



Nov. 13, 2018

## MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, Nov. 13, 2018 in the Holleman Room of Holly Springs Town Hall, 128 S. Main Street. Mayor Sears presided, calling the meeting to order at 6 p.m. A quorum was established as the mayor and five council members attended.

**Council Members Present:** Mayor Sears, Councilmen Dan Berry, Tom O'Brien and Peter Villadsen and Councilwomen Christine Kelly and Cheri Lee.

**Council Members Absent:** None

**Staff Members Present:** Randy Harrington, town manager; Daniel Weeks, assistant town manager; John Schifano, town attorney; Joni Powell, town clerk (recording the minutes); Mary Hogan, finance director; Tina Stroup, accounting finance manager; Patty Dressen, assistant finance director; Melissa Sigmund, principal planner; Adam Huffman, interim parks and recreation director; Kendra Parrish, engineering director and acting assistant town manager; Sean Ryan, planner; and Gina Clapp, planning director.

**Quest Present:** Ted Cole, Davenport & Company.

Mr. Harrington welcomed everyone and reviewed the Nov. 13<sup>th</sup> agenda, which included the following.

**2. Future Land Use & Community Character Plan Update** – Ms. Sigmund provided an overview of two stakeholder engagement opportunities included in the Future Land Use & Community Character Plan Update: specifically stakeholder interviews and public advisory committee.

Ms. Sigmund gave a brief overview of the project framework and components and identified the individuals to participate in in stakeholder interview / think tank citizen's advisory committee.

Ms. Sigmund reviewed the community engagement schedule beginning in January, 2019 ending fall 2019.

Council Members provided their feedback on the categories of who should participate in the stakeholder interviewees and categories of who should serve on the Think Tank – Community Advisory Committee.

**Action:** Council provided guidance regarding structure for public advisory committee and stakeholder interviews.

**3. Tree City USA: Tree Advisory Committee Ordinance** - Ms. Clapp said staff has advertised for membership on the new Tree Board and received applications.

Ms. Clapp said the first step to form the Tree Board is to amend Town Code. She reviewed the proposed Tree Board ordinance with the Council Members.

Council Members suggested amendments to the draft and agreed to rename the Board to "Tree Advisory Committee."

**Action:** Council provided guidance to staff on membership and terms of service and draft Tree Board Ordinance and rename the committee to Tree Advisory Committee.

**4. Parks and Recreation Investments** – Mr. Harrington asked for feedback from Council regarding the types of projects to move forward with the priorities of the P&R projects.

Councilman Berry asked to discuss the financial parts of the parks and recreations bonds / transportation bonds.

Mr. Ted Cole of Davenport and Company spoke of the \$8 million parks and recreation GO Bonds FY 2020. He reviewed the proposed tax supported debit services, proposed principal, key debt ratios and debt affordability analysis reports. *Copies of tax supported debit services, proposed principal, key debt ratios and debt affordability analysis reports are attached to these minutes as addendum pages.*

Mr. Huffman provided a few different options for expenditure of unissued 2011 P&R bond funds. P&R financial information will be shared in light of the recent transportation bond vote.

He review the FY 2017 revenues and expense ratio of State comparisons of the UNC School of Government benchmarking projects. Holly Springs is in the 39.2% revenue/expense ratio.

Mr. Huffman reviewed the following scenarios with the Council:

**Scenario A: Priority on Parks \$10 Million**

**Parks**

- Park West of 55 - \$8,625,000
- Dog Park at Existing Park - \$100,000

**Greenways**

- Utle Creek Greenway - \$700,000 (.6 miles)
- Woodcreek Pedestrian Underpass - \$325,000

**Facilities**

- Minor Improvements - \$250,000

**Scenario B: Priority on Greenways \$10 Million**

**GREENWAYS**

- Utle Creek Greenway - \$700,000 (.6 miles)
- Woodcreek Pedestrian Underpass - \$325,000
- Holly Glen – Target - \$2,600,000 (1.3 miles)
- Movie Theater – Sunset Ridge North - \$3,525,000 (Partial- 2.5 miles)

**PARKS**

- Park West of 55 - \$2,500,000 (land only)
- Dog Park at Existing Park- \$100,000

