



**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF MAY 23, 2019
COUNCIL CONFERENCE ROOM
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA**

2:00 PM

The Pinehurst Village Council held a Work Session at 2:00 p.m., Thursday, May 23, 2019 in the Council Conference Room of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John Bouldry, Mayor Pro Tem
Ms. Judy Davis, Treasurer
Ms. Jack Farrell, Councilmember
Mr. Kevin Drum, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 10 attendees, including 9 staff.

1) Call to Order.

Mayor Nancy Roy Fiorillo called the meeting to order.

2) Discussion of the Recommended 2020 Strategic Operating Plan.

○ **Welcome and Overview of Strategic Priorities**

Lauren Craig, Performance Management Director, welcomed everyone and reviewed the agenda for the work session. She reminded Council of the Budget Public Hearing on May 28th. She explained the process staff and Council took to develop the 2020 Strategic Operating Plan. She shared the strategic priorities, expressed as goals, strategic objectives, and key performance indicator targets on the Village's Balanced Scorecard (BSC), which are based on Council's direction from the retreat. Ms. Craig also shared the initiatives in the five-year planning period.

○ **Overview of proposed FY 2020 General Fund Budget**

Brooke Hunter, Financial Services Director, gave an overview of the proposed general fund summary for FY 2020. Ms. Hunter explained what all was included in the operating expenditures and provided Council with a detailed operating expenditures list for each department.

○ **General Fund Revenues FY 2020**

Ms. Hunter discussed the largest revenue source is property taxes, which is \$11.2 million for FY 2020, assuming the proposed property tax rate being increased to \$0.30. The revenue neutral rate is \$0.28 for FY 2020. Ms. Hunter noted the fund balance appropriated is 34.6%, however, that could increase to 39.2% if the \$1 million previously set aside for the library is not spent in FY 2020. One cent tax on valuation equals \$367,000 in revenue. Ms. Hunter stated sales tax revenue will increase by 5.2% based on the numbers from FY 2019.

○ **General Fund Expenditures**

Ms. Hunter reviewed the General Fund expenditures. She stated the budget includes proposed staffing of 145 full-time equivalents (FTEs), which includes 4.5 new positions. She explained that a 2.4% cost of living adjustment and merit raises, at an average of 2% per employee were included. Mayor Pro Tem Bouldry asked if the projection for 120 new homes would continue thru the 5 year forecast. Jeff Sanborn, Village Manager, explained that the number is expected to decrease to 100 homes due to

the dwindling buildable lots. Ms. Hunter stated they have budgeted for a small area plan for Village Place in the Planning Department. Ms. Hunter also explained the budget included a 48% increase to stormwater maintenance funding, or \$106,000. In the contingency fund is the \$1 million set aside for the library. The last debt payment will be made in 2022 and the current debt as of June 30, 2019 is \$440,000.

○ **Capital Project Fund**

Director of Financial Services Brooke Hunter explained some of the key items marked as capital projects for FY 2020. Capital expenditures for FY 2020 budget are \$1.8 million, which includes a rescue vehicle, storm water drainage projects, solid waste truck, and land for a potential Fire Station 93 and potential structured parking near the Village Center, streetscape improvements, and 3 police vehicles. Councilmember Davis asked about the funds for the potential land for structured parking. Natalie explained they are setting aside the funds as it's really a placeholder, there is not a set place they are looking to acquire. Jeff Sanborn, Village Manager stated if the money wasn't used next fiscal year they could roll the money over or re-appropriate it for another use for another project that comes from the comprehensive plan. Council had a discussion on the wording of the funds. The consensus was to re-word the line item to potential land purchase.

○ **Five-Year Financial Forecast**

Director of Financial Services, Brooke Hunter shared the five-year financial forecast. She noted this section details the forecasting methodology which includes key assumptions used and planned revenues and expenditures for the forecast period. Ms. Hunter discussed the Operating Margin and Fund Balance targets. She review the 5 year forecast for the general fund in relation to the \$1 million in contingency. Councilmember Farrell asked Ms. Hunter to explain the difference in the types of fund balance.

○ **Capital Improvement Plan**

Director of Financial Services Brooke Hunter shared the Capital Improvement Plan which totals of \$9.4 million in 5-year capital spending. She noted this includes replacement of vehicles and equipment per the replacement schedules and includes \$5,080,100 in other capital additions. Councilmember Farrell asked if the Village has ever looked at hybrid or electric cars for the fleet. Lauren Craig, Performance Management Director, stated that is certain something we can add to the Opportunities for Improvements list.

3) **Other Items**

Brooke Hunter stated the public hearing on the budget will be held at the next Council meeting on May 28th.

Councilmember Davis asked about the proposed GIS specialist position proposed in FY 2020. Jason Whitaker and Angie Kantor explained they hope to have the position filled by October of this year.

Council discussed how to proceed with releasing the request for proposal for library services. They came to a consensus to allow Village staff to make any minor changes to the document and release. Council also formed a consensus to cancel their scheduled budget work session for Friday, May 24 at 2:00pm, as no further discussion was needed.

4) **Motion to Adjourn.**

Council unanimously approved to adjourn the Work Session by a vote of 5-0 at 4:20 pm.

Respectfully Submitted,



Beth Dunn,
Village Clerk

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement