



**April 30, 2012**

## **MINUTES**

The Holly Springs Town Council met in a duly-called special session on Monday, April 30, 2012 in the Holleman Room of Holly Springs Town Hall, 128 S. Main Street. The stated purpose of the special meeting was to hold a discussion and work session on the proposed FY 2012-13 town budget, specifically as it relates to options for the tax rate. Mayor Dick Sears presided, calling the meeting to order at 5:40 p.m. A quorum was established as four Council members were present as the meeting opened.

**Council Members Present:** Mayor Dick Sears and Councilmen Jimmy Cobb, Chet VanFossen and Tim Sack and Councilwoman Linda Hunt Williams. (Councilwoman Cheri Lee arrived at 5:45 p.m.)

**Council Members Absent:** None.

**Staff Members Present:** Carl Dean, town manager; Chuck Simmons, assistant town manager; John Schifano, town attorney; Joni Powell, town clerk (recording the minutes); Linda Harper, deputy town clerk; Len Bradley, director of parks and recreation; Luncie McNeil, director of public works; John Herring, police chief; John Dee Jones, assistant fire chief; Seann Byrd, public utilities director; Jeff Wilson, information technology director; Drew Holland, finance director; Daniel Weeks, project analyst; Jenny Mizelle, economic development director; Gina Clapp, director of planning and zoning; Stephanie Sudano, engineering director; Erika Phillips, human resources director; and Mark Andrews, public information officer; .

**Others Present:** various staff members and members of the Holly Springs Parks and Recreation Advisory Committee

Mr. Dean explained that the Town is looking to accomplish up to \$20 million in parks and recreation improvements over the next several years, following the Nov. 8, 2011 bond referendum in which voters approved the bond issue.

He outlined the capital projects that are included in the current proposed budget that he believes would not necessitate a tax rate increase and would be balanced based on a .415-cent per \$100 value.

Mr. Dean then explained that the Council could divide the some \$20 million in parks and recreation projects into a number of phases, with each phase carrying a respective tax rate increase. He outlined each of the scenarios. In example, the Council could authorize a 1-cent tax rate increase that would provide enough revenue to pay the debt on approximately \$5 million in park improvements.

The potential cost to residents, Mr. Dean said, could be illustrated by the average home sales price in Holly Springs of \$272,000. Using that figure, a taxpayer would pay an extra \$27.20 per year in taxes with a one-cent increase to the tax rate; \$54.40 with a two-cent increase; and \$95.20 per year with the three and a half-cent increase.

The end-result of any tax rate increase would be an improved quality of place that benefits the community and attracts the businesses and non-residential development that even further improves the community.

Mr. Dean noted that while the proposed budget is balanced without a tax rate increase and without using fund balance, there is one parks and recreation capital project in the budget,

the completion of Bass Lake Park.

Mayor Sears said what the Council believes the Town needs and what the Town wants needs to be determined. He added that other municipalities in county are contemplating tax rate increases. He said he, personally, was comfortable with two cents because it raised enough revenue to make substantial park improvements.

Councilman Sack said he would be comfortable with two or three and half cents in order to keep and improve the Town's quality of life and to get park projects that have been delayed for decades done.

He added that park projects have been put aside while the Town tackled more pressing needs over the years. He noted that the Town has good access to water and sewer for the next 30 years and it is now time to give residents park improvements.

Councilman VanFossen noted that the Town saved at least \$40 million in the wastewater treatment plant expansion project. He said the Council always strives to be responsible with public funds. He said he promised that he would never vote to raise taxes unless it was put out to a vote of the people. We did, he said, and the voters approved it. He added that he has no dilemma about raising the tax rate because he feels the majority of voters have authorized it. He said he would support a two-cent increase with a bit of tweaking to the project list to get as much for the money as possible. He added that he would also consider support of two and half cents.

Councilwoman Williams said she would not support any tax rate increase. Instead, she said, she would support incremental increases in the budget to include parks and recreation projects paid for out of the General Fund. She had said that she had heard from voters who said they supported the bond issue because they believed there would be no increase in the tax rate. She pointed out that the Town does have park facilities and programs and could make do for a while until the economy is stronger.

Councilwoman Lee agreed and said she was more interested in seeing the Town provide police stations and streets over park facilities.

Councilman Cobb said he wanted the Town to keep its parks system top notch, and growth will not generate enough revenue to do the kind of improvements that are needed. He said he was very comfortable supporting a penny tax rate increase, which would provide revenue to get some park plans completed and not be a tremendous financial burden for most.

Mayor Sears allowed some comments from the floor, although the meeting was not in the public hearing form.

Peter Hewitt - Mr. Hewitt addressed the Council to say that he understands the bond referendum floated the bond issue but he does not understand why the tax rate is being increased now. He said he thought it would be later.

Kevin Adams - Mr. Adams addressed the Council to say - as a resident and as a member of the Holly Springs Parks and Recreation Advisory Committee - he would support a tax rate increase. He said master plans for several parks have been generated over the past few decades, and none of them are completed. Current facilities are maxed out, he said, and the Town actually needs a total of \$40 million in park improvements. He added that he is proud that the \$20 million bond passed and he feels residents who voted for it understood the tax rate implications.

John Treadway - Mr. Treadway addressed the Council and said he was disappointed that no growth plans for United Methodist Church were initially considered in the master planning of the Mims property into a park; he is disappointed in the superstreets plan (unrelated to parks); and he was for the bond referendum but was told very clearly there would be no tax rate increase.

After much discussion, Councilman VanFossen phrased an idea: That the town manger plan for a proposed budget without a tax increase, and the council will add parks and recreation projects to be funded by a tax rate increase, if any, afterward.

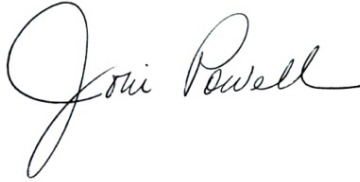
Mr. Dean said, then, he would present his recommended budget, representing the operations of the Town in FY 2012-13 without an increase in the tax rate. He said he would present the proposed budget at the May 15 meeting of the Council. A budget workshop will be

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held afterward, and a public hearing will be held on June 5.

**Adjournment:** There being no further business for the afternoon, the April 30, 2012 special meeting of the Holly Springs Town Council was adjourned following a motion by Councilman Sack, a second by Councilman Cobb and a unanimous vote.

Respectfully Submitted Tuesday, July 3, 2012,



\_\_\_\_\_ Clerk

these minutes follow and are a part of the official record.