**FACILITIES**

- Minor Improvements - \$250,000

**Scenario C: Priority on Facilities \$10 Million**

**Facilities**

- Dual gym model at ting - \$8,625,000
- Minor improvements - \$250,000

**Parks**

- Dog park at existing park - \$100,000

**Greenways**

- Utle creek greenway - \$700,000 (.6 miles)
- Woodcreek pedestrian underpass - \$325,000

**Scenario D: Priority on Parks & Greenways \$10 Million**

**Parks**

- Park West of 55 - \$4,900,000
- Dog Park at Existing Park - \$100,000

**Greenways**

- Utley Creek Greenway - \$700,000 (.6 miles)
- Woodcreek Pedestrian Underpass - \$325,000
- Holly Glen – Target - \$2,600,000 (1.3 miles)
- Movie Theater – Sunset Ridge North - \$1,375,000
- (Partial – 1 mile)

**Direction:** Council directed staff to survey or poll the community of Scenarios A, B, C and D and come back with the results.

**5. Mayor and Council Annual Retreat** – Mr. Harrington discussed the possible locations and potential dates for 2019 Annual Council Retreat.

Mr. Harrington asked Council if the first or second week in February, 2019 would be good dates for the members.

All Council Members were in consensus of 1<sup>st</sup> or 2<sup>nd</sup> week in February, 2019 and requested staff to research possible out of town venues for the location of the retreat.

**Direction:** Council provided guidance to set the 2019 Annual Retreat in February 2019 and research possible venues.

**6. Adjournment:** There being no further business for the evening, the Nov. 13, 2018 meeting of the Holly Springs Town Council was adjourned.

Respectfully Submitted on Tuesday, Dec. 4, 2018.



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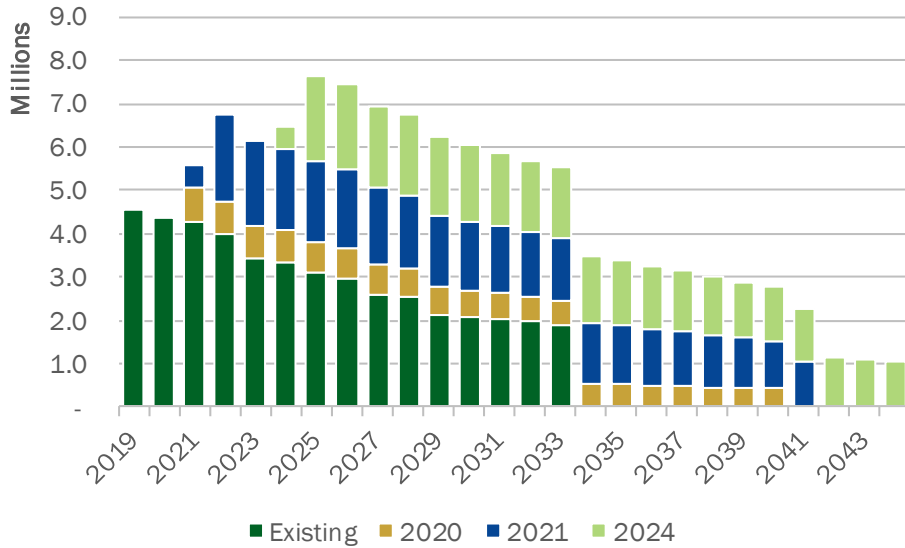
Linda Harper, NCCMC  
Deputy Town Clerk

