Mayor and Council Special Meeting
6 p.m. May 26, 2020
Town Hall, Council Chambers

MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, May 26, 2020 in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street and virtually via Zoom. Mayor Sears presided, calling the meeting to order at 6:00 p.m. A quorum was established as the mayor and five council members attended.

Council Members Present: Mayor Sears, Councilmen Dan Berry, Peter Villadsen, and Shaun McGrath and Councilwomen Christine Kelly.

Council Members Absent: none.

Staff Members Present: *In the Chamber:* Randy Harrington, Town Manager; Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; Linda McKinney, Town Clerk (recording the minutes); John Schifano, Town Attorney, Corey Petersohn, Finance; Mark Andrews, Communications and Marketing; Patty Dressen, Interim Director, Finance; Cassie Hack, Director, Communications and Marketing; Gina Clapp, Director, Planning and Zoning. *Attending electronically:* Irena Krstanovic, Director, Economic Development; LeeAnn Plumer, Director, Parks and Recreation; Kendra Parish, Director Engineering; Leroy Smith, Fire Chief; Erika Phillips, Director, Human Resources; Jeff Wilson, Director, IT; John Herring, Chief of Police; Seann Byrd, Director, Water Quality; Luncie McNeil, Director, Public Works; Daniel Pope, Director, Code Enforcement.

Staff Resource: Randy Harrington, Town Manager

2. Recommended Budget Presentation

Randy Harrington, Town Manager presented the proposed 2020-2021 Operating and Community Investment Plan Budget. He said that the budget was developed with COVID-19 economic impacts in mind. It enhances long-term planning for future public infrastructure, redesigns the Stormwater Program to address fee inequities and to better respond to aging infrastructure repair needs, recommends a revenue-neutral property tax rate of 42.16 cents, and continues strong investment in Town employees. Mr. Harrington said that the population of Holly Springs has grown tremendously over the last ten years, and is projected to reach 50,000 by 2024. Likewise, the corporate limits have expanded from just over one square mile to approximately 18 square miles since the founding of the Town. He outlined the Strategic Priority areas determined by Council. He showed graphically where town revenues come from, and where the money is spent. Public Safety is the greatest percentage of expenditures in the town's budget. He said that the proposed changes to the budget fit in with the five Strategic Priority areas.

Mr. Harrington showed the major components of the General Fund and the services that municipalities are expected to provide. He outlined the proposed increases in refuse, recycling, and yard waste. The monthly increase comes to $0.99 per household. He showed how sales tax growth was impacted by the COVID-19 pandemic. Showing the growth in property values in town, he then showed that Holly Springs is one of only three jurisdictions in Wake County to recommend a revenue neutral property tax rate. The current tax rate in Holly Springs is 48.25¢, and this budget recommends the revenue neutral rate of 42.16¢. He discussed the allocation of a portion of property tax revenue to be spent on debt service and a portion on General Fund. Next he highlighted how the proposed budget reinforced the Strategic Priority Areas and went on to show the amount of property tax paying for various Town services from a median home value of $333,777.

Mr. Harrington discussed the Utility Fund's support of the Strategic Priority Areas, and compared the proposed water/sewer rate to other municipalities in a 50 mile radius, 100 mile radius, and across the state, showing that Holly Springs' proposed rate is 7 – 10% lower than other utility customer averages in those groups. He discussed how the budget would fix inequities in the stormwater fee structure and address aging infrastructure. This would begin the process of bringing Holly Springs from a level of service D to a level of service C, and ensure that the Town maintains compliance with federal and state regulations. The new rates would be effective on January 1, 2021.

Mr. Harrington discussed the Community Investment Plan, which is a 5 year plan that matches the Town's infrastructure needs with anticipated financial resources. He highlighted them by Strategic Priority area. The intent is to match the town's infrastructure needs with anticipated financial (cash and debt) resources. This includes a new Pay-as-You-Go plan for smaller projects.

Mr. Harrington then discussed employee investment, including merit based pay increases and benefit changes, including Elder Care Leave and Community Involvement Leave. He discussed some potential realigning of the organization to meet future needs. Finally he reviewed Town budget safeguards in light of the unknowns brought on by COVID-19. He said that many municipalities in Wake County are dipping into their Fund Balance to balance their budgets, but he is not recommending that for Holly Springs. He believes the proposed budget can be balanced without that, but it is available as an option should Council desire.

Mr. Harrington announced that the Budget Public Hearing is set for June 2nd. The Mayor and Council's budget workshop will be on June 4th, and adoption of the budget is set for the June 16th meeting.

3. Closed Session: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(6) to discuss the disposition of 127N. Main St. and acquisition of real property for a potential Public Works sight.

Motion by: Berry
Second by: Kelly
Vote: Unanimous

4. Adjournment: There being no further business for the evening, Motion to return to open session and adjourn was made by Councilman Villadsen second by Councilwoman Kelly and passed with a unanimous vote. The May 26, 2020 special meeting of the Holly Springs Town Council was adjourned at 7:20 pm.

Respectfully Submitted on Tuesday, June 2, 2020.

Linda C. McKinney

Linda McKinney
Town Clerk