Village Council
Agenda for Work Session Meeting of February 11, 2025
Assembly Hall
395 Magnolia Road, Pinehurst, NC 28374
Pinehurst, North Carolina
4:30 PM

1. Call to Order
2. General Business
    - A. Discuss Draft Financial Policies
    - B. Discuss Downtown Parking Enforcement Plan
    - C. Discuss Council Feedback on Comprehensive Plan
3. Motion to Adjourn

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.

Discuss Draft Financial Policies
ADDITIONAL AGENDA DETAILS:

FROM:	Dana Van Nostrand, Financial Services Director
CC:	Village Council;
DATE OF MEMO:	02/03/2025

MEMO DETAILS

The Financial Services Director has been completing a comprehensive review of the Village's financial policies. This review includes amendments needed to existing policies, as well as considering new policies that would benefit the Village. The Government Finance Officers' Association has recommended best practices for financial policies: GFOA Financial Policies Best Practices. The list of recommended policy categories was reviewed and there are several topics that are relevant to the Village's operations and financial health for which the Village has not formally adopted policies.

The draft **Budget and Financial Planning Policy** incorporates the following GFOA categories**:**

- Long-term financial planning
- Structurally balanced budget
- Revenues
- Expenditures
- Operating budget

The draft **Accounting and Financial Reporting Policy** addresses the GFOA category with the same name.

The Village follows consistent guidance year-over-year in these areas and its informal guidance has been documented in the annual Strategic Operating Plan document in the Financial Policies section. The recommended draft policies expand on the guidance that has been used over the years and aims to formalize it into Council-adopted financial policies.

The Village Manager has reviewed these policy drafts. The next step in the process is discussion of the drafts with Council. If Council agrees that these policies are beneficial for the Village, the final drafts would be brought to Council for adoption at a future regular meeting.

Two additional policies have been drafted that will be on a future work session agenda for discussion with Council: Debt and Donations.

ATTACHMENTS

1. DRAFT Budget & Financial Planning Policy
2. DRAFT Accounting & Financial Reporting Policy

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Budget and Financial Planning Policy**	Effective Date: XX/XX/2025
Department: Financial Services	Policy No.: FIN-601.1
Prepared by: Financial Services Director, Dana Van Nostrand	Revised:
Approved by: Village Council Resolution #_____	# of Pages: 8

I. PURPOSE:

The purpose of this policy is to provide a framework for the development, adoption, and management of the Village of Pinehurst's budget and long-term financial plans in compliance with the North Carolina Local Government Budget and Fiscal Control Act (NCLGBFA) in North Carolina General Statutes (NCGS) 159 Article 3. This policy is designed to ensure the effective use of public resources, enhance transparency, promote fiscal responsibility, and maintain the financial health and stability of the Village.

II. SCOPE:

This policy applies to all funds, departments and functions of the Village of Pinehurst, including the Village Council, the Village Manager, and other staff responsible for financial planning, budgeting, and reporting. It governs all aspects of the budget and financial planning process, from preparation to adoption, monitoring, and reporting.

Some aspects of this policy, such as the budget calendar deadlines prescribed by the NCLGBFA, only apply to the annually budgeted funds of the Village. Exceptions will be identified in the policy below as applicable.

III. POLICY:

A. Key Principles

The Village of Pinehurst is committed to maintaining sound financial management practices that ensure the long-term fiscal health and sustainability of the community. These key principles will serve as the foundation for making informed financial decisions, allocating resources in alignment with community priorities, and fostering public trust through transparency and accountability.

i. Fiscal Responsibility and Stability

The Village of Pinehurst will pursue a policy of fiscal responsibility, balancing revenue and expenditure requirements while maintaining sufficient fund balances to address current and future needs. The Village will seek to optimize resource allocation, manage debt prudently, and plan for long-term sustainability. The annually budgeted funds of the Village must operate under a balanced annual budget ordinance in accordance with NCGS §159-8. A fund's budget is balanced when the sum of estimated revenues and appropriated fund balance equals the appropriations within that fund.

The Village will also develop and adopt a structurally balanced budget where the operating revenues are sufficient to cover the operating expenditures for each fund.

ii. Transparency and Accountability

The Village will ensure that the budget and financial planning process is open, transparent, and inclusive, allowing for public input and engagement. Financial information will be made readily available to the public in understandable formats, budgets will follow generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB), and fund accounting will be used to ensure compliance with legal requirements. The current financial resources measurement focus and the modified accrual basis of accounting will be used for all the Village's funds for budgeting, accounting, and financial reporting.

iii. Long-Term Financial Planning

The Village will engage in long-term financial planning, including the development of a multi-year financial forecast and capital improvement program (CIP) and long-term debt management strategies, to address capital and infrastructure needs, future growth, and financial sustainability.

iv. Strategic Alignment

The Village's budget and CIP will reflect and support the community's strategic goals, as articulated in the Village's long-term planning documents, including the comprehensive plan, master plans, and departmental goals. All expenditures should align with the Village's priorities.

