



May 2, 2017

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, May 2, 2017 in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street. Mayor Sears presided, calling the meeting to order at 7 p.m. A quorum was established as the mayor and all five council members were present as the meeting opened.

Council Members Present: Mayor Sears, Councilmen James Cobb, Tom O'Brien and Hank Dickson, Peter Villadsen and Councilwoman Cheri Lee.

Council Members Absent: None.

Staff Members Present: Charles Simmons, town manager; John Schifano, town attorney; Daniel Weeks, assistant town manager; Joni Powell, town clerk, (recording the minutes); Linda Harper, deputy town clerk; Adam Huffman, assistant parks and recreation director; Mary Hogan, finance director; Sean Ryan, planner; Elizabeth Goodson, development review engineer; Irena Krstanovic, economic development director; Leroy Smith, fire chief; Jeff Wilson, information technology director; Tamara Ward, communications specialist, and Mark Andrews, public information officer.

2 and 3. The Pledge of Allegiance was recited, and the meeting opened with an invocation.

4. Agenda Adjustment: The May 2, 2017 meeting agenda was adopted with changes, if any, as listed below.

Changes: Add an oath of office for a board of adjustment member Ed Donovan.

Motion by: Cobb

Second by: Dickson

Vote: Unanimous

5. Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council on any variety of topics not listed on the night's agenda. The following comments were recorded:

Andrew Nielson – Boy Scout Andrew Nielson addressed the Council to voice concerns about the super street design.

6a. Recognition of Holly Springs High School Choral Group Colla Voce - Mayor Sears introduced the Holly Springs High School students of Colla Voce (pronounced "cola vocheh") recently represented their hometown and school with a stellar choral performance in Nashville, Tenn.

He said the students traveled to Nashville in March for their spring trip. While there, they took to the stage at the Performing Arts Consultants National Competition where they were awarded a Gold rating, (first place in their class) and the Overall Grand Champions of Choral Groups competing.

Colla Voce is an auditioned group made up of juniors and seniors in the chorus program of HSHS. The group, which is under the direction of Choral Director Jenny Patchett, also performed at the Governor's Mansion and Capitol Building this year around the holidays and at North Carolina's Music Performance Adjudication where they received a Superior rating.

Action: None.

6b. Kids Appreciation Day – Mayor Sears said the Kiwanis Club of Holly Springs is planning an event to show the children of this community how much they are loved and appreciated. A "Kids Appreciation Day" celebration is set for 12:30 to 4:30 p.m. Saturday, May 6 at Sugg Farm at Bass Lake Park.

Mayor Sears read the mayoral proclamation designating May 6, 2017 as "Kids Appreciation Day" in Holly Springs.

Action: None.

7a. Rex Healthcare Urgent Care and Hospital – Mr. Steve Burriss, president of UNC Rex Healthcare, addressed the Council with updates on the expanding Holly Springs Rex campus. He also provided a global UNC Rex service snapshot, featuring programs and services growth.

Action: None.

7b. Farmers Market Grand Opening – Ms. Stygles, the farmers market coordinator, provided an update on the Farmers Market Season 11 with an invitation to everyone to the Season Opening Saturday, May 6 from 8:30 a.m. to 12:30 p.m. She said Mayor Sears will cut the ribbon at 8:30 a.m. to start the new season. The Farmers Market will be open each Saturday through October 14 in the E. Center Street public parking lot.

Ms. Stygles provided an overview on the season's vendor line-up, event schedule and unveiled this year's market sponsors including the 2017 Blue Ribbon Sponsor GMA Supply.

Action: None.

8a. Public Hearing: 17-DO-01, Bridgeberry III Subdivision – Mr. Ryan said this agenda item was presented to the Town Council at the April 18 meeting. At that meeting, the public hearing was opened and continued to May 2.

The Town has received a request for a development options subdivision located west of the recently approved Bridgeberry I and Bridgeberry II subdivisions. A total of 158 single-family lots are proposed with a total gross density of 2.0 units per acre. The parcels are vacant and are surrounded by single-family residential and vacant property.

Under Development Options subdivision requirements, in exchange for utilizing smaller minimum lot sizes, the developer has to provide a higher quality product and additional elements throughout the subdivision that would not normally be required in a standard subdivision. Additional elements include minimum open space requirements, additional sidewalk improvements, and Residential Design façade requirements that are shown in Tables 2.09 C. 4 and 5.

