Village of Pinehurst
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434

Village of Pinehurst

Memo

To: Village Council

From: John Frye

CC: Village Managers

Date: January 30, 2018

Re: Projected Year-End Financial Results and Budget Amendment

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Projected Year-End Financial Results

Based upon my review of the quarterly financial statements through the end of December and discussions with Senior Management and Department Heads, I have formulated my estimate of the Village's projected year-end financial results. At this time, I estimate that the Village's expenditures will exceed its revenues at year-end by approximately $170,000. Although this is a loss, you must recall that we planned to use $295,000 of fund balance in FY 2018 when the budget was adopted.

This outcome, combined with the addition to fund balance at the close of FY 2017, results in the Village having approximately $1.3 million dollars more in fund balance than was estimated when the FY 2018 budget was originally adopted. This addition consists of $155,000 in additional revenues, $420,000 that will not be expended for sidewalks, $421,000 in other expenditure savings, and the $318,000 addition to fund balance in FY 2017 above our estimate.

Total fund balance for the General Fund at the beginning of this fiscal year was $10,633,000. I am projecting that fund balance will decrease to $10,463,000 by the close of this fiscal year. This estimate will leave the ending fund balance for the General Fund at 52% of expenditures. This remains above our policy range, and is higher than the 48% projected in the Strategic Operating Plan.

Budget Amendment

When evaluating our projected actual amounts compared to the current budget, I identified a few of the more significant items that have deviated from our original budget projections. We propose the Village revise the budget estimates for these items in an effort to bring the budgeted amounts closer to expected levels. I have detailed the proposed changes below:

Revenues

- We project property tax revenues to be slightly higher than originally anticipated. These projections are based on the taxes collected to date and the remaining taxes receivable. We recommend increasing real and personal property tax revenues by $56,000 and motor vehicle tax revenues by $18,000.

- Local option sales taxes, and their related hold harmless reimbursements, are projected to be slightly higher than budgeted. We recommend increasing sales taxes by $34,000 and the hold harmless reimbursements by $26,000.

- Electricity sales taxes, at mid-year, are lagging the prior year totals. We recommend reducing this revenue estimate by $30,000.

- Investment income is significantly above our projection due to higher levels of fund balance and interest rate increases by the Federal Reserve. We recommend increasing this revenue by $50,000.

- Harness Track stall occupancy declined by 15% this year, as trainers brought fewer horses this season. As a result, we recommend reducing this budget estimate by $39,000.

- Fair Barn rental revenues through the second quarter are 20% higher than the same period the previous year. By year's end, they are expected to be $250,000, or $35,000 higher than the budgeted figure. It appears that our revenue estimate for FY 2018 was low and not in line with FY 2017 revenues.

- Revenues from the sale of logo merchandise are being revised downward by $20,000. This is a new line of business for the Village and there was no trend data available when the budget was developed. We are also reducing our expenditure budget for logo merchandise below.

- Sales of surplus assets have also netted the Village additional revenue this year. We recommend increasing this revenue source by $20,000. The majority of this increase was from the sale of a surplus fire engine in December.

Expenditures

- In Human Resources, $30,000 was originally appropriated for salary market adjustments. When the market adjustments for FY 2018 were implemented, it was determined that they could be absorbed within the affected departments. We are recommending removing the $30,000 appropriation from the budget.

- In Streets & Grounds, we request removing the $420,000 of remaining sidewalk funding since we will not complete this project this fiscal year.

- In Community Development, we are reducing our logo merchandise expenditure budget by $10,000 due to the lower sales volume mentioned previously.

- In Fleet Maintenance, gas prices continue to be lower than anticipated although repairs are higher than expected. We recommend transferring $12,500 in fuel funding to the vehicle repair account.

In total, these adjustments will decrease the Village's FY 2018 Budget by $460,000 and will reduce fund balance appropriated by $610,000. Adopting the above adjustments within the revenue and expenditure accounts will enable the Village to prepare more accurate budget estimates for the next fiscal year and maintain statutory compliance required by the Local Government Budget and Fiscal Control Act.

As we enter the strategic planning and budgeting season, the Village is well positioned to carry out the objectives in our Strategic Operating Plan. As I have said before, the Village continues to remain in a solid financial position because of our conservative financial policies, good financial planning, and diligent budget oversight. Should you have any questions, please feel free to contact me.

John G. Frye, CPA
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434
e-mail: jfrye@vopnc.org

Village of Pinehurst

Memo

To: Village Council

From: John G. Frye

CC: Jeff Sanborn & Senior Leadership

Date: January 30, 2018

Re: Financial Statements for the Quarter Ended December 31, 2017

The Village remains in a very good financial position through the first half of the fiscal year. Revenues exceeded expenditures by a larger margin than anticipated in our forecast for the first two quarters. In addition, our operating expenditures are below expected levels and our revenue outlook is on target. These results should position us well to carry out the objectives outlined in the FY 2018 Strategic Operating Plan.

Financial Position:

The Village's General Fund is showing $3.6 million in income for the first six months of the year, which is lower than the $4.7 million the prior year. The Village budgeted for revenues to exceed expenditures by roughly $2.3 million for the first two quarters. In terms of fund balance, the Village's fund balance is currently 74% of expenditures, which is the same level seen the previous year at December 31.

The Village's total cash and investment balances increased by $366,264, or 3%, compared with the previous year. The majority of this variance is due to the addition to fund balance in the previous fiscal year. The remainder of the increase is due to revenues that are higher than expected and expenditures that are lower than expected at this point in the fiscal year.

Of the $12.5 million in cash and investments at December 31, 2017, $9.8 million was invested in the North Carolina Capital Management Trust money market mutual funds. An additional $2.5 million was held in high-quality certificates of deposit. Our long-term debt balances also continue to decline, with the Village currently owing $902,000 in notes payable.

Revenues & Expenditures:

General fund revenues were $318,000, or 2.5%, above the year-to-date budget projections. Property tax revenues were $323,000, or 3.7%, above the quarterly revenue estimate. This increase is primarily due to higher collection levels than anticipated through December 31. The real and personal property tax collection rate of 91% is 1.6% higher than this time last year. The real and personal base grew by 1.3%, compared to the same period last year, which is also slightly ahead of the 1% budget forecast. The motor vehicle tax base is relatively flat, compared to the prior year.

For local option sales taxes, the adopted budget forecast a 3.5% increase over the previous year. So far, the actual collections for the first four months of the year received are running exactly 3.8% ahead of the previous year's collections. Growth in electricity sales taxes are trending slightly below our forecast. I have recommended amending this budget down $30,000 in our mid-year review.

Sales and service revenues are $54,000, or 12%, lower than the quarterly forecast. A majority of this variance is for Harness Track stall rentals. Overall, trainers brought fewer horses this year than last year. I am recommending revising this revenue estimate down by $39,000.

General fund operating expenditures were $590,000, or 7%, below the quarterly budget. This variance is slightly above the expected expenditure variance of 5%. The majority of the operating expenditure variance is due to lapsed salaries. A number of positions across the Village were vacant during the first half of the fiscal year due to employee turnover.

For capital outlay, approximately 78% of the capital outlay budgeted in the first two quarters was expended. The remaining variance is due to several projects that were planned for the first two quarters but not completed. We expect staff to complete most of these projects by the end of the fiscal year, with the exception of neighborhood sidewalks. I recommend removing the remaining $420,000 in sidewalk funding from the budget.

Financial Outlook:

The Village issued 60 single-family residential building permits valued at $16,275,000 during the first two quarters compared to 69 the previous year. Although the number of homes permitted was lower, the total value of the homes increased slightly compared to the previous year. I still believe the Village will reach the forecasted number of 130 homes constructed by year-end.

Based on our mid-year estimates, we anticipate the Village's fund balance will decrease by approximately $170,000 by the end of FY 2018. This is better than our estimated loss of $295,000 when the budget was adopted in May of 2017. This will leave the ending fund balance for the General Fund at $10,463,000, or 52% of expenditures and positions the Village well as we begin preparing the FY 2019 budget.

Other Items:

During the first two quarters, the Fair Barn covered 110% of operating expenditures with operating revenues. This is slightly higher than the 100% achieved at this point the previous year and exceeds the balanced scorecard target of 95%. Based on available information, we believe the Fair Barn will exceed the balanced scorecard target of 95% by year-end.

The Harness Track only covered 88% of its operating expenditures compared to 105% the previous year. The decline is due to fewer horses stabling at the track this season, mentioned above. At this point, it is doubtful the track will reach its performance target for expenditure coverage of 53% by year-end.

Conclusion:

The Village Council and Village managers should be commended for exceeding most of the Village's financial targets. As we begin preparing our budget for the upcoming year, we should continue to maintain operating expenditure growth that is in line with operating revenues. As I have said before, the Village continues to remain in a solid financial position as a result of our conservative financial policies, good financial planning, and diligent budget oversight. Should you have any questions about these quarterly statements, please feel free to contact me.

