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## **MINUTES**

The Holly Springs Town Council met for their annual retreat at the Rizzo Center in Chapel Hill and via video conferencing. Mayor Sears presided, calling the meeting to order at 9:00 a.m. A quorum was established as five Councilmembers and the Mayor were present as the meeting opened.

**Council Members Present:** Mayor Sears, Mayor Pro Tem Dan Berry, Councilmen Peter Villadsen, Shaun McGrath, and Aaron Wolff, and Councilwoman Christine Kelly

**Council Members absent:** none.

**Staff Members Present in the room:** Randy Harrington, Town Manager; Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Linda McKinney, Town Clerk (recording the minutes); Jeff Wilson, Director of IT.

**Staff Members Present via Video Conferencing:** Kendra Parrish, Executive Director of Utilities and Infrastructure; LeeAnn Plumer, Director of Parks and Recreation; Erika Phillips, Director of Human Resources; Antwan Morrison, Director of Finance; Cassie Hack, Director of Communications and Marketing; Paul Liquorie, Police Chief; LeRoy Smith, Fire Chief; Irena Krstanovic, Director of Economic Development; Corey Petersohn, Finance; Melissa Sigmund, Development Services; Sean Ryan, Development Services

**Friday:**

### **Review of Agenda**

Randy Harrington, Town Manager, gave an overview of the agenda and discussed with Council what they needed to have a successful retreat. Council members said they wanted:

- Actionable items and clear direction to staff;
- To stay focused;
- Synchronization of expectations;
- To think outside of the box;
- To keep discussion at a policy level;
- To debate and commit, not create too many follow-up meetings.

Scott Chase, Assistant Town Manager, introduced the panel for Creating the Community We Desire. Mayor Harold Weinbrecht of the Town of Cary; Commissioner Chad Sary with the Town of Wake Forest and a professional planner with Stewart Engineering; Adam Lovelady, UNC School of Government; Jackie Turner of J. Turner Consulting; and Craig Lewis of Stantec, who is the consultant for the Town's UDO update.

### **Creating the Community We Desire**

#### **Trends and Best Practices in Development Decision-Making**

Jackie Turner of J. Turner Consulting facilitated a Panel Discussion with Adam Lovelady of the UNC School of Government, Chad Sary, Stewart Engineering and Wake Forest Council member, Mayor Harold Weinbrecht of the Town of Cary, and Craig Lewis of Stantec.

Mr. Lovelady gave a presentation on the role of the School of Government in assisting good government in North Carolina. He discussed frameworks for development regulations in North Carolina, including the adoption of NCGS 160D, which regulates land use in North Carolina. He discussed the types of decisions around land use as well as the procedures for each, and the way we think about design.

He talked about the deadlines associated with NCGS 160D and how Holly Springs is on target to meet those deadlines. He discussed the tensions inherent in different points of view around development and government's role in balancing those tensions.

With those perspectives in mind, he talked about the three big types of decisions that are made and the different procedures that must be followed for the three.

- Legislative – big political decisions that establish ordinances, standards, and rules for the jurisdiction; rezoning;
  - Anyone and everyone can show up and give their opinion
  - Governing board is the sole decision maker
- Quasi-Judicial – court-like decision, to apply broad policies to a specific circumstance; variances, SEU.
  - Must be based on evidence in the record
  - Evidentiary hearing with increased formality
  - Must be factual testimony and experts must be accepted experts
  - Typically made by an appointed board like Board of Adjustment or Planning Board
- Administrative – ministerial decisions based on objective standards in the ordinance; made by staff every day; zoning permits, notice of violation;
  - Typically, no hearing required
  - Typically made by staff

Mr. Lovelady said that many communities have been using the SEU process for larger projects. But that is starting to shift to more legislative or administrative decision making for both legal and other reasons. Some municipalities are using form-based decision making in their UDO. For mixed-use development and other large projects that do not fit into the zoning box, Conditional Use Zoning is being used.

He talked about the differences between Municipal Jurisdictions and Annexation; extraterritorial jurisdiction; and urban service areas. He spoke of the different tools for managing costs of growth. He talked about thinking about place types, rather than simple uses. A CVS, for example, can be urban, suburban or something in between. These are long-term decisions that will stay with the land for generations.