With that explanation completed, Mayor Sears reopened the public hearing. The following input was recorded:

Jenny Appleton – Ms. Appleton asked how large driveways would be.

David Lasli, land planner for the project – Mr. Lasli explained that Bridgeberry III is the last 80 acres of the original Bridgeberry subdivision plan.

There being no further input, the public hearing was closed.

Action #1: The Council approved a motion to make and accept the findings of fact to be recorded in the minutes for Development Option Plan Petition #17-DO-01 for Bridgeberry III to allow for the use of development options for properties located northwest of the intersection of Rex Road and People Road as submitted by Piedmont Land Design.

Motion by: Villadsen

Second by: Cobb

Vote: The motion carried following a 4-1 vote. Councilman Villadsen voted against the motion.

A copy of the application for a waiver of regulations of UDO Section 2.03: R-15 Residential District is attached to these minutes.

Action #2: Having made the necessary findings of fact, the Council approved a motion to approve Development Option Plan Petition #17-DO-01 for Bridgeberry III as submitted Piedmont Land Design dated revised March 13, 2017 with the following conditions:

- 1) A fee-in-lieu of upgrade will be required for this project for both the Avent Ferry & Union Ridge Pump Stations
- 2) Pump station site must be platted and conveyed by deed to the Town of Holly Springs before pump station final acceptance.
- 3) No fill is allowed in the flood plain for any residential development.
- 4) This project will be required to meet Town's NPDES Phase II Post Construction Stormwater ordinance.
- 5) Prior to the first construction drawing submittal the following items must be addressed or submitted with the plans:
 - a) Flood study must be submitted.
 - b) Provide documentation in the form of a recorded plat of any required offsite sewer easements.
 - c) The following note must be clearly reflected construction drawings for the lots adjacent to the pump station: Pump station site owned by the Town of Holly Springs may be expanded in the future and there will be routine operation inspections and maintenance on the premises once the pump station is in operation.
 - d) If a regional pump station is identified and is an active project prior to construction drawing submittal of Bridgeberry III, this projects will be required to contribute to the regional pump station a fee-in-lieu of building an onsite pump station.
 - e) A Final Sewer Report will be required showing design information (gravity line sizing or downstream evaluation) if different from the Preliminary Sewer Report.
- 6) Prior to construction drawing approval the following items must be addressed:
 - a) Street Trees on all interior streets shall be positioned as to not interfere with any lighting fixtures or site distance triangles. A revised street tree plan shall be submitted to the Department of Planning and Zoning upon completion of an approved street lighting plan by Engineering.
 - b) All environmental permits must be obtained prior to construction drawing approval and/or issuance of a land disturbance permit for the entire project.
 - c) Approval of Stormwater Management Plan is required prior to issuance of a land disturbance permit or construction drawing approval.
 - d) Payment of the Stormwater Fee-in-Lieu will be required.
 - e) Stormwater sureties are required on this project. A performance surety in the form of a bond, letter of credit or cash is required in the amount of 125% estimated construction cost of the stormwater BMP prior to plat recordation and a maintenance surety in the form of a cash escrow account in the amount of 35% the actual construction cost of the BMP is required at the end of the performance monitoring period for the project.
- 7) Prior to the first plat for this subdivision, the following items must be addressed:
 - a) The following note must be clearly reflected for the lots adjacent to the pump station: Pump station site owned by the Town of Holly Springs may be expanded in the future and there will be routine operation inspections and maintenance on the premises once the pump station is in operation.
 - b) Homeowner's Association covenants shall be recorded with the first plat associated with this subdivision.
- 8) No more than 85% of building permits (134 homes) shall be issued prior to the completion of all developed recreational open space.
- 9) The required Type-A 20 perimeter yard located in the greenbelt behind lots 345-353 shall be planted no more than 30 days after the removal of the temporary 2nd access for emergency access, unless during the months of June – November. If planting occurs during the months of June – November, developer may offer a short term bond until such time that planting conditions improve.

