



MINUTES

The Holly Springs Town Council met for their annual retreat at the The Graylyn in Winston-Salem. Mayor Mayefskie presided, calling the meeting to order at 1:30 p.m. A quorum was established as the Mayor and five Councilmembers were present as the meeting opened.

Council Members Present in the room: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, and Council members Timothy Forrest, Danielle Hewetson, Chris Deshazor, and Annie Drees.

Council Members Absent: None.

Staff Members Present: Randy Harrington, Town Manager; Scott Chase, Assistant Town Manager; Daniel Weeks, Assistant Town Manager; Corey Petersohn, Administration; John Schifano, Town Attorney; Jaime Joyner, Director, Human Resources; LeeAnn Plumer, Director, Parks and Recreation; Chris Hills, Director, Development Services; Linda McKinney, Town Clerk (recording the minutes); LeRoy Smith, Fire Chief; Paige Scott, Director, Public Works; Cassie Hack, Director of Communications and Marketing; Kendra Parrish, Executive Director of Utilities and Infrastructure; Tina Stroupe, Director, Finance; Paul Liquorie, Police Chief; Irena Krstanovic, Director, Economic Development; Jeff Wilson, Director, IT.

THURSDAY:

REVIEW OF AGENDA

Randy Harrington, Town Manager, gave an overview of the agenda and discussed with Council what they needed to have a successful retreat.

WHO ARE (OR MAY BECOME) OUR RESIDENTS, AND WHAT DO THEY THINK ABOUT THEIR LOCAL GOVERNMENT?

Disruptive Trends in Demographic Shifts and New Opportunities

Jeanne Milliken Bonds, UNC, Chapel Hill Kenan-Flagler Business School, spoke about the demographics in Wake County and NC. She said that while in migration and immigration are higher in the South than other regions of the country, and that NC is one of the fastest growing states, deaths are outpacing births, and the white, non-Hispanic population is shrinking as a percentage of the population, and in absolute numbers. She discussed other “disrupters” such as declining birth rates, declining participation of males in the workforce and as college graduates, incarcerations, drug overdoses, and the effects of the COVID-19 pandemic. She discussed the aging of the US (and NC) population and some age-related challenges that municipalities need to consider to be prepared for the future.

There was a short recess.

Citizen Satisfaction Survey Results

Cassie Hack, Director of Communications and Marketing, said the 2023 Citizen Satisfaction Survey was conducted in November. She reminded Council of the 2021 results,

and then transitioned to 2023. She said the results include comparisons to the Atlantic region and the National Average, and the top six community priorities. She introduced Jason Morado, Vice President and Director of Community Research with ETC Institute.

Mr. Morado explained the survey methodology and said there was a margin of error of +/- 4.9%, at the 95% level of confidence. He said that residents have a very positive perception of the Town with 93% rating the quality of life in their neighborhood as Excellent or Good and 93% rating Holly Springs as an excellent or good place to raise children. He said that overall satisfaction rates are similar to the 2021 survey. He listed the top community priorities as management of traffic, management of growth, walking and biking trails, street lighting, maintenance of town streets, and visibility of police in retail and neighborhoods. He went into details of how residents from all areas of Holly Springs are more satisfied with Town Services than residents of other communities. He said that the trends, comparing this survey to 2021's survey, show that satisfaction had increased by more than 10% in twelve areas, mostly around customer service. Satisfaction had decreased by more than 10% in seven areas ranging from "overall direction of the Town" to "ease of travel from home to work."

Mr. Morado discussed in greater detail the top community priorities identified above, and said that management of traffic and management and planning of growth and development were by far the most important to residents. He said that the communications items that should receive the most emphasis over the next two years include the town's website and the Newsflash and Hurrahs, but that 83% of respondents rated the Town's efforts to provide information about programs, services, and events as excellent or good. The overall quality of the downtown atmosphere was rated as excellent or good by 83% of respondents, with residents wanting more restaurants and retail development.

Mayor Mayefskie asked Town Manager, Randy Harrington for his reaction to the survey. Mr. Harrington said the customer service rating stood out to him and he was proud of the organization for that. He said that the traffic concern was no surprise, and he was interested that Downtown Vibrancy ranked so high, as it and transportation will be discussed tomorrow.

MPT Berry said he was surprised by some of the items that decreased over 10% since 2021. He asked if there was any correlation between the 7 items on that list. Mr. Morado said part of it is part of a national trend. They don't have any data to understand the reasons, but it could be that the last survey took place at the end of COVID and people have higher expectations. But it is unusual to see similar satisfaction rates to the last survey, because nationwide there have been decreases in overall satisfaction.

Council member Drees congratulated staff on their stellar customer service. She asked about the timing of the survey. Mr. Morado said it was in November. Council member Drees asked how many were sent out to get the 400 responses. Mr. Morado said about 3000 surveys were sent. They try to send out 7 times the number they need.

Council member Deshazor said adequate street lighting stood out to him. But he was alarmed about the safety in parks. It stood out that only 39% felt "very safe." Mr. Morado said those numbers are still very good when compared to other communities. That is the area where there are the lowest ratings. Mr. Harrington asked Police Chief Liquorie and Parks and Recreation Director LeeAnn Plumer to say if there was anything from their perspective on this item. Ms. Plumer said that more than 80% said they feel safe, but parks are public spaces and when people want to do things, they do them in public places. There were some vehicle break-ins and that might affect people's perceptions, but she would defer to Chief Liquorie for the crime information. Chief Liquorie said that crime in Holly Springs is extremely low in all areas. But *perception* of crime – teens who are acting a little disorderly – that can make those with younger kids feel less safe. Also we have minor vandalism, and it usually happens in parks when it does. And that feeds people's perceptions. He said the Police Department is working with IT to use technology to try to figure out what is going on and what areas need to be addressed.

Council member Drees asked about the lighting in our parks. Ms. Plumer said it depends on the park, but we have signs that parks close at dusk unless there is a planned activity. Lights are left on at Womble so that people can use the trails this time of year and are looking at motion sensor lighting that has communication for follow up, whether it's a deer or a person.

Council member Forrest thanked the town staff for the high customer satisfaction level. He said the town is telling us what they want – transportation and development. We need to remember these as we discuss things this weekend so that we focus on facts and figures. He asked about the 10% drop in satisfaction with the direction of town and elected officials, saying it was still above the national average, right. Mr. Morado said yes it was significantly above the national and regional averages. Those are excellent ratings. Council member Forrest said we are living in a polarized society and we need to remember to listen to everyone. And that includes spending time on Senior programs. Mr. Harrington said we will hit that in transportation and Parks & Recreation later in the retreat, and any areas we don't hit can be done in the Parking Lot.

Council member Hewetson said the customer service ratings are exciting. The transportation dissatisfaction doesn't shock her. It's frustrating to see some ratings go down, but to have a plan to move forward is positive.

Mayor Mayefskie asked Ms. Hack what stood out to her about the survey. She said our numbers are great. The same things stood out to her that Council had mentioned. We had giant jumps in customer service satisfaction. She said the open-ended questions are interesting. We added one about what roadway needs the most focus, and it was pretty much what you think. Highway 55, Holly Springs Rd., Avent Ferry Rd., and Main Street. We also added something about seniors in the "what topics do you want us to look at" section, and it is in there, but compared to traffic it is not as important to residents. She said the maps included in the report are amazing because of the amount of satisfaction shown. She recommended that Council read through those open-ended questions. Mr. Harrington pointed out that the investment Council has made in Communications has helped us a lot in our engagement with the community, which helped us in the survey as well.