Village of Pinehurst

Mid-Year Budget Review FY 2018
Budget Amendment Summary

Revenues	Increase/(Decrease)		
Property Taxes-R&P	$ 56,000	10-00-100-3017	Estimate revision
Property Taxes-MV	18,000	10-00-100-3117	Estimate revision
Local Option Sales Taxes	34,000	10-00-100-3260	Estimate revision
Hold Harmless Sales Tax	26,000	10-00-110-3245	Estimate revision
Electricity Franchise Tax	(30,000)	10-00-100-3231	Estimate revision
Investment Income	50,000	10-00-120-3890	Higher interest rates/earnings
HT Stall Rental	(39,000)	10-80-130-3412	Increased rentals
Fair Barn Rental	35,000	10-80-130-3417	Increased rentals
Logo Merchandise Sales	(20,000)	10-00-130-3462	Estimate revision
Sale of Fixed Assets	20,000	10-00-120-3820	Higher surplus sale revenue
Fund Balance Appropriated	(610,000)	10-00-190-3905	Reduce fund balance appropriated
Net Revenue Increase/(decrease)	$ (460,000)		

Expenditures	Increase/(Decrease)		
Human Resources-Salary Adjustments	$ (30,000)	10-00-240-4990	Reduction in salary market adjustments
Comm. Development-Supplies	(10,000)	10-40-720-5400	Lower logo merchandise sales
Fleet-Gas	(12,500)	10-00-960-5600	Lower fuel prices
Fleet-R&M Vehicles	12,500	10-00-960-5902	Vehicle repairs
S&G-Capital Outlay: B&G Land Charges	(420,000)	10-20-420-7120	Sidewalk project deferred
B&G-Capital Outlay: Land	(420,000)	10-00-970-7100	Sidewalk project deferred
B&G-Charges to Other Departments	420,000	10-00-970-3560	Allocation account
Net Expenditure Increase/(Decrease)	$ (460,000)		

VILLAGE OF PINEHURST

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
DECEMBER 31, 2017

Village of Pinehurst
Financial Statements
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Village of Pinehurst
Combined Balance Sheet - All Fund Types
December 31, 2017

	Governmental Fund Types	Account Groups			
	General Fund	General Capital Assets	General Long - Term Debt	Totals December 31, 2017	Totals December 31, 2016
ASSETS					
Cash & investments	$ 12,456,454	$ -	$ -	$ 12,456,454	$ 12,090,190
Taxes receivable	906,037	-	-	906,037	1,005,296
Assessments receivable	90,255	-	-	90,255	122,417
Due from other governmental agencies	2,214,330	-	-	2,214,330	2,171,215
Interest receivable	-	-	-	-	1,123
Other receivables	314,574	-	-	314,574	398,054
Inventory	42,924	-	-	42,924	39,768
Capital assets	-	41,787,581	-	41,787,581	40,551,230
Amounts to be provided for retirement of general long-term debt	-	-	4,793,214	4,793,214	2,634,306
TOTAL ASSETS	$ 16,024,574	$ 41,787,581	$ 4,793,214	$ 62,605,369	$ 59,013,599
LIABILITIES AND FUND EQUITY					
Accounts payable	$ 30,197	$ -	$ -	$ 30,197	$ 6,534
Withholdings & accrued expenses	219,438	-	-	219,438	210,544
Accrued vacation	-	-	668,431	668,431	643,277
Total pension liability (LEO)	-	-	943,908	943,908	268,823
Net pension liability (LGERS)	-	-	2,278,540	2,278,540	490,982
Deposits	221,091	-	-	221,091	105,848
Unavailable revenues	1,283,299	-	-	1,283,299	1,412,785
Long-term debt	-	-	902,335	902,335	1,231,224
Total Liabilities	1,754,025	-	4,793,214	6,547,239	4,370,017
EQUITY					
Investment in general capital assets	-	41,787,581	-	41,787,581	40,551,230
Fund Balance:					
Nonspendable:					
Inventory	42,924	-	-	42,924	39,768
Restricted:					
Stabilization by state statute	4,126,577	-	-	4,126,577	4,308,753
Equitable sharing	1,783	-	-	1,783	-
Transportation	-	-	-	-	147,541
Assigned:					
Designated for expenditures	2,195,054	-	-	2,195,054	1,786,430
Unassigned	7,904,211	-	-	7,904,211	7,809,860
Total equity	14,270,549	41,787,581	-	56,058,130	54,643,582
TOTAL LIABILITIES & EQUITY	$ 16,024,574	$ 41,787,581	$ 4,793,214	$ 62,605,369	$ 59,013,599

Village of Pinehurst
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Period Ended December 31, 2017

	Annual Budget as of 12/31/2017	Quarterly Budget as of 12/31/2017	YTD as of 12/31/2017	YTD as of 12/31/2016	Current Year Over (Under) Prior Year	% of 2018 Budget Spent / Received YTD
Revenues						
Ad valorem taxes & penalties	$ 10,052,000	$ 8,612,930	$ 8,935,783	$ 8,698,811	$ 236,972	88.90%
Assessments	28,400	-	2,005	8,945	(6,940)	7.06%
Other taxes and licenses	1,000	500	910	995	(85)	91.00%
Intergovernmental revenues:						
Unrestricted	5,606,100	2,460,380	2,493,188	2,394,655	98,533	44.47%
Restricted	505,400	500,027	503,896	498,487	5,409	99.70%
Permits & fees	676,800	338,400	345,127	426,404	(81,277)	50.99%
Sales & service	709,100	462,300	408,099	422,448	(14,349)	57.55%
Other revenues	198,730	114,874	86,167	90,183	(4,016)	43.36%
Interest earned on investments	49,000	17,760	49,987	16,820	33,167	102.01%
TOTAL REVENUES	17,826,530	12,507,171	12,825,162	12,557,748	267,414	71.94%
Operating Expenditures						
Governing Body	180,800	100,550	57,757	67,395	(9,638)	31.95%
Administration	1,152,450	592,486	542,321	566,178	(23,857)	47.06%
Financial Services	659,710	409,396	381,084	356,678	24,406	57.77%
Human Resources	452,110	235,756	162,152	157,232	4,920	35.87%
Police	3,006,514	1,551,252	1,473,201	1,341,608	131,593	49.00%
Fire	2,710,237	1,390,266	1,274,236	1,275,543	(1,307)	47.02%
Inspections	217,920	110,112	98,174	103,192	(5,018)	45.05%
Public Services Administration	459,789	225,456	200,230	174,124	26,106	43.55%
Streets & Grounds	1,430,720	652,332	696,464	670,130	26,334	48.68%
Powell Bill Funds	987,400	387,400	671,398	348,119	323,279	68.00%
Solid Waste	1,387,900	657,927	615,308	613,458	1,850	44.33%
Recreation	1,648,746	816,224	668,884	631,083	37,801	40.57%
Library	200,000	150,000	175,000	150,000	25,000	87.50%
Harness Track	535,760	299,756	216,000	219,331	(3,331)	40.32%
Fair Barn	344,040	172,172	124,660	113,879	10,781	36.23%
Planning	712,260	357,532	236,700	269,601	(32,901)	33.23%
Community Development	272,590	152,663	77,951	93,860	(15,909)	28.60%
Debt Service	362,513	182,471	181,865	228,043	(46,178)	50.17%
Total Operating Expenditures	16,721,459	8,443,751	7,853,385	7,379,454	473,931	46.97%
Capital Outlay Expenditures						
Administration	25,832	25,832	13,440	14,077	(637)	52.03%
Financial Services	1,425	1,425	1,104	1,580	(476)	77.47%
Human Resources	1,140	1,140	883	1,974	(1,091)	77.46%
Police	125,439	41,439	34,716	45,431	(10,715)	27.68%
Fire	674,406	659,406	651,927	19,061	632,866	96.67%
Inspections	440	440	335	763	(428)	76.14%
Public Services Administration	95,800	95,800	87,847	161,785	(73,938)	91.70%
Streets & Grounds	1,164,830	507,330	432,178	114,018	318,160	37.10%
Solid Waste	325,948	948	733	3,059	(2,326)	0.22%
Recreation	321,864	221,864	91,312	38,974	52,338	28.37%
Harness Track	121,829	106,829	37,291	45,077	(7,786)	30.61%
Fair Barn	125,606	88,606	5,001	13,708	(8,707)	3.98%
Planning	1,281	1,281	994	2,094	(1,100)	77.60%
Community Development	285	285	221	7,175	(6,954)	77.54%
Total Capital Outlay Expenditures	2,986,125	1,752,625	1,357,982	468,776	889,206	45.48%
TOTAL EXPENDITURES	19,707,584	10,196,376	9,211,367	7,848,230	1,363,137	46.74%
REVENUES OVER (UNDER) EXPENDITURES	(1,881,054)	2,310,795	3,613,795	4,709,518	(1,095,723)	

Village of Pinehurst
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Period Ended December 31, 2017

