**Mayor and Council Workshop**
6 p.m. March 11, 2025
*Law Enforcement Center, and livestream*

**MINUTES**

The Holly Springs Town Council met in a workshop session on Tuesday, March 11, 2025 at the Law Enforcement Center and via livestreaming. Mayor Mayefskie presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and four Council members were present in the room as the meeting opened.

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

**Council Members Absent:** Council member Tim Forrest

**Staff Members Present in the room:** Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Jesse Dixon, IT; Corey Petersohn, Director, Office of Budget and Strategic Planning; MaryBeth Spoehr, Office of Budget Innovation and Strategy, Tina Stroupe, Director, Finance; Cassie Hack, Director, Communications and Marketing; Elizabeth Goodson, Sean Ryan and Chris Ritter-Garcia, Development Services; Paige Scott, Director, Public Works; Sabrina McDonald, Director, Human Resources; Paul Liquorie, Chief of Police.

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

**1. Overview:** Randy Harrington, Town Manager, gave an overview of the meeting agenda. He suggested swapping the order of the last two items to accommodate guests who were here for other items and Council agreed.

**2. Retreat Follow-Up**

**a) Microtransit**

Chris Ritter-Garcia, Development Services, said this was a follow-up to the discussion of microtransit from the retreat, requesting Council's direction on recommended service characteristics and funding options. He said microtransit was a flexible option that could help to mitigate traffic congestion and provide mobility options for seniors and others with limited transportation options. The town would be divided into three zones, with all three zones overlapping near Main St., ensuring all residents can access the most popular community destinations. He said the recommended service model was zone based, with hours of 7 am to 8 pm, with corner-to-corner service. He outlined expected ridership with a fare-free service and with a fare, and said the estimated cost was $514,000. He said there were two outstanding questions – should fares be free and do any of the proposed funding approaches match Council's desires.

Mr. Ritter-Garcia outlined two fare models – one where ETJ riders only were charged, and the second where all riders were charged, but at different rates depending on where they live and with a reduced fare for seniors or disabled riders. He said staff had explored using advertising to raise funds, and it would be provider-dependent, would require additional staff time and they were not able to get an estimate from potential vendors. Mr. Ritter-Garcia said the Town is being recommended for CAMPO funding at the 50% match. He outlined the timeline associated with the CAMPO Grant, which would have the earliest start for the service in January.

Corey Petersohn, Director, Budget, Innovation, and Strategy, offered three funding options, assuming the CAMPO 50% grant and a cost of $514,000:

1. Use the Community Investment Fund to “back” Holly Springs Rd. (Central) to free up existing Vehicle Fee revenue for microtransit;
2. Use existing operating budget;
3. Increase vehicle fee by $5, for a total vehicle fee of $30 to fund microtransit;

He offered the pros and cons of each option and said that Option 3 had not been endorsed by Council at the Retreat.

Council member Drees asked what the LAPP grant for Holly Springs Rd Central was. Mr. Ritter-Garcia said we would probably know in January.

Mr. Ritter-Garcia offered a summary of estimated revenue, ridership, and costs, with two service models. He asked Council if they wanted fares to be required only for ETJ riders, or for everyone and what their preferred funding option was.

Council discussed various fare structures and said they liked the idea of seniors and those with disabilities riding fare-free, but charging other riders. They agreed to a trial period of 6 to 18 months after which the program in general and the fares specifically would be evaluated. Consensus was to fund using Option 1 with fares starting at $4 for ETJ, $2 for in-town riders, and free for seniors or those with disabilities, but testing the idea with vendors of having one month fare free to build ridership.

*[Item c moved ahead of Item b due to a PowerPoint issue]*

**c) Strategic Plan Update**

Corey Petersohn, Director, Budget, Innovation, and Strategy, said this item was for Council to review proposed updates to the Strategic Plan, with anticipated adoption in April. He outlined the four pillars of the strategic plan as last amended by Council. He highlighted some accomplishments of past initiatives, and priorities that were identified at the retreat.

Mr. Petersohn said this update focuses on points that came out of Council’s retreat. He outlined ten new initiatives, across the four priority areas, and some amendments to existing initiatives. He said final adjustments, if necessary, could be in a future Friday Briefing prior to adoption at the April Business Meeting. If more substantive discussion is needed, he would bring this back at the April workshop.

There were questions about what “completed” meant on previous initiatives. Mr. Petersohn said those initiatives are not going to stop, or stop evolving, but the resources are already dedicated.

There was discussion about the proposed size of Fire Station 4 and whether that was sufficient. Mr. Harrington said the size would continue to be evaluated, but in initial conversations with Chief Smith and considering what assets are needed in that area and the land options, a two-bay station is thought to be sufficient.

Council discussed the Festival Street initiative, what it covered relative to what was discussed at the retreat, and when design would start. Mr. Harrington said it was his intention to include this funding in the upcoming budget and the design phase could be 12 – 15 months.

**b) Pay and Benefits**

Sabrina McDonald, Director, Human Resources, said she wanted to give Council an update on the Pay Study progress and provide updated recommendation, and seek guidance for next steps. She explained why it was important to stay aligned with the current market. Turnover is expensive and creates expenses we can't predict. We also lose institutional knowledge. She reminded Council of the data that was presented at the retreat regarding where the Town's minimums, market points, and maximums are relative to our competition. She said that takeaways from the retreat were a desire to continue the refinement of the pay study recommendation; to address acute needs such as critical position retention, recruitment for hard to fill positions, and realigning with the market; and a desire for cost options for a COLA/merit structure.

Ms. McDonald said that after Phase 1 of the Pay Study update, the public safety position turnover has dropped to percentages that are within the normal range. But the departments with the highest public sector competition, most limited pool of qualified candidates and highest vacancy rates had turnover percentages above "normal" rates. She said they would like to stay below 10% turnover.

Ms. McDonald said that recommendations for the Phase II pay study update include adjusting the ranges to market rate; building range around the established market rate, to more closely reflect true hiring rates; and maintaining current percentage penetration within the adjusted grade range. She gave an example of what that would look like for an employee in Salary Grade C.

Ms. McDonald said the proposed Merit and COLA implementation approach was to maintain a merit range of 0-6% for the upcoming fiscal year FY26. In years without a pay study, COLA could be added, up to 2% or 2.5% plus merit of 5% or up to 6% in future fiscal years. She said if Council's direction was to move forward, then next steps would be for staff to finalize the pay study analysis, adjust salary range, establish new market competitive pay ranges, adjust employee salaries to existing percentage penetration, and introduce COLA for FY27 implementation for non-pay-study years.

Council discussed the need for pay studies and what could be put in place to help us stay closer to market rates. They discussed what besides salary increases was being done to retain and attract employees. They discussed whether other municipalities have COLA and whether salary ranges should be larger, and whether there was a way to combine COLA with merit or simply make the merit range larger. There was discussion about expected revenue growth for next year.

Consensus was to move forward as suggested, with the exception of the COLA which would be looked at again next year.

**3. Proposed Updates to Comprehensive Plan and Future Land Use Map**

Sean Ryan, Development Services, said he was seeking direction from Council on proposed Future Land Use Map ("FLUM") updates. He said this includes the southwest area residential land use discussion that Council called out at a previous meeting, and aligning with Council's Strategic Plan Initiatives. He said that the update of the Comprehensive Plan is currently looking at the Utility Modeling section. This involves aligning planning efforts to ensure adequate utility modeling and consolidate public engagement efforts.

Mr. Ryan said that Initiative 4.2 under the Growth Management & Economic Vitality Strategic Priority was addressed in the approach of evaluating Future Land Use Map for potential designation changes. They were evaluating areas on whether the changes support greater housing diversity, target economic development areas, and transportation corridors. He then showed three areas in the northern part of town and outlined how changes to the FLUM could increase the available number of dwelling units by around 1,700. He asked Council if these proposed changes supported the strategic plan initiative.