Council member Drees asked if the open-ended responses are sorted into "buckets." Ms. Hack said we have not done that, but it is something we can look at. We can look through and pick out the themes.

Mayor Mayefskie said that unless our policies are implemented, we don't get the scores. After this retreat there will be serious discussions on how to get a few things up that aren't as high as we would like. But he is proud of the current ratings.

Council went into closed session pursuant to N.C.G.S. 143-318.11(a)(4) to discuss an economic development project with a motion by MPT Berry, a second by Council member Forrest, and a unanimous vote.

Motion to leave closed session was made by Council member Forrest with a second by Council member Deshazor and a unanimous vote.

The meeting recessed until 8:30 am on Friday.

FRIDAY:

The meeting reconvened at 8:30 am.

THE FINANCIAL PICTURE

Operating Budget Revenue & Expenditure Drivers

Corey Petersohn, Director of Budget, Strategy, and Innovation, discussed the differences between the operating budget and the Community Investment Plan (CIP) and said he would concentrate on the Operating Budget. He showed the proportionate share of the Operating Budget from each of several funds. He explained that Enterprise Funds were those that account for activities that provide goods or services to customers for a fee (self-supporting) and included the Utility Fund for water and wastewater, and the Stormwater Fund for managing the Town's stormwater infrastructure and environmental compliance. He discussed the average growth rate on these funds and the budget outlook for them. He explained what was covered in the General Fund, how that fund was divided in the FY24 adopted budget, and where those funds come from. He then projected the increase in these categories expected due to growth. He said that the area where Council had the most influence in the change is in the *ad valorem* tax.

Wake County Property Tax Revaluation

Mr. Petersohn defined the Revenue Neutral Property Tax Rate that statute requires to the Manager to publish. He said the jump in this revaluation is larger than has been seen over past revaluations. He said this would produce an equivalent amount of property tax revenue, had a revaluation not occurred and is meant to reduce the tax burden of an illiquid asset. However, the Town's expenses are not "expense neutral" and Council can adopt a different tax rate in their FY25 budget.

Mr. Petersohn showed what the outcome would be if Council kept the current tax rate, and if they used the revenue neutral rate (a 30% decrease) and how neighboring municipalities' tax rates have risen since the last revaluation.

Preliminary Budget Outlook

Mr. Petersohn said that preliminary general fund budget considerations include about \$3.5 - \$4 million for public safety, \$0.5 - \$1 million for facilities and projects, and \$1 - \$1.5 million for other considerations. Chief Liquorie said that calls for service have increased 6% over the last three years. He said the town is being targeted by out of state criminal organizations. Motor vehicle collisions have increased, and the patrol area has grown exponentially. He spoke about meeting the goals in the community survey with geographic based policing. He said the request for four new officers only increases the number of officers per shift by 1, as there are four shifts. Council member Forrest asked which school requested a new SRO. Chief Liquorie said Rex Road Elementary will be open by 2025 and will need an SRO, and he wants to move the SRO Supervisor to a more administrative position which would also be able to fill in when there are absences. Council member Drees asked how many officers he was asking for. Chief Liquorie said he is asking for 1-2 SROs, 4 patrol, 1 Captain for Professional Standards, and 2 traffic officers. Council member Forrest asked about the license plate reader program. Chief Liquorie said we have ½ million "reads." The state used to prohibit them on state roads, but there is a pilot program to allow them now on DOT roads, and they are mounting some. MPT Berry asked for an updated organizational chart. Chief Liquorie said it was in the annual report and on the Police Department's web page.

Chief Smith explained the fire department's hiring process. He said that about \$700 is invested in each candidate once they are hired. He outlined the issues involved in finding hires. He said there are currently 8 vacancies and 4 are in the academy and 4 experienced fire fighters are in the pipeline. He said the number of applicants has dropped dramatically since COVID. These vacancies mean that employees are being held over (mandatory overtime) often at short notice. Also the extra time off granted as a new benefit last year has increased the overtime pressure on his department. He said that call volume has increased. He needs a 25% buffer in staffing to allow staff to take advantage of vacation and floating holidays, and have complete coverage. Council member Forrest asked if there were any cases of burnout. Chief Smith said this year there have been more calls for EAP (Employee Assistance Program) than

any year prior. Council member Forrest asked how it is being managed. Chief Smith said they meet with battalion chiefs weekly. They have lost staffers to go to Durham or Raleigh where there are more fires than medical calls, which Holly Springs has more of. MPT Berry asked if they had looked at part time or volunteer groups to assist. Chief Smith said that Wake County is having issues staffing their volunteer departments and feel that if Holly Springs started a volunteer group it would pull from those. And part timers have issues with coming off their shift at another agency, given federal requirements. Council member Deshazor asked if there was a chance, with the new Wake Tech, to hire younger recruits. Chief Smith said they hire at 18, but our policy is that they must be 21 to drive a fire truck. We run all our classes through the community college. We focus on people coming out of the military and we have recruited on some bases. We have lost some to the military also.

Mr. Petersohn outlined other needs in public safety and said that the cost would be equal to our expected revenue increase due to growth. He then spoke of needs in facility management, project delivery, sidewalks and pedestrian improvement construction. He mentioned the growth-related service demands in all departments. The total increase in the areas comes to \$5 – \$6.5 million, well over the annual expected growth.

Pay Market Competitiveness

Jamie Joyner, Director of Human Resources, introduced Malayna Halvorson Maes of McGrath Human Resources Group. Ms. Maes outlined some of the challenges facing local government in filling positions and said that public safety positions are some of the hardest to fill. She outlined best practices in recruitment strategies and explored compensation trends in the industry.

Ms. Maes gave a recap of the Compensation Study, commenced in 2021 and implemented in 2022, and said that the recommendation had been made for a market update at three years. However in the time since then, public safety positions have fallen behind (due in part to our neighboring municipalities raising their own pay rates.) She recommended that public safety positions be adjusted to a higher placement in the Market range based on comparable findings and Town needs; a separation of sworn positions from the salary schedule to address public safety independently from other Town positions, and to re-evaluate levels within the rank structure with the Chiefs and Human Resources.

PAYGO Capital (General Fund cash funded)

Corey Petersohn, said that PAYGO preliminary considerations for the upcoming fiscal year included Facility Maintenance and Improvements, Parks and Recreation, and other considerations from design and implementation of Downtown Area Plan projects to land purchases for future fire stations and parks, to additional fleet replacement and heavy equipment.

In summary, Mr. Petersohn said that the Wake County revaluation reflects a dramatic change in property values. Holly Springs is one of two out of 13 Wake County local governments to have remained at the revenue neutral property tax rates since the 2020 revaluation. However, with growth comes challenges in meeting service delivery demand. He said that pay competitiveness remains challenging, particularly for public safety, and that the Town has substantial capital needs over the next five years. He asked for Council's feedback in preparing the FY25 budget.

Mayor Mayefskie asked when the last compensation study was done prior to 2021. Daniel Weeks, Assistant Town Manager, said they had been done sporadically, but nothing comprehensive. Mayor Mayefskie said that at some point we're not paying so that we get more out of an employee, but to keep them or stay ahead of neighbors. He spoke of increasing technology taking the place of humans. He asked how to address the issue. Ms. Maes said "total rewards" goes beyond pay and benefits to the total experience – training, rewards, etc.