Mayor Harold Weinbrecht, Town of Cary, said that understanding how Council, Community and Staff interact with each other is the basis for success. Clear and frequent communication is key. He said that Cary is about 85% built out and most of what they do is in-fill, which garners lots of push-back. Their Council will not meet with developers unless the developers have extra information that is not in the public hearing, because it creates distrust in the community. They let their Board of Adjustment handle quasi-judicial hearings because citizens did not understand that they were not experts and could not understand the process. Their Council does not do development plans, because zoning is attached to the land, but plans are not. He spoke of maintaining trust and the different roles of staff and elected officials: Mayor and Council are the Board of Directors. They do not do operations and need to let the manager do that. If you are going to work together toward a common goal, the governing body must trust staff. He said that being divided or unprofessional will keep people from moving to your community. Ms. Turner asked if he could share a misstep that Cary had in terms of development decision making. Mayor Weinbrecht said they used to have a plan that was proscriptive, which took away creativity from developers. They moved away from that to an

interpretive plan with all the parts included. They allow staff to decide whether it meets the plan, the advisory board evaluates, and the citizens can have input.

Mr. Sary gave his background from being a planner for the town, to joining the Planning Board, to being elected to Council. When he first moved to Wake Forest, there were 8,000 people in town and one grocery store. He agreed with Mayor Weinbrecht that communication is key. He also said that good things don't just happen. They require planning. Having a good, relevant, updated Comprehensive plan is key and he recommends that municipalities update their plan every five years, or three years if they are fast-growing. He stressed the need for clear language in the Unified Development Ordinance, and the importance of training for advisory boards.

Ms. Turner opened the floor for questions.

Mayor Sears asked for more information on other town's decisions regarding the handling of quasi-judicial matters. Mayor Weinbrecht said that Cary's governing body does not participate in quasi-judicial hearings. He said that the residents who show up are not prepared for a court-like experience. They changed a few ordinances and now these matters go to the Board of Adjustment.

Chad Sary said that Wake Forest is going through the same process now. Changing the UDO can reduce the number of cases that must go before the board by clarifying standards.

Councilwoman Kelly asked about best practices for selecting board members.

Mr. Sary said that Wake Forest asks for a resume, how long they have lived in town, and then sets aside time at work sessions to interview the applicants. He said they ask them hard questions and then train them. UNC School of Government can provide training. Mr. Lovelady sent information regarding those courses in the chat. It is attached to these minutes. There is a need for a balance between those who have lived in a municipality for a long time and new comers.

Councilwoman Kelly asked Mayor Weinbrecht about Cary's successful Arts Program. He said it began a decade ago with planning. The town was proactive in purchasing land, and hired a planner focused on Art. There were difficult meetings to get Council to come up with a unified vision. And then they had to commit to the vision.

Councilman McGrath posed a question about impact fees. The Town of Cary let go of impact fees after studies showed they only covered 60% of costs. As a town, they made a decision to be competitive by being desirable. The Mayor of Cary followed up on a previous question stating that many of the Board of Adjustment members were attorneys, and emphasized that a well-trained board will give you good advice.

Mr. Sary said Wake Forest at one point had a Planning Board Academy, that anyone could attend, but anyone who wanted to apply for a seat on the board had to have gone through that training. Councilman Wolff asked if Cary 101 was good training for board members. Mayor Weinbrecht said that it creates ambassadors for the Town of Cary because they know what is going on. He said a town needs to have a plan and follow it, and trust staff. It is sometimes scary for an elected body to give up control, but they should trust their manager to follow their vision.

Mr. Lovelady said that using Conditional Use (which is legislative) can make some decisions that would have been quasi-judicial still come before Council, but not be quasi-judicial.

Mayor Pro Tem Berry said we need to find a balance in the UDO, on our Boards and on what decisions Council makes and what decisions they push down to other boards or staff.

Councilman Villadsen asked how much information was appropriate for Council members to receive on submittals. Mr. Sary suggested that in a rezoning, a conditional district would establish roads and general land uses might be the way to go. The Council should focus on the land use, and the conceptual plan for the area. Staff can worry about the details of design.

The meeting recessed for 15 minutes at 10:50

The meeting resumed at 11:05. Mr. Craig Lewis, Stantec, facilitated a discussion of trends and best practices in municipal planning.

