



MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, May 13, 2025 in the Council Chamber 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 Tim Forrest, Annie Drees, and Chris Deshazor.

Council Members Absent: Council member Danielle Hewetson.

Staff Members Present in the room: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Kameron Womack, IT; Corey Petersohn, Director, Office of Budget, Innovation, and Strategy; MaryBeth Spoehr, Budget, Innovation, and Strategy; Cassie Hack, Director, Communications and Marketing; Tamara Ward and Kelly Miller, Communications and Marketing; Chris Hills, Director Development Services; Kendra Parrish, Executive Director of Utilities and Infrastructure; Rachel Ingham, Michael Leonas, and Tim Athy, Utilities & Infrastructure; LeeAnn Plumer, Director, Parks & Recreation; George Brown, Director, Office of Customer Care; Paige Scott, Director, Public Works; Paul Liquorie, Police Chief; LeRoy Smith, Fire Chief; Tina Stroupe, Finance Director; Sabrina McDonald, Director of Human Resources; Irena Krstanovic, Director of Economic Development; Jeff Wilson, Director IT.

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

1. Recommended Budget Presentation: Randy Harrington, Town Manager, reminded the public of yesterday's economic development announcement, and explained how companies like Seqirus, Amgen, Fujifilm Diosynth Biotechnologies, and Genentech help the Town by keeping tax rates lower, funding road improvements, and other benefits. He then gave an overview of the Manager's Recommended Budget for FY25-26. He highlighted some of the many successes from past years in Economic Development, Finance, and Customer service, and others. He outlined the Town's growth since 2021 and projected growth, including increases in population, water customers, miles of street maintained, etc. He said over the same five years general fund operational expenses have increased just 16%, compared to the 24% increase in population.

Mr. Harrington said that key takeaways from the recommended budget are:

- Investing in transportation infrastructure;
- Design of a Festival Street downtown;
- Implementing microtransit mobility service;
- Advancing Eagles Landing Park to construction;
- Investing in employees;
- Investing in a responsible water and wastewater system.

Mr. Harrington said he was recommending a total operating budget of \$117,688,731, and showed how that was divided across funds. He said he was not recommending a property tax change. He said there has been strong property tax-base growth (industrial, commercial, and residential) but slowing sales tax growth and economic uncertainty. General fund revenues are expected to come 46% from property tax, 22% from sales tax, 7% from Parks and Recreation Revenues, 7% from environmental fees, 7% from other taxes and licenses, and 14% from all other sources. He outlined sales tax growth since 2017, but predicted a conservative flat growth for the current fiscal year. Property tax rate would stay at 34.35 cents per \$100 valuation, with 21.69 cents recommended to go to General Fund Operations and 12.66 cents to Community Investment and debt service. He said that this rate is second lowest in the County, only behind Cary's 34 cent rate, and below the municipal average for the County of 40.74 cents. He outlined where he recommends the new expenditures be with 68% going toward Organizational Excellence, 15% toward Vibrant Community, 11% toward Community Safety, and 6% toward Growth Management and Economic Vitality. He expanded those priority areas into specific recommendations. He then went into detail on some of the key investments mentioned above and shown in the video.

Corey Petersohn, Director, Office of Budget, Innovation, and Strategy, outlined some additional highlights in the budget recommendation, including the Sesquicentennial, Public Safety investments, and asset management and facility maintenance. He outlined recommended personnel investments, including retention and recruitment options. He outlined the investments in water and wastewater infrastructure. He discussed monthly fee adjustments for garbage, recycling, yard waste, water & wastewater, and stormwater. He said this was the last year of the 15% increase requested to pay for that infrastructure. Together the fees will increase about 45 cents more per day. He showed the projected property tax rates for median value homes, and those above and below. Together with the fees the increase amounts to about \$9.38 per day – less than the price of a Chik-fil-A meal.

Mr. Harrington concluded that he believes this budget is a winning strategy for the community and advances every area of Council's strategic plan. He outlined next steps and informed the public that the public hearing for the budget would be held on May 20th, the budget workshop on Thursday, May 22nd, and budget adoption scheduled for June 3rd.

