

**MINUTES OF
VILLAGE COUNCIL SPECIAL MEETING
MAY 15, 2017**

**395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:00 P.M.**

The Pinehurst Village Council held a Special Meeting (Budget Work Session) at 4:00 p.m., Monday, May 15, 2017 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 Hawkins, Assistant Village Manager
Mr. John Frye, Director of Financial Services
Ms. Lauren M. Craig, Village Clerk

And approximately 12 attendees, including 10 staff and 1 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo called the meeting to order.

2. Discussion of the Recommended 2018 Strategic Operating Plan.

Village Manager Jeff Sanborn explained he presented the Council with the recommended FY 2018 Budget and Strategic Operating Plan at the last work session.

1) Process Overview

Assistant Village Manager Natalie Hawkins explained the process staff and Council took to develop the 2018 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, 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 Hawkins shared the strategic priorities which are expressed as goals, strategic objectives, and key performance indicator targets on the Village's Balanced Scorecard (BSC). Ms. Hawkins highlighted all of the initiatives in the five-year planning period. Councilmember Berggren suggested to use the words "pedestrian connectivity" rather than "sidewalks" in the document and also to keep recreational center and cultural centers separate. Ms. Hawkins indicated staff would make the requested changes to the budget document.

3) Overview of Proposed FY 2018 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 \$19,139,093 in the proposed document. He discussed property taxes and the proposed property tax rate is being maintained at \$0.295. He discussed sales tax and electricity sales taxes, unrestricted

**MINUTES OF
VILLAGE COUNCIL SPECIAL MEETING
MAY 15, 2017**

intergovernmental revenues and restricted intergovernmental revenues. Mr. Frye noted permits and fees are up 15.9%, primarily due to increased construction activity and additional fire district revenues from Moore County and Taylortown. He also explained Sales & Services revenues are up 8.7%, primarily due to Recreation program revenues. He noted other revenues are up 11.8% due to an increase in local ABC store profits. Mr. Frye noted the fund balance appropriated is approximately \$1.2 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 139 full-time equivalents (FTEs). He explained the document includes Human Resources and Finance adding hours to existing positions, Buildings & Grounds adding a full-time Grounds Maintenance Specialist, and Streets & Grounds adding two seasonal Maintenance Technicians in FY 2018. 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 3-5 miles of streets, Given Memorial Library funds, debt service expenditures for FY 2018, a transfer to the Community Center Capital Project Fund, and capital expenditures for FY 2018. He noted there is a detailed listing of capital items funded in FY 2018 included in the document.

6) **Capital Project Fund**

Director of Financial Services John Frye explained the concept of creating a capital project fund to transfer \$355,000 from the General Fund in FY 2018 for design costs related to the proposed Community Center.

7) **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.

8) **Capital Improvement Plan**

Director of Financial Services John Frye shared the Capital Improvement Plan which totals of \$11,890,600 in 5-year capital spending. He noted this includes a replacement of vehicles and equipment per replacement schedules and includes \$4.4M in other capital additions. A list detailing Fleet, IT, and capital additions in a five-year detail was also reviewed.

9) **Other Items**

Director of Financial Services John Frye reviewed Senate Bill 126 Article 40 Local Option Sales Tax and explained the proposed changes in adjustment factors could take up to \$352,000 per year from Village revenue. Council reviewed the budget reductions that occurred during the review committee process and Council held a discussion about these items.

Natalie Hawkins suggested adding the budget document to Open Village Hall to receive public input from May 16-22 and Council determined to proceed with posting this.

3. **Motion to Adjourn.**

Councilmember Bouldry moved to adjourn the Work Session. The motion was seconded by Councilmember Berggren and carried unanimously. The Work Session adjourned at 5:15 p.m.

Respectfully Submitted,


Lauren M. Craig
Village Clerk