



March 1, 2011



MINUTES

The Holly Springs Town Council met in regular session on Tuesday, March 1, 2011, in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street. Mayor Pro Tem Tim Sack presided, calling the meeting to order at 7 p.m. A quorum was established as the mayor and four council members were present as the meeting opened.

Council Members Present: Mayor Sears and Councilmen Tim Sack, Jimmy Cobb, Councilman Chet VanFossen (arrived 7:02 p.m.) and Parrish Womble and Councilwoman Linda Hunt Williams

Council Members Absent: None.

Staff Members Present: 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 Wilson, information technology director; Mark Andrews, public information officer; Stephanie Sudano, director of engineering; and Drew Holland, finance director.

2 and 3. The Pledge of Allegiance was recited, and the meeting opened with an invocation by Pastor Doug Parlin, pastor of South Wake Baptist Church.

4. Agenda Adjustment: The March 1, 2011 meeting agenda was adopted with changes, if any, as listed below.

Motion By: Sack

Second By: Cobb

Vote: Unanimous

Items added to Agenda: None.

Items removed from Consent Agenda: None.

Items removed from the agenda: None.

Other changes: None.

5. Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council on any variety of topics not listed on the night's agenda. The following input was recorded: None.

6a. Holly Springs Food Cupboard – Mr. Bruce Meyer addressed the Council with an overview of the Holly Springs Food Cupboard and ways in which the community could help the agency get established.

Mr. Meyer gave the Council information as to how the food cupboard came about, how it operates, the impact it has on the community and where organizers envision the service to be in the next one to three years.

The Holly Springs Food Cupboard is run entirely by volunteers who dedicate their time to the collection and distribution of food. Mr. Meyer, who serves the organization as real estate chairman, said the group's most pressing need is a location in which to set up a base of operations. Currently, volunteers gather food collected at a number of locations, then they drive it up to the Western Wake Crisis Ministry in Apex where it is stored. When it is time to distribute in Holly Springs, volunteers drive up to Apex to bring home a load of food where it is distributed from outdoor tables in the parking lot of the Methodist Church.

After manning the tables all day, volunteers then must pack up any remaining food and drive it back to Apex to be restored.

He said a local base of operations would give the volunteers the ability to help more people more

efficiently with more variety of food.

The Cupboard seeks 2,000 square feet with six to 10 parking spaces in a good location. Volunteers are ready, willing and able to remodel and renovate any building space that might be provided by the community or a local business.

The Holly Springs Food Cupboard is in the process of getting its non-profit tax-deductible status so any contribution of building space would soon be tax-deductible.

Mr. Meyer asked the Council to provide encouragement and ideas as to how the Food Cupboard could further establish itself.

Action: None.

6b. Parks and Recreation Advisory Committee Report - Mr. Peter Koutroumpis of the Parks and Recreation Advisory Committee addressed the Council to provide the board's annual communication to the Town Council. This presentation covered department needs, population growth demands on the department and how the advisory committee proposes to help in these matters.

Council members spoke in support of the Parks and Recreation committee and department staff, and they encouraged the committee members to keep up their good work and dedication to the community. They agreed there are growing needs, and there is a need for more funds in order to meet those needs.

Action: None.

7. Consent Agenda: The Council approved a motion to approve all items on the Consent Agenda. The motion carried following a motion by Councilman Sack, a second by Councilwoman Williams and a unanimous vote. The following actions were affected:

7a. Minutes – The Council approved minutes of the Council's regular meeting held Feb. 15, 2011.

7b. Budget Amendment, \$104,755 – The Council adopted an amendment to the FY 2010-11 budget in the amount of \$104,755 to cover costs of a telephone / network system lease. *A copy of the budget amendment is incorporated into these minutes as an addenda page.*

7c. Budget Amendments, \$147,000 and \$30,015 – The Council adopted amendments to the FY 2010-11 budget in the amount of \$147,000 and \$30,015 to cover costs of Phase III sidewalk work. *Copies of the budget amendments are incorporated into these minutes as addenda pages.*

7d. Budget Amendment, \$250,000 - The Council adopted a amendment to the FY 2010-11 budget in the amount of \$250,000 to receive Community Development Block Grant funds. *A copy of the budget amendment is incorporated into these minutes as an addendum page.*

7e. Budget Amendment, \$12,360 – The Council adopted a amendment to the FY 2010-11 budget in the amount of \$12,360 to receive insurance proceeds for damaged police vehicle. *A copy of the budget amendment is incorporated into these minutes as an addendum page.*

7f. Reclaimed water Program Ordinance 11-02 – The Council adopted amendments to the Town's reclaimed water program ordinance. *A copy of Ordinance 11-02 is incorporated into these minutes as addenda pages.*

7g. Friendship Road Utility Project – The Council adopted an amendment to the Friendship Road utility project engineering contract.

7h. Hunt Center Furniture Bid – The Council approved to award a bid to MacThrift Office Supply in the amount of \$61,479.62 for furniture, fixtures and equipment in the new Hunt Center.

7i. Hunt Center Fitness Room Equipment Bid – The Council approved to award a bid to LifeFitness in the amount of \$156,017 for furniture, fixtures and equipment, including delivery and sales tax, in the new Hunt Center fitness room.

7j. 2011 Street Improvement Project Bid – The Council approved to award a bid to Rustin Paving Company in the amount of \$165,551.92, inclusive of 5% contingency, for the 2011 Street Improvement Project.

7k. NCDOT Sidewalk Project Contract Amendment – The Council approved an amendment to the NCDOT sidewalk project agreement to extend the completion date.

8a. Contract Approval Threshold Policy – Mr. Simmons said that in the course of a year, the Town operates under a number of contracts related to projects and operations. Under current policy, each contract should be reviewed by and approved by the Town Council, usually via the Consent Agenda.

He said that staff requests the Council to consider a policy in which some routine contracts could be approved administratively in a limited way without the added delay, paperwork, cost and effort of preparing the contracts for an appearance on the Consent Agenda.

He said the proposed policy would allow the town manager to approve contracts amounting to \$15,000 or less, provided the contracts already have been approved by Council through adoption of the town budget; that the town attorney reviews the contracts before execution; and a report is provided to the Town Council of the contracts so approved.

An original draft stated that department heads would be able to approve small routine contracts; however, the Council directed that the draft be amended to limit the authority to sign contracts amounting to \$15,000 or less only to the town manager.

Action: The Council approved a motion to adopt Policy Statement P-037, Contract Approval Threshold, allowing town manager approval for contracts amounting to \$15,000 or less in budgeted funds.

Motion By: VanFossen

Second By: Womble

Vote: Unanimous

8b. Fire Truck Financing - Mr. Holland said the Town requested financing proposals in February from seven banks for the purchase of a 2010 Pierce Contender six-man custom cab fire truck. He said the Town was anticipating financing \$365,000 for either a three-, four- or five-year term.

He said the Town received seven bank proposals on Friday, Feb. 25. Of the proposals, the most beneficial for the Town was the rate offered by RBC Centura Bank, which offered a 1.740% interest rate over three years. Annual payments would be \$125,925, and the Town would pay a total of \$12,775 in interest over the life of the loan.

Mr. Holland reviewed the bids with the Council and recommend an to award to RBC Centura Bank for financing the amount of \$365,000 with an annual interest rate of 1.740% over a three-year term.

Action: The Council approved a motion to adopt Resolution 11-04.

Mayor Pro Tem Sack introduced the following resolution which was read into the minutes:

**A RESOLUTION OF THE HOLLY SPRINGS TOWN COUNCIL
AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE
AMOUNT OF \$365,000 WITH RBC CENTURA BANK (USA) TO FINANCE THE ACQUISITION OF CERTAIN
EQUIPMENT FOR USE BY THE TOWN OF HOLLY SPRINGS; AUTHORIZING THE EXECUTION AND
DELIVERY OF RELATED INSTRUMENTS; AND DETERMINING OTHER MATTERS IN CONNECTION
THEREWITH**

BE IT RESOLVED by the governing body for the Town of Holly Springs, North Carolina (the "Unit"):

Section 1. The governing body of the Unit does hereby find and determine:

- a) The Town of Holly Springs proposes the acquisition of certain equipment, which may include fixtures as more fully described in the hereinafter mentioned Contract (collectively, the "Equipment");
- b) After consideration, the governing body of the Unit has determined that the most advantageous manner of financing thereof is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended;
- c) Pursuant to Section 160A-20, the Unit is authorized to finance the acquisition of personal property, including fixtures, by installment contracts that create a security interest in the property financed to secure repayment of the financing; and
- d) RBC Bank (USA) has proposed that RBC Bank (USA) enter into an Installment Financing Contract with the Unit to finance the Equipment pursuant to which RBC Bank (USA) will lend the Unit the amount of \$365,000 (the "Contract") and a related Escrow Agreement between the Unit and RBC Bank (USA) (the "Escrow Agreement").

Section 2. The governing body of the Unit hereby authorizes and directs the Finance Director to execute, acknowledge and deliver the Contract and Escrow Agreement on behalf of the Unit in such form and substance as the person executing and delivering such instruments on behalf of the Unit shall find acceptable. The Clerk is hereby authorized to affix the official seal of the Town of Holly Springs to the Contract and the Escrow Agreement and attest the same.

Section 3. The proper officers of the Unit are authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Contract and the Escrow Agreement.

Section 4. Notwithstanding any provision of the Contract or the Escrow Agreement, no deficiency judgment may be rendered against the Unit in any action for breach of a contractual obligation under the Contract or the Escrow Agreement and the taxing power of the Unit is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract being the sole security for RBC Bank (USA) in such instance.

Section 5. The Unit covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") as required so that interest on the Unit's obligations under the Contract will not be included in the gross income of RBC Bank (USA).

Section 6. The Unit hereby represents that it reasonably expects that it, all subordinate entities thereof and all entities issuing obligations on behalf of the Unit will issue in the aggregate more than \$10,000,000 of tax-exempt obligations, including the Contract (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2011. In addition, the Unit hereby designates the Contract and its obligations under the Contract as a "non-bank qualified tax-exempt obligation" for the purposes of the Code.

Section 7. This Resolution shall take effect immediately upon its passage.

Upon motion of Councilman Parrish Womble and a second by Councilwoman Williams, the foregoing resolution entitled "**A RESOLUTION OF THE HOLLY SPRINGS TOWN COUNCIL**

AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$365,000 WITH RBC CENTURA BANK (USA) TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT FOR USE BY THE TOWN OF HOLLY SPRINGS; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS; AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH" WAS ADOPTED BY THE FOLLOWING VOTE: AYES: 5 NAYS: 0

PASSED AND ADOPTED this 1st day of March, 2011.

9. Other Business: Councilman Womble asked if the pot hole in the turn of Main Street onto G.B. Alford Highway could be filled with asphalt. It is filled with crushed stone and continually erodes. He also said some bushes need trimming on Third Street at Main Street.

Councilman Sack noted the online bike plan survey.

10. Manager's Report: Mr. Simmons introduced the Town's system administrator Glen Lamb. He reminded the Council of its annual retreat, to convene at 5 p.m. Friday, March 4 and adjourn Sunday morning March 6, 2011 at River Landing in Wallace, NC.

11. Closed Session: The Council approved a motion to enter into Closed Session, pursuant to NCGS 143-318.11(a)(5), to discuss with the Town Attorney matters regarding the potential acquisition of property near Bass Lake Park.

Motion By: Sack

Second By: VanFossen

Vote: Unanimous.

General Account Closed Session – March 1, 2011

In Closed Session, the Council discussed with the Town Attorney acquisition of land. Potential terms were discussed, and the Council provided direction for negotiations.

Action: The Council approved a motion to purchase the property owned by the late Tate Sanders at Bass Lake for the appraised value of \$220,000 for 1.7 acres with funds pulled from the Town's Fund Balance.

Motion By: Sack

Second By: Cobb

Vote: Unanimous

-- End of the General Account

No further action was taken in Closed Session other than the motion to return to Open Session.

Councilman Sack made a motion to return to Open Session, and it was seconded by Councilman Cobb. The vote was unanimous in favor of the motion.

12. Adjournment: There being no further business for the evening, the March 1, 2011 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 on Tuesday, March 15, 2011.

Joni Powell, MMC, Town Clerk

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