The “niceties” go a long way. But hires look at pay and benefits – that is needed to draw people in. The recognition, well-being, and professional development become important for retention. If this was a normal labor market, that is where we would be going. But this is a new day with new demands from employees. You are putting so much time and money into developing them and they will leave for \$1,000. She said that, as an example, San Deigo is developing a day care center for their public safety departments. They are thinking outside the box to recruit and retain. That is the level agencies are at right now. Mr. Harrington said back in December we mentioned re-thinking workplace culture elements. We have a committee in SLT putting together innovative things. Those might be some things we could come back with that are outside of the salary piece that helps us recruit and retain. MPT Berry said we need to be more flexible internally. Shifting public safety into their own salary schedule makes sense. But as soon as we raise our pay, everyone else will do what we did and it will be an unending cycle. We need to solve this by being the place people want to work. Are we giving people more incentives to stay with us? He suggested more salary grades, closer together, to give people opportunities to earn more. He said things that aren’t in the pay package contribute to his employer being the best place to work – day care, doctor’s offices, dentists, etc. If people can’t take their vacation, how do we create temp. positions or something that allows people to take the vacation they have? In his view, the ancillary stuff around the salary is more important. Mr. Harrington said that one of the more intentional efforts we did with the last update was to create career ladders, which has helped in some cases. Chief Liquorie said that the incentives proposed by the committee don’t necessarily work in public safety. He said their applicant pool is smaller, due to requirements for the job. And the quality of the applicant pool has gone down also. Some of the incentives talking about more broadly do not apply to public safety. Chief Smith said the fire service has a long history and culture. We have put textbooks on iPads and instituted a drone program. But if we could open the ranks up to earlier advancement that would help. Also paying for college degrees, so that a high school graduate and a Ph.D. don’t have the same starting salary. Focus on those who are staying and ask why. We train them, and then they get poached by other departments that pay better. There are industry challenges that we are trying to address.

Council member Deshazor asked if when we looked at this, did we do an adjustment for current employees, to bring them up? Ms. Maes said she might have to punt this to administration because she is only comparing comps. At the last study, they created the ranges, but where individual employees are put within that range is up to administration. We are looking at the points within the salary structure, and how you look compared to immediate comparables. Mr. Harrington said that when the last study was done, everyone was considered and 74% of employees were adjusted. Council member Deshazor said we need to see what the total rewards would be. We can’t just throw money at it, so we need to look at the things that make people proud to work in Holly Springs. What can we do as a council? He wants our officers to be able to live in Holly Springs and to make this competitive. He suggested twice yearly reviews to allow a salary bump in shorter increments. And he wants to know how much this is going to cost us. How can we do it within the budget without raising taxes.

Council member Drees asked if there were metrics we could use to show it was having an impact – turn-over, offer acceptance, etc. Or do those metrics come too late to make a difference? Ms. Maes said the first metric is turnover. It’s tricky because there is general turnover, and then how long before turnover. The challenge with time to hire is that there is a long process to make sure you are hiring the right candidates. You want to pay attention to who declines job offers and why, and how far into the salary range do you have to go to meet their needs. The closer you get to the midpoint number, that’s the market. She said she imagines Human Resources already has a handle on these trends. Council member Drees said it sounds like public safety has some concerns with the strategies the committee is coming up with, so they ought to come to a consensus before bringing it to Council. She asked about requiring

reimbursement of training costs if a new hire leaves before a certain point. John Schifano, Town Attorney, said an 18 year old kid isn't going to have the funds to pay us back, so it is unlikely to be productive. Chief Smith said we pay for training but once they are out they can go to another agency. Mr. Harrington said there is a reputational component too, because if you get a bad reputation in the market, it takes years to overcome it. Chief Liquorie said the municipalities that surround us, with Cary and Apex offering starting salaries ahead of us and special incentives, we cannot compete. When Fuquay Varina, which is not perceived as affluent, is outpacing us in terms of salary and benefits, our officers start to take notice. MPT Berry said he is hearing that it is money. Is that true? If it's not, and there are things we've not talked about, please bring it up now so that we can discuss it. Mayor Mayefskie said he would love to hear options. He wanted to talk about culture and what we can do. Ms. Joyner said wages are a component. But she hears the exit interviews when people leave. She said that we could do better on training and development. If we are investing in employees and making them feel rewarded, that's a huge one. Our benefits package – is it affordable, are there barriers to employees getting the care they need. Do we fund a Health Savings Account so that we take away some of those initial barriers? Focus groups with employees could generate some of these ideas. Are there opportunities for automation? Can we do things differently?

Council member Forrest asked the Chiefs how many officers are in retirement range. Chief Smith said about 15%. Chief Liquorie said a handful in the upper range. He said the biggest turnover is in the younger ones. He thought focus groups in the town would generate ideas. The growth rate isn't being discussed and we have such high expectations on police and fire, how many more calls will that be. We have a pressure point that we aren't discussing. Do we look, short term, at a pay increase for public safety to slow the bleeding while we develop a future plan to implement in the next fiscal year? Mayor Mayefskie said he wanted to know what the actual numbers would be. Chief Smith said, regarding reputation, he thinks his department has a very good reputation. Look at the success on the last couple of fires. That reputation is still out there, but with that goes training. We have a pretty robust training program. The challenges we are feeling are regional. We are all fighting over the same pool of candidates. COVID hurt us – 240 firefighters died nationally. That has kept people from entering the field as well. We're looking at different shift schedules, and other ways to keep people from leaving. He recommended "stay interviews" to see why people who have stayed are staying, and focus on that. Council member Deshazor agreed that stay interviews are a great tool. But he wants to know if we can afford to throw money at a problem. He would like to do something that is a longer-term fix. He also would like to hear ideas from others. Chief Smith said one of the things we hear in the field is that with all these Economic Development projects coming to town we must be rich. So we need to educate them that the benefit from that will come later. Paige Scott, Director of Public Works, said we need to look at the personnel policy as a whole. There are things inconsistently done across departments. Based on feedback from her staff it doesn't support them as employees. She recommend a new policy be employee centered. Also benefits are too expensive for people with families. That needs to be looked at. It is sticker shock to new employees. There are things that can be provided – coffee, snacks, etc. And an 8-5 workday is antiquated – we need to have more flexible schedules. Mr. Petersohn said we are looking at a number of options to recommend to Council. This presentation on public safety is because we felt an urgent need to bring it to Council before the recommended budget. But we are looking at outside the box recommendations that will come to you. We are talking to all the different departments to see what across the board things we can recommend for implementation. Mr. Harrington said he was excited that Council is talking about things beyond pay. The Senior Leadership Team committee has come up with some fantastic ideas that will impact culture and benefits. He will bring them to Council, maybe at the March workshop, to see how these things would fit and help recruit and retain employees. Mayor Mayefskie asked how much autonomy department heads have to implement work hours. Ms. Scott said public works staffs according

to operational needs – but they do have flexibility. It is based on a 40 hour work week, but shifted for temperatures, daylight hours, etc. Mr. Harrington said Parks & Recreation had 24/7 schedules and work around that. Other departments have flexibility too. Council member Forrest asked for a cost to be attached to each of these ideas. Mr. Harrington said we want to come back to you and share what it would cost to get to where you want to be. MPT Berry asked for a benefits walk-through. Council member Deshazor wished the comps included the benefits differences between us and other municipalities – the cost for insuring a family, for example. That is what makes us competitive. Mr. Harrington said that total compensation is about 30-35% above salary. We outline those to employees annually. We will share that with Council as well.

