



Friday, March 5 through Sunday, March 7, 2010

MINUTES

The Holly Springs Town Council met in a duly-called special meeting for its annual Winter Retreat in three sessions from Friday, March 5, 2010 through Sunday, March 7, 2010, at Pinehurst Resort in Pinehurst. Mayor Dick Sears presided at all sessions, calling members to order at 7 p.m. Friday, March 5; at 8:30 a.m. Saturday, March 6; and at 9:15 a.m. Sunday, March 7. A quorum was established for each session.

Friday evening Board Members Present: Councilmen Jimmy Cobb, Parrish Womble, Chet VanFossen and Tim Sack, Councilwoman Linda Hunt Williams and Mayor Sears.

Saturday and Sunday Board Members Present: Councilmen Jimmy Cobb, Parrish Womble, Chet VanFossen and Tim Sack, Councilwoman Linda Hunt Williams and Mayor Sears.

Staff Members Present at the Friday Session: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; Stephanie Sudano, director of engineering; Len Bradley, parks and recreation director; Amy Moore, director of water quality; Cecil Parker, fire chief; and Jenny Mizelle, economic development director.

Staff Members Present at the Saturday Sessions: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; Jenny Mizelle, director of economic development; Gina Clapp, director of planning and zoning; Stephanie Sudano, director of engineering; Len Bradley, director of parks and recreation; Amy Moore, director of water quality; Cecil Parker, fire chief; John Herring, police chief; and Drew Holland, finance director

Staff Members Present at the Sunday Session: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; and Len Bradley, director of parks and recreation.

The purpose of the meeting was to hold a winter retreat to focus discussion on several Town projects and issues as described in the summary below. The summary serves as the minutes of the 2010 Holly Springs Town Council Retreat.

2010 Holly Springs Town Council Retreat Summary

Friday Evening – Economic Development Initiatives; Western Wake Partnership; and Non-Capital Project Objectives of the Council

Economic Development Initiatives – Ms. Mizelle shared with the Council a strategic work plan she had devised following the recent Emerging Issues forum. She proposed new economic development initiatives for her office with the following goals:

- Attract young professionals who want to invest their time, talent and treasure in the community;
- Interact closely with middle schools and HSHS to enhance career education;
- Support and encourage entrepreneurship; and

- Develop a new brand for the Town for the next decade.

With those goals in mind, Ms. Mizelle listed several objectives that could be set and attained that would help the Town reach its goals. Her workplan includes such tasks as seeking grants for programming and technical assistance; researching the feasibility of business incubators / executive office suites in Holly Springs; and developing a resource guide for entrepreneurs and small businesses.

In order to pursue these challenges, Ms. Mizelle said, she would delegate much of the economic development department's activities to Irena Krystanovic, the town's economic development coordinator. She said Ms. Krystanovic is more than capable of handling all types of non-residential projects needing assistance from the Town. This would provide Ms. Mizelle the time and focus to prepare Holly Springs for the next decade of development.

Consensus of Council: For Ms. Mizelle to proceed with her proposed work plan.

Western Wake Wastewater Treatment Plant -- Ms. Moore, Ms. Sudano and Mr. Dean discussed with the Town Council that the State of North Carolina has issued speculative limits to the Town for a discharge into Harris Lake. This increases the likelihood that the Town could receive a National Pollutant Discharge Elimination System (NPDES) permit to discharge into Harris Lake and/or Utley Creek.

If this were to happen, the Town could remove itself from the Western Wake Partnership and save millions of dollars in providing wastewater treatment facilities in the future.

With this possibility, staff and management sought Council's direction as to how the town should proceed.

Consensus of Council: Agreed with staff that the Town should retain its participation in the Western Wake Partnership for the moment but still pursue its own future with a potential discharge into Utley Creek. The Town should prioritize its capital projects to accommodate both avenues until a State decision on the Town's ultimate discharge is rendered.

At this time, 11:15 p.m., Council agreed that the late hour prohibited productive work on remaining agenda items for the evening. These items, collectively called non-capital project priorities of Council, were rescheduled to resume on Sunday morning.