	Annual Budget as of 12/31/2017	Quarterly Budget as of 12/31/2017	YTD as of 12/31/2017	YTD as of 12/31/2016	Current Year Over (Under) Prior Year	% of 2018 Budget Spent / Received YTD
Other Financing Sources (Uses)						
Operating transfers out	$ (344,000)	$ (172,000)	$ (1,800)	$ -	$ (1,800)	0.52%
Sales of capital assets	30,000	15,000	25,452	57,490	(32,038)	84.84%
Total Other Fin. Sources (Uses)	(314,000)	(157,000)	23,652	57,490	(33,838)	-7.53%
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXP AND OTHER FINANCING USES	(2,195,054)	2,153,795	3,637,447	4,767,008	(1,129,561)	
Appropriated Fund Balance	2,195,054	910,541	-	-	-	
EXCESS OF REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE APP. OVER (UNDER) EXP AND OTHER FIN. USES	$ -	$ 3,064,336	3,637,447	$ 4,767,008	$ (1,129,561)	
FUND BALANCE, JULY 1			10,633,102			
FUND BALANCE, JUNE 30			$ 14,270,549			

Village of Pinehurst
Community Center Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Period Ended December 31, 2017

	Project Budget	Actual Prior Years	Actual Current Year	Actual Total To Date
EXPENDITURES				
Design costs	$ 344,000	$ -	$ 1,800	$ 1,800
	344,000	-	1,800	1,800
REVENUES OVER (UNDER) EXPENDITURES	(344,000)	-	(1,800)	(1,800)
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	344,000	-	1,800	1,800
	344,000	-	1,800	1,800
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	-	$ -
FUND BALANCE, JULY 1			-	
			$ -	

Village of Pinehurst
Schedule of Interfund Transfers
For the Fiscal Period Ended December 31, 2017

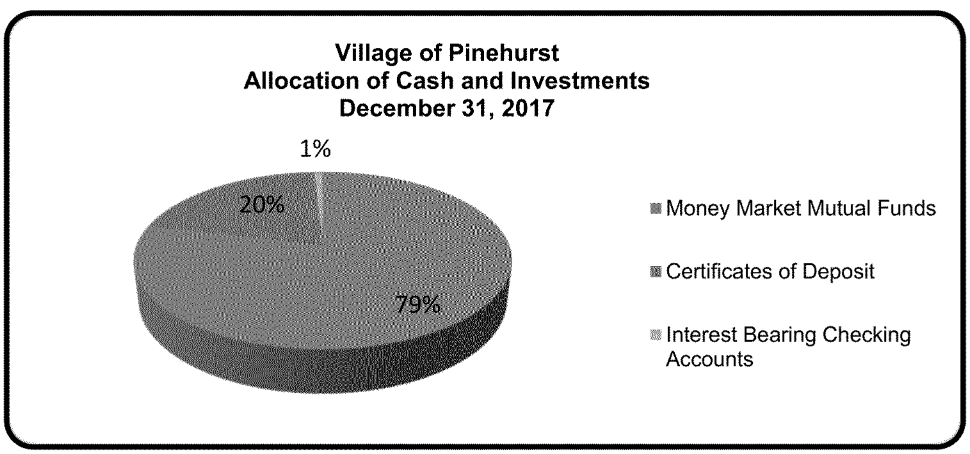
	Budgeted		Actual	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Fund Transfers:				
Community Center Capital Project Fund	$ -	$ 344,000	$ -	$ 1,800
Community Center Capital Project Fund	344,000	-	1,800	-
	$ 344,000	$ 344,000	$ 1,800	$ 1,800

Village of Pinehurst
Schedule of Cash and Investments
December 31, 2017

Investment	Bond/Bank Ratings	Purchase Date	Maturity Date	Cost
Money Market Mutual Funds				
North Carolina Capital Management Trust - Term Portfolio	Unrated			$ 8,083,546
North Carolina Capital Management Trust - Government Portfolio	AAAm (S&P)			1,718,752
Certificates of Deposit				
First Bank	5 star	07/28/17	07/28/18	1,543,013
First Tennessee Bank	4 star	08/04/17	08/04/18	1,000,000
Interest Bearing Checking Accounts				
PNC Bank Operating				110,043
Petty Cash				1,100
Total Cash and Investments				$ 12,456,454
Total Cash and Investments (same quarter previous year)				$ 12,090,190

Summary of Cash and Investments

Money Market Mutual Funds	$ 9,802,298
Certificates of Deposit	2,543,013
Interest Bearing Checking Accounts	110,043
Petty Cash	1,100
	$ 12,456,454

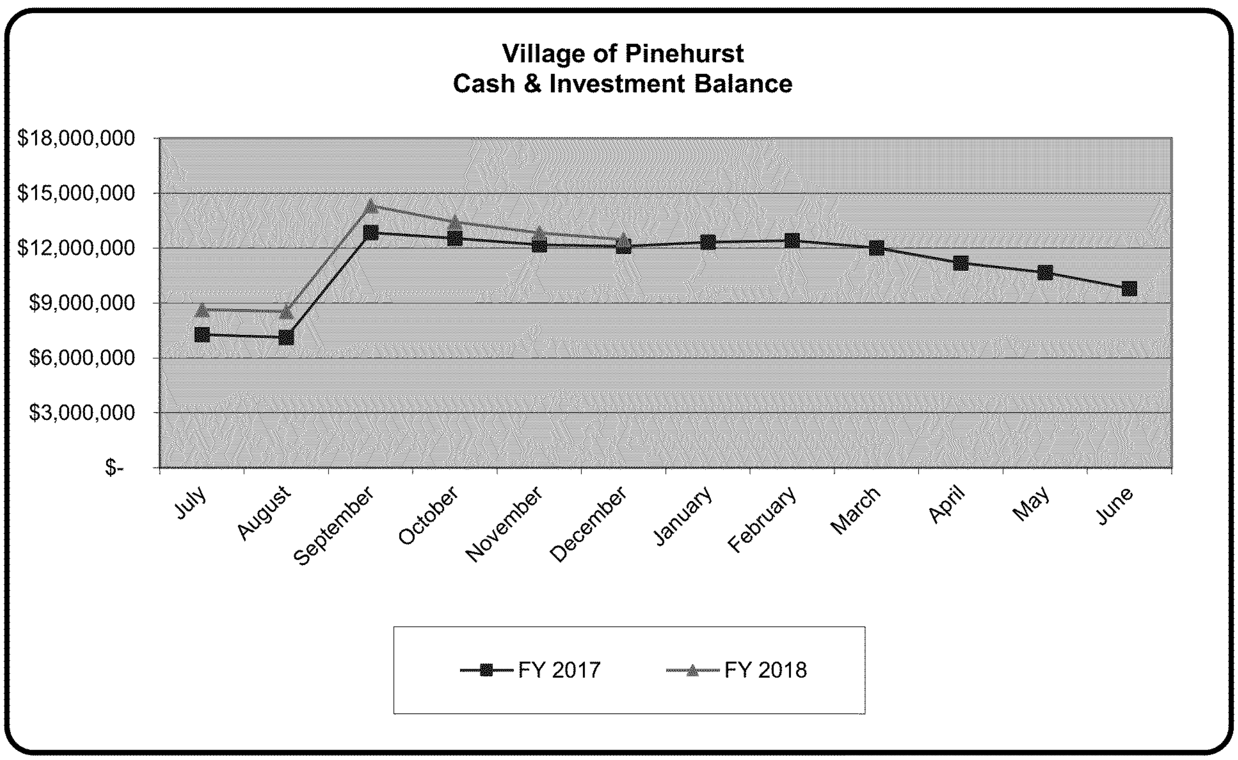


* Bank star ratings provided by Bauerfinancial.com

Village of Pinehurst
Investment Yield Summary

	FY 2017			FY 2018		
	Cash Balance	Investment Earnings	Investment Yield*	Cash Balance	Investment Earnings	Investment Yield*
July	$ 7,278,218	$ 1,281	0.20%	$ 8,640,436	$ 6,416	0.85%
August	7,118,369	1,598	0.27%	8,533,653	5,740	0.81%
September	12,841,329	1,257	0.15%	14,312,660	7,054	0.75%
October	12,536,811	3,226	0.31%	13,423,626	10,512	0.92%
November	12,173,106	4,516	0.44%	12,835,641	9,637	0.89%
December	12,090,190	4,942	0.50%	12,456,454	10,628	1.02%
January	12,320,744	7,107	0.71%			
February	12,415,861	5,603	0.55%			
March	12,008,890	6,579	0.66%			
April	11,183,454	6,302	0.66%			
May	10,654,701	6,160	0.69%			
June	9,789,207	14,618	1.74%			
Average	$ 11,034,240	$ 63,189	0.57%	$ 11,700,412	$ 49,987	0.87%

* Investment yield is presented on an accrual basis.