INVESTING IN EXCELLENT SERVICE DELIVERY

Debt Affordability Outlook and Utility Rate Update

Tina Stroupe, Finance Director, said this item would provide Council with information on the 2024 updated General Debt Affordability Model and Utility Debt Affordability Model, as well as information on the Fund Balance and Key Financial Metrics. She introduced Doug and Andrew Carter of DEC.

Mr. Doug Carter said the Town has a higher appraised value than Wake County, which gives the town a bump in credit ratings. He outlined past actions the Town has taken to improve and sustain their financial stability. He discussed timing and falling interest rates, and the positive implications for the Town.

Mr. Andrew Carter discussed the general government debt model, debt issued since the implementation of the CIF, and projected new General Government Debt, the timing of which would have an impact on the model. Mr. Doug Carter said they are essentially issuing the debt according to cash flow needs, which has a big impact on the model.

Mr. Andrew Carter discussed the way the revenue neutral tax rate would affect debt availability. He said that 3 cents added would support the debt services needed for the Parks Bond. They ran the model with an additional cent and an additional 2 cents and Mr. Andrew Carter shared those results with Council. Mr. Doug Carter said that those additional pennies were the ones no longer needed for the parks bond because the situation had changed and it no longer required what the estimate showed in 2023.

MPT Berry asked if falling interest rates would affect the model and if the 3 cents was needed for the Ops campus. Mr. Doug Carter said the Ops campus was already covered. MPT Berry asked what was on the capital projects list for the next five years. Mr. Harrington said transportation, which would be discussed later, and there will be needs for future fire stations, and the Downtown area might want additional investment. MPT Berry asked if Limited Obligation Bonds (LOB) could be used for transportation needs. Mr. Harrington said LOBS were not usually used for transportation projects. An additional penny today is the cheapest way to fund things in the future. If you don't invest ahead in your capital needs, it takes a larger tax increase to pay for the same things.

Ms. Stroupe discussed the timeline and cost projections for the Sanford Water Project and Fuquay-Varina/Holly Springs Conveyance projects, and the Utley Creek treatment plant expansion, and the effect of timing on cost estimates.

Mr. Doug Carter offered projected rate increases in the utility rate from the current fiscal year to FY29. He talked about the factors that could influence utility rates, and showed that the projected rate increases are lower than previously predicted. He suggested that water and sewer fees preliminary estimate as an increase by 15% in order to pay for the continued growth of the system.

Ms. Stroupe said that positive effects on Utility Rates include strong Town financial performance, grants awarded to the Town and adjustments to sale of debt. Risks include additional increases in project or bid costs, and rescheduling of bid date and delay to projects.

Fund Balance

Ms. Stroupe explained that the Fund Balance was the Town's "rainy day fund" or general savings account. It ensures that unanticipated events will not adversely affect the financial condition of the Town and jeopardize the continuation of Town services. She also explained its importance in maintaining the Town's investment grade bond ratings, providing cash flow, and offsetting significant economic downturns or revenue shortfalls. Mr. Doug Carter said the level of fund balance was 30% of the Town's credit rating.

Ms. Stroupe showed the fund balance over the past five years both in terms of dollar amount and as a percentage of the budget, and said that the Town has stayed within its policy amount of between 20-25% except 2023. That year was impacted by an accounting change. Had it been reported in the old way, it would have been closer to 30%. She suggested the inclusion of language "to include transfers and debt service" in the policy, as this echoes the new accounting requirements.

Ms. Stroupe explained how Capital Reserve Funds are different from Fund Balance and updated Council on the balances as of January 31, 2024 and the assigned purpose for each fund. She outlined the amount of *ad valorem* and sales taxes collected in FY23 and the projected collections for FY24. She outlined the total outstanding debt, expressed in dollar amount, debt service expenditure ratio, and debt to assessed valuation percentage.

Ms. Stroupe said that other metrics and indicators were our bond ratings of Aa2 Moody's and AAA from S&P, the Town's days cash on hand and liquidity, and the Town's ability to pay debt obligations. All of this means that the Town has a strong financial foundation.

Return on Investment from Economic Development Recruitment Projects

Ms. Stroupe said that the two major economic projects – FujiFilm Diosynth Biotechnologies and Amgen – will contribute to the Town's revenue, but it is a long-term situation. She showed the Assessed Value, Property Tax, and Business Investment Grant over the next six years, and showed when each would show a return on investment to the Town. Mr. Harrington said that, but for Amgen and Fuji coming, the amount needed to pay for the debt service would have been 2 cents higher.

Ms. Stroup said that this shows that we have a strong financial foundation and outlook. She outlined steps for the future, and recommendations to continue to be intentional with budgeting.

Mr. Harrington said there is a lot of positivity on the revenue side. But we also have a lot of growth challenges. That shows up in the operating budget. You have a high number of needs and challenges and Council needs to decide the right balance. Over the next couple of months he will be meeting with directors and coming up with the recommended budget. He foreshadowed that public safety would be a large part of the next budget.

Mr. Harrington asked for and received consensus on fixing the fund balance policy wording. Council member Drees asked if you could have too many days cash on hand. Mr. Doug Carter said at some point in time unused cash is not good, because cash can produce results. We have more, but we are drawing it down in the model closer to the policy, so that we can complete projects. Mr. Harrington said that it would take closer to 300 days cash on hand to get a AAA rating. So it's a balance.

There was a short recess.

Mayor Mayefskie said Council is supportive of the Public Safety hiring problems. They are onboard with meeting the range, but want to see the total cost, including benefits. Other than compensation, twice a year reviews should be investigated, and they want to hear the other options, and to know when they can realistically be added this fiscal year. Council

member Drees said she would like to see the metrics for attrition, time to hire, etc. to help them gauge the severity of the problem.

There was a short recess.

INVESTING IN EXCELLENT SERVICE DELIVERY

Transportation Investments

Chris Hills, Director of Development Services, reminded Council of the public perception of traffic as demonstrated in the Community Survey. He said that focusing on people, rather than cars, was important because people create jobs, spend money, and make a place what it is. He shared the Transportation Land Use Cycle, with the cycle of improvements in accessibility increasing land values and leading to increased traffic, which leads to improvements. He said that planners have learned that unless there is a willingness to address land use, you cannot build enough lanes to address the traffic. He spoke about the population growth in the state and specifically in our area, and the transportation challenges that come from that growth, showing the predicted traffic for 2040.

Mr. Hills shared data about the changes in the area and the predictions for future traffic congestion. He said that the public perception of what causes traffic does not always match the data. That single family detached houses cause 10 trips per day, compared to general apartments' 6.1 trips per day and condominiums' 5.6 trips per day. Retirement communities generate even lower trip volume of 3.3 trips per day. He said that mixed-use communities, like North Hills in Raleigh, have created less traffic volume than anticipated. He also showed data regarding fatal pedestrian accidents and explaining Vision Zero. He discussed ways that increased density could minimize traffic and improve residents' lives. Mr. Hills said that looking at the problem with an entrepreneurial lens might give us opportunities to mitigate these issues.

Council member Deshazor said that in Holly Springs there is not enough housing. Adding density could drive down some of the pricing, especially in the rental market. But we would need to make sure we invest in alternate transportation to assist those who chose to live without a car. Council member Forrest said we have discussed the northwest gateway being a high-density area, which could assist there. But low density minimizes traffic – where can we do it. How do we minimize the impact of traffic. If we're going to increase density it needs to be for the right type of project. He said we need to connect the greenways for people who want to walk and get developers to build them; we need to finish Holly Springs Road. He mentioned the missing middle housing, but said he doesn't think we'll ever get it because we're running out of land.

MPT Berry said we've done a good job of planning density over the last five years. It's NE Gateway, by Ting and a few key sites. All of it will cost public dollars to make it come to fruition. We will need to invest in infrastructure to make that happen. He said the Town doesn't build things – we rely on private industry and they will build what they will be able to sell. We are set up for success from a planning standpoint, but he asked where do we put our money to realize these plans.

Council member Hewetson said we want foot traffic downtown, so she sees that being beneficial. Her hesitation is that what traffic will bypass Holly Springs once 540 is open, but it doesn't eliminate the two funnels. For residents and businesses, they want to experience people on foot or bike downtown. Designing bike lanes could be a solution for getting people down major routes.

Council member Drees said she thinks there is opportunity here and a thoughtful plan in conjunction with transportation make a lot of sense and she is behind it.

Mr. Hills said there is an opportunity to invest in shifting modes away from automobile only and we can work with developers on this as well.

Council member Deshazor asked about electric bikes like they have in Raleigh. Mayor Mayefskie said we may not be big enough for a full-fledged bus route, but maybe we could get something more than we have.

Mr. Hills outlined a phased approach to introducing micro transit in Town. Having the land use in place to bring the required density to make transit work is important for success. Fares only cover 30 – 50% of the cost of transit so it always needs to be sponsored. He said that the pilot drone program with Flytrex and the FAA had made 23,000 deliveries in 2023, resulting in 46,000 fewer vehicle trips. He suggested that thinking creatively about traffic could lead to better solutions for the Town. Council member Deshazor asked about “slug lots” (ride share) in Holly Springs.

Mr. Hills outlined how Development Services and Utilities and Infrastructure work together for transportation planning and construction.

Kendra Parrish, Executive Director of Utilities and Infrastructure gave an update on the transportation bond projects and the non-bond Holly Springs Road Widening (West) project, with estimated completion dates for several projects around town. She said that the current projects should be completed around 2027. She spoke about the changes in construction post-pandemic and the ways staff has adjusted its methods to mitigate increased times and costs. She also spoke about NCDOT’s timeline on LAPP projects, how that has changed, and considerations for impacting the speed of delivery on projects.

Council member Deshazor said he agrees that limiting the number of LAPP grants applied for would be a good idea. Chris Hills said LAPP has been a great program, but the administration costs are so high that looking for higher floor projects would be better, but also shovel-ready projects are more likely to be funded, so the Town has to have an investment in it.

MPT Berry said he wants one person whose job is to make sure projects are moving forward. Mayor Mayefskie said we are going to have enough projects to keep employees busy. Council member Forrest said we have enough projects that we need a single point to keep all these projects going. He said we need to look ahead to what the Town looks like when we hit 70,000 population and have an overall plan. He said we are starting to become reactive instead of proactive.

Mr. Harrington said that the study will have a number of findings and recommendations. There will be a lot in there that we will share with you. We have tried to identify those places where we need to evolve into those processes. We are getting there, but have more to go. We have a traffic engineer, a right-of-way acquisition agent. If we are to build that capacity, it requires investment in new staffing and resources. Ms. Parrish said as a growing organization we had engineers that were working on projects, but they are not trained project managers – there’s a difference. We have heard from several other communities that deployed a PMO. If you don’t have the buy-in of the organization it doesn’t work. We have learned that to be successful, you need a base line, need to look at resources, bring people along. We need to evaluate processes and training, and then implement change. You need to build the framework first, or the software will fail. We will be talking about getting the framework going. We did our due diligence talking to other municipalities about how to make this work. Council member Forrest said that whatever framework we need, he believes we should move in that direction.

Elizabeth Goodson, Development Services, showed NCDOT road projects in our area. She said that there are a lot of DOT maintained roads in our area. She showed the difference between the projects identified and the projects funded. She spoke of the various ways transportation projects can be funded, whether they be roadways, intersections, or bike/pedestrian transit. She offered recommendations of 10 roadway projects. Council member Forrest asked what data points were used to choose these. Ms. Goodson said they used the Comprehensive Plan review data. Sean Ryan, Development Services, said part of the public engagement process was asking residents what goals were important to them and they used those criteria to rank these projects and establish this list. Council member Hewetson asked if

any of these would fall under developer contributions. Ms. Goodson said we use the CTP to guide us when private projects come along, so if development comes to any of these areas it would mitigate what we spend.

Ms. Goodson showed five intersection improvements that staff recommends. Council member Forrest asked if Holly Springs Rd/Sunset Lake intersection would be included in the widening or 540. Ms. Goodson said it was between the two projects and was needed to connect the dots. Council member Deshazor asked if there was a way to look at the timing of the signal at Main and 55 before the interchange improvement. He asked if elongating the yellow light would help prevent people running red lights at the intersection. Ms. Parrish said it is a DOT signal, but we can request that they look into whether it had drifted or needed other adjustment. Aaron Levitt said that Avent Ferry/Cass Holt would likely be part of the DOT Avent Ferry Widening project, predicted for 2027.

Ms. Goodson showed seven bicycle, pedestrian, and transit projects. LeeAnn Plumber, Director of Parks and Recreation said that the first two were part of the Parks bond. Ms. Goodson showed three additional projects that could be addressed. These are areas of need but are not as far along in design. These are areas that have come to light more recently.

Mr. Hills said this is a big issue. He feels like they got some good direction, but asked if there was other feedback. Council member Drees asked about bike lanes. Mr. Hills said the greenways and the downtown area plan include bike transportation and there are other areas in the CTP that include bike lanes as part of road widening or dieting. Mayor Mayefskie asked if Avent Ferry Rd. Phase 2 was designed. Ms. Parrish said we had talked about designing it to speed things up but it is a DOT project and when they halted funding we did not spend the funds. There was a discussion about in-house vs. outside contractors for sidewalk construction.

“Refreshing” Strategic Plan

Corey Petersohn, Office of Budget, Innovation, and Strategy, reviewed the process and timeline for the Strategic Plan update. He explained how the Plan drives the organization and shared some strategic plan successes over the past five years. He offered some areas of consideration for a refresh of the plan to bring it up to date with a growing community, offering four options for a refresh. He said that, based on feedback from Council, staff would provide a draft plan update at the March workshop.

Council considered the four options: 1. No change; 2. Rebranding; 3. Rebalance; or 4. Plain terms. Council member Hewetson said she liked option 3 best, with 2 as a second best. Option 4 she doesn't think offers direction. Council member Deshazor said he likes four priorities better than five so Option 3 is his preferred option. Mayor Mayefskie asked if departments would be moved into different working groups if Council changed the document. Mr. Petersohn said the groups evolved organically, because of the way departments work together. Council member Forrest said when Economic recruiters are looking, having Economic Vitality separate would help attract companies. And having Managing Growth & Infrastructure speaks to residents. So he likes Option 2 best. But Option 3 is a second choice. Council member Drees likes Managing Growth of Option 2, and preferred that. Option 3 is her second choice. Mr. Petersohn said he could work with some of these ideas and preserve this language. Council member Deshazor said we are thinking about this, but most people aren't going below the captions, so he likes Option 3. MPT Berry said he likes Option 3, but doesn't want to leave out Managing Growth. How do we get the wording of Option 3 to recognize that. Mr. Petersohn said he heard more positive to options 2 & 3, maybe learning towards 3, but preserving the verbiage of Growth. He will bring it back to the March workshop with two options for Council's consideration.

There was a short recess.

Parks and Recreation Investments & Programing

LeeAnn Plumer, Director of Parks and Recreation, said she wanted to review current and future parks and recreation investment areas, provide insight on programming trends, with a focus on senior adults, and discuss a name for the park on Cass Holt Road. She updated Council on the Hunt Center security renovation, the Sugg Farm Community Garden & Nature Play Area, and the Bass Lake Dam Expansion. She gave updates on the Utley Creek Phase 2 Greenway, Jones Park Connector, and Middle Creek greenway. She said that near term investments included a connection from Ting Park to Oak Hall, and the Bond projects of Cultural Center seating, Womble Park dugouts, Womble Park basketball courts, the Sugg Farm program pavilion as well as greenway connections and the new park.

Ms. Plumer outlined key priority areas in the 2021 Parks, Recreation and Greenways Master Plan and six future investment areas to look at in the next 2 to 10 years: Parkland Acquisition; Grenway Connections; Permanent Farmers Market: Mims Park; Bass Lake Park Center Expansion; Cultural Center Improvement & Expansion; and Aquatics Facility Partnership. Additional investment considerations include maintenance of existing parks and facilities, Ting Park open space, the shift in demand and demographics, and the Carolina Springs parkland dedication. She mentioned that facilities are starting to age up and will need maintenance projects in the near term. She outlined various ways these investments could be funded and asked for feedback on Council's priorities.

Ms. Plumer then showed data comparing the demographics of participants in the Parks and Recreation programming to the demographics of the Town, and participation number trends for different types of programming. She said that, with an understandable dip for COVID years, overall participation was up above 2019 levels by just over a thousand participants.

Council member Deshazor asked about the Miracle League for the spot at Ting Park. Daniel Weeks, Assistant Town Manager, said the Miracle League was talked about 10 years ago but hasn't gained any traction. Council member Deshazor said that would be a perfect spot for a Miracle League field. He said he would hugely support an aquatic center. Council member Drees asked if the Future Investment areas were budgeted at this point. Ms. Plummer said they were not, but you may see some of these come in as budget requests on the next CIP. Council member Drees said we need to keep an eye on the other side of 55 and make sure we're investing there as well as in the new park. Council member Hewetson said Ting brings in so many people, that space could be another pull. Council member Forrest asked if there was a way to commercialize the lot at Ting to make some money off of it. He said it is time to start looking for alternative programs, like Bollywood Dancing and Cricket pitches, as well as programs for 55 and over. He feels like it is self-supporting. He would love to see an aquatic center, but it didn't go into the bond projects because it was so expensive. Bass Lake is our most heavily visited park. He asked how often we rent out the center there. Ms. Plumer said it is rented every week, several times a week. Council member Forrest asked how much revenue it generated and if it could be expanded to bring in more money for these other projects. MPT Berry said we can be ok at a lot of things or be great at a few things. He said something that could be monetized would be a preferred use. Farmers Market and Mims is a priority for him and connects to the Downtown Plan. He said an aquatics center is expensive and finding a partner is difficult. They are all great ideas, but the decision comes down to where do we want to put our money. Mayor Mayefskie said, we need to decide what it is we want to be. When you think of Cary you think of USA Baseball and Tennis. When you think of Morrisville you think cricket. We have a great baseball stadium, and we have a partnership to generate lacrosse on the women's side as well as men. We have some of the best fields around. So maybe we want to pick what we want to be good at, focus on it and be great at it, rather than spreading ourselves too thin. He likes the idea of a permanent Farmers Market too.

Ms. Plumer showed data regarding paid program enrollment from FY23. She compared population to participation in four age ranges, and by residency and gender. She said adults

over 65 are 8% of our population, and 3% of our participants. She gave trends and data on the different types of programs.

Ms. Plumer described three types of senior adult programming: clubs/social activities, health & fitness, and trips & events, and gave examples of each and the average participation. She explained some programming challenges including staffing, lack of facilities, limited indoor space during “prime time” awareness of available programs and services, and challenges specific to senior adult activities. She said that looking forward, the new multi-generational recreation center will provide innovative spaces and more equitable access. She reported on Human Resources’ efforts for staffing recruitment and retention and a shared/team approach to programming & resources, and marketing and outreach improvements.

Council member Deshazor asked if there was any way of expanding the new facility to 6 courts. He doesn’t think 4 will be enough. Ms. Plumer said they are doing price-checking on the facility because our current estimates are over budget and they are trying to value engineer it down. Two more courts would increase the cost by millions. Council member Deshazor thanked her for adding courts at Womble because kids are using all the courts there are. He asked about other classes that could be offered to seniors like identifying fraud attempts, photography, computer use, etc. Council member Drees asked how staff collaborates programming across the various locations, and what the most-used services are, and said she would take her answer as a side-bar conversation.

Ms. Plumer reminded Council of the Town Facility Naming Policy general principles and categories of naming sources. She outlined some unique site features at the new park location off Cass Holt Road, and the names previously suggested by the Parks and Recreation Advisory Committee and Council. Council then was given “dots” and asked to place them on their top picks for the name of the new park. They narrowed the choice down to Springside Park and Eagle View Park. There was discussion about whether to take this back to the public to discuss the two names.

Action: Motion to allow residents to vote on the naming of the park.

Motion by: Drees

Second by: Deshazor

Vote:

Aye: Drees, Deshazor

Nay: Berry, Forrest, Hewetson

The motion failed.

Mayor Mayefskie suggested discussing the name again tomorrow.

The meeting was recessed until 9:00 am Saturday.

SATURDAY:

Mayor Mayefskie said Council will vote on a name for the new park off Cass Holt Road and asked for clarity from Ms. Plummer. Ms. Plummer said Springside and Eagles View were on the board. Council member Hewetson said she would like to recommend Eagles Landing, which was on the PowerPoint but not on the dot exercise. Mayor Mayefskie said we are voting on it today – we made a commitment. It can be Eagles Landing or Eagles View or Springside. There was discussion among Council on whether to make a decision today or to put the top names out to the public for comment, and of the process up to this point to arrive at the list of names. Mayor Mayefskie said he had made a commitment to Ms. Plumer to decide on a name today and asked for a motion.

Action: Motion to name the park Springside Park

Motion: Drees

Second: Deshazor

Vote:

Aye: Drees, Deshazor

Nay: Berry, Hewetson, Forrest

The motion failed.

Action: Motion to name the park Eagles Landing Park

Motion: Hewetson

Second: Forrest

Vote:

Aye: Berry, Hewetson, Forrest

Nay: Deshazor, Drees

The motion passed.

INVESTING IN A STRONG LOCAL ECONOMY AND STRONG DOWNTOWN

Small Business Strategic Framework

Irena Krstanovic, Director of Economic Development, gave an update on future Economic Development recruitment and the small business and downtown strategies. She outlined the core functions of the Economic Development Department, and said today they were going to focus on Business Recruitment and Small Business & Entrepreneurial Support. She gave an overview of the current landscape in Holly Springs, noting that since 2019 the value of the commercial tax base has increased from \$800 million to \$1.6 billion (prior to revaluation). She outlined the future landscape in our target industries and gave the potential economic impact of three life science companies in Holly Springs. She said that future focus would be on life science support industry that doesn't have the impact on utilities, and said we are well placed to recruit these industries. She said they wanted to support those businesses that are already here, and outlined the future benefits that they are expected to bring to Holly Springs over the next 5 to 10 years. She discussed how these larger industries attract small businesses and entrepreneurs, because they see these companies and people as customers.