B. Revenues and Expenditures

i. Revenues

Estimated revenues need to be sufficient to meet expenditure obligations. When making budget and long-term financial planning decisions, staff should consider the funding alternatives (ad valorem taxes, fees and charges, grants, donations, debt etc.) when appropriate to fund certain expenditures, and propose the alternative (which could be a combination of revenue sources) that best addresses the following criteria:

- *Efficiency* – The economic state in which every resource is optimally allocated to serve each individual or entity in the best way while minimizing waste and inefficiency.
- *Equity* – The perceived fairness of the revenue source. This is commonly evaluated using the ability-to-pay principle and the benefit principle.
- *Adequacy* – Having sufficient funds available to finance the Village, often considered from the perspectives of revenue-raising capacity, elasticity, and stability.
- *Feasibility* – The capability of the Village to successfully collect the revenue from an administrative and political standpoint.

These criteria should be evaluated in the context of the Village's environment, understanding these are policy decisions and there are always trade-offs.

The Village will also maintain a diversified and stable revenue program to protect it from short-term fluctuations in any one revenue source.

Revenues will be estimated in the financial forecast as part of the Village's long-term financial planning.

ii. Expenditures

Expenditures should be budgeted and forecasted based on Village policies and information available at the time. Since salaries and benefits are the Village's largest expenditure, the budget request should consider approved positions, expected salary increases or other payments based on Village policy, pension and retirement fund contribution rates, the estimated cost of medical and other benefits, etc. When appropriate, staff should consider the cost of providing services internally versus outsourcing (or other alternatives) to ensure funds are spent efficiently and effectively. The Village may include a reasonable contingency in each department's appropriation to provide flexibility in the budget for unforeseen costs or price increases and to minimize the number of budget amendments.

As part of its long-term financial planning, the Village will maintain a CIP. Expenditures for items that meet the definition of a capital asset in the Village's Capital Assets Policy will be budgeted as capital outlays in the annual budget and planned in the CIP. Staff should make reasonable efforts to obtain accurate cost estimates for inclusion in the annual budget request and CIP.

iii. Budget Balancing

Having sufficient operating revenues to cover operating expenditures is critical to maintaining the financial health of the Village. The Village uses operating margin as one measure to assess this. The operating margin is the percentage of operating revenues used to fund operating expenditures. The target range for the operating margin is 89%-91%. The remainder of the operating revenues are used to fund capital expenditures and other financing uses. The operating margin will fluctuate from year-to-year and may, at times, not be within the target range in the five-year forecast. Management and the Village Council should consider the implications of this and be cautious of a trend of exceeding the operating margin target.

A fund balance appropriation should be recommended to balance the budget only if it is required to cover capital expenditures or other financing uses, and it maintains compliance with the Village's Fund Balance Policy. A natural disaster or other extenuating circumstances may make the use of fund balance necessary to cover operating expenditures. This should be temporary and done for cash flow purposes with a plan to restore the fund balance used for operations.

C. Budget Process

The Village's budget process is first driven by the requirements of the NCLGBFA, which establishes the following key deadlines, among other requirements, for annually budgeted funds:

- Revenue estimates and department expenditure budget requests must be submitted to the Budget Officer by April 30. At the same time, schedules of the actual revenues and expenditures for the prior fiscal year and projections of the revenues and expenditures for the fiscal year in progress must be submitted to the Budget Officer.
- The recommended annual budget, including the budget message, must be submitted to the Village Council by June 1.
- Before adopting the annual budget ordinance, Village Council must hold a public hearing.
- The Village Council must adopt the annual budget ordinance by June 30.

The Village's budget and long-term financial planning process, called the Strategic Operating Plan (SOP), is built around the statutory deadlines above. It is intended to be a collaborative and transparent process. The Village's internal due dates to ensure compliance with the statutory deadlines will be documented in the annual SOP calendar.

i. <u>Preparation</u>
The budget development process will begin in sufficient time to ensure the revenue estimates and department expenditure budget requests are submitted to the Budget Officer (Village Manager) by April 30.