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

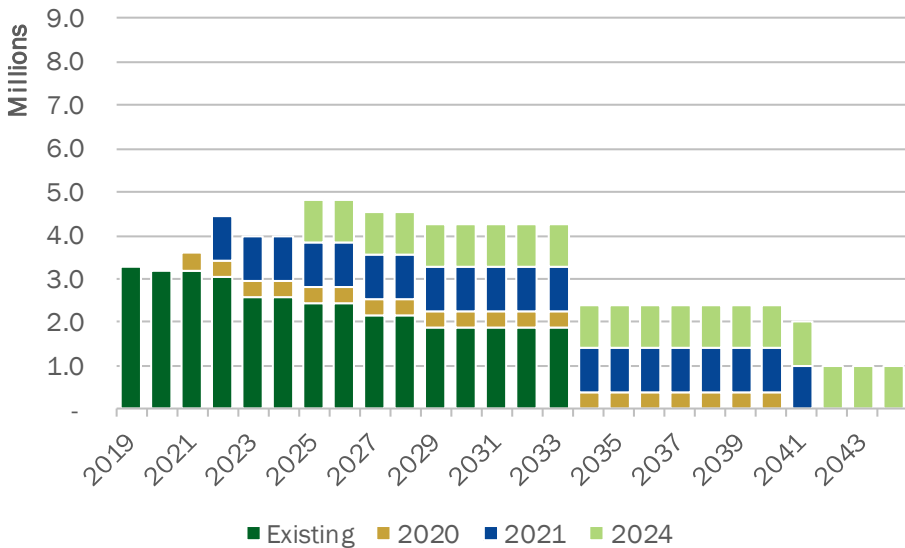


# Proposed Tax Supported Debt Service

## Proposed Tax Supported Debt Service



## Proposed Principal



## Summary

### Financing Assumptions

- Issuance Date: FY 2020, FY 2021, and FY 2024
- Amortization: 20 Year Level Principal
- Interest Rate: 5.00%
- 1<sup>st</sup> Interest Payment:

  - FY 2020 GO Bonds: FY after Issuance (14 Months)
  - FY 2021 and FY 2024 GO Bonds: FY of Issuance (6 Months)

- 1<sup>st</sup> Principal Payment: FY after Issuance

### Debt Issued:

- FY 2020 (Parks & Recreation): \$8,000,000
- FY 2021 (Transportation): \$20,000,000
- FY 2024 (Transportation): \$20,000,000
- Total: \$48,000,000

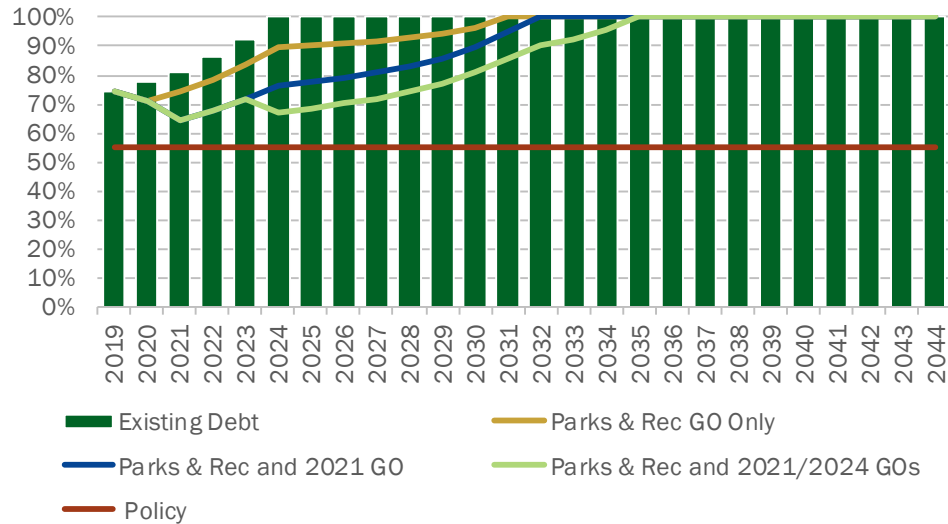
### Debt Service:

- FY 2020 (Parks & Recreation): \$12,266,667
- FY 2021 (Transportation): \$31,000,000
- FY 2024 (Transportation): \$31,000,000
- Total: \$74,266,667