Ms. Krstanovic discussed the benefits of job creation and key characteristics of small businesses. She offered five small business strategies that the economic Development Department has implemented. Having full-time staff will increase the time and focus the department can put on these, many of which will directly impact the Downtown area. She asked Council to consider the process required to get through a development process, and how small businesses do not have the staff or consultants to help them through it, and this is a goal for the Small Business manager. She said they are working with the Chamber to develop a diverse supplier program to support women-owned and minority-owned companies.

Ms. Krstanovic asked Tyler Garner to come up and explain the NC Main Street Program. Mr. Garner explained the NC Main Street Program and the benefits it offers. He explained the application and selection process. He proposed considering becoming a designated NC Main Street Community.

Ms. Krstanovic offered retail strategies for Council to consider to position Holly Springs as a destination for shopping, dining, and entertainment, and said it would need the assistance of a consultant to focus the Town's efforts. She asked for Council's feedback on beginning the process of becoming a NC Main Street Community; considering a retail strategies consultant; and on small business expansion focus areas.

Mayor Mayefskie asked what other communities were part of the NC Main St. Community. Ms. Krstanovic said Fuquay-Varina was the closest, but Wake Forrest and Concord are, and Clayton is in the process. Mayor Mayefskie asked what the benefit of a retail consultant would be. Ms. Krstanovic said it depended on what Council wanted. She discussed

the work done in order to bring the life sciences companies to Holly Springs and how we prepared for that. The retail consultant would help us to meet the goals Council has for increasing retail options. She said that as we shift towards mixed-use developments like Carolina Springs and NE Gateway, sites will look different. High end retail follows these types of opportunities. It would be specific targeting for the type of retail Council would like to see in Holly Springs. Mayor Mayefskie asked what a consultant would tell us that we don't already know. Ms. Krstanovic said it's not what they will tell us, necessarily, but what they can figure out about how to present the opportunity in order to attract the retail that we want. We can connect retail developers with high end retail, to make these communities happen. If we want to see the change, we need to start now so that when people think of high-end development, they think Holly Springs.

Council member Drees asked if she had gotten feedback from other communities on the Downtown Associate Community (DAC) program. Ms. Krstanovic said she had, and Mr. Garner has worked with many of our colleagues. She also mentioned the networking, resources, and training available through the program. Council member Hewetson asked if there was any benefit in the DAC program that would have similar benefits of matching developers that you mentioned in a retail consultant. Ms. Krstanovic said the DAC is downtown specific. It would focus on the downtown area and would not include the other areas. A retail strategist would cover the whole town, but would focus on the areas of mixed-use previously mentioned.

Council member Deshazor said he liked the idea of joining a program. He was curious if Apex was a member because they tout their downtown, but ours is better. Something that needs to be added is retention of businesses that are already here. What are some things that can get them to stay and how can we as a Council help you to do things to help them stay? Ms. Krstanovic said the main focus has always been to keep the existing businesses. It is ingrained in what we do every day. We work on building relationships. Many aspects of business are outside of our control, but we can show up and talk to businesses. She gave an example of how a local business was kept as it outgrew its space.

Council member Forrest said expansion on small business is the right focus. He thinks we should move forward on the Main St. Community / DAC ideas. On the retail strategist, he wondered if that was something staff could do, or when it comes to recruiting small businesses, if the town can market to certain businesses that might help. As mixed-use facilities continue to pop up that will help with small businesses. We don't currently have enough space for small businesses, so that will help. Apex and Cary are larger than us, do they have someone focused on downtown? Ms. Krstanovic said yes, they have always had one person, and Cary now has two. We talk to them frequently and share ideas. We have opportunities to do so much and those would be a help.

Council member Hewetson said she loves that we are not Apex. We get to create a downtown and it doesn't have to be quaint and cute. We have the opportunity to have different elements. Both the DAC/Main St. and the retail strategist are good ideas. And we have the opportunity to do it our way and not be Apex.

MPT Berry said he was fine with the direction of all three, but if we use a consultant he wants to be sure we walk away with something actionable. Ms. Krstanovic said there is a lot of strategy behind certain recruitment efforts that she would like to know. Once we get that information we can proceed on our own, but there are things we will learn.

Mr. Harrington said that it is important to know what things Council finds as a higher value, because the budget as you saw yesterday is going to be tight this year. We will work through it to see where the opportunities are, but this may go out over several years.

Downtown Area Plan Implementation Next Steps

Chris Hills, Director of Development Services, said this item was a chance for Council to discuss the implementation of the Downtown Area Plan and to provide direction to staff on

priority projects and potential funding mechanisms. He discussed the 2006 plan and all the public and private investments that have taken place since then. He discussed how things we learned from the 2006 plan would help us implement the current plan.

Sean Ryan, Development Services, discussed options for moving forward in Public Spaces & Character, and Businesses & Partnerships, dividing them into size of investment and effect. He explained that incremental enhancements would be smaller things that could be implemented with current resources. Small Investments were things that would require some additional resources but would serve as springboards to build momentum in the area.

Council member Drees said incremental enhancements seem like low-hanging fruit and she is onboard with the suggested changes. Council member Forrest said he agrees. MPT Berry said these are all small ways we could make a difference, so let's chip away where we can and keep the momentum going. Council member Hewetson said all of these are small things with big impact. The lighting, banner and gateways stick out to her. She said the experience of having Main St. lit would pull people in. She is excited about the new mural at Asia's Cakes, too. Council member Deshazor said this addresses the comments in the survey nicely.

Next, Mr. Ryan explained that Big Investments would require significant resources and/or partnerships. He wanted to see what priorities Council had for these items: a Festival Street; the Public Market; Mims Park; and Parking (which is necessary for any of these other opportunities.)

Mr. Harrington said if there are areas Council gravitates toward more than others, that would give staff something to work towards over the years.

Council member Hewetson said Festival Street is most exciting to her. And the Public Market. But she thinks parking is necessary first in order to bring people in to Downtown, even though it's not what gets her most excited. Council member Deshazor agreed. He said he has been asked more lately why infrastructure isn't built first. If we have the parking first that gives us the infrastructure to start bringing people downtown. Mayor Mayefskie asked if we could clear Town vehicles out of that lot downtown to make room for residents to park. Mr. Hills said that they are kept proximate to the office where the employee works, but we do move them when there are large events. We are investigating take home vehicles to keep from taking up two spaces when an employee drives his personal vehicle to work and then takes a Town vehicle to a job site. Mr. Harrington said some of those will go to the Ops campus when it opens. MPT Berry this retreat has felt like sales pitches for spending money. He doesn't want to see this downtown plan put on a shelf and forgotten about. We won't capitalize on momentum if we don't do one of these big things. We learned that parking is the ticket. Developers won't come without parking and they won't pay for it. Utilizing a partnership is what we need to do to bring in the exciting stuff. He thinks if we get out there and talk about it we can get a partner for this. Council member Forrest asked if Mims Park was included in the bond. Ms. Plumer said no, it was not. Council member Forrest said he agreed that we have to get behind the parking first and find a way to pay for it. If there is more parking, developers will invest more in downtown, which will allow us to move on to a Farmers Market, and then move on to a Festival Street. We need to move on with it, even if we don't have a partner. Adding a cent or two to the tax rate to pay for it would be worth it because people want to park downtown. MPT Berry said that people want to know what there is to do in Holly Springs and if we are going to maximize that, it is downtown. He said the best area to get return on investment is the downtown. Council member Deshazor said that if you went to the holiday parade this year, as soon as the parade was over the streets were flooded with people. It would be nice to see this all the time. We now have to balance these exciting plans with what we can afford. Council member Drees said the scope of these projects is number one. Without knowing what we are going to do next, we might put the parking in the wrong spot. Mims Park is long overdue. She would love to see development on

that because it would bring people in for longer. It would have an immediate benefit to the shops and retail in the area.

