



**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF MAY 14, 2018
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., Monday, May 14, 2018 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 R. Cashion, Mayor Pro Tem
Mr. John Bouldry, Treasurer
Ms. Judy Davis, Councilmember
Mr. Kevin Drum, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Natalie Hawkins, Assistant Village Manager
Mr. Jeff Batton, Assistant Village Manager
Mr. John Frye, Financial Services Director
Ms. Brooke Hunter, Assistant Financial Services Director
Ms. Lauren M. Craig, Village Clerk

And approximately 8 attendees, including 8 staff and 0 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo called the meeting to order.

2. Discussion of the Recommended 2019 Strategic Operating Plan.

Council gave brief comments on their review of recommended FY 2019 Budget and Strategic Operating Plan and any questions or findings they had upon their review. Council concurred that the list of items that went unfunded was very helpful while reviewing. Assistant Village Manager Natalie Hawkins and Financial Services Director John Frye explained Village Manager Jeff Sanborn presented the Council with the recommended FY 2019 Budget and Strategic Operating Plan at the May 8 Council meeting and they proceeded to review the SOP document based on the categories listed below.

1) Process Overview

Assistant Village Manager Natalie Hawkins explained the process staff and Council took to develop the 2019 Strategic Operating Plan which included a strategy development, Council's confirmation of Balanced Scorecard (BSC) and Key Performance Indicators (KPI) targets, the financial forecast, submittal of departmental requests, Budget Review Committee meetings to review requests, Council input on plan preview, and the budget balancing and document production.

2) Strategic Priorities

Assistant Village Manager Natalie Hawkins 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 direction from the retreat. Ms. Hawkins also shared the 10 initiatives in the five-year planning period.

3) General Fund Revenues FY 2019

Director of Financial Services John Frye shared the general fund revenues total \$22,552,060 in the proposed document. He discussed property taxes and the proposed property tax rate being maintained at \$0.295. He discussed unrestricted intergovernmental revenues, sales tax, electricity sales taxes, and restricted intergovernmental revenues. Mr. Frye noted permits

and fees are up 5.9%, primarily due to additional fire district revenues from Moore County and Taylortown. He also explained Sales & Services revenues are up 1.6%, primarily due to increased Fair Barn rental and Recreation programs revenues. He shared the Other Revenues which include ABC revenue and other sales such as sales of surplus assets, donations, or minor fees. He noted the investment income is up \$47,000 or 95.5% due to higher interest rates and increased funds available for investment. Mr. Frye noted the fund balance appropriated is 32%.

4) General Fund Expenditures

Director of Financial Services John Frye gave an explanation about the General Fund expenditures and explained the proposed staffing of 141 full-time equivalents (FTEs). He explained the document includes the Performance Management Director and a Buildings & Grounds full-time Maintenance Technician. He noted merit raises for employees at 0-3%, and 10% increase in group insurance costs. Mr. Frye discussed operating expenditures include resurfacing money for 5 miles of streets, additional funding for street patching, Given Memorial Library funds, debt service expenditures for FY 2019, a transfer of \$4.1M to the Community Center Capital Project Fund, and capital expenditures for FY 2019. He noted there is a detailed listing of capital items funded in FY 2019 included in the document.

5) Capital Project Fund

Director of Financial Services John Frye explained the transfer of \$4,068,900 from the General Fund in FY 2019 for construction of the Community Center.

6) Five-Year Financial Forecast

Director of Financial Services John Frye shared the five-year financial forecast. He noted this section details the forecasting methodology which includes key assumptions used and planned revenues and expenditures for the forecast period. Mr. Frye discussed the Operating Margin and Fund Balance targets.

7) Capital Improvement Plan

Director of Financial Services John Frye shared the Capital Improvement Plan which totals of \$11,800,900 in 5-year capital spending. He noted this includes a replacement of vehicles and equipment per replacement schedules and includes \$3.6M in other capital additions. A list detailing Fleet, IT, and capital additions in a five-year detail was also reviewed.

8) Other Items

Director of Financial Services John Frye reviewed the Library reversion of \$1M in FY 2020 inflates the fund balance projections. He noted if it gets committed to another library initiative, fund balance range reduces to 32%-39%. He explained discussions regarding Given Library future services and funding requirements are ongoing and other additional items identified in the Comprehensive Plan will need to be funded in next year's plan.

Council formed a consensus to cancel their scheduled budget work session for Wednesday, May 16 at 2:00pm.

3. **Motion to Adjourn.**

Upon a motion by Councilmember Cashion, seconded by Councilmember Bouldry, Council approved to adjourn the Work Session by a vote of 5-0 at 4:51 pm.

Respectfully Submitted,



Lauren M. Craig,
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