2. NCDOT Division Engineer Presentation

a. Key Current & Planned NCDOT Initiatives, including Southern Access Road Update

Randy Harrington, Town Manager, introduced Becca Gallas, NCDOT Division Engineer for Division Five.

Ms. Gallas introduced herself and gave her background. She outlined the NCDOT jurisdiction and the types of transportation they oversee. She said that Division 5 covers Person, Granville, Vance, Warren, Franklin, Durham, and Wake Counties and covers 6,735 miles of state-maintained roads. She said that Division 5 has more miles of state-maintained roads than 14 states. She discussed how NCDOT works through a project, with a high-level view, working with CAMPO and local municipalities. She walked Council and the public through who to call in Division 5 for what types of issues, sharing that a third Wake County maintenance office has been approved that will serve Holly Springs.

Ms. Gallas gave a review of active and upcoming projects in the state. She showed how 67% construction costs inflation since 2021 has affected construction costs and thus the ability to deliver projects. She then walked through Holly Springs specific projects. Complete 540 is in the final punch list stage with anticipated completion in the summer of 2025. Economic Development projects include the Southern Access Road which is anticipated to go to bid in June of 2025, and the US 1 / New Hill-Holleman Road interchange right-of-way plans are in progress, anticipated to go to bid in the summer of 2026. She said that resurfacing went to bid for US 1 in January of 2025;

Sunset Lake in set to go to bid in FY2027; Holly Springs New Hill Road in FY2028; and NC 55 in FY2029.

Ms. Gallas said that the Intelligent Transportation System (ITS) and Signal Projects are underway with completion anticipated this summer. She said there have been challenges, but this is a significant, innovative, project. She then gave her contact information.

CM Drees asked about the bridge replacement on Old Holly Springs Apex Rd. Ms. Gallas said she did not have that information with her, but she would get it to Council. Mr. Harrington asked for clarification on the Southern Access Road being let in June of 2025. He said the Town received an email from another NCDOT employee saying it would be 2026. Ms. Gallas said that was a separate phase of the project, but the road would be substantially completed in 2025. Council member Drees asked if 18 months was still the timeline. Ms. Gallas said it was weather dependent but they expect it to be. Council member Deshazor asked if there was a way to get ahead of constituent complaints by getting information to the Town ahead of time. Ms. Gallas said they have been talking about standardized monthly reporting and training their construction staff, when they see pain points coming, to communicate that to municipalities. She said this is a priority for her.

Mayor Mayefskie asked for additional information on Avent Ferry Road and whether there was anything that would delay it beyond 2029, given the three schools in that area. Ms. Gallas said there is confidence in that program, although there is no crystal ball. They need to manage the costs to make sure that they can meet that. There is some funding available connected to schools that might be a short-term help to that area, given the elementary and middle schools there. Mayor Mayefskie talked about the realignment of Cass Holt Rd. and Capeside Ave. and said it would be good to coordinate these projects. Ms. Gallas said she would have her staff do a site visit. MPT Berry thanked her for coming, because none of her predecessors have. He said he is worried about the resurfacing of NC 55 because it is already bad. He said he does not think the “Super Streets” are working and it’s getting hard to respond to resident complaints. Ms. Gallas said NCDOT is seeing the need for difficult conversations because our needs outpace our resources. She would like to partner in having those conversations and would be happy to have those complaints directed to DOT. She said NCDOT is always having difficult discussions on what they can fund. She said the construction dollar is worth less than it was 5 years ago. There is no great solution, but she wants to be a partner in having those discussions. She asked the Town to think about how to have shovel-ready projects when there are funding opportunities. The Microtransit plan is another great option for mitigating traffic issues. MPT Berry asked how often signal timings are evaluated. Ms. Gallas said that once ITS is implemented, they will be able to make those changes from an office in real time. MPT Berry asked if there will be a dedicated person at DOT who will do that, or will the Town have to fund a staff position. Ms. Gallas said they have an office near the fair ground that monitors all that infrastructure, the Traffic Management Facility, and it will become part of their duties to monitor Holly Springs signals.