Mr. Ryan outlined strategies on how we might move forward. He said he would be joined by Ms. Krstanovic to discuss some of these. One way of paying for these things would be a Municipal Service District, which is a method for funding special improvements and/or services. These are funded by special tax on property owners within that district, which goes to pay for improvements in that area. Another possibility is a parking district which can be funded by parking fees or fee-in-lieu of parking contributions. Parking can be managed by new technology also, to help people find a space. Mr. Ryan said the Downtown Business Alliance was supported by the Downtown Area Plan and he outlined their benefits.

Irena Krstanovic, Director of Economic Development, said that part of investing in Downtown was small business support. She said the Downtown Business Alliance is an organization focused on downtown business growth and development with advocacy, education programs, business recruitment, business retention, and community engagement & events as part of their mission. The goal is to grow the influence of an Alliance to help influence things that affect the business community. She outlined potential action steps and outcomes to meet that goal.

Downtown Investment Policy

Ms. Krstanovic discussed the Downtown Investment Grant (DIG) Policy that Council approved in September 2020, who is eligible, the Town investment, and minimum criteria. She said there had been no applicants since the policy was adopted and outlined the challenges that potential applicants had identified, as well as changes in market conditions since 2020. She offered some action steps Economic Development staff could take, in cooperation with Development Services, to modify the policy and bring it back to Council at a later meeting.

Mayor Mayefskie asked if a Downtown Business Roundtable would get more support than a Downtown Business Alliance (DBA). That sounds like an HOA to him and they won't have control over much. Maybe more people would get involved in that. Ms. Krstanovic said we would continue doing roundtables. And we would not start the alliance, they would. It would allow them to give feedback collectively. Council member Forrest said we should not run the DBA, but we should attend. On roundtables, who would attend? Ms. Krstanovic said Economic Development would organize it, but Development Services and Communications would be there too. Council member Forrest said it was advantageous to streamline the process for small businesses. In addition, limited space creates higher costs, so he would like to see the streamlined process and may consider the higher grant amount, depending on staff recommendations. But we need incentives to grow the downtown. Council member Deshazor said he agrees that streamlining the process would help both existing and incoming businesses. Council member Drees said the special district is very interesting. It makes sense to add the tax to a community when the benefits go to that community. She would like to see more details on how those would be used. MPT Berry said he tends to agree with the others. As for the DBA, we have limited resources so he doesn't want to duplicate efforts others are already doing. We should cooperate with those and make it a 2-way conversation with groups that are already formed. He agreed with streamlining the process. We budget money for it every year and it has limited takers so we should advertise it more. Mayor Mayefskie asked Mr. Garner about facilitating what is available in town for businesses to locate or expand.

Mr. Ryan discussed partnerships that could help the Town achieve the Downtown vision. He offered a range of options for potential funding sources for the implementation of the Downtown Area Plan.

PARKING LOT ITEMS / OPEN DISCUSSION

Draft 2023 Legislative Priorities

The Legislative Action Committee has been working on draft ideas for legislative action. MPT Berry said that the committee has come up with areas that are important to them to work with other elected officials at state and federal levels. This year they added the Wake County School Board as a group to advocate with. Top of mind with them are SRO, walking to school and neighborhood schools. With Wake County, the landfill bullet removal is the biggest change from last year. The County feels satisfied with the progress. We can continue to have discussions and staff touchpoints to make sure that happens and a periodic update, but it is not a priority this year. Finally, we have benefited from County grants and regional connections have always ranked highly, so we are looking at opportunities there.

He said that at the state level, there are not a lot of changes, since we got the grant on the water project. We are more deliberate now about wastewater front and center. We added a bullet point around working with our delegation about the sensitivity of Utley Creek Wastewater Treatment Plant and getting the discharge permits increased. Preserving local authority is one we have had on there for years, to work with state delegation to let us do what we do. He feels like we have the support of our delegation now. NCDOT is a big one; laying out two options (increased staffing at DOT and legislative study of DOT organizational structures, policies, and processes) He said the committee kept them both on the table, since, if they won't add capacity maybe a study would help the General Assembly know what the DOT needs. Council member Drees said the LAPP process discussed yesterday might be something we want to add. Mr. Harrington said that could be rolled into the process piece. It is a federal process, so we can talk about that in DC. John Schifano, Town Attorney, said they are federal funds, but DOT manages it, so there are things that can be evaluated on both ends. Mr. Harrington said the second option is elevating it to a bigger, statewide, issue. All the managers in Wake County are having the same issues with DOT, and others in the state too. This could be elevated to the NC League of Municipalities level.

MPT Berry said that at the federal level, there are no changes from last year's list. The biggest problem is that they haven't passed a budget and if they don't pass an omnibus bill we cannot get those funds. We are going back up to DC next month and will try to get some movement on that. The final issue is the post office. We will continue to press on that and get some action.

Seniors

Council member Deshazor said he has been put into the "aging community" group at Central Pines COG and he will be sending a survey out to Council. The population is aging, so if we look to the future and plan for seniors it would be preparing us. Council member Forrest asked where we could, or should, expand senior programs since they are 8% of the population but only 3% of participants. Council member Drees said we need to remember transportation, so they have a way to get to programs. Mr. Weeks reminded everyone that we talked about nonathletic opportunities for seniors, educational, skill building, previously.

Microtransit

Council member Forrest said he would take the lead on this. He suggested using town vehicles to take seniors to the doctor and build towards a permanent service. Council member Drees said we need to know where the seniors live and where they are going before we implement transportation for them. Mr. Harrington said we can see what the county provides, and where the gaps are, to give Council a baseline. Council member Hewetson asked if any of the 55+ communities offer that as an amenity. Mr. Harrington said The Aspens might, but some of the single detached don't. We can check. Council member Deshazor said he would partner with Council member Forrest on this.

Engineers/Surveyors

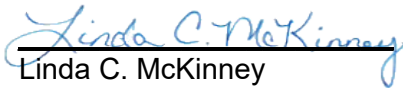
Ms. Parrish said staff could take a look at the types of projects that have been designed in-house and come back with some data on costs and benefits of doing more projects in-house. She said she was looking at best practices on how much work you need to sustain a staffing hire of very specialized engineers. There are also liability aspects to it that she will need to research. She said she would get something together and bring it back to Council.

Sidewalks

Staff will calculate costs for what can be done in-house and bring those back to Council.

Adjournment: There being no further business, Council member Deshazor made a motion to adjourn at 11:45 am on Saturday, February 10, 2023. It was seconded by Council member Forrest and passed with a unanimous vote.

Respectfully Submitted on Tuesday, March 18, 2024.


Linda C. McKinney
Town Clerk