Village of Pinehurst
Schedule of Fund Balance - General Fund
December 31, 2017

	Fund Balance at 12/31/2017	Fund Balance at 12/31/2016
General Fund		
Nonspendable:		
Inventory	$ 42,924	$ 39,768
Prepaid Items	-	-
Restricted:		
Stabilization by State Statute	4,126,577	4,308,753
Transportation	-	147,541
Equitable Sharing	1,783	-
Assigned		
Subsequent year's expenditures	2,195,054	1,786,430
Unassigned	7,904,211	7,809,860
	$ 14,270,549	$ 14,092,352

Village of Pinehurst
Schedule of Capital Outlay by Function and Activity
For the Fiscal Period Ended December 31, 2017

	Annual Budget	YTD Budget	YTD Expenditures	Remaining Balance
Land				
Streets & Grounds	$ 674,111	$ 194,111	$ 250,126	$ 423,985
Recreation	220,000	160,000	85,651	134,349
Harness Track	49,728	34,728	-	49,728
Fair Barn	85,646	75,646	860	84,786
	1,029,485	464,485	336,637	692,848
Buildings and Grounds				
Police	16,000	16,000	4,700	11,300
Fire	36,500	36,500	36,500	-
Public Services	91,336	91,336	85,335	6,001
Recreation	40,000	-	-	40,000
Harness Track	45,000	45,000	33,639	11,361
Fair Barn	32,000	5,000	-	32,000
	260,836	193,836	160,174	100,662
Equipment and Furniture				
Administration	16,116	16,116	8,718	7,398
Financial Services	1,425	1,425	1,104	321
Human Resources	1,140	1,140	883	257
Police	19,442	19,442	5,771	13,671
Fire	56,945	41,945	36,545	20,400
Inspections	440	440	335	105
Public Services Administration	1,190	1,190	921	269
Streets & Grounds	257,819	232,819	131,395	126,424
Solid Waste	948	948	733	215
Recreation	1,832	1,832	1,419	413
Harness Track	693	693	538	155
Fair Barn	944	944	732	212
Planning	1,281	1,281	994	287
Community Development	285	285	221	64
	360,500	320,500	190,309	170,191
Vehicles				
Administration	9,716	9,716	4,722	4,994
Police	89,997	5,997	24,245	65,752
Fire	580,961	580,961	578,882	2,079
Public Services Administration	3,274	3,274	1,591	1,683
Streets & Grounds	127,900	(12,100)	-	127,900
Solid Waste	325,000	-	-	325,000
Recreation	60,032	60,032	4,241	55,791
Harness Track	26,408	26,408	3,114	23,294
Planning	7,016	7,016	3,409	3,607
	1,230,304	681,304	620,204	610,100
Infrastructure				
Streets & Grounds	105,000	92,500	50,658	54,342
	105,000	92,500	50,658	54,342
Total	$ 2,986,125	$ 1,752,625	$ 1,357,982	$ 1,628,143

% of Capital Outlay Budget Expended 45.48%

Note: This Schedule includes Fleet Maintenance, Buildings & Grounds and Information Technology Capital Outlay.

Village of Pinehurst
Schedule of General Long Term Debt
December 31, 2017

	Balance at 12/31/2017	Balance at 12/31/2016	Increase (Decrease)
Fire Station			
$2,500,000; due in 30 semi-annual payments of fixed principal of $83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 3/15/20.	$ 416,667	$ 583,333	$ (166,666)
Fair Barn			
$1,000,000; due in 40 semi-annual payments consisting of fixed principal of $25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	225,000	275,000	(50,000)
67.04 Acres (Chicken Plant Road)			
$500,000; due in 30 semi-annual payments consisting of fixed principal of $16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land; final payment due 4/17/18.	16,667	50,000	(33,333)
2013 Firetruck			
$550,000; due in 14 semi-annual payments of $41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck.	244,001	322,891	(78,890)
	902,335	1,231,224	(328,889)
Total Pension Liability (LEO) *	943,908	268,823	675,085
Net Pension Liability (LGERS) *	2,278,540	490,982	1,787,558
Accumulated Vacation	668,431	643,277	25,154
	3,890,879	1,403,082	2,487,797
	$ 4,793,214	$ 2,634,306	$ 2,158,908

* Based on an independent annual actuarial valuation

Village of Pinehurst
Schedule of Budget Amendments - General Fund
For the Fiscal Period Ended December 31, 2017

	ORIGINAL FY 2018 BUDGET	Amended * Qtr Ended 09/30/17	Amended Qtr Ended 12/31/17	Amended Qtr Ended 03/31/18	Amended Qtr Ended 06/30/18	Total Amendments	Amended FY 2018 Budget
REVENUES							
Ad valorem taxes	$ 10,052,000	$ -	$ -	$ -	$ -	$ -	$ 10,052,000
Unrestricted Intergov't Revenues	5,607,100	-	-	-	-	-	5,607,100
Restricted Intergov't Revenues	505,400	-	-	-	-	-	505,400
Permits & Fees	676,800	-	-	-	-	-	676,800
Sales & Services	709,100	-	-	-	-	-	709,100
Assessments	28,400	-	-	-	-	-	28,400
Other Revenues	226,780	1,950	-	-	-	1,950	228,730
Investment Income	49,000	-	-	-	-	-	49,000
Appropriated Fund Balance	1,284,513	870,541	40,000	-	-	910,541	2,195,054
TOTAL REVENUES	**$ 19,139,093**	**$ 872,491**	**$ 40,000**	**$ -**	**$ -**	**$ 912,491**	**$ 20,051,584**
OPERATING EXPENDITURES							
Governing Body	180,800	-	-	-	-	-	180,800
Administration	1,138,950	13,500	-	-	-	13,500	1,152,450
Financial Services	659,710	-	-	-	-	-	659,710
Human Resources	452,110	-	-	-	-	-	452,110
Police	3,003,230	3,284	-	-	-	3,284	3,006,514
Fire	2,676,960	36,277	(3,000)	-	-	33,277	2,710,237
Inspections	217,920	-	-	-	-	-	217,920
Public Services Administration	460,220	-	(431)	-	-	(431)	459,789
Streets & Grounds	1,430,080	640	-	-	-	640	1,430,720
Powell Bill	900,400	87,000	-	-	-	87,000	987,400
Solid Waste	1,387,900	-	-	-	-	-	1,387,900
Planning	712,260	-	-	-	-	-	712,260
Community Development	272,590	-	-	-	-	-	272,590
Recreation	1,655,050	(6,304)	-	-	-	(6,304)	1,648,746
Library	200,000	-	-	-	-	-	200,000
Harness Track	535,760	-	-	-	-	-	535,760
Fair Barn	344,040	-	-	-	-	-	344,040
Contingency	-	-	-	-	-	-	-
Debt Service	362,513	-	-	-	-	-	362,513
Other Financing Uses	344,000	-	-	-	-	-	344,000
Total Operating Expenditures	16,934,493	134,397	(3,431)	-	-	130,966	17,065,459
CAPITAL EXPENDITURES							
Administration	25,832	-	-	-	-	-	25,832
Financial Services	1,425	-	-	-	-	-	1,425
Human Resources	1,140	-	-	-	-	-	1,140
Police	125,439	-	-	-	-	-	125,439
Fire	66,806	602,500	5,100	-	-	607,600	674,406
Inspections	440	-	-	-	-	-	440
Public Services Administration	89,564	5,805	431	-	-	6,236	95,800
Streets & Grounds	1,082,819	84,111	(2,100)	-	-	82,011	1,164,830
Solid Waste	325,948	-	-	-	-	-	325,948
Planning	1,281	-	-	-	-	-	1,281
Community Development	285	-	-	-	-	-	285
Recreation	274,560	7,304	40,000	-	-	47,304	321,864
Harness Track	105,101	26,728	-	-	-	26,728	131,829
Fair Barn	103,960	11,646	-	-	-	11,646	115,606
Total Capital Expenditures	$ 2,204,600	$ 738,094	$ 43,431	$ -	$ -	$ 781,525	$ 2,986,125
TOTAL EXPENDITURES	**$ 19,139,093**	**$ 872,491**	**$ 40,000**	**$ -**	**$ -**	**$ 912,491**	**$ 20,051,584**

* Includes $870,541 that was reappropriated from FY 2016-2017.

Village of Pinehurst
Schedule of Encumbrances
For the Fiscal Period Ended December 31, 2017

	Annual Budget as of 12/31/2017	YTD as of 12/31/2017	Encumbered Amount	Unencumbered Balance
GENERAL FUND				
Operating Expenditures				
Governing Body	$ 180,800	$ 57,757	$ 26,868	$ 96,175
Administration	1,152,450	542,321	30,982	579,147
Financial Services	659,710	381,084	900	277,726
Human Resources	452,110	162,152	6,229	283,729
Police	3,006,514	1,473,201	16,946	1,516,367
Fire	2,710,237	1,274,236	23,430	1,412,571
Inspections	217,920	98,174	898	118,848
Public Services Administration	459,789	200,230	8,436	251,123
Streets & Grounds	1,430,720	696,464	76,442	657,814
Powell Bill Funds	987,400	671,398	286,867	29,135
Solid Waste	1,387,900	615,308	305,446	467,146
Recreation	1,648,746	668,884	63,376	916,486
Library	200,000	175,000	-	25,000
Harness Track	535,760	216,000	55,486	264,274
Fair Barn	344,040	124,660	20,414	198,966
Planning	712,260	236,700	11,989	463,571
Community Development	272,590	77,951	63,915	130,724
Fleet Maintenance	686,530	302,562	24,196	359,772
B&G Maintenance	1,214,790	420,386	106,084	688,320
Information Technology	999,850	483,697	40,887	475,266
Debt Service	362,513	181,865	-	180,648
Total Operating Expenditures *	19,622,629	9,060,030	1,169,791	9,392,808
Capital Outlay Expenditures				
Administration	25,832	13,440	-	12,392
Financial Services	1,425	1,104	-	321
Human Resources	1,140	883	-	257
Police	125,439	34,716	-	90,723
Fire	674,406	651,927	8,939	13,540
Inspections	440	335	-	105
Public Services Administration	95,800	87,847	-	7,953
Streets & Grounds	1,164,830	432,178	24,725	707,927
Solid Waste	325,948	733	-	325,215
Recreation	321,864	91,312	-	230,552
Harness Track	121,829	37,291	-	84,538
Fair Barn	125,606	5,001	-	120,605
Planning	1,281	994	-	287
Community Development	285	221	-	64
Fleet Maintenance	1,486,874	750,629	672,318	63,927
B&G Maintenance	1,114,565	279,413	10,693	824,459
Information Technology	28,500	22,078	-	6,422
Total Capital Outlay Expenditures *	5,616,064	2,410,102	716,675	2,489,287
Transfer to Community Center CPF	344,000	1,800	-	342,200
Charges to Other Departments *	(5,531,109)	(2,258,765)	-	(3,272,344)
TOTAL GENERAL FUND EXPENDITURES	$ 20,051,584	$ 9,213,167	$ 1,886,466	$ 8,951,951
COMMUNITY CENTER CAPITAL PROJECT FUND				
Capital Expenditures				
Design & Engineering Costs	$ 344,000	$ 1,800	$ 293,000	$ 49,200
TOTAL CAPITAL PROJECT FUND EXPENDITURES	$ 344,000	$ 1,800	$ 293,000	$ 49,200