Action: The Council approved a motion to recess the meeting until the following morning.

Motion By: VanFossen

Second By: Sack

Vote: Unanimous

Saturday Morning – Capital Improvement Project Priorities

The Winter Retreat of the Council resumed Saturday morning with the aforementioned quorum and staff members present. The Saturday morning discussion was focused upon listing and prioritizing capital improvement projects in both the General and Utility Funds.

The Council received their 2010-2015 Capital Improvements Plans, and Mr. Holland distributed a list of projects identified by staff as priority. An on-screen chart contained the Council's priority projects.

After much discussion, the Council reached a consensus on top priorities on which staff and management should focus in the coming two years. The following tables illustrate (in no particular order) the top projects selected, their CIP project numbers; a description; estimated cost; and Council discussion notes.

<i>Project Name</i>	<i>Project CIP #</i>	<i>Description</i>	<i>Cost</i>	<i>Council Consensus</i>
General Fund				
<i>Bass Lake Park Phase 3</i>	CR-11-01	completion of the 10-acre parcel with a picnic shelter, parking lot and sidewalk to the main parking lot	\$190k	It is important to complete the loop around the lake and the parking lot. Council would like a picnic shelter with restrooms, but Town may have to consider phasing the project in for municipal services or installing well and septic.
<i>Greenway trails</i>	CR-05-02 and	Greenway system throughout town and	\$1.69m	Complete as is practical. Residents like to see progress in this area.
	CR-10-01	Bass Lake sewer outfall greenway	\$190k	Complete as is practical. Residents like to see progress in this area.
<i>Piney Grove-Wilbon / Ralph Stephens Loop Road connection</i>	TR-08-04	Road extension of Ralph Stephens to connect PG-W with Hwy. 55. Will relieve traffic on Avert Ferry Road.	\$4.25m	Must do this
<i>Bass Lake Road Sidewalk</i>	TR-06-01	8-foot wide sidewalk from Earp Street south to Bass Lake Park to accommodate walking, biking traffic.	\$710k	To save money and to respond to property owner concerns, build eight-foot sidewalk from Earp Street o Olde Mills Lake and then reduce down to five feet.
<i>New Public Works Facility</i>	GG-09-01	New facility that would allow Town to sell its property on Irving Parkway to expanding business.	\$2m	Do it and make build-out last well into the future, contingent upon sale of property and actual cost projections' being accurate.
<i>New Police Station Annex</i>	PS-12-01	New facility for staff and programs, which are out of space now	\$2.8 m	Locate police sub-station at New Hill Place with its own purpose; and explore options for solution to serve HSPD into future; conduct a needs analysis.
<i>Buy Additional Park Land</i>		The purchase of land to serve as future parks would have to be identified based on its usability.	\$5.79m	Town will pursue if bond referendum is selected as a funding option.

<i>Project Name</i>	<i>Project CIP #</i>	<i>Description</i>	<i>Cost</i>	<i>Council Consensus</i>
Utility Fund				
<i>Friendship Road Site</i>	WS-09-04 A&B	Extension of water, sewer and reuse lines along New Hill Road to the certified site on Friendship Rd,	\$5.56 m	The design is done; construction drawings are almost done; grant funding could be available if project comes along.
<i>HSBP Reuse Lines</i>	WS-10-09	Extend reclaimed water lines into Holly Springs Business Park	\$130,000	The Public Works Department put reuse lines in along Thomas Mill and irrigation lines on Irving Pkwy; project would improve appearance of HSBP; right of way irrigation; protects capacity; good return on investment
One of the following two project groups will be necessary:				
Regional Partner option				
<i>Western Wake Reclamation project*<i>I</i></i>	WS-05-07	Apex, Cary, Holly Springs partnership to build regional wastewater treatment plant	\$15.66 m	HS portion of project is just effluent line from the plant to discharge; participation is not most cost-effective solution; Council agrees to keep it on the radar screen and participate; may not be necessary
<i>Pump Station to the Regional Plant</i>	WS-07-02	Pump station will be needed to pump effluent to the plant where it will be further pushed to discharge	\$13.95 m	Will not be necessary if town gains Harris discharge.
<i>Sludge Facility</i>	WS-11-03	Facility to help Town process by-product solids from wastewater treatment	\$1.5 m	Will be needed in either event
Harris Discharge option				
<i>Decant Clarifier</i>	WS-11-02	Plant upgrades including decant clarifier, sludge facility	\$9 m	Savings over Western Wake Partnership
<i>Outfall to Harris Lake</i>	WS-	If necessary, outfall to Harris Lake	\$7.5 m	Savings over Western Wake Partnership