Council member Drees asked for an update on the light at Lockley and Sunset Lake and asked if the construction cost increases are nationwide or North Carolina specific. Ms. Gallas said she would send an update on that signal. She said the cost increases are nationwide, but NC is following the same pattern. Council member Drees asked if the signal timings are back to normal. Ms. Gallas said they are being looked at regularly. Council member Deshazor asked if there was any way to speed projects up. If we are looking at Avent Ferry Rd not starting until 2029, then it won’t be done until the 2030s, and the problem is now. Ms. Gallas said, supposing adequate funding is available, some of the biggest uncertainty and risk is associated with right-of-way and utilities. They are looking at other ways to manage that, doing early acquisition when possible, and starting earlier in the project and having sufficient dedicated resources. Also, alternative delivery is something they are looking at other models like Construction Manager General Contractor “CMGC” and also Progressive Design Build. Getting contractors involved earlier in the process is useful. One of the

examples is the Greensboro Airport. They delivered an interchange for Boom Supersonic in 12 months through alternative delivery. She said there are slight differences in the different alternative delivery methods, but the key thing is getting contractors involved earlier to manage scope, schedule, and budget.

b. Other NCDOT and Town Partnership Projects

Kendra Parrish, Executive Director of Utilities and Infrastructure, said she was here to provide an update on the Avent Ferry Road widening from Ralph Stephens Rd. to Cass Holt Rd. and receive feedback from Council on potential NCDOT partnership to administer design and construction for the project. The project is proposed as a .75 mile 4-lane median divided cross-section along Avent Ferry Road, and the original municipal agreement was executed between the Town and NCDOT on May 17, 2017. She showed the area included in this phase.

Ms. Parrish explained that the original agreement was for \$9.8 million and is set to expire. During COVID project funding was frozen and this project was considered for removal from the State Transportation Improvement Program (STIP). The draft STIP now identifies additional funding for a total of \$20.2 million for the town to administer the project. A revised Municipal Agreement will include reimbursement for Design & Construction documents, private utility relocations, property acquisition, and construction. The new municipal agreement would come after the STIP is approved by the state in the fall. She reminded the public of the steps to building a road project and why it takes as long as it does. She then said that design firm selection would begin this month and last through August 2025, with design and construction documents beginning in October of this year through 2027, right-of-way acquisition in 2027-2029, and construction beginning 2029 and finishing in 2032.

Ms. Parrish said that next steps include future consideration of a revised municipal agreement with NCDOT to administer the project, and Council action to review and consider the contract for professional services for design, projected to be in the fall of 2025. Council member Drees asked why this project's cost went up so much more. Ms. Parrish said this was originally estimated in 2017, longer ago than the 67% construction cost increase Ms. Gallas was talking about. It is related to property value increases for property acquisition as well as construction costs. Council member Forrest asked, with 55 being resurfaced in 2029 and Avent Ferry being constructed in 2029, how we are going to navigate traffic. Ms. Parrish said that resurfacing is usually done in the warmer months. We will do the resurfacing in that time frame. The progression of Avent Ferry Road will probably be such that the 55 resurfacing will be finished prior to any lane closures on Avent Ferry Rd. MPT Berry asked what percentage of the cost was for right-of-way. Ms. Parrish said the developer at the Capeside / Cass Holt area would have to dedicate right-of-way, so it may lower our right-of-way costs. But that development project was just approved. They are going to have to be in conversation with them and NCDOT on timing and funding. Council member Forrest asked if costs continue to escalate, would we ever come to the point where we took out the median to save land and costs. Ms. Parrish said that, getting back to the operational functionality of the improvements, staff looks at how we can move the vehicles efficiently and safely, and minimize the scope while still meeting those needs. We would be looking to reduce scope to meet the needs. Council member Forrest asked when we would discuss later phases of widening Avent Ferry Rd. Ms. Parrish said the Town is finishing up the bond projects from 2018, and as we look at what the next decade is going to look like, that would be a great contender for the CTP. Council member Drees wanted to reiterate that they are grateful to NCDOT for the STIP and we have a good partnership. She then asked who would be responsible for any cost overruns. Ms. Parrish said that usually with municipal agreements if overruns are for things within the scope of the project that DOT typically pays for, the overrun is typically paid for by DOT. If we as a town decide we want something above and beyond, then the Town bears the cost of the overruns on that. But these

details are ironed out in the municipal agreement. Ms. Gallas said DOT has a process of reviewing cost increases and would work with the town on the funding. Council member Drees asked for timely reviews to move this project along as fast as possible. Council member Deshazor said we need to look at things on a macro level so that we can coordinate projects and time them better. Ms. Parrish said the development schedule is run by the developer and we don't have a lot of control, but we are looking at the process and how we can better coordinate projects.