* In this schedule, General Fund operating and capital expenditures are overstated due to internal service allocation budgets appearing in both the internal service departments (Fleet, B&G, & IT) and the department to which the expenditure is eventually allocated. Total expenditures, however, reflect the actual General Fund budget.

Village of Pinehurst
Schedule of Ad Valorem Property Tax Collections
For the Fiscal Period Ended December 31, 2017

Real and Personal

Tax Year	For the Fiscal Period Ended December 31, 2017			For the Fiscal Period Ended December 31, 2016		
	Budgeted Collections	Gross Collections	% Collected Through 12/31/2017	Budgeted Collections	Gross Collections	% Collected Through 12/31/2016
Third Prior Year	$ -	$ 8	100.00%	$ -	$ 2	100.00%
Second Prior Year	-	620	100.00%	-	-	100.00%
First Prior Year	5,000	2,789	55.78%	5,000	862	17.24%
Current Year	9,450,000	8,630,606	91.33%	9,359,000	8,398,187	89.73%
	$ 9,455,000	$ 8,634,023	91.32%	$ 9,364,000	$ 8,399,051	89.70%

Motor Vehicles

Tax Year	For the Fiscal Period Ended December 31, 2017			For the Fiscal Period Ended December 31, 2016		
	Budgeted Collections	Gross Collections	% Collected Through 12/31/2017	Budgeted Collections	Gross Collections	% Collected Through 12/31/2016
Third Prior Year	$ -	$ 124	100.00%	$ -	$ 38	100.00%
Second Prior Year	-	-	100.00%	-	-	100.00%
First Prior Year	2,000	-	0.00%	2,000	-	0.00%
Current Year	595,000	301,352	50.65%	557,000	299,728	53.81%
	$ 597,000	$ 301,476	50.50%	$ 559,000	$ 299,766	53.63%

Village of Pinehurst
Schedule of Ad Valorem Property Tax Levy
For the Fiscal Period Ended December 31, 2017

Property Valuation

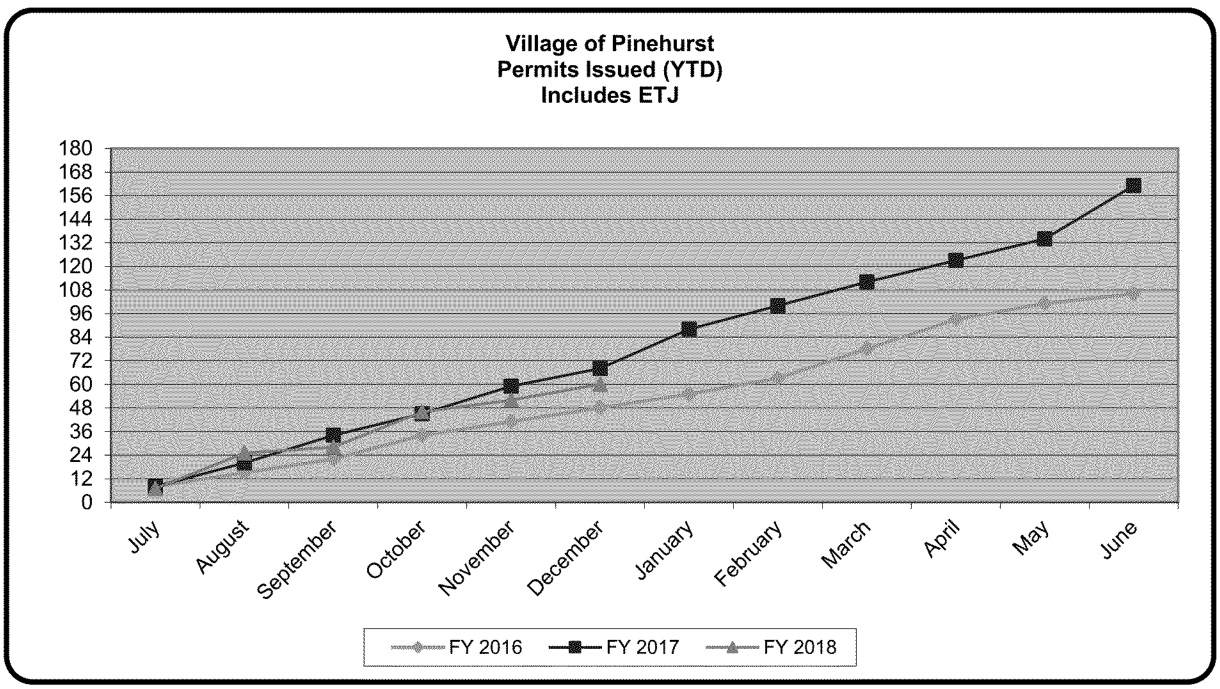
	For the Fiscal Period Ended December 31, 2017	For the Fiscal Period Ended December 31, 2016	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 3,223,617,889	$ 3,180,761,819	$ 42,856,070	1.35%
Motor Vehicles	101,966,374	102,032,405	(66,031)	-0.06%
	$ 3,325,584,263	$ 3,282,794,224	$ 42,790,039	1.30%

Levy

	For the Fiscal Period Ended December 31, 2017	For the Fiscal Period Ended December 31, 2016	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 9,511,213	$ 9,384,731	$ 126,482	1.35%
Motor Vehicles	300,910	298,970	1,940	0.65%
	$ 9,812,123	$ 9,683,701	$ 128,422	1.33%

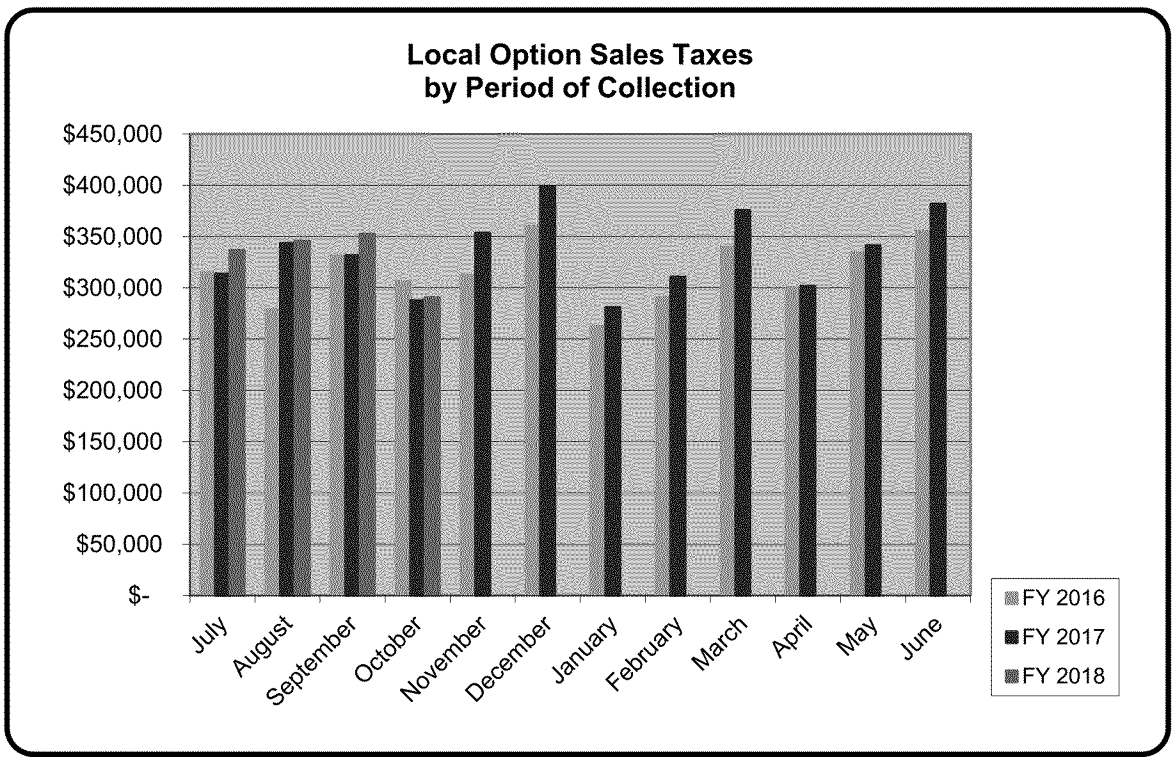
Village of Pinehurst
Residential Building Permits - Includes ETJ