Projects not making the top priority lists are not necessarily put aside, Mr. Dean said, but he wanted Council members to understand that these projects will be initiated as it becomes possible and practical. He asked Council to keep in mind that staff focus will be upon the projects that are enumerated on the list.

Other projects will be initiated as much as possible according to the schedule outlined in the CIP.

Rounding out Council discussions before a lunch recess, members talked about some other of their priorities that are not of the capital project variety.

Council agreed the Town should:

- investigate and possibly prepare for a parks and recreation bond referendum in the future, provided the Town can afford it and provided it would not require a tax increase;
 - plan for adding public transit access to RTP / Raleigh;
- Specific Direction:** Council directed that a meeting be scheduled with Triangle Transit

Authority to point out how future service maps seem to ignore Holly Springs.

- increase interaction with Progress Energy regarding land uses;
- replace the uncomfortable seats in the Cultural Center theater;
- encourage expansion within business park;
- clarify appointment / removal of members to / from boards;

Specific Direction: Staff should prepare a UDO amendment to eliminate “excused” and “unexecuted” references to absenteeism on the Planning Board and Board of Adjustments. Council said absenteeism, including leaving meetings early or arriving late, has an accumulative impact.

The Council also discussed the Holly Springs Parks and Recreation Advisory Committee, which inexplicably screens its own membership applications and recommends appointments to the Town Council.

The ordinance that created the committee states that applications will be submitted to the Council for appointment, just as other boards are appointed.

Action: The Council approved a motion that the Holly Springs Parks and Recreation Advisory Committee begin following ordinance and fill vacancies by forwarding applications directly to the Town Council.

Motion By: Sack

Second By: VanFossen

Vote: Unanimous

- standardize grant program criteria;

Specific Direction: Policy should be amended to include language that funding must benefit Holly Springs residents in a direct way and that a committee of Council members would review applications and make recommendations to the Council as a whole.

Action: The Council approved a motion to appoint Councilman Cobb to chair a committee to review grant applications for the next round of grants.

Motion By: Sack

Second By: VanFossen

- check with Wake Technical Community College and gauge interest in possibly siting a physical location in Holly Springs.
- be aware of the impacts that could result from changes wrought by the Wake County Public School System Board of Education.

At this time, 12:00 p.m., Council recessed the meeting for lunch. At 1:30 p.m., the Council reconvened, and a quorum was established.

Saturday Afternoon – Capital Project Funding; EMS; Transportation Improvement Plan

Mr. Dean asked now that the Council has identified a Capital Project Work Plan for the next two years, how is the Town going to pay from them?

Mr. Holland provided and explained his annual study among municipal rate structures and how Holly Springs stacks up. He and Mr. Dean also explained how current debt on capital projects installed years ago impact water and sewer rates today, and they explained the net effect on those rates if the Town is to pursue installment financing and/or bond funding for new projects.

Mr. Dean pointed out that some projects should be / could be funded from the regular operating budget because not all projects require installment financing.

During discussions, Council fielded the following questions:

- How would a bond referendum benefit the Town in meeting its Capital Improvements objectives?
- What effect would that have on rates and/or property taxes?
- If the Town has a bond referendum, should other projects that are not in the CIP (intersection improvements on state roads, for example) also be included to make it worth the effort and expense?
- How much would a bond referendum cost?
- How long would it take?