Council discussed their role as making policy, not deals, whether it would be better to move quasi-judicial proceedings to the Board of Adjustment, and what that would require in terms of recruiting and training Board of Adjustment members. There was discussion of rewriting the UDO in order to limit the number of quasi-judicial hearings that were required, no matter whether they were going before Council or some other board. There was a lot of discussion about setting policy and vision, and creating an atmosphere where Council trusts staff and appointed boards to carry out their vision. This could be done in part during the UDO rewrite. This led to discussion on how to accomplish this and still allow Council the ability to react to residents' desires for what Holly Springs should be. One suggestion was that there be more administrative decisions made by staff, but that these be brought before Council on the Consent agenda.

The risks of Council holding quasi-judicial hearings as opposed to using conditional use rezoning were discussed, including non-legal risks such as business risk and staff risk. The benefits of conditional zoning, and the fact that, unlike a development plan, it stays with the land were discussed along with the difference between development plan conditions and zoning conditions.

Mr. Lewis said that in the rewrite of the UDO they were trying to identify all the things that currently require a Special Exception Use (SEU) and rewrite the UDO so that those things were covered and would not require the SEU. He said that Council should not worry about developers not understanding a change, because many of our neighboring towns use conditional zoning and have quasi-judicial matters handled by appointed boards, so developers are used to working this way. He emphasized the need to train board members and to make training an ongoing commitment, and said that Holly Springs was large enough to have a pool of qualified people to choose from.

Mr. Harrington said themes he was hearing were balance, flexibility, and transition to Board of Adjustment for quasi-judicial proceedings, while keeping responsibility for large scale projects with Council.

The meeting recessed for lunch from 12:00 pm to 12:45 pm.

After lunch Randy Harrington welcomed the group back and introduced the topic of the UDO update, facilitated by Craig Lewis of Stantec.

### **Translating "Character" into Practice: UDO Policy Update Work**

Mr. Lewis gave an update on the UDO Re-Write policy implementation. He said he wanted to have a conversation about some of the details on the UDO rewrite. Next week, things will be pushed out to the steering committee. Some of what gets talked about today will be future-facing. He outlined 5 big topic areas:

- Housing
- Design and review board
- Sustainability
- Hospital
- Landscaping

He asked if there were other areas to be addressed. Scott Chase, Assistant Town Manager, said infrastructure was an issue, where neither the Town nor developers could afford to fund what was needed.

Council participated in a brainstorming activity. Regarding housing Mr. Lewis heard three words:

- Affordability
- Diversity
- Character

He asked Council and Mayor to jot down notes about housing diversity and what things are important to them. These could be “what” or “why” elements. He said the key things were life-cycle, families, seniors, young professionals under the “who” category. Affordability and missing-middle, multi-generational options; infrastructure and housing density; does it match the job market, percentages of things; impact of gentrification.

He said that HS has multiple older areas that are predominately black. When it comes to affordable housing he asked if Council was interested in being active participants, or were they looking for third parties to largely do that. Councilman Wolff said there was not Council consensus on that issue, but he felt that there was room for addressing the missing middle. Our average sales price was \$429,000, which is good in some respects and difficult in others. Councilwoman Kelly asked if it was worth revisiting this since COVID and the Black Lives Matter protests over the summer. She said Council hasn’t had this discussion in terms of how we translate being more open and honoring things that need to be done.

Mr. Lewis said you can’t start early enough in addressing this because land is only going to get more expensive. Councilman Wolff said he thought it was important that the UDO be accessible for partners like Habitat for Humanity, that regulations aren’t too expensive for them to be able to build in Holly Springs. There was discussion about helping people who are being displaced (for example by 540) who want to stay in the community, to enable them to stay. There was discussion about housing availability for people who work in the service industry jobs that come to town with the growth of the higher income industries.

Mr. Lewis said what he heard was the Town wants to bring more diversity of housing. He asked Council what qualities or elements of successful Townhome projects that Council felt were most important. They said:

- Quality materials;
- Not cookie-cutter; they don’t all look alike;
- Mixed use;
- Innovative design concepts
- Nature landscape, variety of trees and shrubs
- Traffic

Council next discussed the commercial elements of mixed-use development, and the relative advantages and disadvantages of commercial “in the building” as opposed to “near the building,” including phasing, density, and location of amenities. Density in the Village District area was discussed as well as the limitations caused by the narrowness of Main Street.