	FY 2016		FY 2017		FY 2018		Construction
	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	Costs Percentage Change YTD
July	8	$ 1,497,225	8	$ 1,645,500	7	$ 1,691,850	2.82%
August	7	1,595,098	12	2,054,017	18	3,158,655	31.11%
September	7	1,585,920	14	2,822,730	3	2,174,900	7.71%
October	12	3,457,175	11	2,910,900	18	4,675,000	24.04%
November	7	1,995,662	14	3,596,000	6	2,984,550	12.71%
December	7	1,367,888	9	2,142,068	8	1,589,700	7.27%
January	7	1,839,725	20	4,035,250	-	-	
February	8	2,121,563	12	2,659,500	-	-	
March	15	3,970,930	12	5,589,000	-	-	
April	15	2,201,278	11	2,566,718	-	-	
May	8	1,605,750	11	1,017,000	-	-	
June	5	1,175,966	27	6,129,915	-	-	
YTD	106	$ 24,414,180	161	$ 37,168,598	60	$ 16,274,655	



Village of Pinehurst
Local Option Sales Taxes

	FY 2016	FY 2017	FY 2018	Same Month Change From Prior Year
July	$ 314,280	$ 313,585	$ 336,443	7.29%
August	278,768	343,487	345,760	0.66%
September	331,186	331,600	352,649	6.35%
October	305,904	287,484	290,344	0.99%
November	312,234	353,315	-	
December	360,390	399,256	-	
January	262,661	281,108	-	
February	290,756	310,699	-	
March	340,157	375,539	-	
April	299,982	301,667	-	
May	334,120	341,122	-	
June	355,389	381,696	-	
YTD	$ 3,785,827	$ 4,020,558	$ 1,325,196	



Village of Pinehurst
Schedule of Fair Barn Revenues and Expenditures
For the Fiscal Period Ended December 31, 2017

	Annual Budget as of 12/31/2017	Quarterly Budget as of 12/31/2017	Actual 12/31/2017	YTD as of 12/31/2016	Current Year Over (Under) Prior Year	% of 2018 Budget Spent / Received YTD
Fair Barn						
Revenues	$ 218,000	$ 112,500	$ 158,184	$ 131,796	$ 26,388	72.56%
Expenditures						
Operating	344,040	172,172	124,660	113,879	10,781	36.23%
Capital	125,606	88,606	5,001	13,708	(8,707)	3.98%
Debt Service	60,925	30,463	30,751	31,901	(1,150)	50.47%
	530,571	291,241	160,412	159,488	924	30.23%
Net Before Discounts	(312,571)	(178,741)	(2,228)	(27,692)	25,464	0.71%
Event Revenue Discounts			(21,134)	(17,445)	(3,689)	
Net After Discounts	$ (312,571)	$ (178,741)	$ (23,362)	$ (45,137)	$ 21,775	7.47%
Operating Revenues as a % of Operating Expenditures - **Before Discounts**	63%	65%	127%	116%		
Operating Revenues as a % of Operating Expenditures - **After Discounts**	63%	65%	110%	100%		
Target			95%			

Village of Pinehurst
Schedule of Harness Track Revenues and Expenditures
For the Fiscal Period Ended December 31, 2017

	Annual Budget as of 12/31/2017	Quarterly Budget as of 12/31/2017	Actual 12/31/2017	YTD as of 12/31/2016	Current Year Over (Under) Prior Year	% of 2018 Budget Spent / Received YTD
Harness Track						
Revenues	$ 271,600	$ 234,300	$ 190,043	$ 232,823	$ (42,780)	69.97%
Expenditures						
Operating	535,760	299,756	216,000	219,331	(3,331)	40.32%
Capital	121,829	106,829	37,291	45,077	(7,786)	30.61%
	657,589	406,585	253,291	264,408	(11,117)	38.52%
Net Before Discounts	(385,989)	(172,285)	(63,248)	(31,585)	(31,663)	16.39%
Event Revenue Discounts			-	(2,845)	2,845	
Net After Discounts	$ (385,989)	$ (172,285)	$ (63,248)	$ (34,430)	$ (28,818)	16.39%
Operating Revenues as a % of Operating Expenditures - **Before Discounts**	51%	78%	88%	106%		
Operating Revenues as a % of Operating Expenditures - **After Discounts**	51%	78%	88%	105%		
Target			53%			

ORDINANCE #18-02:

AN ORDINANCE AMENDING THE ORDINANCE APPROPRIATING FUNDS FOR OPERATIONS OF THE VILLAGE OF PINEHURST, REGARDING REVENUES AND EXPENDITURES OF THE GENERAL FUND FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA (MID-YEAR BUDGET ADJUSTMENTS).

THAT WHEREAS, the Village budgeted for revenues and expenditures in FY 2018 for the General Fund; and

WHEREAS, the estimates for FY 2018 revenues and expenditures have been calculated and there are some variations between the amounts budgeted and the amounts expected,

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 13th day of February 2018, as follows:

SECTION 1. To amend the General Fund with regard to revenues and expenditures, the revenue and expenditure accounts are to be changed as follows:

Account No.	Account Name	Debit	Credit
Revenues:			
10-00-100-3017	Property Taxes-R&P 2017		$ 56,000
10-00-100-3117	Property Taxes-MV 2017		18,000
10-00-100-3260	Local Option Sales Taxes		34,000
10-00-110-3245	Hold Harmless Sales Taxes		26,000
10-00-100-3231	Electricity Sales Taxes	$ 30,000	
10-00-120-3890	Investment Income		50,000
10-80-130-3412	Harness Track Stall Rental Income	39,000	
10-80-130-3417	Fair Barn Rental Income		35,000
10-00-130-3462	Logo Merchandise Sales	20,000	
10-00-120-3820	Sale of Fixed Assets		20,000
10-00-190-3905	Fund Balance Appropriated	610,000	
Expenditures:			
10-00-240-4990	Salary Adjustment Funds-HR		$ 30,000
10-40-720-5400	Comm. Dev.-Departmental Supplies		10,000
10-00-960-5600	Gas-Fleet Maintenance		12,500
10-00-960-5902	Vehicle R&M-Fleet	$ 12,500	
10-20-420-7120	Capital Outlay: B&G Land-S&G		420,000
10-00-970-7100	Capital Outlay Land-B&G		420,000
10-00-970-3560	Charges to Other Depts.-B&G	420,000	

SECTION 2. Copies of this budget amendment shall be furnished to the Village Clerk, to the Village Manager, and to the Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 13th day of February 2018.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF JANUARY 23, 2018
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, January 23, 2018 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John Bouldry, Treasurer
Mr. John R. Cashion, Mayor Pro Tem
Ms. Judy Davis, Councilmember
Mr. Kevin Drum, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 41 attendees, including 6 staff and 1 press.

1. **Call to Order.**
Mayor Nancy Roy Fiorillo called the meeting to order.

2. **Invocation and Pledge of Allegiance.**
Pastor Rod Stone from Community Presbyterian Church gave the invocation and Mayor Fiorillo led everyone in the Pledge of Allegiance.

3. **Reports:**

Manager

- Jeff Sanborn provided a report on the most recent snow event and how the Village responded. He noted the VIllage dedicated 850 man hours to this event. He noted 9500 gallons of brine was used, 87 tons of salt and sand was put out on the roads in the aftermath of the storm and 2600 pounds of ice melt was used on sidewalks. He explained the lingering challenge is the cul-de-sac clearing due to capacity and equipment.
- Reminder to the public that the Council has decided to have a Regular Meeting followed by a Work Session at both meetings for the month. He reminded the public that all are welcome to stay for the work session discussions as they are also public meetings.

Council

- Mayor Fiorillo said the Sandhills Bridge Players Association had a three day tournament here last weekend and on the busiest day there were no fewer than 160 people playing bridge in this room and they appreciated the ability to rent Assembly Hall for that.
- Councilmember Drum thanked the staff for their work on the snow removal.
- Councilmember Davis asked a few people to apply to the HPC and the P&Z but she suggests that we post the opportunities so people can see the open positions and any special criteria that are needed for the volunteer positions. She also had a meeting with Katrin Franklin with the Pinehurst Business Partners as the liaison to the Council. She will be meeting with the Beautification Committee next week and several Councilmembers will be attending the Essentials of Municipal Government course.

4. **Honor George Hillier for his service on the Risk Management Committee for the Village of Pinehurst.**
Mayor Nancy Fiorillo presented a resolution honoring George Hillier for his service on the Risk Management Committee for the Village of Pinehurst. Mr. Hillier thanked the other members on the committee and the Village staff.