Mr. Dean reported that for every \$5 million in bond authority, the Council would need to raise the tax rate one penny. In discussion, Council members agreed that they would not be in favor of financing that would increase the property tax rate, so a bond referendum was likely out of the question; however, the consensus was that the prospect merited further study.

Council decided to retire the subject for the afternoon and renew discussions on Sunday morning.

EMS -- Wake County has left Holly Springs with two choices: a system whereby the County

assumes full control of EMS in Holly Springs, and full control of revenues; or a system whereby the County would share control of EMS in Holly Springs.

In the shared system, the Town would provide an ambulance and an EMT assistant to the county paramedic. The Town would collect all revenues, but would reimburse Wake County some \$177,000 for the paramedic services. The remaining \$150,000 collected would remain in Holly Springs, paying for local salaries and operating costs.

In the County-controlled system, the Town would provide only space in its fire station for the county vehicle and personnel. All revenues would be retained by the county, which would provide all EMS at no cost to the Town.

It is important to note that the dollars in question are not tax dollars paid by all residents... but insurance proceeds from those who use the system; therefore, both options are at no cost to the taxpayers of Holly Springs.

In running various scenarios, town management predicted an operating loss in the Town-run option and a slight positive cash flow to pay for utilities in the County-run option.

Asking for a roll call vote, Mayor Sears determined that Councilmen Sack and VanFossen and Councilwoman Williams favored the County-run option, although Councilwoman Williams said she would change her vote of Wake County would not guarantee that Holly Springs would be designated a key station where an ambulance always would be stationed.

Councilmen Womble and Cobb favored the Town-run option.

Mr. Dean said the County would provide the two agreements and a side-by-side comparison would be provided for the Council at a regular meeting in April.

Transportation Plan – Ms. Sudano explained that there is a significant need to develop a Transportation Plan for the Town of Holly Springs. The plan would encompass and plan for all components of transportation, and is proposed to:

- Replace the Town's Thoroughfare Plan which was approved in 2002;
- Provide Pedestrian, Bicycle, and Transit plan components as well – the Town does not have these plans in the format needed at this time;
- Become part of the Town's Comprehensive Planning document;

This project has been requested in the annual budget and/or CIP for many years; however, other projects have taken precedent with respect to funding. Although this project would cost money during a time when funds are scarce, the Town would reap benefits that far outweigh the expenditure. There are many advantages for undertaking development of an updated Transportation Plan at this time:

- Holly Springs would have a plan that supports and guides transportation components of new development in a manner consistent with the Town's current Comprehensive Plan;
- Holly Springs would continue to be able to attract new development based upon current and up-to-date transportation planning;
- Developers would have a clearer understanding of requirements when they develop in those areas that are outside the current Thoroughfare planning boundary, as the new plan proposes to include those areas;
- Professional service costs for this project would be less at this time (because of the economy);
- A task would be included in the project to master plan key intersections in Town so that the necessary right of way for future critical improvements can be preserved based upon actual need; this would save the Town significant dollars in the future (in right of way acquisition and alternative construction methods);
- Holly Springs would have an up-to-date plan with an equivalent level of technical expertise as all other Wake County towns; over the past 10 years, all other Towns have updated their plans based upon more modern technical criteria, modeling, public input, consideration of regional concerns (necessary as we compete in the region for funding), and multiple modes of transportation;
- Holly Springs would have a plan that provides a strong technical basis for requesting projects to be added to the regional MPO's plans and/or requesting funding for projects from NCDOT and/or the MPO;
- Holly Springs would have a guideline to use for funding - and for requesting funding - for transportation projects;

- The plan would strengthen Holly Springs' requests for project recognition and funding at an NCDOT and MPO level;
- This project is strongly supported by all other department heads.