- 10) Prior to Town Council Action, the following items must be addressed:
- a) Final copies of the Fire Flow Analysis must be submitted & approved.
 - b) Final copies of the Sewer Study must be submitted & approved.
 - c) Final copies of the Traffic Impact Analysis must be submitted & approved.
 - d) The Preliminary Pump Station Site Plan must be approved by Town Council prior to or with the approval of this Development Petition. Final copies of the Preliminary Pump Station Site Plan must be submitted and approved.
 - e) Revised plans must be submitted showing the following:
The temporary 2nd access for emergency access along the rear of lots 345-353.

Motion by: Cobb

Second by: Dickson

Vote: The motion carried following a 4-1 vote. Councilman Villadsen voted against the motion.

9. Consent Agenda: The Council approved a motion to approve all items on the Consent Agenda. The motion carried following a motion by Councilman Cobb, a second by Councilman Dickson and a unanimous vote. The following actions were affected:

9a. Minutes – The Council approved the minutes of the Council’s regular meeting held April 4, 2017.

9b. Annual Audit Service Contract – The Council approved to enter contract in the amount \$35,680 with Petway, Mills and Pearson for annual audit services.

9c. ORBIT Audit Services Contract - The Council approved to enter contract with Petway, Mills and Pearson for ORBIT audit services in the amount \$5,000.

9d. Holly Point LLC Infrastructure Reimbursement Agreement - The Council approved Holly Point LLC Infrastructure Reimbursement Agreement reimbursement and adopted budget amendment.

9e. Budget Amendment Development Review Expenses – The Council adopted amendments to the FY 2016-17 budget to cover development review expenses.

9f. Resolution 17-17- The Council adopted Resolution 17-17 declaring certain vehicle surplus to the needs of the town. *A copy of Resolution 17-17 is attached to these minutes.*

9g. Resolution 17-18 – The Council adopted Resolution 17-18 declaring certain personal property surplus to the needs of the town. *A copy of Resolution 17-18 is attached to these minutes.*

9h. Budget Amendment, \$85,837 – The Council adopted an amendment to the FY 2016-17 budget in the amount of \$85,837 to cover costs of fiber optic. *A copy of budget amendment is attached to these minutes.*

10a. FY 2017-18 Proposed Operating Budget – Mr. Simmons presented his recommended FY 2017-18 Town budget for the Council's review. The manager’s budget message below provides the Council with the major highlights of the budget proposal.

He said both the General Fund and Utility Funds are balanced based on projected revenues for the coming year and a tax rate that is the same as last year at 0.435 cents per \$100 valuation.

Mr. Simmons’ budget message is as follows:

Fiscal Year 2017-2018 Budget Message

Holly Springs continues to be a great place to live as the Town maintains positive growth that enhances the Town’s ability to improve services provided to its citizens and to invest in the Town’s future through upgrades to the transportation infrastructure, water and sewer treatment, distribution and collections systems, public works, public safety and its parks and recreation facilities.

To ensure that the Town’s growth is managed in a sensible, strategic and sustainable way, the management team and staff constantly evaluate development to ensure that there exists a healthy balance of necessary and innovative growth, accompanied by adequate protection of our quality of

life and Town character. As Holly Springs continues to develop, a clear vision is maintained with this balance in mind.

This vision should include policies that encourage well managed growth and enhances the quality of life objectives of the Town. Examples include but are not limited to economic development that is consistent with our community values, in an effort to create quality local employment opportunities and an additional more diversified tax base; identification of and efforts to secure various partnerships when public interests are served; investment in the Town's future through careful planning, funding and scheduling of capital projects; and innovation in developing the Town's identity and promoting the highest standards for our citizens.

We have identified budgetary priorities in the upcoming fiscal year, in an effort to achieve both the goals of the organization and the service needs of our community residents. While our finances have remained consistently robust over the last year, it is prudent to budget conservatively. We have carefully scrutinized the number of new positions requested; identified areas that we feel can generate an additional revenue stream; and have restricted spending for the remainder of the year as we do every year. This budget has been developed to meet all the various needs of both our organization and our community, but one which I feel will provide us flexibility in the future.

