

**MINUTES OF
VILLAGE COUNCIL SPECIAL MEETING
MAY 11, 2016**

**395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.**

The Pinehurst Village Council held a Special Meeting (Budget Work Session) at 4:30 p.m., Wednesday, May 11, 2016 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Ms. Claire L. Berggren, Councilmember
Mr. John Bouldry, Councilmember
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Natalie Dean, Assistant Village Manager
Mr. John Frye, Director of Financial Services
Ms. Lauren M. Craig, Village Clerk

And approximately 13 attendees, including 11 staff and 1 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo called the meeting to order.

2. Discussion of the Recommended 2017 Strategic Operating Plan.

Village Manager Jeff Sanborn presented the Council and the public an overview of the Recommended FY 2017 Budget and Strategic Operating Plan.

1) Process Overview

Assistant Village Manager Natalie Dean explained the process staff and Council took to develop the 2017 Strategic Operating Plan which included a strategy development, Council's confirmation of BSC and KPI targets, the financial forecast, submittal of departmental requests, 30 hours of 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 Dean shared the strategic priorities which are expressed as goals, strategic objectives, and key performance indicator targets on the Village's Balanced Scorecard (BSC). Ms. highlighted all of the initiatives in the five-year planning period. Upon discussion, Council directed staff to make two changes to the FY 2017 Strategic Operating Plan: 1) move the comp plan update one year to FY 2018-2019 and 2) move the shade structure for Rassie Wicker Park up one year to FY 2017.

3) Overview of Proposed FY 2017 General Fund Budget

Director of Financial Services John Frye gave an overview of the general fund budget. He highlighted the total General Fund Budget and expenditures which were provided by Function, Type, and Department within the document. He also shared information on the estimated fund balance.

4) General Fund Revenues

Director of Financial Services John Frye shared the general fund revenues total \$18,249,985 in the proposed document. He discussed property taxes and the proposed property tax rate of \$0.295. He discussed sales tax and electricity sales taxes, unrestricted intergovernmental revenues and restricted intergovernmental revenues. Mr. Frye noted permits and fees are up

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4.9%, primarily due to increased fire district revenues from Moore County and Taylortown. He also explained Sales & Services revenues are up 12.7%, primarily due to planned increases in Fair Barn and Recreation program revenues. Mr. Frye noted the fund balance appropriated is approximately \$1 million.

5) General Fund Expenditures

Director of Financial Services John Frye gave an explanation about the General Fund expenditures and explained the proposed staffing of 136 full-time equivalents (FTEs). He explained the document includes additions in the Police Department for a two-officer traffic team, paid reserve officers, and administrative staffing pool. He also noted that it includes a part-time Welcome Center Coordinator, merit raises for employees at 0-3%, and 10% increase in group insurance costs. Mr. Frye discussed operating expenditures include resurfacing money for 4.5 miles of streets, Given Memorial Library funds, debt service expenditures for FY 2017, and capital expenditures for FY 2017. He noted there is a detailed listing of capital items funded in FY 2017 included in the document.

6) Five-Year Financial Forecast

Director of Financial Services John Frye shared the five-year financial forecast. He noted this is a new section that 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 \$10,230,700 in 5-year capital spending. He noted this includes a replacement of vehicles and equipment per replacement schedules and includes \$5.7M in other capital additions, inclusive of \$2.0M for recreation facilities in FY 2019 and FY 2020. A list detailing Fleet, IT, and capital additions in a five-year detail was also reviewed.

8) Other Items

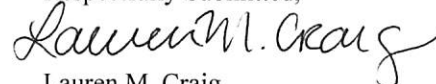
Director of Financial Services John Frye reviewed the typical departmental budget format under the general fund and the line item details list that corresponds. Mr. Frye reviewed the budget reductions that occurred during the review committee process and Council held a discussion about these items. Natalie Dean suggested adding the budget document to Open Village Hall to receive public input from May 16-23 and Council determined to proceed with posting this.

Council agreed upon discussion to edit the proposed document by moving the Comp Plan initiative to FY 2018-2019 and the shelter for Rassie Wicker Park to FY 2017. Council discussed the tax rate increase and there were no objections with proceeding as proposed. Council determined to cancel the budget work session scheduled for Thursday, May 12.

3. Motion to Adjourn.

Councilmember Campbell moved to adjourn the Work Session. The motion was seconded by Councilmember Cashion and carried unanimously. The Work Session adjourned at 6:26 p.m.

Respectfully Submitted,



Lauren M. Craig
Village Clerk