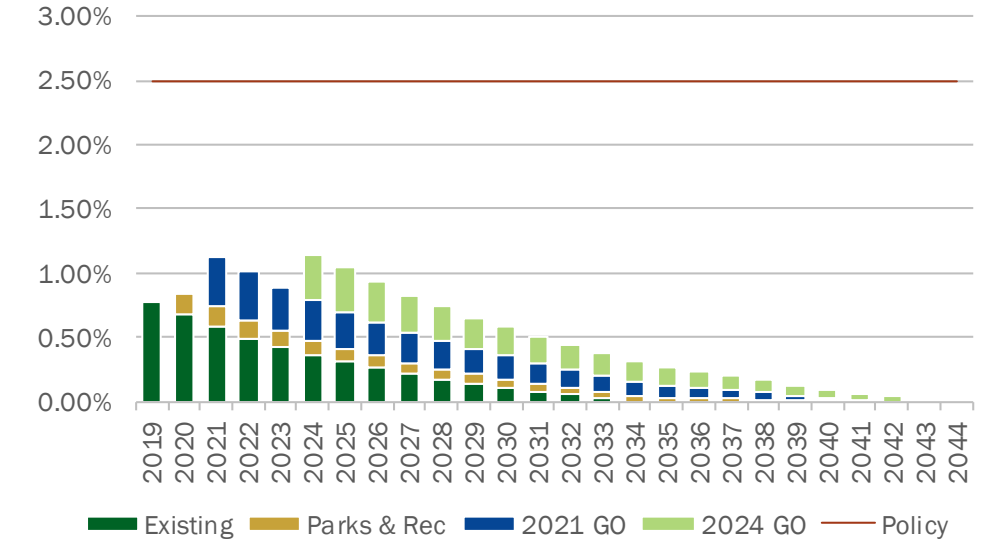


# Key Debt Ratios

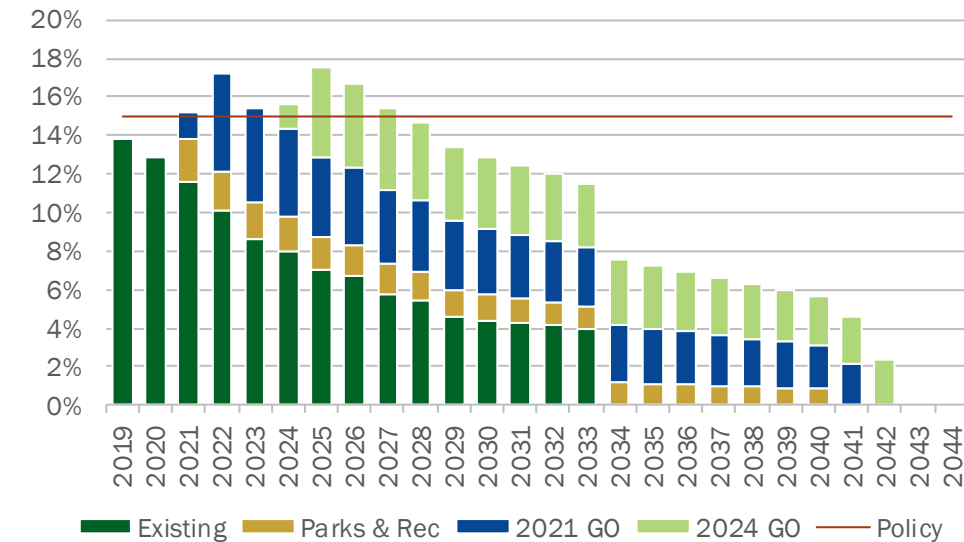
## 10-Year Payout



## Debt to Assessed Value



## Debt Service to Expenditures



- The Town has a policy setting a minimum 10-Year Payout Ratio of 55.00%.
- The Town has a policy setting a maximum Debt to Assessed Value Ratio of 2.50%.
- The Town has a policy setting a maximum Debt Service to Expenditures Ratio of 15.00%.