Council discussed whether there was developer interest in any of these properties, and the reasoning for changing the N. Main District to allow more commercial flexibility and denser residential.

Mr. Ryan said that in the 2023 UDO Workshop, four areas were identified for updates. Three of these have been completed, leaving the Land Use Map Alignment to be done. He showed the evaluation area, in the southwest part of Town/ETJ. He said that the FLUM dictates "how" development should occur, but it doesn't answer "when" this development should occur. There are two options for Council to consider moving forward, which have some overlap, which creates a "hybrid" option. Option 1 is to revise the FLUM to reflect desired land use patterns, and Option 2 is to maintain the FLUM and align timing with utility priority areas. He outlined what each of these two approaches would mean for the southwest area and how they would serve the town, and their impact on housing unit availability. He said that staff recommends a hybrid approach of implementing the suggested FLUM changes and allowing the utility modeling to guide other possible FLUM changes, and revisiting the FLUM after the utility modeling/analysis.

Council discussed the benefits of utility priority areas for smart growth. They discussed whether the changes increased residential close to the landfill which might increase odor complaints, and the area that Wake County recently identified for an expansion of a quarry, and whether this affected the Comprehensive Transportation Plan, which it does not substantially change.

Consensus was to use the amended map in the utility model, and if this discloses areas that don't make sense, to get public feedback on them and bring it back to Council for adoption.

**4. Town Hall Annex Assessment**

Paige Scott, Director of Public Works, said she was here to provide Council with an update on the Town Hall Annex building and receive feedback on the initial path forward. She said the building has been closed in compliance with building code, posted as an unsafe building, and no access allowed unless escorted by the Facilities team. Staff members have been relocated to leased space at 242 S. Main, and the building has been assessed by Tom Faulkner.

Ms. Scott said the building is not on the historic registry and the Town has the decision authority on next steps for the building. The initial estimate for renovation is $1.16 million, plus. Risks include finding bidders, because this is specialty work and because of the perceived risks, and change orders and increased costs are to be expected as they get into the work. The Annex is currently insured at a value of $1 million. Council will need to decide if they want to pursue renovation of the current facility, and whether as a first step staff should bid and see what responses are received.

Ms. Scott said the replacement range for a "like for like" building would be in the $330 to $550 per square foot range, with total replacement costs estimated at $1.6 to $2.6 million. There is a reduced risk and higher confidence in this estimate than in the renovation estimate, and there is a more extensive list of responsive and qualified bidders available to do this work.

The demolition and removal cost, if the Town decided to remove the building, would be around $100,000. The demolition could be coordinated with other Town initiatives such as the Downtown Development Plan or the Festival Street. She recapped the costs and considerations of the three options and said that staff's recommendation was demolition, with guidance from Council on whether to replace the building or consider other long-term options such as a build-out of the second floor of the Ops Campus.

Council discussed the history of the building, how little original building was left and whether anything in it was salvageable. They discussed whether there would be room for the displaced employees at the new Ops Campus, and the cost of building out the second floor. They discussed what that parcel could be used for in the future and when that would be decided.

Council directed Communications staff to do some sort of celebration of the old building, perhaps connecting it with the upcoming 150th anniversary. Consensus was to not renovate or rebuild, but look at cost of rent vs. 2nd floor buildout at the Ops Campus. Mr. Harrington said there could be some capacity on the first level and then staff would explore what it would cost to build out the second floor.

**5. Open Discussion**

None requiring action

**6. Closed Session:** none.

**7. Adjournment:**

Motion to adjourn was made by MPT Berry seconded by Council member Deshazor and passed with a unanimous vote. The March 11, 2025 workshop meeting of the Holly Springs Town Council was adjourned at 8:52 pm.

Respectfully Submitted on Tuesday, April 15, 2025.

Linda C. McKinney

Linda McKinney
Town Clerk