



**VILLAGE COUNCIL
MINUTES FOR BUDGET WORK SESSION
OF MAY 21, 2020
REMOTE MEEING
ZOOM**

2:00 PM

The Pinehurst Village Council held a special meeting for a budget work session at 2:00 p.m., Thursday, May 21, 2020 remotely, via Zoom. The meeting was streamed in real time on the Village's website for the public to view. The following were in attendance:

The following were in remote attendance:

Mr. John C. Strickland, Mayor
Ms. Judy Davis, Mayor Pro Tem
Ms. Lydia Boesch, Treasurer
Ms. Jane Hogeman, Councilmember
Mr. Jeffrey Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 10 attendees, including 10 staff.

1. Call to Order.

Mayor John Strickland called the meeting to order.

2. Discussion of the Recommended 2021 Strategic Operating Plan.

Jeff Sanborn, Village Manager, explained staff has put together numbers to look at combined impacts of the worst case sales revenue numbers and potentially not increasing property taxes. Brooke Hunter, Financial Services Director, reviewed a 5 year financial forecast scenario comparisons with Council. The comparisons showed a scenario with the original tax rate proposal, one with no increase, and one with a delayed tax increase until FY 2022. Each of the comparisons for the property tax rate also included a comparison for the original sales tax projection and a worst case sales tax scenario.

Natalie Hawkins, Assistant Village Manager, reviewed the potential revenue reductions if we eliminate the proposed \$.005 property tax increase, have a substantial sales tax decrease, and have Fair Barn revenues losses due to COVID restrictions. Council reviewed and discussed the potential expenditure deferrals or eliminations that staff recommended as potential ways to offset worst case scenario revenue reductions due to COVID-19. Staff recommended proceeding with including these items in the FY2021 budget, but with the caveat that staff not expend funds for these items until the potential revenue impacts of COVID-19 become clearer.

Ms. Hawkins provided an overview of the number of full time equivalents (FTE) per 10,000 population and a comparison to Southern Pines and the UNC School of Government Benchmark Groups. In FY 18 the UNC School of Government Benchmark Group exceeded Pinehurst FTE's by 45%. Ms. Hawkins also reviewed historical and projected population and FTE numbers. Ms. Hawkins reviewed the role of the requested Transportation Planner position. The role extends far beyond just vehicular traffic related issues and can help address resident needs for alternative modes of transportation, parking, street lighting, and way finding. Planning and implementing alternative modes of transportation and identifying transportation system improvements is critical to ensuring a high quality of life. Ms. Hawkins reviewed costs for possibly contracting out transportation planning services as there are several functions that Village leadership believes cannot be adequately meet with existing staff resources. Council discussed and came to a consensus to delay hiring a Transportation Planner until after the first quarter of FY 2021.

After some discussion Council agreed to projects and items to defer in FY 2021 if needed. Mayor Strickland, Councilmember Hogeman, and Councilmember Boesch all supported removing the proposed property tax increase, of \$.005, in the FY 2021 budget. Councilmember Drum noted that if the tax increase doesn't happen in the years out then we could be in trouble. Ms. Hawkins noted the budget presentation, for the public hearing next week, will be updated to reflect the changes made by Council during the work sessions. Ms. Hawkins noted that Village staff will closely monitor revenues each month and will provide the Council with updated revenue estimates at the end of the first quarter of FY 2021 so Council can make decisions on any deferrals.

3. Motion to Adjourn.

Upon a motion by Councilmember Boesch, seconded by Councilmember Drum, Council unanimously approved to adjourn the special meeting by a vote of 5-0 at 5:24 p.m.

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