5. **Motion to Approve Consent Agenda.**

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Budget Amendments Report

B. Public Safety Reports
 Police Department
 Fire Department

C. Approval of Draft Village Council Meeting Minutes.
01-09 Strategic Planning Retreat Follow Up
01-09 Regular Meeting
01-09 Work Session
End of Consent Agenda.

Upon a motion by Councilmember Cashion, seconded by Councilmember Bouldry, Council unanimously approved the Consent Agenda by a vote of 5-0.

6. **Discuss and consider appointing John Taylor and Mark Parson to the Historic Preservation Commission and appointing Bob Farren as the Chairman.**
Manager Jeff Sanborn explained the Historic Preservation Commission has the need to fill two vacancies and appoint a new Chairman. John Taylor and Mark Parson are being proposed to fill the two vacancies and Bob Farren is being proposed as the Chairman. Council held a discussion with the candidates about their interest in serving on this committee, what the Historic District means to them, and about what they believe the Commission's role is in the community. Upon a motion by Councilmember Cashion, seconded by Councilmember Bouldry, Council unanimously approved Resolution 18-04 appointing members and a Chairman to the Historic Preservation Commission for the Village of Pinehurst by a vote of 5-0.

7. **Discuss and consider appointing Joel Shriberg to the Planning and Zoning Board and Board of Adjustment.**
Assistant Manager Jeff Sanborn explained the need for Council to consider appointing Joel Shriberg to the Planning and Zoning Board and the Board of Adjustment for the Village of Pinehurst. He explained that Mr. Shriberg served on these boards previously and has been off both boards since January 30, 2017. Council held a discussion with Mr. Shriberg regarding his interest. Upon a motion by Councilmember Bouldry, seconded by Councilmember Cashion, Council unanimously approved Resolution 18-03 appointing Joel Shriberg to the Planning and Zoning Board and the Board of Adjustment for the Village of Pinehurst by a vote of 5-0.

8. **Consider recommended changes to Fees and Charges Schedule.**
Financial Services Director John Frye explained the Village's Fees and Charges Policy calls for periodic review of all fees and charges and staff is recommending a few changes based on that review. He explained the proposed items for consideration are in the areas of Planning, Public Services, and Parks & Recreation. Upon review of the changes, Mr. Frye also explained these fee changes would become effective July 1, 2018 if approved. Council held a discussion about several fees listed in the schedule. Upon a motion by Councilmember Davis, seconded by Councilmember Drum, Council unanimously approved Resolution 18-02 amending the Fees and Charges Schedule for the Village of Pinehurst which will become effective July 1, 2018 by a vote of 5-0.

9. **Review and approve the FY 2019 Balanced Scorecard, FY 2019 Areas of Focus, and the FY 2019-2023 Initiative Action Plans.**
Assistant Village Manager Natalie Hawkins explained the need for Council to discuss several items related to the development of the FY 2019 Strategic Operating Plan based on Council, Board Chairs, and Senior Leadership discussions at the December 14, 2017 Strategic Planning Retreat and the January 9, 2018 Retreat Follow Up Meeting. Council reviewed the proposed FY 2019 Balance Scorecard and the Key Performance Indicators for each objective. The group also reviewed the recommended Areas of Focus: ensure quality residential development, ensure quality business development, maintain high quality streets, and provide recreation programs and events for all ages. Ms. Hawkins noted as we identify opportunities for improvements they will be defined as evaluations, projects, or Initiative Action Plans. Council also discussed the proposed Initiative Action Plans (IAPs) for FY 2019-2023. Councilmember Davis shared that Council discussed at the retreat follow-up the need to meet quarterly to continue reviewing and discussing the direction of the Village. Upon a motion by Councilmember Bouldry, seconded by Councilmember Cashion, Council unanimously approved the FY 2019 Balanced Scorecard and Areas of Focus as presented by a vote of 5-0.

10. **Discuss and consider approval of an Incentive Reward Program.**
Assistant Village Manager Natalie Hawkins explained at the January 9 Work Session, staff shared a draft Incentive Reward Program for Village employees. She explained the Senior Leadership Team has created this draft program and provided a memo outlining the details and benefits of the proposal. Ms. Hawkins explained survey data from annual employee surveys which initiated the need to evaluate the need to create a reward and recognition program. Ms. Hawkins explained the Incentive Program

description which would be tied to the overall organization Balanced Scorecard performance. Ms. Hawkins shared the financial incentive amounts for the proposed rewards. Council held a discussion about this proposal. Council determined for Senior Leadership Team to meet with Councilmember Bouldry and Councilmember Davis to make a few changes to the program. The next resolution could include specifications about a trial period.

11. Discuss and consider changes to the Position Classification and Pay Plan.

Manager Jeff Sanborn explained at the January 9 Work Session, staff shared the request to consider changes to the Position Classification and Pay Plan to accelerate the position request for Performance Management Director to FY 2019 so recruitment can begin prior to July 1, 2018. Angie Kantor, Director of Human Resources, explained the process from the staff recruitment side. Council held a discussion about this request. Mr. Sanborn explained it is his policy to grow and develop internal employees but also to always recruit externally so everyone goes through the same competitive process for all new positions. Councilmember Bouldry suggested the addition of "change management" to be added to the job description for this new position. Upon a motion by Councilmember Bouldry, seconded by Councilmember Cashion, Council unanimously approved Resolution 18-06 amending the policy on administration of the Position Classification and Pay Plan for the Village of Pinehurst to include the Performance Management Director position by a vote of 5-0.

12. Discuss and consider changes to the Pinehurst Municipal Code as it pertains to solid waste.

Assistant Village Manager Jeff Batton explained staff has discovered a minor change is needed to our solid waste code as it relates to the use of carts. He said the proposed change would alter the language in the code to align with what the actual intent and practice is regarding the requirement for all materials to be place in the art unless overflow is temporarily allowed to be place adjacent to the carts. Upon a motion by Councilmember Davis, seconded by Councilmember Drum, Council unanimously approved Ordinance 18-01 amending Section 50.03 for Solid Waste containers for the Village of Pinehurst by a vote of 5-0.

13. Other Business.

Mayor Fiorillo received a call about the discussion on the recall election and Council suggested scheduling this for a future meeting with Mike Newman in attendance as well.

14. Comments from Attendees.

- John Root said he is frustrated about seeing stories of Pinehurst and not congratulating us for good things that have been done. He said the decision about the sidewalk did not have a good explanation. He said spending the money for street repaving and he said his perceptions of the streets is that the cuts by Moore Co. could be improved. He also said incentives need to be drawn up correctly because it would be difficult to do this based on a group or department.
- John Taylor said with respect to the BSC, the Village may want to go through a target setting exercise. He said he is not in opposition to the Community Center but he wants to know what alternative uses there would be for those funds. He said he is a big fan of incentive compensation and does not have experience with government plans but did not support using the business survey, which is not statistically valid, in an incentive program. He said the lower you set the goals, the greater likelihood you'd be compensated. He said the purpose of the BSC was never to drive compensation so be careful creating a formula out of them to drive financial reward.
- Lynn Goldhammer asked about the sidewalk issues on the BSC and whether they are looking to score the improvement of existing sidewalks or increasing the number of sidewalks and she doesn't think it is a good fit for the BSC. She also said she wrote a letter to the editor about the explosion of litter in the area and this is a big issue. She said $250-$500 doesn't make that much difference on one person but the total is significant.
- Jeanne Casinella said we have talked a lot about priorities and said governments should look at the security of the community as a top issue. She said as we grow, we are growing by being surrounded by crime. She said crime is happening in Pinehurst and Police Departments across the area are hiring more Police Officers because there is a need for it and quickly. She said quality home building is not happening and they do not enhance the community.
- Collette Kolinksy said she brought up this topic yesterday and Senate Law 25 applies that the legislature passed that you cannot dictate the colors and structures of houses. She said there is nothing attached to this that applies to clear cutting. She also said rental properties can be regulated and several cities in North Carolina are doing this.

15. Motion to Adjourn.

Upon a motion by Councilmember Drum, seconded by Councilmember Davis, Council approved to adjourn the Regular Meeting by a vote of 5-0 at 7:00pm.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

VILLAGE COUNCIL
AGENDA FOR WORK SESSION OF JANUARY 23, 2018
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA

IMMEDIATELY FOLLOWING REGULAR MEETING

The Pinehurst Village Council held a Work Session at 7:05 p.m., Tuesday, January 23, 2018 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John Bouldry, Treasurer
Mr. John R. Cashion, Mayor Pro Tem
Ms. Judy Davis, Councilmember
Mr. Kevin Drum, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 28 attendees, including 5 staff and 1 press.

1. **Call to Order.**
Mayor Nancy Roy Fiorillo called the meeting to order.

