway prior to a bond vote to get through the Local Government Commission process. He pointed out the risks and benefits of setting the bond vote in 2027 or 2028. He said the Town is in a position at this point to do this without raising taxes.

Mayor Kondratik asked when staff would need an answer. Mr. Harrington said by the June Workshop, ideally. If we wait until September, there being no workshops in July and August, he is nervous about the level of staff analysis that would be needed, which makes a tight timeframe in the fall.

Council discussed the risks and benefits of moving forward in 2027 or 2028 given things going on at the state level, and the ballots in an odd year as opposed to an even year. They discussed having a flag ship project that would show progress to the public, and the difference in data between the earlier and later dates. Consensus was to have staff work on it this summer towards a 2027 bond, but if the numbers change at the retreat, Council can shift to 2028.

*Five minute recess.*

## **2. Council Discussion:**

Mayor Kondratik outlined the procedure for the discussion of any changes desired.

Council discussed their priorities and goals for this budget. Mayor Kondratik said the takeaway is unanimity around transportation, traffic, and affordability. But he also heard interest in careful budget stewardship while maintaining appropriate staffing and service levels. Three Council members said they wanted to confirm that sidewalk connections are included as part of transportation and are a high priority.

There was discussion about the ramifications of the actions going on in the General Assembly that could potentially limit the town's ability to set property tax rates in the future.

Council discussed things that they would consider adding more funding for and how much investment it would take to move the needle. These included small business assistance, traffic signals, Intelligent Transportation Systems, renewing the Comprehensive Transportation Plan, and increasing the nonprofit grant line item. There was discussion about the role of and need for a Chief of Staff position, and seeding the Round Up Holly Springs program. Specific discussion was around reaching out to NeighborUp to see if there was any flexibility on the percentage, such as becoming a Strategic Partner with the Town.

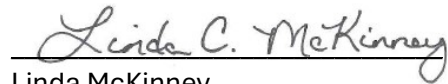
Council consensus was to add \$5,000 from the unallocated \$10,000 to the nonprofit grant program and hold the other \$5,000 as unallocated. Council further directed staff to investigate the possibility of expanding the small business grants to areas outside of Downtown, and to reach out to NeighborUp to see if there is flexibility on how they get paid to administer the Round Up program.

**3. Closed Session:** none.

**4. Adjournment:**

Motion to adjourn was made by Council member Deshazor seconded by MPT Drees and passed with a unanimous vote. The May 21, 2026 workshop meeting of the Holly Springs Town Council was adjourned at 9:30 pm.

Respectfully submitted on Tuesday, June 16, 2026.



Linda McKinney  
Town Clerk