



May 26, 2011

## MINUTES

The Holly Springs Town Council met in a duly-called special session on Thursday, May 26, 2011 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 2011-12 town budget. Mayor Pro Tem Tim Sack presided, calling the meeting to order at 1 p.m. A quorum was established as five Council members were present as the meeting opened.

**Council Members Present:** Councilmen Jimmy Cobb, Parrish Womble, Chet VanFossen and Tim Sack and Councilwoman Linda Hunt Williams.

**Council Members Absent:** Mayor Dick Sears

**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; Jeff Jones, senior planner; Kendra Parrish, senior engineer; Luncie McNeil, director of public works; John Herring, police chief; Sabrina Thompson, Bass Lake Park manager; Jim Canata, maintenance supervisor; Cecil Parker, fire chief; Rodney Campbell, development inspections administrator; Julia Meder, parks and recreation department office manager; David Mallard, recreation programs manager; Landon Carroll, recreation program manager; Kristen Denton, recreation program manager; Julie Tew, recreation program manager; Don Briscar, cultural center manager; the town's administrative intern; Jeff Wilson, information technology director; Erika Phillips, director of human resources; Ricky Blackmon, director of code enforcement; and Drew Holland, finance director.

**Agenda Adjustment:** The May 26, 2011 meeting agenda was adopted with changes, if any, as listed below. All Council members, including Mayor Sears, signed a written waiver of notice so that the special meeting agenda could be adjusted.

**Motion By:** VanFossen

**Second By:** Cobb

**Vote:** Unanimous

**Items added to Agenda:** a resolution declaring surplus and authorizing the disposal of furniture, equipment and fixtures of the W.E. Hunt Center; discussion regarding a developer request for the Woods Avent Ferry.

**Items removed from the agenda:** None

**Other changes:** None

**Action:** The Council approved a motion to adopt a resolution declaring certain property of the Town surplus to the needs of the Town and authorizing its disposition.

**Motion By:** VanFossen

**Second By:** Cobb

**Vote:** Unanimous

*A copy of Resolution 11-15 is incorporated into these minutes as addenda pages.*

Mr. Simmons explained that he and Mr. Dean had met with the developer of the Woods at Avent Ferry senior housing project who asked that the Town consider reducing the fees due on the project to the 2010 levels when he received original estimates on the project and waiving parks and recreation fees since the development would likely not have a significant impact on the Town's parks

and recreation system.

Mr. Dean said he would recommend that the Council not waive parks and recreation fees due on the project, but would advise that charging other development fees at the 2010 rate might be in order since the cost of the project increased on the developer by \$76,800.

**Action:** The Council approved a motion to allow the developer of the Woods at Avent Ferry to pay development fees due on the project at the 2010 rates and to require the developer to pay parks and recreation fees that would be due.

**Motion by:** VanFossen

**Second by:** Williams

**Vote:** Unanimous

Waiving about \$76,800 VanFossen/Williams

At this time, the Council returned to the original purpose of the special meeting and began discussion of the proposed FY 2011-12 budget that had been presented to them in May.

Mr. Dean then outlined the budget proposal. He explained that it is based on a 98% collection of a 41.5-cent tax rate applied to a total town value of \$3,202,889,457. The General Fund is balanced at \$23,552,000, and the Utility Fund is balanced at \$10,275,000.

The budget also is funded by a table of rates, fees and revenues, together with a 41.5-cent tax rate applied to every \$100 valuation.

The following bullet points are highlights of the budget.

- Proposed budget is based on 98% collection rate
- Approximate tax base of \$3,202,889,457
- No Tax Rate Increase = \$0.415 per \$100 valuation
- One new position in GF – Facilities Maintenance Tech
- No new positions in UF
- \$30,000 in non-profit contributions
- No COLA, merit/performance pay funded at 2%
- 5% 401k contribution and longevity benefits
- State mandated 0.53% increase in retirement
- Health insurance rates budgeted with 11% increase (switch from BCBS to United Healthcare)

Following this introduction, there was Council discussion of water and sewer rates. Council asked why rate increases were included.

Mr. Dean explained that the increases were part of incremental increases on which the financing of infrastructure projects in the past were planned. The increases are necessary to ensure the town pays its debt and operations costs for the expanded wastewater treatment plant and the town's water supply from Harnett County.

A large non-residential user of water could mitigate and allow the town to reduce its fees, but until that happens, Holly Springs will have to follow its original plans to set rates each year that will pay the bills until the debt is paid.

The positive side of the situation Mr. Dean pointed out, is that Holly Springs has water and sewer infrastructure in place – unlike many other communities in this area – to attract large water users, which not only will positively impact the utility fund, it would provide tax base to boost the general fund and provide jobs for residents.

A discussion about parks and recreation infrastructure planning ensued.

Mr. Dean explained that he and Mr. Bradley had devised a phased plan of park improvements that could be accomplished over the next seven years with a \$20 million bond issue. Phase 1 projects could be initiated during FY 2012-2015 at a cost of \$13,000,000; and Phase 2 during FY 2015-2018 at a cost of \$6,950,000

Park improvements would include land acquisition for future parks, the completion of the Town's greenways system, the completion of existing parks, construction of a stand-alone gymnasium, new park development, including a dog park, a parks master plan update and the creation of new greenways. The estimated cost of these projects is \$19,950,000.

The best way to get funding would be through the issuance of general obligation bonds,

which would have to have the blessing of voters.

This amount of new debt, Mr. Dean said, could – as a worst-case scenario – mean a five-cent tax rate increase; however he said no increase would be a likely possibility since while a bond referendum authorizes the sale of bonds, not all of the debt has to come at one time, and the issue can be managed in such a way that there is no impact on the tax rate.

At any rate, a bond referendum, Council reasoned, would give voters the chance to tell the Town whether or not they would be willing risk a four- or five-cent tax rate increase in order to have dramatic improvements to the Towns parks and recreation facilities.

**Council Directives for FY 2011-12 Budget:**

Following budget discussions, the following directives were provided by the Town Council:

**Action:** The Council approved a motion to pursue a \$20 million bond referendum during the Nov. 8 municipal election to gain voter authorization to issue bonds from 2012 to 2018 for parks and recreation system improvements.

**Motion by:** VanFossen

**Second by:** Cobb

**Vote:** The motion carried following a 4-1 vote. Councilmen Cobb, Womble, VanFossen and Sack voted for the motion. Councilwoman Williams voted against, pointing to the possibility of a tax rate increase as why.

**Action:** The Council approved a motion to adjust the proposed FY 2011-12 budget to include \$30,000 for Town entrance signs including organizational placards for the town's civic organizations.

**Motion by:** VanFossen

**Second by:** Womble

**Vote:** Unanimous.

**Action:** The Council approved a motion to set a public hearing on the budget for 7 p.m. Tuesday, June 7 and a special meeting for adoption of the budget for 6 p.m. Thursday, June 28.

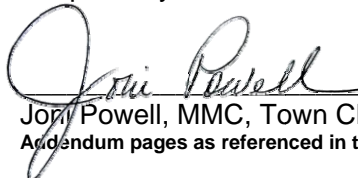
**Motion by:** VanFossen

**Second by:** Cobb

**Vote:** Unanimous.

**Adjournment:** There being no further business for the afternoon, the May 26, 2011 special meeting of the Holly Springs Town Council was adjourned following a motion by Councilman Womble, a second by Councilman Cobb and a unanimous vote.

Respectfully Submitted on Tuesday, Aug. 2, 2011,

  
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Joni Powell, MMC, Town Clerk  
Addendum pages as referenced in these minutes follow and are a part of the official record.