Highlights of FY 2017-2018 budget are as follows:

Revenues – General Fund

- A. Ad Valorem Taxes: Figures are based on a 99% collection rate with an approximate tax base of **\$4,434,719,653** (as provided by the Wake County Tax Department), keeping the tax rate at **\$0.4325** per \$100 valuation.
- B. State Revenues: The state-shared revenues are estimated based primarily on previous years' collections. As you may recall, during the 2015 session of the General Assembly changes were ultimately made to the sales tax distribution formula which impacted the amount received by the Town. The legislature this year is now in long session and although it does not appear that more changes to the sales tax allocation formula will be made, the staff will continue to monitor the state's progress on the revenue impact for the Town.
- C. Solid Waste Fees: Monthly garbage collection fees and recycling fees will remain at their current level of \$9.69 for garbage collection and \$4.34 for recycling. There is a recommended increase for yard waste removal of \$1.00. The current fee of \$2.00 would increase to \$3.00.
- D. Fund Balance: We have not appropriated any funds from Fund Balance, for the purpose of balancing the Town operating budget. However, as in years past funding from the previous budget year for previously appropriated capital expenditures that did not take place are being proposed.
- E. Other Source Financing: No new financing is being proposed within the General Fund operating budget.

Revenues – Utility Fund

- A. Water & Sewer Rates: There is no increase to the water and sewer monthly access fees in the proposed FY 2017-2018 budget. There is a recommended increase of 2% in the actual utility user rates charged to citizens and Holly Springs businesses/industries. This proposed fee increase reflects an increase in water costs to the Town of Holly Springs that is being charged by Harnett County.

- B. Fund Balance: We have not appropriated any funds from Fund Balance.
- C. Other Source Financing: No additional financing is being proposed within the Utility Fund.

Revenues – Stormwater Fund

- A. Stormwater Rates: There is no increase in proposed monthly stormwater fees in the FY 2017-2018 budget.

Revenues – Fiber Optic Telecommunications Fund

- A. The Fiber Optic Telecommunications Fund (FOTF) was established in FY 14-15, following the Town's successful completion of its internet fiber optic network, for the primary purpose of connecting its municipal facilities with high-speed broadband service at affordable prices. Since the existing fiber network far exceeds the Town's current broadband needs, opportunities exist for leasing excess strands of fiber that will generate revenues that can be re-invested in the fiber infrastructure and the maintenance that accompanies it.

Expenditures – General Fund

- A. All capital items have been appropriated, and a list has been provided of each department's requests for your review in the Capital Outlay section of this proposed budget.
- B. Thirteen (13) new positions are proposed in the General Fund: Two (2) Public Works Technicians, one (1) Building Code Inspector, six (6) Firefighters, one (1) Public Facilities Maintenance Technician and three (3) sworn police officers. The officer recommendations are for two (2) additional investigators and a Community Police Officer. More detailed information, as it relates to additional positions' pay grades/salaries/benefits can be found in the Salaries & Positions List section of this proposed budget.
- C. This budget includes contributions to nonprofit organizations of \$15,000 to be designated as the Council so desires, a \$10,000 Platinum membership renewal to the Holly Springs Chamber of Commerce and \$20,000 to the Chamber of Commerce for community/governmental programs, totaling \$45,000.
- D. All debt service requirements have been appropriated in this budget to meet our debt obligations. The statement of debt is included for your review.

Expenses – Utility Fund

- A. All capital items have been appropriated and a list of each department's request is provided for your review.
- B. Six (6) new staff positions are requested in the Utilities Fund: One (1) Engineering Administrative Specialist, one (1) Project Engineer, one (1) Stormwater Engineering Technician, one (1) Senior WRF Mechanic/Operator, one (1) Business Analyst for Utility Billing, and one (1) Assistant Town Manager for the Utility Fund beginning January 1, 2018. The Stormwater position represents an upgrade from a current part-time position to a full-time position.
- C. All debt service requirements have been obligated in the FY 2017-2018 budget. A statement of debt is included for your review. Over the last ten (10) years, we have been placing funds in reserve to cover the cost of the Harnett County Water Plant Capacity debt,

as well as the Water Reclamation Facility expansion debt service to accommodate development.

Expenses – Stormwater Fund

- A. No significant changes are noted in the Stormwater Fund. Primary expenses within this fund are for salaries and contract services.

Expenses – Fiber Optic Telecommunications Fund

- A. Expenses associated with the creation of this fund are primarily for the purpose of capital infrastructure expenses and anticipated maintenance/repair costs for the FY 2017-2018 budget.

Other Highlights

The salary requirement for next year includes a market adjustment for full time employees of 2.5%. Funding is provided in each department for merit/performance pay in the amount of 3% of salaries. The salary budget also includes a 5% 401(k) contribution and longevity benefits, as well as a State-mandated Retirement benefit of 7.56% for non-law enforcement personnel and 8.25% for sworn law enforcement officers.