Councilwoman Kelly said she saw the medical offices as going more on the Avert Ferry side of the hospital where there is more room for parking. There was discussion about using zoning designations or overlays, what types of businesses would be on ground floor and what other areas of Town Council would like to encourage apartments. Key interests of Council were:

- Sustainability;
- Economic diversity;
- Residential vs. Commercial (balancing the tax base)
- Long term life-cycle costs
- Efficiency of infrastructure
- Right-sizing lane widths (costs less and slows down traffic)
- Right sizing alleys
- Electric car infrastructure

Council discussed being permissive rather than proscriptive. For example, car charging stations are inexpensive to put in at development, and the market is going to bring more charging stations as more electric cars are on the roads.

Tree preservation was discussed as an issue that needed to be looked at in the UDO rewrite, because the current situation allows counting buffers as tree preservation, which preserves stands of trees but does not meet the spirit of the requirement by preserving character. Similarly, with open space requirements, there should be context-sensitive requirements to allow a range, depending on density or other characteristics, and “open space” should be differentiated from buffer, because open space that cannot be used is not true open space. The impact of parking space requirements on both tree preservation and stormwater management were discussed.

Mr. Lewis said that the next steps were engaging the steering committee, looking at the use table in the new districts, looking at dimensional standards, landscaping, and process. He said that Council would start to see a lot over the next few months, but this code will not meet the 160D deadline. Melissa Sigmund said that our current UDO is not widely out of compliance with 160D so it will remain in place until the new ordinance is approved by Council.

The meeting took a short recess from 2:45 to 3:00 pm.

## **Building the Roadmap Strategic Plan Update**

Corey Petersohn, Finance, reviewed the progress on the Strategic Plan and asked for Council’s feedback on what revisions they would like. He gave an overview of the Strategic Plan process, and an orientation of the hierarchy of vision, priority areas, goals, and initiatives. Daniel Weeks, Assistant Town Manager, and Scott Chase, Assistant Town Manager, gave examples of initiatives that had been challenges in the past year, as well as success stories for each of the five Strategic Priorities.

Mr. Petersohn said that in all 7 initiatives had been completed, 34 were in progress, 2 were delayed, 8 were delayed or otherwise impacted by COVID-19, but none had been stopped or cancelled.

Randy Harrington then discussed sustainability and its evolving importance. Then he asked Mr. Petersohn to outline three existing goals that involve sustainability, one under Engaged, Healthy, and Active Community and two under Responsible and Balanced Growth.

Mr. Petersohn outlined what other local municipalities are doing regarding sustainability, then explained three possible options for how Holly Springs could move in this direction, outlining the advantages of each.

1. Maintain current sustainability capacity and efforts – status quo
2. Create a sustainability position – in-house sustainability expertise
3. Create a sustainability office – higher level certifications and program participation.

Mr. Harrington said that currently the Town does not have the staff expertise to go beyond scenario one; He recommends scenario two, and wants to know how they would like to staff that if it is the will of Council.

It was asked what the cost difference would be between Scenario 2 and Scenario 3. Mr. Harrington said there might be some more operating expenses involved with Scenario 3. Two would be a \$60,000 - \$70,000, midlevel expertise position. There might be some operational expenses if there were specific programs that Council wanted to do. It was asked if Scenario 2 could be a growth path to Scenario 3. Mr. Harrington said it was more focused on building off of Scenario 1. There was discussion about any opportunity for the new Solid Waste Manager to take on sustainability issues. Mr. Harrington said the nature of that job is more management of our crews, and coordination with our contract service. There would be some education involved by this person, but they would not have the time and availability to oversee other sustainability

projects. There was a question about additional costs associated with a new position, such as studies or consulting fees. Mr. Harrington said they had not looked at bringing in consultants or other things for this. There would be some training and material costs and an office. Probably out of the gate, between \$75,000 to \$110,000 to have Scenario 2.

There was discussion about the necessity for a Sustainability Manager because sustainability has implication for every department, and about the Economic Development payoff with sustainability efforts. There was a question about using summer interns, and Mr. Harrington said that we had an intern last summer who did a lot of work, but that report is sitting on a shelf because there is no one to administer it. It was asked in what department the employee would reside, since there are interdepartmental aspects to the job. Mr. Harrington said he thought it would need to be in Administration. The need for analysis, especially for return on investment, was important to Council and this position would facilitate that. Mr. Harrington said staff would put together a few draft initiatives and bring them to Council at a future workshop.