Ms. Parrish said she wanted to provide an update on the Intelligent Transportation System (ITS) implementation. She reminded the public what the ITS was and how it would help mitigate traffic issues. She said Phase 1, synchronizing the signal to fiber and Phase 2, Installation of signal monitoring cameras, are complete. Phase 3, upgrading the signal software and creating a fiber connection to the NCDOT traffic center is under construction right now. The town is paying 10% of this cost and NCDOT is paying 90%. It enables "always on" communication and notification of system issues, permits remote systems updates and incident systems management. Phase 4, calibrating timing plans with current traffic counts has been included in Phase 3. The final Phase 5 will be a Community Signal Management System, for real time monitoring of traffic congestion and adjustments locally. She reiterated the benefits to the Town once the project is complete. She said the calibrating of signal and synchronization is anticipated to be completed in June of this year (focusing on NC 55 first), with NCDOT inspections completed in July. August will provide a 30-day monitoring period during which time adjustments can be made.

Council member Drees asked at what point the new controllers are going in. Ms. Parrish said they have taken out the old controllers and installed new ones. They are working on tying the fiber in to the controllers. Jeff Wilson, Director of IT, said that there are some locations that have the new controllers, but the timing plans are updated and contractors are working on tying the fiber in. At that point the timing will be tweaked. MPT Berry said the Town cannot be running quality control for DOT; they need to have someone out there.

c. Comprehensive Transportation Plan (CTP) Overview

Chris Hills, Director of Development Services, said this item was for Council to receive information about the Comprehensive Transportation Plan and the Metropolitan Transportation Plan (MTP) implementation. He outlined the ways we use the CTP within town, in coordination with NCDOT, to inform Federal funding opportunities and in development review of private sector projects. He said the MTP is the regional version of the CTP which uses extensive modeling and that it is used to inform SPOT / LAPP eligibility. He said the Town has had a lot of success with SPOT and LAPP projects. He listed several future projects and explained how they moved to "above the line" based on available funding and other factors.

Mr. Hills focused in on a section of Holly Springs Road and showed how the current project will take it from failing to successful through 2055. He focused in on Avent Ferry Road and Piney Grove Wilbon area, and showed how there will be continued problems with the area even after the currently planned improvements. As we look at the next level of priorities, this is something we need to address. He talked about the competition for funds and how that affects the way we address secondary roads. Backing out to a larger view of the Town he showed known improvements, those funded by private development, the Town, and NCDOT and gave Council an overview of those projects. He highlighted projects Council had marked as their priorities at the retreat. He said he wanted to check in with Council on those priorities. Council member Drees asked about the traffic we get from Harnett County and asked if conversations are being had with those counties. Mr. Hills said that Harnett County is in CAMPO and those conversations are being had. We receive some benefits from that, but sometimes because of the way the state allocates

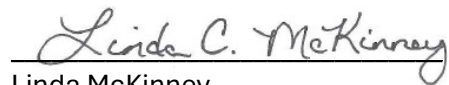
funds, we have trouble competing with them. Council member Drees asked if the Council priorities reflect what staff thinks are priorities. Mr. Hills said this is always a snapshot in time and we are going to see continued evolution. He thinks these are the right priorities today, but that is going to shift south over time. Funding models are based on capacity and volume and where the problems are at the time. The challenge will become how we get secondary roads funded, and making them seen as more regional connections. Council member Drees said we don't have bike or pedestrian improvements prioritized around the new park. She asked if we were creating opportunities for people to bike there. Mr. Hills said our CTP and Parks & Recreation Master Plans have sidepaths and greenways identified, and we look for grants and possibilities to get those funded.

3. Closed Session: none.

4. Adjournment:

Motion to adjourn was made by MPT Berry seconded by Council member Forrest and passed with a unanimous vote. The May 13, 2025 workshop meeting of the Holly Springs Town Council was adjourned at 8:09 pm.

Respectfully submitted on Tuesday, June 17, 2025.


Linda McKinney
Town Clerk