

Mayor and Council Budget Workshop

6 p.m. June 4, 2020

Holly Springs Law Enforcement Center and virtually via Zoom



MINUTES

The Holly Springs Town Council held a budget workshop meeting on Thursday, June 4, 2020 in the Holly Springs Law Enforcement Center, 175 Holly Springs Road, Holly Springs, NC. Mayor Pro Tem Berry presided, calling the meeting to order at 6:00 p.m. A quorum was established as five council members attended.

Council Members Present: Councilmen Dan Berry, 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; Patty Dressen, Interim Finance Director; Corey Petersohn, Finance; Clay Fleming, Finance; Jeff Wilson, IT director; John Schifano, Town Attorney

Staff Members Present by Zoom: Gina Clapp, Planning and Zoning Director; Cassie Hack, Communications and Marketing Director; Irena Krstanovic, Economic Development Director; LeeAnn Plumer, Parks and Recreation director; Leroy Smith, Fire Chief; Erika Phillips, Human Resources Director; Jessica McMillan, Interim Chief of Police; Seann Byrd, Water Quality Director; Luncie McNeil, Public Works director; Daniel Pope, Code Enforcement director; Kendra Parrish, Engineering Director.

MPT Berry reminded the audience that the Public Hearing was held last Tuesday. He repeated the public comments which had been received in writing prior to the meeting, in support of the Stormwater Fee increase, supporting providing the Police Department with body cameras, requesting a greenway connection from Muses Mill Court to Ting Park, and proposing selling the naming rights to various parks and recreation facilities.

1. Overview: Randy Harrington gave an overview of the meeting agenda. He said that once the recommended budget has been presented to Council, it becomes theirs to make sure it meets their expectations and priorities. He said that staff was available through Zoom to answer questions, and that members of the Finance team were in the room to answer questions. He outlined the next steps after tonight, reminded everyone that state law requires a balanced budget, and made suggestions of procedures to be followed.

2. Review and Discussion of Recommended Budget and other Financial Considerations:

Randy Harrington, Town Manager, said there was no presentation tonight, but he would be happy to take questions or explore from here.

Councilman Villadsen said there has been public input on body cameras for police officers, which is a recent request and therefore not in the recommended budget yet, so he wanted to open up the discussion.

Council discussed the pros and cons of outfitting the Holly Springs PD with body cameras, including privacy issues for the public, accountability for the officers, the buy-in of the

officers, the need for record retention policies and IT support, and how the cameras would affect residents during sensitive calls. They heard from Captain Patterson and Interim Chief McMillan that the HSPD had been investigating the use of body-worn cameras and knew that they were moving in that direction, but had not asked for them in the budget because they were trying to be good stewards of taxpayer funds. The estimated cost per year to outfit the department was from \$100,000 to \$200,000 depending on the equipment and service they went with. Consensus was that if the HSPD started the program that all officers should wear the cameras. There was discussion about how to ensure that this was a priority, and that the community is made aware that it is a priority. Council emphasized that there is not a known problem with the HSPD, the use-of-force numbers were very low and the department has in general a good relationship with the community. But the body cameras are one part of a program to ensure that the department is accountable to the community.

Randy Harrington, Town Manager, said that if Council wanted to move forward there are perhaps 3 approaches they could take:

1. Identify some cuts in the budget and replace that with funding for this
2. Increase property tax by .25 cents to fund \$100k
3. No funding this budget year, but give a policy direction to staff to move forward with planning, policy, etc. If that is the approach, there is \$20,000 of unallocated funds in the budget that could be tagged for preliminary research to get started.

Captain Patterson said that the Department would not need \$20,000 to get started because vendors who know a department is seriously considering them will give equipment for testing and training at no charge.

Council set a twelve-month timeline for the police department to research and draft policies for best-practice use of body cameras, research the technology, and begin training. They set a six month check-in with the department for the December 2020 or January 2021 workshop meeting. The plan includes budgeting for the implementation in the FY2021-22 budget.

Mayor Pro Tem Berry asked if there were any other budget concerns Council wanted to address.

Councilwoman Kelly asked about the goals for the investment that the Chamber is getting and how it helps them move forward. Randy Harrington, Town Manager said the Town's total investment is \$30,000; \$10,000 for Chamber Champions sponsorship level, and \$20,000 for government support type programs such as legislative breakfasts, economic forecasts, candidate forums, and those type of programs.

Councilman Wolff said that during the grants committee meeting the potential of increasing the amount available for grants was discussed. Did that happen? Mr. Harrington said that line item was kept at \$15,000. But \$20,000 of unallocated funds was set aside that the Council could use for other projects. Councilman Wolff said funding has kept steady for many years, but operating expenses are going up for everyone. If there is an appetite, he would like to see it increased, perhaps an additional \$10,000. MPT Berry said he would support that. When Council looked at the grant policies a year ago, that was one of the things that was discussed. The Town is on the lower end of what neighboring jurisdictions budget for this. He said he thought increasing it by \$10,000 would be a good idea. Councilwoman Kelly and Councilman McGrath were both in agreement with that.