Daniel Weeks suggested two new initiatives under the Economic Prosperity & Diversity Strategic Priorities: create a Downtown Village District Business Consortium for downtown business community to connect and collaborate; and connect strategic partners in the development community that facilitate life science, laboratory and industrial flex space to support growing demand.

Council discussed whether this should be expanded to include the small business community as a whole, and Mr. Petersohn explained that there were other initiatives dealing with all small businesses, that this was to address the unique opportunities and challenges the downtown businesses face. There was a question about the Chamber of Commerce's role, but since they only represent their members and the Town's Economic Development Department represents all Holly Springs businesses, it was felt that they should certainly have a seat at the table, but not be asked to facilitate. Mr. Harrington said he had been approached by some downtown businesses about facilitating something like this. Being a Certified Entrepreneurial Community is something that a group like this could take and run with.

Cassie Hack, Director of Communications and Marketing, presented some new initiatives to elevate the Town's branding profile to increase consistency and professionalism, and to streamline the Town's website to make it easier for residents to gain access to important information, programs, and initiatives. MPT Berry applauded the desire for more consistency.

Daniel Weeks presented some new initiatives under the Safe and Friendly Strategic Priority. He said the Town did a deep dive on these. He said Chief Liquorie was asked to put his stamp on these new initiatives and he did a good job. He expanded upon initiative 1.1 to include organic partnerships with the community, and to increase visibility and interaction with residents, visitors, and business owners. Four new initiatives include investing in data-driven geo-based and analytical policing strategies; enhancing the Police Department's public safety role to supplement and complement responses to medical and other non-law enforcement emergencies; develop multi-disciplinary approaches and partnerships to address social, physical, and mental health issues with the goal of referring residents to organizations with subject matter expertise; and planning for future fire department facilities using historical response trends, modeling, and long-range community growth projections.

It was asked if any of these initiatives included the body cameras. Mr. Weeks said that program would be covered under several of the initiatives. Mr. Harrington said the spirit of body cameras is included in many initiatives, but also when Council has given the go-ahead, staff checks those programs off.

There was a question about whether there was any thought given to bringing other professional on staff to be first responders to deal with non-criminal situations. Fire Chief LeRoy Smith said that there is a Wake County professional they call in when they respond to a mental health emergency, whose job is to make sure the person involved is referred to the correct assistance.

Council wanted to be sure that the emphasis on emergency public safety notifications took priority over other notifications.

### **B. Community Survey**

Cassie Hack, Director of Communications and Marketing, outlined what the Community Survey was, and how the results would be used to benchmark with other communities, for future strategic planning, to pinpoint geographic areas that need attention, and to set budget priorities. She said that ETC Institute had done extensive work in NC, including surveys for Apex, Raleigh, Wilmington, High Point, Mecklenburg County, Durham City and County, and Chapel Hill. She explained the methods they would use, and shared some sample survey questions. She also showed how the results would be communicated back to the Town through maps, graphs, and benchmarking data. She said that with feedback from Council, next steps would be for staff to draft questions in the spring. The survey would launch in the summer or early fall, with results presented to Council next December to help guide budget decision making for FY22-23.

Mayor Sears liked the idea of benchmarking against our neighboring municipalities. Councilwoman Kelly suggested there could be quality of life questions that might bring in the landfill, and asked if there was a place to ask about preferred styles of communication: maybe through church bulletins or other methods for people who are not tech-savvy. She also asked if any of these survey questions ask about how effective the governing body is. Ms. Hack said that Apex asked both of those questions and they could be included. Councilman McGrath suggested Council members each send their top five questions to Ms. Hack for her to correlate, in order to save time as it was after 5:00. It was asked if 400 respondents were enough for a statistically valid survey. Mr. Petersohn said that ETC looks at the responses and if they are not representative they continue to ask for others until they get a statistically valid sample.

The meeting was recessed until 9:00 Saturday, February 6, 2021.

Mayor Sears called the meeting back to order at 9:00 am Saturday, February 6, 2021. A quorum still existed, as the Mayor and five Council members were present when the meeting resumed. The Mayor led the Council in reflecting on the previous day's work.

Randy Harrington, Town Manager, asked if there was anything from yesterday that Council wanted to discuss before jumping into today's agenda. There was not.

### **Managing the Funding Plan**

#### **COVID Impact on Budget and Local Economy**

Irena Krstanovic, Director of Economic Development, shared how the COVID-19 pandemic has impacted the local economy and local businesses. Through various metrics from consumer spending to new business registrations she showed that the impact of COVID-19 was not as dire as had been predicted.