2. **Discuss the partnership with Given Memorial Library and the Village of Pinehurst.**
Audrey Moriarty, Director of the Given Memorial Library and Tufts Archives, introduced the members of the board in attendance. Ms. Moriarty gave a brief organizational history. Ms. Moriarty said the library appreciates the financial gifts from the Village over the last several years. She said the library has an unsustainable business plan and they are facing donor fatigue due to the Great Expectations plan issues. She said they have outgrown room for their collection, space for young and adult people, meeting spaces, lack ADA compliance, not enough technology, no ability for future growth, and no flexibility. She shared a best practice that a community library should have 0.9sf per person for the entire population of the municipality. She gave a comparison of the Southern Pines Library vs. Given Memorial Library. She explained the need for the library to partner with the Village of Pinehurst and Council held a discussion with the library. Council discussed the opportunity to reevaluate the current term sheet and other possibilities for a phased plan. The Mayor noted a time sensitive issue regarding the Village's plans to borrow money to build the Community Center. The group determined create a smaller group to solve the immediate problems and then work on a long term solution. Council discussed viewing specific the timelines and dollar figures to determine the options for funding at a meeting in the immediate future. Ms. Moriarty, Jeff Sanborn, John Frye, Mayor Fiorillo, Councilmember Davis, and two members from the library board were selected to form the working group.

3. **Other Work Session Business.**
   - Manager Jeff Sanborn explained the need to discuss the methodology for selecting a Long Range Comprehensive Plan consultant and Ms. Hawkins reviewed the information provided in the packets. Council discussed the material and made several suggestions for organizing the information for the consultants. Council also discussed how the interviews will be conducted. Ms. Hawkins explained the suggested selection process that staff has identified. Council determined to schedule a separate evaluation meeting following all of the interviews.

4. **Motion to Adjourn.**
Upon a motion by Councilmember Bouldry, seconded by Councilmember Davis, Council approved to adjourn the Work Session by a vote of 5-0 at 8:40pm.

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

Village of Pinehurst
Strategic Operating Plan Update
Q2 - FY 2018

VILLAGE OF PINEHURST | www. vopnc.org

FY 2018 Strategic Operating Plan Overview

Village Council

Each year, the Pinehurst Village Council adopts a Strategic Operating Plan which indicates the Village's plans to achieve our vision and mission. The Strategic Operating Plan covers the fiscal year that begins on July 1 and also includes a five-year financial plan.

Vision, Mission, and Values

The vision is what the Village intends to be and the mission is what the Village must do to achieve that vision. The Village's core values are the guiding principles and behaviors that embody how Village employees and volunteers are expected to operate as they provide services.

VALUES

Service
Initiative
Teamwork
Improvement

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.

Balanced Scorecard

The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC contains goals, objectives, and key performance indicators in four perspectives to ensure a balanced approach to evaluating the achievement of organizational strategy:

1. Customer
2. Internal
3. Workforce
4. Financial

FY 2018 Balanced Scorecard

FY 2018 Goals

The FY 2018 Balanced Scorecard contains 9 strategic goals in the four perspectives.

FY 2018 Areas of Focus

Each balanced scorecard goal has one or more strategic objectives. Strategic objectives indicate how we will achieve the Village goals. In FY 2018, the Village Council identified four strategic objectives as Areas of Focus $_{AOF}$:

1. Guide appropriate growth and redevelopment,
2. Provide interconnected greenway trails, bike paths, and sidewalks,
3. Maintain high quality streets, and
4. Provide recreation programs, leisure activities, and cultural arts events for all ages.

FY 2018 Initiative Action Plans (IAPs)

Status of FY 2018 Initiative Action Plans at December 31, 2017

The 2018 Strategic Operating Plan originally included 13 Initiative Action Plans (IAPs) for FY 2018. Initiative Action Plans are those defined and measurable activities needed to accomplish our strategic objectives that involve a significant amount of financial and/or staff resources or have a significant community impact over the five-year period. The status of FY 2018 IAPs and indication if metrics projections were achieved in Q2, including one IAP that was carried forward from the previous year are indicated in the table below:

			Q2		
	Goal	**IAP Description**	**IAP Status**	**Q2 Comments**	**Metrics Proj. Met**
Customer	Safeguard the community	Traffic pre-emption program		Submitted application to NCDOT for this year's traffic pre-emption controls in 06/17; Still awaiting a contract and pricing from NCDOT that was expected by 12/31/17	
	Ensure Pinehurst is a premier residential community	Community Aesthetics		Multi-phased landscaping plan for Hwy 211 was reviewed with Beautification Committee in Q1 and with NCDOT in Q2	
		Long Range Comprehensive and Land Use Plan (Combined) AOF		Received 11 consultant proposals to facilitate Long-Range Comprehensive Plan by 12/15/17 as planned	
	Ensure a thriving business community	Commercial streetscape enhancements		Installed landscaping ahead of schedule, but Duke Energy did not complete installation of street lights by 12/31/17 as planned (were installed in January); street signs will be installed in Q3	
	Provide multi-modal transportation systems	Pedestrian Connectivity AOF		Based on Council direction at Strategic Planning Retreat, this project is being removed from FY 2018 Initiative Action Plans	
		Street lighting AOF		Based on Council direction at Strategic Planning Retreat, this project is being removed from FY 2018 Initiative Action Plans	
		Transportation Improvements		Quarterly transportation briefing to the Village Council was held as planned in Q2	
	Maintain an active, healthy community	Recreation facilities AOF		Selected a design firm in Q2 for Community Center as planned; Completion of Cannon Park parking lot pavement was put on hold due to pending PES relocation, but is now scheduled for Q3	
Internal	Professionally manage a high performing organization	Transparent operations		Launched Clear Gov financial dashboards in Q1; no other actions were planned for Q2	
		Permitting & Inspections Process Improvements		BIRDIE team met several times during Q2; the team has selected software programs to evaluate and identified preliminary recommendations based on data and best practices reviews	
		Civic Engagement **(CARRYFORWARD)**		Created the Guide to Getting Involved learning guide in Q2, with three more planned by the end of FY18	
Workforce	Attract & retain an engaged workforce	Learning and development system		Incorporated personal development plans in performance reviews for leaders in Q1; Skills gap analysis for identified successors to Department Heads is planned for Q3	
		Incentive Reward		Incentive program presented to Council in January is being amended based on Council direction	

IAPs listed in red are FY 2018 Village Council Areas of Focus AOF.

IAP Status at 12/31/17		# of IAPs	% of IAPS
In progress; NOT on schedule		2	18%
In progress; on schedule		9	82%
	TOTAL	11	100%

Metrics Projections Met at 12/31/17		# of IAPs	% of IAPS
Achieved projected performance		10	91%
Did not achieve projected performance		1	9%
	TOTAL	11	100%

Initiative Action Plans Metrics at December 31, 2017

Of the 11 IAPs for FY 2018, the Village did not achieve the metrics goals for only one IAP in Q2 which was due to Duke Energy delayed installation of street lights for the commercial streetscape project on McIntyre and McCaskill Roads.

IAP Description	IAP Metric	Q2 Projection	Q2 Actual
Commercial Streetscape Enhancements	% of projected completed on time	100%	67%

Village Managers and Department Heads reviewed the status of FY 2018 IAPs and metrics at their Quarterly Strategy Session on February 7th to help ensure the Village's projected performance is achieved in FY 2018. Some observations from this quarterly review include:

1. Based on Council direction received during the Strategic Planning Retreat and Follow Up Meeting, Pedestrian Connectivity and Street Lighting IAPs are proposed to be deleted for FY 2018.
2. Staff expects the need to postpone or delay the implementation of public performance dashboards on the Village website that was planned for FY 2018 to FY 2019 due to limited staff capacity. This is included in the Transparent Operations IAP.
3. Staff expects all other IAPs to be completed on schedule by year end, with the likely exception of Traffic Pre-Emption installation planned due to delays of NCDOT.

RESOLUTION 18-07:

A RESOLUTION HONORING THE SERVICE OF MR. JIM LEWIS TO THE VILLAGE OF PINEHURST HISTORIC PRESERVATION COMMISSION

THAT WHEREAS, the Village Council of Pinehurst, North Carolina, wishes to acknowledge and express its appreciation to Mr. Jim Lewis for his dedicated service to the citizens of Pinehurst as a member of the Pinehurst Historic Preservation Commission; and

WHEREAS, Mr. Lewis was appointed to the Historic Preservation Commission on January 10, 2012, and as Chairman on April 30, 2014, and served continuously and faithfully from that time; and

WHEREAS, Mr. Lewis was instrumental in the efficient operation of the Historic Preservation Commission, always conducting the Village's business in a courteous, professional manner; and

WHEREAS, Mr. Lewis led the charge for a Historic Standards and Guidelines rewrite committee for over two years, partnered with staff and a consultant to evaluate the merits for splitting the Historic District, and was a key contributor in conversations with the Village Council and the National Park Service in an effort to protect the National Historical Landmark status for the Village of Pinehurst; and

WHEREAS, Mr. Lewis was involved in many decisions affecting the character of the community, each time exhibiting sound judgement and concern for the health, safety and welfare of the Village of Pinehurst, and its important historic qualities, in his decision-making process.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of Pinehurst, North Carolina, in a regular meeting assembled this 13th day of February, 2018 as follows:

SECTION 1. That the Village Council hereby expresses on behalf of the citizens of Pinehurst, deep appreciation and gratitude for the gifts of time, ability, and determination given as the Chairman of the Historic Preservation Commission.

SECTION 2. That the Village Manager is hereby directed to have a copy of this Resolution presented to Mr. Lewis as a token of our gratitude.

THIS RESOLUTION passed and adopted this 13th day of February, 2018.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

Lauren M. Craig, Village Clerk

Approved as to Form:

Michael J. Newman, Village Attorney