



**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF MARCH 10, 2020
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA**

IMMEDIATELY FOLLOWING THE REGULAR MEETING

The Pinehurst Village Council held a Work Session at 6:47 p.m., Tuesday, March 10, 2020, in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

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

And approximately 7 attendees, including 6 staff.

1. Call to Order.

Mayor John Strickland, called the Council work session to order.

2. Discuss Recommended Changes to Budget Ordinance and Delegated Authorities.

Brooke Hunter, Financial Services Director, explained the annual budget ordinance adopted by Council identifies all revenues and expenditures projected for the upcoming fiscal year (FY) as well as specific budget amendment and contracting authorities to the Village Manager. Staff is proposing changes to three sections of the budget ordinance for FY 2021 to increase operational efficiencies, more closely align with General Statute definitions, and mirror the practices of other peer communities.

Ms. Hunter explained staff is recommending combining operating and capital expenditures into a single appropriation for each department beginning in FY 2021, as currently we separate each department's expenditures between operating costs and capital costs. NC General Statute 159-13 requires that the governing body make appropriations by "department, function, or project" in the budget ordinance. Combining operating and capital into a single departmental appropriation directly aligns with the state statute language and mirrors several of our peer communities. This change will allow the Village Manager to approve reclassification budget amendments between capital and operating items in the same department that exceed \$10,000. Under the current ordinance structure, those amendments must be approved by Council. Reclassification amendments that are \$10,000 or less will no longer be required to be reported in the budget amendment report, since the amendments will not alter the original budget ordinance. This change will also reduce the number of budget amendments to report. In the past two years, approximately fifteen amendments were made between operating and capital line items in the same department. Ms. Hunter noted that there would be no change in the way financial reports, such as the CAFAR and quarterly reports, are reported to Council.

Ms. Hunter explained that staff is also recommending increasing the Village Manager's authority to make budget amendments between departments within the same fund from \$10,000 to \$25,000. NC General Statute 159-15 allows Council to delegate this authority. The \$10,000 limit was established in the FY 2005 budget ordinance when the Village's total budget was only \$11.6 million, in FY 2020, our total budget was \$21.6 million. Ms. Hunter noted that upon a review of our peers she found that Cornelius and Moore County do not place a limit on transfers of line-item expenditures even between departments, Holly Springs has a limit of \$15,000 between departments, and Davidson allows transfers up to 10% of the appropriated funds for the department whose allocation is reduced. This change will provide additional flexibility to transfer existing funds between departments, as needed.

Ms. Hunter also explained that staff recommends adding a statement to allow unlimited budget amendment authority within the same fund in the event a State of Emergency is declared, similar to the current contracting authority language that was added in response to Hurricane Florence in Fiscal Year 2019. This will allow the Village Manager to move funds between departments in the same fund to allow the Village to execute a contract in an emergency. Funds must be available before the Village should enter into a contract.

Ms. Hunter stated that staff recommends increasing the Village Manager's authority to enter into services contracts from \$25,000 to at least \$50,000. This change will also delegate authority to the Village Manager to execute service contracts with unlimited authority during a State of Emergency. Ms. Hunter explained the current threshold for service contracts was established in FY 2008 and has caused some delays in recent years. She also noted that State statutes do not require council approval for service contracts, so the limit could be increased to any amount. Increasing the limit to \$50,000 will allow more efficient execution of contracts and completion of projects at the Village. As the cost of doing business has increased since FY 2008 and the Village has moved toward more IT subscription services contracts, there are now a couple of routine IT contracts that require Council approval. Ms. Hunter explained that the Village Manager is only able to execute contracts if appropriations are available in the budget ordinance that Council adopted.

Ms. Hunter summarized the proposed changes which includes; combining operating and capital expenditures into a single appropriation for each department, increasing the Village Manager's authority to approve budget amendments between departments from \$10,000 to \$25,000, and increasing the Village Manager's contracting authority for services from \$25,000 to \$50,000. These changes will ensure our expenditure appropriations align with General Statute definitions, allow for timely execution of contracts and completion of work in the Village, and bring our delegated approval limits closer to the practices of similar peer communities in North Carolina.

3. Discuss Moore County Highway Corridor Overlay District.

Councilmember Hogeman shared a map of the Moore County Highway Corridor Overlay District and reviewed the County's process of creating the proposed standards. She noted that the County Planning Board will vote on the proposed standards at their April 2nd meeting. Councilmember Hogeman stated that the County did great developing the standards but not all recommendations from Pinewild, in June of 2019, were incorporated into the document. She reviewed her comments and recommendations that she submitted to the County, as a personal citizen. Ms. Hogeman noted that Foxfire Village Council has also submitted some comments back to the County as well.

Mayor Pro Tem Davis stated she would like to add no light sensors on outside lighting. Mr. Sanborn stated he believes the County's base ordinance covers shielding light. Councilmember Boesch stated that she applauds the County for creating these standards and that she doesn't think we need to apply our high standards to the entire County, as this transition area is a one size fits all. She wants to make sure our request to the County is accurate. Councilmember Drum stated he was impressed with Moore County's work. Darryn Burich, Planning and Inspections Director, stated staff will touch base with Moore County Planning staff and clarify a few items and make some recommendations based on the discussion Council had tonight.

4. Other Work Session Business.

Mark Wagner, Parks and Recreation Director, explained with the threat of the Coronavirus a lot of questions have come up in regards to upcoming events and they want to be proactive. Staff has rented hand washing stations for the St. Patrick's Day Parade. Mayor Pro Tem Davis asked if parade participants were contacting them with questions. Megan McDonald, Event Coordinator, stated that she hasn't heard from anyone just yet but the concerns are growing. Council discussed if they should allow parade participants to hand out items to the public. Council agreed the situation needs to continue to be monitored and cancellations may be necessary in the future.

5. Potential Future Work Session Agenda Items.

- Mayor Strickland stated the Resort will have an article about the 125th anniversary in the Putter Boy Magazine in March. The Resort are producing banners and if they do an event it will be on December 31st at the Holly Inn. The Village is also looking into a Village logo, banners, and news releases to share events that occurred in 1895. Councilmember Boesch stated this is about awareness and education. Mayor Strickland noted that he will update everyone at the next meeting.
- Councilmember Boesch asked how Council will move forward to address the pedestrian issues they heard tonight. Councilmember Hogeman stated that the Bicycle and Pedestrian Committee meets on April 2nd and are going to be a great ally. Mayor Pro Tem Davis stated she would try to summarize all the feedback from the residents and circulate that back to Council. Councilmember Drum asked where the cross walk at the hospital was located. Jeff Batton stated there is a crosswalk at the intersection of Highway 211 and Memorial Drive.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously approved to adjourn the work session by a vote of 5-0 at 8:32 p.m.

Respectfully Submitted,



Beth Dunn,
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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