

**MINUTES OF
VILLAGE COUNCIL BUDGET WORK SESSION
MAY 13, 2014**

**395 MAGNOLIA ROAD
COUNCIL CONFERENCE ROOM
PINEHURST, NORTH CAROLINA
4:00 P.M.**

The Pinehurst Village Council held a Budget Work Session at 4:00 P.M. on Wednesday, May 13, 2015 in the Council Conference Room of the 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. Clark H. Campbell, Councilmember
Ms. Claire L. Phillips, Councilmember
Mr. John C. Strickland, Councilmember
Mr. Jeffrey Batton, Interim Village Manager
Ms. Lauren Craig, Village Clerk
Ms. Natalie Dean, Assistant Village Manager
Mr. John Frye, Director of Financial Services

And approximately 7 attendees, including 3 staff and 1 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo called the meeting to order.

2. Discussion of the Recommended FY 2016 Strategic Operating Plan

Interim Manager Jeff Batton introduced the discussion on the recommended FY 2016 Strategic Operating Plan and noted that if Council does not complete the discussion today, there will be another work session tomorrow at 4:00pm. The public hearing is scheduled for May 26, 2015 and the plan is to have Council consider adoption by the first regular meeting in June. Mr. Batton thanked the staff for their work on this document.

I. Review sections of the budget and enhancements made

Assistant Village Manager, Natalie Dean explained how the budget was enhanced from last year's document. Ms. Dean noted the Budget-in-Brief was included in the document this year to give a clear overview of the key initiatives and cost and she noted improvements to the strategic priorities section. Ms. Dean shared the departmental goals are now included on the department profile pages.

II. Provide an overview of the Strategic Planning Process- pg. 39

Ms. Dean provided an overview of how staff prioritizes the initiative requests from the Department Heads based on Council's direction provided at their Strategic Planning retreat in December.

III. Council Goals, Objectives, and Strategic Initiatives- pg. 37-66

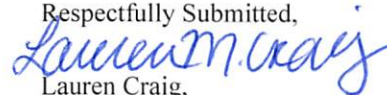
Ms. Dean shared a spreadsheet to show each of the initiative requests from Department Heads along with their scores of prioritization and costs associated.

IV. Overview of Proposed FY 2016 General Fund Budget- pg. 67-75

John Frye, Director of Financial Services, shared the general fund summary and noted the total General Fund Budget is 1.1% lower than FY 2015. He shared that the expenditures are now provided by function, type, and department. Mr. Frye noted this is a revenue neutral budget that estimates fund balance of 40% of expenditures. Mr. Frye shared more information about fund balances and net assets ratios and how fund balances would be used.

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- V. General Fund Revenues- \$17,890,044**
Mr. Frye gave a summary of projected property taxes, proposed revenue neutral tax rate of \$0.30, sales taxes, unrestricted intergovernmental revenues, restricted intergovernmental revenues, permits and fees, assessments, sales and services, other revenues, and fund balance appropriated.
- VI. General Fund Expenditures- \$17,890,044**
Mr. Frye gave a summary of the proposed staffing numbers, merit raises, insurance, and workers' compensation insurances costs. He summarized the operating expenditures specifically around resurfacing and funds for Given Memorial Library. Mr. Frye covered debt service expenditures and capital expenditures that are included in this budget. He discussed the Public Services Complex redevelopment phases and that the project commencement is currently contingent upon the sale of Juniper Lake Road property.
- VII. Five-Year Plan- Begins on page 141**
Mr. Frye shared the five-year capital plan including an overview of fleet and IT purchase plans and capital improvements.
- VIII. Discussion Items**
- a. What was removed from FY 2016 SOP and Five Year CIP**
Ms. Dean shared a list of the five-year initiatives that were requested by Department Heads but were not funded and covered the reasons why they did not rise to a higher priority. Natalie Dean also covered changes to the FY 2016 budget which eliminated \$400,300 from the FY 2016 budget.
 - b. Pinehurst Business Partners funding status**
Mr. Batton noted that the Pinehurst Business Partners has withdrawn their request for funding and Council determined to reword the initiative but to keep the current funding in the budget.
 - c. Parks and Recreation Staff**
Mr. Batton suggested using the part-time Parks and Recreation staffing request as an event role rather than parks maintenance role and absorb the park maintenance in other areas to assist in the workload of the Events Coordinator. Council formed a consensus to make this adjustment.
 - d. Given Memorial Library contributions**
Mr. Batton asked for Council's guidance on the contribution plan to their capital campaign as proposed to Given Memorial Library and staff reported the current status of the Great Expectations campaign according to Audrey Moriarty of the library. Council held a discussion about the revised agreement with the library and determined to continue with the revised agreement as drafted currently including the extension of one year.
- Audience member Doug Middaugh asked if the \$200,000 is allocated between greenways and sidewalks or if the total is allocated to only sidewalks.
 - Audience member Jack Farrell suggested to not increase the tax rate by the full 2 cents to show the Village cares about the average taxpayer. He suggested taking it out of the fund balance.
- 3. Adjournment.**
At approximately 6:15pm Councilmember Cashion moved to adjourn the meeting. The motion was seconded by Councilmember Campbell and passed unanimously with a vote of 5-0.

Respectfully Submitted,

Lauren Craig,
Village Clerk