



MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, May 11, 2021 in the Council Chambers and via video conferencing. Mayor Pro Tem Berry presided, calling the meeting to order at 6:00 p.m. A quorum was established as the five Councilmembers were present as the meeting opened.

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

Council Members Absent: Mayor Sears.

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; Jeff Wilson, IT Director; Kendra Parrish, Executive Director of Utilities and Infrastructure; Erika Phillips, Director, Human Resources; Corey Petersohn, Finance; Antwan Morrison, Director, Finance; LeRoy Smith, Fire Chief; Paul Liquorie, Chief of Police; LeeAnn Plumer, Director, Parks and Recreation;

Staff members Present Remotely: John Schifano, Town Attorney;

2. Recommended Budget Presentation

Randy Harrington, Town Manager, presented the proposed 2021-2022 Operating and Community Investment Plan Budget. He said there are a lot of moving pieces in a budget of approximately \$73 million, so he is going to hit highlights tonight. He said the key takeaways were that it reflects strong economic growth. We have averaged 6% growth over the last five years, and the community has been extremely resilient over the past year of COVID. The budget would invest in 38 new staff positions to service residential and nonresidential growth, development related work demand, and other strategic initiatives. He said that no property tax rate change is recommended, and there is a recommended reduction in the refuse collection fee. There were also funds identified for enhanced public safety response investments.

He showed how the increase in town full-time employees has compared to the growth in town population, and outlined the Town's Strategic Plan and how it guides the recommended budget.

Mr. Harrington showed graphically where Town revenues come from, and where the money is spent. He showed how the operating budget is divided between the General Fund, Utility Fund, Stormwater Fund, Other Governmental Funds (which includes Powell Bill, 911 and other funding from the state), General Fund Debt Service, and Utility Fund Debt Service. He then showed a video of staff across varying departments sharing how recommended budget changes would allow them to improve Town services. The new expenditures were highlighted by strategic priority area, first with the General Fund, Utility Fund, and Stormwater Fund, and then with the Community Investment Plan.

Mr. Harrington showed how much sales tax revenue has grown since 2013 with projections for FY22. He said that Council was smart to adopt a conservative projection for sales tax in this fiscal year. But there has been higher consumer spending than expected. He said that sales tax in the current fiscal year was not hurt as much by COVID as anticipated. He showed that total property valuation since FY12 has grown from just over \$3 billion to over \$6.5

billion projected for FY22. Compared to the 12 municipalities in Wake County, Holly Springs property tax rate is just under the average rate. Mr. Harrington said that he recommends that the water and sewer access fee increase by a total of one dollar, (50 cents each) from \$25.00 to \$26.00, which would help cover the debt service. He recommends that the volume rate increase 82 cents, to partially cover inflationary impacts. He said that Holly Springs water/sewer rate is 7-9% lower than other utility customer averages within a 50-mile radius, a 100-mile radius, and statewide.

Mr. Harrington said that in public safety, the Police Department is working on an organizational realignment and fine-tuning of deployment. The realignment will help the Police Department today, and also in the future. There is an emphasis on training, and a new “trainee” classification that would help boost recruitment. He said that the new trainee classification removes barriers for recruiting talent by allowing trainees to be paid a stipend to attend training with a commitment to then work for Holly Springs. He said that the site for Fire Station 3 is being finalized and work on the design is anticipated. He said the recommended budget includes studies including a Village District Area Plan update, a housing study, and an Employee Pay and Classification Study.

In conclusion, Mr. Harrington said that the proposed fee adjustments would increase the typical resident’s utility bill by \$1.84 per month, or 6 cents a day. He showed a breakdown of taxes and fees by three different home values: \$100,000 home, \$357,287 home, and a \$450,000 home. He reiterated the key takeaways of strong economic growth, investment in 38 new staff positions, no property tax rate change, and a reduction to the refuse and recycling collection fee, and enhanced public safety response investments. He thanked the Department Directors and their staff for the work they have done in creating the recommended budget. He thanked the Communications and Marketing team for the great video they produced. He thanked the Assistant Town Managers for their work, and the Finance team, especially Antwan Morrison, Finance Director, and Corey Petersohn, Budget, Innovation, & Strategic Initiatives Manager, who do the heavy lifting to make sure this is a balanced budget that meets the needs of Holly Springs. He thanked Council for their clear vision and leadership which enabled him to create this proposed budget.

He said that next steps were the public hearing at the Council’s May 18th meeting at 7:00 pm in the Council Chambers, where members of the public can voice their opinions in person or by email to the Town Clerk, and the Council Budget Workshop on May 25th at 6:00 pm at the Law Enforcement Center. The budget would then be adopted at the June 1st Town Council meeting, at 7:00 pm in the Council Chambers. He said the proposed budget could be found on the website or by contacting the Clerk’s office.

MPT Berry thanked Mr. Harrington and the Department Directors for their work in preparing the budget.

3. Closed Session: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(3) to discuss an economic development issue.

Motion by: Villadsen

Second by: Kelly

Vote: Unanimous

General Account of Closed Session:

Irena Krstanovic gave Council an update on an Economic Development item.

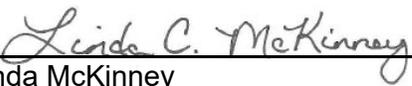
-End of General Account

Motion to return to open session was made by Councilman Wolff seconded by Councilman McGrath and passed with a unanimous vote.

4. Adjournment:

Motion to adjourn was made by Councilman Wolff seconded by Councilman McGrath and passed with a unanimous vote. The May 11, 2021 workshop meeting of the Holly Springs Town Council was adjourned at 7:00 pm.

Respectfully Submitted on Tuesday, May 18, 2021.



Linda McKinney
Town Clerk