



June 29, 2012

MINUTES

The Holly Springs Town Council met in a duly-called special meeting on Friday, June 29, 2012 in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street. Mayor Dick Sears presided, calling the meeting to order at noon. A quorum was established as the mayor and all five council members were present as the meeting opened.

Council Members Present: Mayor Sears and Councilmen Jimmy Cobb, Chet VanFossen and Tim Sack and Councilwomen Cheri Lee and Linda Hunt Williams.

Council Members Absent: None.

Staff Members Present: Chuck Simmons, assistant town manager; John Schifano, town attorney; Joni Powell, town clerk (recording the minutes); Linda Harper, deputy town clerk; Len Bradley, director of parks and recreation; Stephanie Sudano, director of engineering; Gina Clapp, planning director; Stephanie Sudano, engineering director; Jenny Mizelle, economic director; Captain M. Bornes and Lt. M. Patterson of the police department; Leroy Smith, fire chief; Jeff Wilson, information technology director; Erika Phillips, director of human resources; Drew Holland, finance director; and several other members of Town organization departments.

2a. Budget Amendment - Mr. Holland had presented in packets a budget amendment to the current year budget for \$47,400 to make end-of-year adjustments to the police department budget.

Action: The Council approved a motion to adopt an amendment to the FY 2011-12 budget in the amount of \$47,400 to align funds at the end of the year for the police department.

Motion By: VanFossen

Second By: Cobb

Vote: Unanimous

A copy of the budget amendment is attached to these minutes.

3. FY 2012-13 Operating Budget - Mr. Simmons outlined the proposed FY 2012-13 budget and indicated slight changes that had been made to the plan, based on input provided by Council during the budget workshop.

Mr. Simmons explained that two cents of the tax rate will be earmarked specifically for bond-funded parks and recreation improvements, including roughly \$9 million in immediate projects. Priority projects are:

- Completion of Womble Park, including artificial turf and field lighting, parking, upgrades to the playground and asphalt walking trails;
- Completion of Jones Park, including a playground and additional asphalt trail;
- Land acquisition for new parks; and
- Completion of some greenway trails.

Based on the Town's existing tax base, it would take two cents on the tax rate to raise the annual debt payment. Town officials estimate that this would cost the average homeowner in Holly Springs about \$4.53 more a month.

Councilman VanFossen asked if the Council had raised water or sewer rates in the budget proposal. Mr. Simmons said that no, Council had directed at a budget workshop to

offset the extra tax cost for residents by not raising the water and sewer rates.

The Town will use sewer reserves this year to pay for wastewater treatment plant improvements without raising rates, but the town manager had pointed out that the Town will likely have to raise rates next year to stay in front of debt payments on the plant expansion.

With that explanation completed, the Council commented on how conservative the budget appeared to be.

Action: The Council approved a motion to adopt Ordinance 12-03 establishing the FY 2012-13 operating budget for the Town of Holly Springs.

Motion By: Cobb

Second By: VanFossen

In discussion:

Councilwoman Williams - Councilwoman Williams read a prepared statement , which is below:

“As consumers today, we are bombarded with ideas and products that would be good to have or something that is promoted as essential to our happiness and quality of life. As consumers, we make choices to either buy outside our budget to obtain the desired, thus increasing our liabilities; or find ways purchase within our budget; or just do without until we are able to manage the additional spending.

“This is what we are voting on today. You will hear that it is the perfect time with good bond rates, reasonable construction costs, and good interest rates. You will hear that we are behind on our goals for Parks and Recreation and I agree, however, a fiscally prudent consumer does not always buy non-essentials when there is a good sale, especially when they are worried about keeping their jobs or homes. The argument for increasing the tax, however, is a persuasive argument and a sales pitch -- a sales pitch that is aimed directly at the taxpayer's wallet and will have ramifications throughout our local economy.