There are also many disadvantages for NOT undertaking this project at this time:

- Holly Springs continues to miss out on opportunities to strongly advocate and gain support for certain projects at the MPO level due to the lack of technical expertise behind the current plan – (transportation planning has become more technical in nature over the past 10 years); this impacts funding as well as regional support of local projects important to Holly Springs;
- Holly Springs gets behind in right of way reservation as development occurs, when right of way costs average 50% of transportation project costs (the cost of development of this plan could easily be recouped with the savings from purchasing right of way on one transportation project);
- Holly Springs does not have a transportation plan that supports development in accordance with its Comprehensive Plan;
- Holly Springs does not have a transportation plan that incorporates other modes of transportation (bicycle, transit, pedestrian);
- Holly Springs' plan continues to NOT be recognized as a technical and up-to-date document for the purposes of influencing regional transportation decisions in our area;

Consensus: Council members agreed that would support this item's being included in the upcoming FY 2010-11 budget at a cost of less than \$100,000.

Action: The Council approved a motion to recess the meeting until the following morning.

Motion By: VanFossen

Second By: Sack

Vote: Unanimous

Sunday Morning – Capital Project Funding; Grant Review, Legislative Agenda, HSTV-11

Grant Review Committee – Councilwoman Williams said she would be interested in serving on the grant application review committee. As chair, Mr. Cobb agreed that she and he would make up the committee.

Direction: A policy should be written to establish the review committee made up of two Council members to serve for two years and to be appointed during each organizational meeting. Council agreed that Councilman Cobb and Councilwoman Williams would serve as the committee from now until the next organizational meeting.

Bond Referendum -- Mr. Dean reminded Council that the Town was going to have to borrow \$10 million this year to finish paying for the expansion of the wastewater treatment plant. He reminded them, too, that structured rate increases over the years have been implemented in order to pay for the project.

He said it would be his position that if the Town is to pursue a bond referendum that it be used for as much debt load as the Town could absorb. He said a one-cent tax rate increase would raise \$280,000, which be the annual debt payment on \$5 million.

In other words, Mr. Dean said, for every \$5 million in bond authority, the tax rate would have to increase a penny.

In another finance maneuver, Mr. Dean explained that the State had agreed to reimburse the Town early for the Green Oaks Parkway project. He said the sizeable state contribution toward the project would improve the Town's financial situation by allowing the Town to either pay toward long-term debt or to pay off short-term debt, which would improve cash flow.

Direction: Council is interested in looking more closely at the funding of various projects, given all the variables and possible impacts on residents. The members asked management to compile a bond referendum packet, complete with possible outcomes, and to schedule a workshop on the topic for later in the year.

Legislative Agenda -- Each year, the Town provides State representatives in the Wake Delegation a list of projects the Council would like to see addressed in the coming legislative session.

The House and the Senate convene on May 12. Retreat discussion resulted in the following items to be included in this year's Town of Holly Springs Legislative Agenda:

Safeguards for municipal revenues; design build; post-development road improvement reimbursements; Internet sweepstake casino cafes; Web site legal notices; group homes legislation; and law to regulate the distribution of phone books.

Insurance -- Council briefly discussed the Town's provision of health insurance and whether that coverage includes elective procedures such as elective abortions. Mr. Dean said the coverage does include the procedure, along with a long list of other elective medical procedures. He said, regardless of political positions at this time, the Town is bound by contract through June 30.

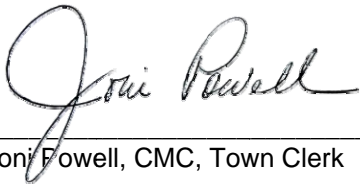
HSTV-11 – Ms. Powell noted that the television station is up and running and now that staff has acclimated themselves to the demanding workload, they are looking at developing new opportunities. She said local businesses have inquired about advertising on the station. While commercial programming is prohibited by the Time Warner franchise agreement with the Town, there is no prohibition against a business' sponsorship of programming.

Ms. Powell asked Council for direction on whether HSTV-11 should amend its operating policies to allow commercial sponsorships and community bulletin board services.

Direction: Council agreed that the station's policies and procedures should be amended to allow commercial sponsorships of programming and community news services.

Adjournment: There being no further business for the weekend, the 2010 Winter Retreat of the Holly Springs Town Council was adjourned following a motion by Councilman Womble, a second by Councilman Sack and a unanimous vote.

Respectfully Submitted on Tuesday, June 1, 2010,



Joni Powell, CMC, Town Clerk