Next, she explained what possible "future impacts" the pandemic might have on the economy, quoting specifically from Dr. Walden's Economic Forecast.

Local economic development efforts, she said, included new investment policies, a COVID-19 Resource page on the website, aggressive recruitment to reach a 70%/30% tax base ratio, and having a Small Business Program Manager as *ex officio* member of the Chamber of Commerce Board of Directors.

There were questions about whether "big box" businesses were impacted in the same ways as small businesses. Ms. Krstanovic said that she talked to a manager at a national chain clothing store. She said that the decision to close that store was made company-wide, even though Holly Springs was the best performing store. We may feel the effect of some of those businesses if the effects on a national level dictate that they close. She said that many of the 400 new businesses are home based, but that creates an opportunity for the Town to provide

ways for those businesses, as they expand, to move into commercial space and hire employees.

## **Potential FY 2021-2022 Budget Considerations**

### **i. Operating Budget**

Finance Director, Antwan Morrison, gave an overview of the budget outlook. He outlined the top four revenue sources and their percentage of revenue over the past two fiscal years, with a projection for next fiscal year. He said the main budgetary impact from COVID was Parks and Recreation program fee revenue, but this was partially offset by reduced Parks and Recreation expenses. There has been no impact to property taxes and sales tax collection has remained strong. Holly Springs has a 99.7% collection rate on property taxes, which is ahead of the statewide average. Property taxes are expected to grow in the 5 -7 % range. More people working from home has decreased the amount of gasoline sold and may affect the Town's Powell Bill funds. Staff is monitoring this closely. He said that while the low interest rates are affecting how much interest-bearing accounts earn, they make it a good time to refinance debt. The Town refinanced three loans over the summer and there is one more that may be refinanced at a later time.

Mr. Morrison said that staff is closely monitoring the US economic situation. There are predications that things will get worse before they get better and staff wants to be conservative in decision making.

Mr. Morrison said that Utility Fund year-end projections are on target, and said that a rate study is in the works to ensure that our rates are set at a point to cover maintenance and operations. This study will take a year to 18 months to complete.

There was discussion about projected revenue keeping up with service delivery needs. Mr. Morrison said that tax base growth can be used for the needed expansion, because as the budget increases, not every expense increases. There was discussion about electric vehicles and their effect on Powell Bill funds. Mr. Schifano said that electric vehicles pay higher ad valorem tax than equivalent gas-powered vehicles, and Mr. Harrington said that the legislature is looking at ways to cover road maintenance that look to the future.

The meeting was recessed for 20 minutes, reconvening at 10:20 am.

Randy Harrington, Town Manager, said that the Chief of Police and Fire Chief would give a preview of what budget investments might be requested in public safety. But first, Antwan Morrison would give a budget outlook.

Mr. Morrison gave a forecast of tax revenue growth and utilities, population growth, and overall budget growth. He gave a forecast on the expense side, including personnel and other operations costs. There will be an increase in debt service, but this has been prepared for in Council's planning in establishing the debt service fund. This fiscal year will see the final payment on some current debt service. He said that these forecasts do not consider any change in the tax rates. The Town is in a strong position, but staff will continue to watch what is going on at the state level and analyze how it will affect the Town.

LeRoy Smith, Fire Chief, gave an overview of some public safety budget items. He said the new fire truck has been delivered and outlined some of its state-of-the-art safety features. It came in under expected budget. He explained how this and the coming aerial truck affect the Town's ISO rating. The new tractor-drawn aerial truck is in progress and it is expected to be put in service by March of 2022. He gave cost estimates, including new personnel needed to run the truck. He gave an overview of other personnel and equipment that might be requested in order to keep the level of service that the Town is used to.

Daniel Weeks, Assistant Town Manager, talked about the benefits of the new potential location for Fire Station 3. This site will receive sewer and water sooner than the other site, and

it will not require the building of expensive retaining walls. Chief Smith said that the driveway onto the road is in a better location, as the originally planned site had the driveway at a curve in the road with limited sight lines. Mr. Weeks said that the Town's control over the architectural style might be lessened in this location, but that the pros outweighed the cons. There was discussion of whether this location would reduce the amount of commercial square footage built by Carolina Springs, and it was said that the fire station was not displacing any commercial that the developer was planning to build. Mr. Harrington said that the area where the fire station was originally sited will be zoned commercial and things could be built there that do not require the same grading that a fire station requires. It was asked if the Town was swapping an equivalent amount of land. Mr. Weeks said that the Town is providing fee credits for the value of what they are providing us, and we may have to provide more fee credits, but construction costs will be less, and there will be shared parking so that decreases the costs also.

Chief Smith outlined goals for the department for the year. They include:

1. begin Center for Public Excellence departmental accreditation process;
2. reduce emergency travel times;
3. enhance the protection of firefighting personnel from occupational hazards;
4. improve departmental data analysis support functions;
5. ensure effective communications and information dissemination during community

crises.

Police Chief Liquorie spoke about the Police Department outlook. He praised the members of the department and said an area that he hopes to improve is clarifying policies. He gave an overview of the body-worn camera program. He spoke about developing a career ladder within the department which leads to better retention and recruitment and improves morale. He outlined potential reorganization and associated service enhancements for the department, including in-house training and better coordination with the state Standards and Training Commission; enhanced investigations for increased focus on complex cases and increased supervision and coordination of narcotics cases.

He outlined some potential new positions, reclassifications, and equipment that would be needed, including a training recruitment and personnel lieutenant, two new traffic officers, and two officer reclassifications to investigator positions. Equipment needs include life safety supplies, analytical and forensic technology, and vehicle replacements. He said his goals and visions for the department would be 1. achieve CALEA accreditation; 2. develop and employ multi-discipline teams and approaches to social issues; 3. continue to increase community engagement and outreach; 4. foster and advance regional cooperation; 5. improve and increase the level of in-house training; 6. incorporate modern technologies, analytics and data-based strategies to more efficiently and accurately defer and solve crimes; and 7. proactively and prudently grow the department to meet the positive development and population growth of the Town.

Questions were asked regarding the cost for the career ladder and whether it would be salary increases for people in the ranks, or new personnel. Chief Liquorie said that he was working with Human Resources to come up with those costs, and it requires further study. But while some would include salary bumps, it would include personnel meeting certifications as well as longevity with the department. He is looking at adding Corporal as a competitive rank with testing involved to obtain it.

Mayor Pro Tem Dan Berry asked, regarding replacement vehicles, if this was a one-year ask at that cost. Chief Liquorie stated he's been working with the Town Fleet Manager and came up with this cost as a one-year expense. MPT Berry further asked if this was included in the fleet overview. Randy Harrington confirmed yes, the Town is overall behind in fleet replacement but has been more aggressive on the Police Department's side, so are not as far behind with them as with the other departments. There was further discussion about the fleet costs, the cost of putting Automatic External Defibrillators (AEDs) in patrol cars, more diverse recruitment into the

department, and additional responsibilities put on the department that once were Wake County responsibilities.

Mr. Harrington outlined what all of these outlooks add up to. He emphasized that the budget hasn't been worked up yet, and this is not the only strategic priority, but that staff will work to balance this with the other priorities.

## **ii. Community Investment Plan**

Corey Petersohn, Finance, said that the CIP is a five-year plan. It will become master-plan driven as those plans are completed. He touched on the Parks and Rec Bond Projects, the Transportation Bond Projects, including some new LAPP grants that are anticipated which would free up some bond funds. He highlighted the Operations Campus, Fire Station 3, and some improvements to the Hunt Center. He discussed potential fleet replacement considerations. In the past the Town was using vehicles until they died, with funding from \$500,000 to \$1 million. Using best practices for a sustainable fleet, vehicles should be replaced more often. The immediate need is for \$4.2 million, due to a backlog. But once that is cleared, it would take about \$2 million annually to sustain the program. There would be some revenue increase due to surplussing vehicles sooner.

Council discussed the pros and cons of paying cash versus financing vehicles, and whether there were any state bid programs that would be worth pursuing. The question was asked whether this was a FY22 item to rectify. Mr. Petersohn said that it would be a multi-year path to reach sustainability. Mr. Harrington said that this is a best-case scenario to get to the sustainability level, but we may need to smooth it out. There was discussion of spreading out the timing or vehicle replacement, investigating alternative-fuel sources, and "right sizing" vehicles so that a large truck is not being driven when a small vehicle would work.