“Yes, it does not cost much to most taxpayers, but what about those that cannot afford even the modest increases? Is it prudent to buy just because there is a sale? Comments have been made in this debate that no one is hurting financially in Holly Springs. Those kinds of comments sadden me and are short-sighted and smacks of being out of sync with what really is going on in people's lives. My thoughts are that people don't go around talking about it, but our food pantry is very busy these days and expanding.

“So, my vote is a vote for slowing down the spending on non-essential projects until the economy settles more. My vote is for the current budget without a tax increase for Parks and Recreation projects other than what we can afford without a tax increase.”

Councilman Sack - Councilman Sack said his feelings are that over the years, the Town has put off a lot of parks and recreation projects in favor of more critically-needed facilities. We still have capital project needs, and that forces officials to depend on bond funding for parks and a tax rate increase to pay the debt. The town is \$40 million behind in parks and recreation needs, pursuant to citizen surveys of needs and master plans for existing parks. The Town trimmed those needs down to a base of \$20 million and asked voters to decide whether or not to move forward with those projects with the potential for a tax rate increase. He said taxpayers will be pleased with their return on investment as the Town's quality of place and lifestyle will be greatly enhanced.

Councilman VanFossen - Councilman VanFossen said when he was running for office, he often said he would not ever raise taxes unless voters were given the opportunity to vote on it. The bottom line to him is that voters in Holly Springs voted for the bond issue, and the Town needs to provide its citizens with at least some of the park improvements that are promised. He said the Town is \$40 million behind in projects due to lack of funding, and that is why Council took the question to the voters. If the referendum had been voted down by the voters, we would n't be having this conversation, he said.

Councilwoman Lee - Councilwoman Lee said she wants the Town to be good stewards of the funds that are the public trust. She said these are tough economic times and it does not seem

right to raise the tax rate at a time when so many are struggling. She said she thinks there are those who voted for the bond issue with the idea that there would be no tax rate increase.

Councilman Cobb - Councilman Cobb said the voters have spoken. He said he listened to discussion at special and regular meetings and listened to every speaker and read every email on both sides of the issue. Every argument against the tax rate increase has its own valid point, as does every argument for the tax rate increase. His prepared statement is below:

"Thank you for the opportunity to share with you my thoughts on the proposed budget with the 2 cent tax increase. I have put a lot of thought in my decision. In 2011, our voters approved a bond referendum for funding to be spent on Parks and Recreation capital improvements.

"I have listened to council discussions at our town retreat, as well as numerous discussions in budget workshops and at regular town council meetings. I read every email sent to me and listened to every speaker who spoke at town council meetings. People were eager to share their opinions with me when they saw me around town - whether I was shopping at Wal-Mart or dining at Homegrown Pizza or somewhere in between. New residents have shared their opinions with me as have numerous business leaders. Our former Mayor Gerald Holleman shared with us the need to add park land without raising taxes. Every argument against the tax increase has its own valid points as does every argument in support of Parks and Recreation spending.

"First of all, I want to commend the dedicated employees of the Town of Holly Springs for their diligence in trying to educate our population on the bond referendum. Parks and Recreation volunteers were available at the farmer's market on Saturday mornings, eager to answer questions. The town sent direct mail to every home in Holly Springs. Opportunities for becoming informed were available on-line, at all town events, in assorted meetings, on our local HSTV-11, and in local newspapers. Information was shared in water bills, at town hall, the Hunt Center and other public areas as well town events. Secondly, the voters in Holly Springs are educated on issues. They pay attention. I will not sell the voters of Holly Springs short. Our voters are smart. They know the issues and they are educated on these issues. Voting precincts in Holly Springs always have incredibly high turnout for elections compared to other areas of Wake County.

"Our town leaders have frequently taken risks that paid off-Gerald Holleman, when he was mayor in 1991, spearheaded a bond for water and sewer improvements that laid the foundation for all that Holly Springs is today. Bonds totaling \$3,200,000 were issued over the past 1991, 1994 and 1997. Tax rates were increased by \$.05 in 1991 and again by \$.05 in 1994. These risks were taken at a time when the population of Holly Springs, according to the 1990 US Census encompassed only 920 people, with a median income of \$27,000 and poverty rate of 26%. Compare that with our population over 25,000, our median income of \$85,000 and 3.7% poverty rate. We need to celebrate these incredible strides. In 1990 Holly Springs lagged behind the State and County in median household income and had 3 times the poverty level of the County and twice the poverty level of the State. The picture of our town is now completely reversed. We can celebrate the fact that our median household incomes are now \$40,000 above the State median household income and \$21,000 over the Wake County median household income. Let's not forget our poverty level is now one-third that of the County and one-fifth that of the State!

"When running for election, I supported "smart growth." Smart growth includes more than just residential, industrial, business and retail growth. It also incorporates quality of life components and parks and recreation opportunities for citizens. This bond is for capital improvements that will help our town to provide those quality of life components. Is quality of life an essential need of a community? I feel it is. Without quality of life in a community, a community decays and wilts, crime rates increase and people, industries, businesses and retail move away. Parks and recreation growth is essential to an increased quality of life just like water and sewer was in 1991.

"We could wait and let town monies finance this Parks and Recreation infrastructure over time but honestly this would impact key town departments and their growth and continued maintenance and the ability of the town to do that over the long haul is questionable if our tax base does not increase. I feel the tax base growth needed to accomplish this would be significantly hampered without passing this budget.

"Allow me to share with you what I see approving this budget with the tax increase will do for the residents of Holly Springs.

"In the last census, our fastest-growing population demographic was composed of our senior citizens. Repeated studies show that Parks and Recreation investment not only encourages this population to become active but is also an investment in their health. This population will be living longer and help to lower their health care costs by utilizing these new improvements. So not only will this

additional infrastructure help our children and grandchildren, it will help all ages and demographics.

"Parks and Recreation infrastructure will also bring in more sports tourism thus adding new revenue funding to our local businesses from our hotel to our restaurants and shops. New parks and recreation infrastructure will make our town more desirable to live in. It will help increase property values and be fuel to aid in recruitment of new businesses, developments, retail shops and industry.

"Access to many of the Parks and Recreation facilities is free so instead of paying, our citizens will be able to save money utilizing what they have here in town. People meet and greet and make friends via parks and recreation opportunities... this adds to community cohesion. Holly Springs is a friendly community...this spending would further enhance that trait that makes us so special.

"We need to view this decision as one that is long-term. You have to view the impact of this decision over the next six months, six years, 60 years... I feel that this funding will provide a strong foundation for decades to come.

"This investment in our Parks and Recreation infrastructure will pay off for us in the long term. The past investments that were made in our infrastructure have brought us to where we are today. These new investments will continue to make Holly Springs a place that people will want to live, recreate, attend schools, work and do business. Holly Springs is a magical place. My vote today is a vote for us, our seniors, our children's and our grandchildren's future."

In closing, Councilman Cobb said his vote today is going to be for us, our seniors, our children and our children's children.

Mayor Sears - Mayor Sears said he believed voters are smarter than some were giving them credit for. He said he felt the Council had a duty to do as the voters had directed, and he pointed out there was no way to determine how many votes were inadvertently cast for Yes when the voter really meant No. The Council could only depend on the actual results, which seemed to indicate a majority favored the issuance of bonds for parks and recreation.

Vote: The motion carried, following a 3-2 vote. Councilmen Cobb, VanFossen and Sack voted for the motion. Councilwomen Lee and Williams voted against.

A copy of Ordinance 12-03 is attached.

Action: The Council approved a motion to adopt Ordinance 12-04 setting the FY 2012-13 water and sewer rates.

Motion By: VanFossen

Second By: Cobb

Vote: Unanimous.

A copy of Ordinance 12-04 is attached.

4. Adjournment: There being no further business for the day, the June 29, 2012 special meeting of the Holly Springs Town Council was adjourned following a motion by Councilman VanFossen a second by Councilman Cobb and a unanimous vote.

Respectfully Submitted on Tuesday, Aug. 7, 2012.

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minutes follow and are a part of the official record.