Employee health insurance has been budgeted with no increase in the rates for next year. This is largely due to lower than usual claims and employee education efforts that are initiated by our Human Resources Department.

With the current economic environment and accompanying healthy rate of growth within Holly Springs, our goal is to create a budget that will maintain and improve services to citizens while still controlling the costs for these services. As previously stated, I feel the Town of Holly Springs has a solid and conservative budget for next year capable of achieving this stated goal.

I have included within your budget the departmental worksheets we used in developing this budget proposal. I hope this will provide you with a better overview of the process and issues discussed during the budget-balancing procedure.

As we proceed into the next several years, we will continue to evaluate projects and personnel needs as they relate to the provision of services. We have several substantial projects which will potentially impact all major funds during this fiscal year; therefore, it will be important to prioritize programming needs with future budgets. We will continue to work with members of the Town Council, staff, and our citizens to establish our goals and objectives as the Town grows to provide the level of services expected.

Town staff has been instrumental in the development of this document, and I feel they have done a good job of controlling costs while providing service levels expected by the Town Council and our citizens. This budget is my best estimate of what we should expect next year, and I feel it represents a fair assessment of our anticipated revenues and expenditures.

This budget reflects my recommendations based on department meetings over a three-week period, an evaluation of existing service needs, and input from Town residents and the Town Council. I would like to say a special thanks to our department heads for their time and effort in the preparation of this document. Without their help, this budget could not have been developed to address both present and future service needs.

In closing, the FY 2017-2018 Budget reflects the challenges typically associated with a rapidly growing community, but it also represents the Town's ability to continue investing in its infrastructure and in some cases improve service levels due in large measure to our continued growth. It is important to note that with any budget, external forces can affect our projections and it

is for that reason that the figures proposed in the FY 2017-2018 Budget are a very conservative forecast of our revenues and expenditures for the next year. A copy of the proposed budget document will be available for public review online on the Town official website.

Mr. Simmons said the Council scheduled a special budget workshop for 5:30 p.m. Monday, May 22 at the W.E. Hunt Recreation Center community room where he will hear all Council member questions and suggestions for revisions to the proposed budget plan.

Action: None.

10b. Avent Ferry Road Widening Project – Ms. Parrish said as a result of several meetings with NCDOT and the need for widening along Avent Ferry Road, NCDOT is willing to move the project funds forward and enable the road to be widened sooner than the originally planned 2022.

To make this a reality, the Town must commit staff resources for the administration of design, permitting, right of way, construction and construction administration. All administration and activities must be in accordance with the federal guidelines since the funding is from the federal account.

Ms. Parrish reviewed the municipal agreement for the widening of Avent Ferry Road from Piney Grove-Wilbon Road to Cass Holt Road. The estimated project cost is for \$7,546,000 that will be 100% TIP funds.

Action: The Council approved a motion to enter a municipal agreement with NCDOT for the widening of a portion of Avent Ferry Road.

Motion by: Lee

Second by: Dickson

Vote: Unanimous

11. Other Business: None that resulted in Council action.

12. Manager's Report: None that resulted in Council action.

13. Closed Session: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(3) to discuss with the town attorney under the attorney-client privilege the Fred Smith vs. Town of Holly Springs matter over work at North Main Athletic Complex and the Colony Insurance vs. Town of Holly Springs matter over ruptured underground storage tanks during installation of fiber optic network conduit; and pursuant to N.C.G.S. 143-318.11(a)(4) to discuss possible economic development incentive for an expanding business in Town.

In closed session, the Council gave direction to the Town's attorney as to settlement parameters and motions in the Fred Smith vs. Town of Holly Springs and Colony Insurance vs. Town of Holly Springs matters. The Council also discussed the kinds and amount of incentives it would offer in exchange for development that would provide job growth in Holly Springs.

Actions in the development incentive matter will be made in public at the appropriate time.

No action, other than a motion to return to open session, was made in closed session.

14. Adjournment: There being no further business for the evening, the May 2, 2017 meeting of the Holly Springs Town Council was adjourned.

F _____ ay, June 6, 2017.

J
T
Joni Powell _____



Addenda pages as referenced in these minutes follow and are a part of the official record.