Mr. Petersohn said that future water and sewer capital needs of close to \$80 million over the next five years were identified and staff is looking at ways to fund this need. He talked about the PAYGO fund and what areas that had been funded or would be funded in the future.

Councilman McGrath asked about multi-year planning and what the plan was to meet these types of needs. Mr. Harrington said he was putting these items on Council's radar, not to solve them this weekend, but to start thinking about solutions. He said that the Town's debt affordability model allows the Town to have a better idea of what the affordability of any of these projects would be over the long term.

## **iii. System Development Fee Report/Update**

Kendra Parrish, Executive Director of Utilities and Infrastructure, said that the purpose of this item was to look at a 20-year horizon on infrastructure funding. She said the revenue sources were either new development, or existing rate base. This needs to fund existing maintenance, preventive maintenance, and new construction. She gave the background on system development fees historically. She said that Holly Springs is in the top ten for system development fees, among other high-growth areas. Holly Springs has the highest fees in Wake County, closely followed by Apex and Fuquay-Varina. Cary and Raleigh are able to offer better rates because of their magnitude.

She talked about how the fee is calculated. There are state restrictions on how much can be charged. The maximum fee is \$20,878 per unit. Over the next 20 years the Town will be adding 60% more water infrastructure. The options are 1. The fee remains the same creating a funding gap; 2. Raise to the needed \$20,878 to make the equation work; or 3. Reestablish the fee at \$9,500 for water and sewer and re-evaluate the fee after the completion of the upcoming utility rate study. Staff recommends option 3.

Questions were asked about the implementation of a new fee. Ms. Parrish said it would go into the proposed budget for July 1st implementation, and that the fee is paid at building permit time. The reasons for the funding gap were discussed, including the Town's skyrocketing

growth rate, the costs of running water and sewer across a scattered geographic area, and the size of the Town. Ms. Parrish said that other high-growth municipalities that did not have fees as high as ours were taking on debt in order to finance their growth. She said that historically raising or lowering the fee does not affect the cost of the housing that is built. That cost is market-driven. Mr. Harrington agreed saying that even with our current fees, Holly Springs had the second highest number of housing starts ever this past year.

The timing of the results of the rate study were discussed and it was estimated that it would be ready to go back to Council at their next retreat. Ways that were and were not acceptable for incentivizing behavior by developers were discussed, and it was suggested that the study include looking at some sustainability measures.

Mr. Harrington outlined a few other budget considerations and challenges, including additional staffing needs to service a growing population; maintaining yard waste level of service; a housing study and Village District area plan update; 311 customer care investments; a Townwide pay and position classification study; and technology investments.

Councilwoman Kelly said she would like the Town to consider art and streetscape issues in the Village District Area. Mr. Harrington said that is a prime opportunity area for those types of components. Some communities have 'streetscape programs' for walking areas which is a good opportunity to do some of those things.

### **Open Discussion**

Councilman Wolff asked about reinvigorating the Arts Council and reintegrating it with the downtown program. He would be interested in reaching out to them. Mayor Pro Tem Berry said it was worth a discussion of what the Arts Council was in the past, and whether it was town-sponsored, or town funded, or independent. He said it was worth a 30-minute discussion.

Councilman McGrath would like to hear how other municipalities leverage other people's money. He also would like to know more about life-cycle costs driven by retirement and how other government agencies handle that. Mr. Harrington said that North Carolina has one of the strongest retirement systems in the nation, and one reason for that is that everyone has to be in the same system. There can be some long-term costs in other pension benefits, such as medical.

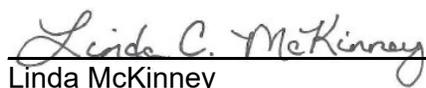
Councilman McGrath asked if we had an expectation on when we will get the Census results. Mr. Harrington said that as soon as we get them staff will share them with Council.

MPT Berry said that he would like to carve out time at future workshops to keep Council updated on the UDO work as that evolves. He would like to hear more and sooner, rather than waiting for final approval. Mr. Harrington said there will be Friday briefings on the progress, but Council could also have dedicated workshops on that topic.

### **Adjournment:**

Motion to adjourn was made by Councilwoman Kelly seconded by Councilman McGrath and passed with a unanimous vote. The 2021 Annual Retreat of the Holly Springs Town Council was adjourned at 12:30 pm, Saturday, February 6, 2021.

Respectfully Submitted on Tuesday, February 16, 2021.

  
Linda McKinney  
Town Clerk