# Debt Affordability Analysis

## Existing and Proposed Town Debt – \$8 Million of Parks & Recreation GO Bonds Only

Debt Service Requirements						Revenue Available for DS						Debt Service Cash Flow Surplus (Deficit)						
FY	Existing Debt Service	CIP Debt Service	CIP Pay-Go Cash	CIP Operating Impact	Total	General Fund Budgeted Debt Service	Portion of 2+ FY 2013 Tax Increase for Series 2012 P&R Bonds	Remaining Portion of 2+ FY 2013 Tax Increase	Revenue from Soccer Lease	Revenue from Baseball Lease	Seqirus (Novartis) Revenue	Total Revenues Available	Surplus/ (Deficit)	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2019	4,540,537	-	-	-	4,540,537	3,448,258	760,300	172,981	84,000	75,000	-	4,540,539	2	-	-	2	-	2
2020	4,369,644	-	-	-	4,369,644	3,448,258	750,800	231,986	84,000	85,000	500,000	5,100,044	730,399	-	-	730,399	-	730,401
2021	4,265,429	866,667	-	-	5,132,095	3,448,258	741,300	289,240	84,000	95,000	500,000	5,157,799	25,703	-	-	25,703	-	756,105
2022	3,977,599	780,000	-	-	4,757,599	3,448,258	786,800	286,245	84,000	95,000	500,000	5,200,303	442,704	-	-	442,704	-	1,198,809
2023	3,426,518	760,000	-	-	4,186,518	3,448,258	916,200	199,350	84,000	95,000	500,000	5,242,808	1,056,291	-	-	1,056,291	-	2,255,099
2024	3,330,304	740,000	-	-	4,070,304	3,448,258	902,800	248,255	84,000	95,000	500,000	5,278,313	1,208,009	-	-	1,208,009	-	3,463,108
2025	3,082,340	720,000	-	-	3,802,340	3,448,258	882,700	303,860	84,000	47,500	500,000	5,266,318	1,463,977	-	-	1,463,977	-	4,927,086
2026	2,982,342	700,000	-	-	3,682,342	3,448,258	862,600	359,464	-	-	500,000	5,170,322	1,487,981	-	-	1,487,981	-	6,415,067
2027	2,613,676	680,000	-	-	3,293,676	3,448,258	927,500	330,069	-	-	500,000	5,205,827	1,912,151	-	-	1,912,151	-	8,327,218
2028	2,520,571	660,000	-	-	3,180,571	3,448,258	904,850	388,224	-	-	500,000	5,241,332	2,060,761	-	-	2,060,761	-	10,387,979
2029	2,133,700	640,000	-	-	2,773,700	3,448,258	972,200	356,379	-	-	500,000	5,276,837	2,503,137	-	-	2,503,137	-	12,891,116
2030	2,067,950	620,000	-	-	2,687,950	3,448,258	946,850	399,733	-	-	500,000	5,294,842	2,606,892	-	-	2,606,892	-	15,498,007
2031	2,017,300	600,000	-	-	2,617,300	3,448,258	926,500	438,088	-	-	500,000	5,312,846	2,695,546	-	-	2,695,546	-	18,193,554
2032	1,960,238	580,000	-	-	2,540,238	3,448,258	901,000	481,593	-	-	500,000	5,330,851	2,790,614	-	-	2,790,614	-	20,984,167
2033	1,901,913	560,000	-	-	2,461,913	3,448,258	875,500	525,098	-	-	500,000	5,348,856	2,886,943	-	-	2,886,943	-	23,871,110
2034	-	540,000	-	-	540,000	3,448,258	-	1,418,603	-	-	500,000	5,366,861	4,826,861	-	-	4,826,861	-	28,697,971
2035	-	520,000	-	-	520,000	3,448,258	-	1,436,607	-	-	500,000	5,384,865	4,864,865	-	-	4,864,865	-	33,562,836
2036	-	500,000	-	-	500,000	3,448,258	-	1,454,612	-	-	500,000	5,402,870	4,902,870	-	-	4,902,870	-	38,465,707
2037	-	480,000	-	-	480,000	3,448,258	-	1,472,617	-	-	500,000	5,420,875	4,940,875	-	-	4,940,875	-	43,406,582
2038	-	460,000	-	-	460,000	3,448,258	-	1,490,622	-	-	500,000	5,438,880	4,978,880	-	-	4,978,880	-	48,385,461
2039	-	440,000	-	-	440,000	3,448,258	-	1,508,626	-	-	500,000	5,456,884	5,016,884	-	-	5,016,884	-	53,402,346
2040	-	420,000	-	-	420,000	3,448,258	-	1,526,849	-	-	500,000	5,475,107	5,055,107	-	-	5,055,107	-	58,457,452
2041	-	-	-	-	-	3,448,258	-	1,545,291	-	-	500,000	5,493,549	5,493,549	-	-	5,493,549	-	63,951,002
<b>Total</b>	<b>45,190,059</b>	<b>12,266,667</b>	<b>-</b>	<b>-</b>	<b>57,456,726</b>								<b>Total</b>	<b>-</b>	<b>-</b>	<b>Total Tax Effect</b>	<b>0.00¢</b>	

- FY 2019 Value of a Penny: \$466,640
- Growth: Town Model Assessed Value Growth
  - 2020 – 2024: Average of 4.30%
  - 2025 – 2029: Average of 2.90%
  - 2030 and Beyond: Average of 1.30%