Councilman Wolff asked if, due to the revenue neutral tax rate, if the Town was not funding things that need to be funded. He said that there was an opportunity with the motor vehicle fee which is \$10, and is below all the neighboring jurisdictions. The average in Wake County is \$30.

Is there any appetite to increasing that fee and dedicating the money to transportation projects in town? DOT is having money issues and won't give out grants as before.

Council discussed the current transportation needs, and what funds could be used for if the fee was increased. By statute the first \$5.00 can go to anything, but anything above \$5 must go to streets, roads, or, if we had one, a public transportation system. There was discussion about keeping Holly Springs' fees in line with neighboring jurisdictions so that the Town does not fall behind and necessitate a larger jump in future years. Mr. Harrington pointed out that the transportation challenges the Town has are real and significant and we are not ideally positioned to meet all those needs. Further, next year's budget is shaping up to be heavy on the Public Safety side. Some of the career ladder things you heard about on the police side; on the fire side, the new ladder truck will require 12 new personnel; you can see where next year is headed. This will put pressure on other sides of the budget. It was discussed that money from this fee could be used for crosswalks and sidewalks, and to pay for road improvements that are not fully funded by developers as funds from NCDOT decrease due to the current economic situation. It was discussed that the number one resident concern is funding transportation and crosswalks.

Action: Motion to increase the vehicle registration fee from \$10 to \$25.

Motion by: Wolff

2nd by: Villadsen

Vote:

Aye: Villadsen, Wolff, Kelly

Nay: McGrath, Berry

The motion carried.

Councilman McGrath asked if there were any areas where the Town risked not meeting residents' expectations of service, because of decisions to not put something in the budget. Mr. Harrington said he felt comfortable that our Police and Fire Departments are well equipped. We are not at risk of not being able to respond. But the Town is stretched. Discussion was had about the ability to respond to something unpredicted, and Mr. Harrington reminded Council that the Fund Balance could be used as a rainy day fund.

Questions were asked about specific projects identified for stormwater management. Assistant Town Manager, Scott Chase said that there was a critical priority list based on resident complaints. Mr. Harrington said that \$125,000 was appropriated for maintenance or repair projects. Once the new fee has been in effect for a full year, the number will increase in future budgets.

Councilman Wolff commended the staff for putting together this budget, especially in light of the current circumstances with things shifting from day to day. He said that this was a responsible budget that does what we need to do in a time of uncertainty. He also thanked his colleagues for asking the hard questions. Next year will be interesting because we will have catching up to do but maybe less uncertainty.

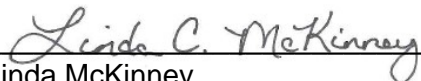
Mr. Harrington said that with Stage 2 of the Governors reopening process, restaurants can operate at a 50% capacity. The DHHS has given guidelines as to what that means. We have a fee in the current budget, a \$75 temporary use permit for outdoor seating. He said it was his recommendation that the Town waive that fee during the time that restaurants are at this 50% level. They still need to contact the Town to make sure things are set up correctly, but it seems like adding insult to injury to assess the fee. Consensus of Council was to waive the fee during the phase of reopening that keeps restaurants at 50% capacity.

Mr. Harrington said that an auditor looked at our practices, and made two recommendations. The first was on budget transfers, to be in line with best practices and the second to increase the level of authorization for the manager to approve contracts without going to Council. The current level is \$15,000, and was set in 2000 or before. Based on peer cities and efficiency to the Council, he suggested raising the limit to \$50,000. He said it was their decision, and if they were in agreement it would be included in the budget ordinance. Councilman McGrath asked for an estimate of how many contracts are in the \$15,000 to \$50,000 range. Mr. Harrington said he could get those figures to them. He said that if you look at the past, 99% of Consent items are approved. Most of these are in the budget, and are items that Council knows are coming. Councilman Villadsen said he thinks that it is a good idea, and that if it was a sensitive contract he would expect that staff would bring it to Council. MPT Berry said that if it's not budgeted staff could bring it to Council. Councilwoman Kelly asked about how vendors are chosen. Mr. Harrington and John Schifano, Town Attorney explained that there are controlling statutes set by the General Assembly, and that Holly Springs Policy goes beyond the statute, and that would not change. By allowing this change, Council would be increasing staff's ability to move more quickly, because there would not be the lag time required to get items onto Council's agenda.

Consensus was to raise the manager's authority to authorize contracts to \$50,000 and below.

3. Adjournment: There being no further business for the evening, Motion to adjourn was made by Councilman McGrath, second by Councilwoman Kelly, and passed with a unanimous vote. The June 4, 2020 meeting of the Holly Springs Town Council was adjourned at 8:16 pm.

Respectfully Submitted on Tuesday, June 16, 2020.



Linda McKinney
Town Clerk