Village staff will collect input from various stakeholders, including but not limited to residents/taxpayers, businesses, staff, and Village Council to aide in identifying priorities for the budget cycle. External factors, such as economic conditions, growth, demographics, and regulatory requirements should be considered in the budget estimates and requests.

Village Council will provide guidance to the Village Manager and staff regarding its priorities in sufficient time to incorporate them into the SOP.

Department heads are responsible for developing detailed revenue estimates and expenditure budget requests for their departments, excluding expenditures that are centrally budgeted by the Financial Services Department.

The Financial Services Department is responsible for preparing the:

- Revenue estimates for all revenue line items, except those estimated by the departments.
- Expenditure requests for salaries and benefits, insurance, utilities, and debt service.
- Allocations of the internal service department expenditures.
- Schedules of the prior fiscal year actuals and current fiscal year projections through the end of the fiscal year.

Revenue estimates and expenditure requests should be reasonable and realistic, considering historical trends, external factors, internal policies and decisions, and any other factors that may affect the revenue stream or expenditure requirements.

Expenditure requests should be sufficiently detailed to justify the necessity of the expenditure for public purpose, whether it is to maintain the current level of service, or reflective of a change in capacity or level of service based on internal or external factors. Requests for new expenditure items should be aligned with strategic goals and priorities or external requirements.

Budget requests must include obligations expected to be due in that fiscal year for debt service and continuing contracts.

ii. <u>Review and Analysis</u>

The revenue estimates and expenditure requests will be reviewed by a committee including, but not limited to, the Budget Officer, Village Managers, and Finance Officer. Department Heads will have the opportunity to discuss their requests with the committee. A key decision of the committee is the proposed ad valorem tax rate for the fiscal year.

The committee will ensure the budget complies with this policy and adjust the budget requests and/or revenue estimates to achieve a balanced budget, both structurally and statutorily.

The Budget Officer must present the recommended annual operating budget to Village Council by June 1. The Budget Officer will hold a budget work session with Village Council to discuss the budget in more detail. Changes requested by Council are incorporated into the recommended budget prior to adoption of the annual budget ordinance. The Budget Officer may also recommend changes if new information becomes available that materially changes the budget.

At least one public hearing will be held regarding the recommended annual budget prior to adoption. Village staff should also use other methods to encourage and receive public participation and input on the recommended annual budget.

iii. Adoption

At least ten days after the Budget Officer submits the recommended annual budget to the Village Council, the final version of the recommended budget is presented in the annual budget ordinance which must be adopted by June 30. The annual budget ordinance must be balanced, and it must include the appropriations, estimated revenues, ad valorem tax rate, and estimated property tax levy. The Village's annual budget will be appropriated by department in the ordinance. The ordinance will also include Council's delegation of authority to amend appropriations and execute agreements. Village Council's adoption of the budget ordinance establishes the legal authority to incur expenditures for that fiscal year.

iv. Budget Implementation and Monitoring

There will be instances that require amending the original budget ordinance. These will be made in accordance with the NCLGBFA and the delegation of authority in the budget ordinance. All budget amendments must be approved by June 30 for the fiscal year ending.

The Village maintains a program of budgetary controls to ensure adherence to the budget ordinance. Budget-to-actual reports are available to management and department heads daily and the Finance Officer reviews the reports at least monthly to ensure compliance with the NCLGBFA and adopted budget ordinance. All budget amendments require approval by the Finance Officer before they are entered into the accounting system. The Finance Officer provides Village Council with quarterly budget-to-actual reporting.

The Finance Officer, in collaboration with the Budget Officer and Department Heads, will conduct a mid-year budget review to assess progress toward financial goals, project revenues and expenditures for the fiscal year, and make any necessary adjustments to the adopted budget based on revenue shortfalls, unexpected expenditures, or changes in priorities. This mid-year projection is also required to be submitted to the

Budget Officer with the revenue estimates and expenditure requests for the next year's budget development.

D. Long-Term Financial Planning

A reliable long-term financial plan is an important part of ensuring that adequate resources are available to meet future financial obligations. It also assists in meeting the Village's goal to maintain a healthy financial condition.

The Village's long-term financial plan will consist of the following two elements, at a minimum, for a period of at least five years:

- Financial forecast
- CIP

Long-term financial planning must be done for the Village's General Fund. It may be done for other fund types, such as special revenue funds or capital project funds, as deemed appropriate by the Budget Officer.

Each year, the Financial Services Department will prepare a financial forecast using the input from the budget planning process to ensure the Village can achieve the long-term performance target levels while maintaining a healthy and sustainable financial position. The financial forecast serves to inform decision makers of the mid-term financial implications of the decisions they are making today.

The financial forecast will include projections of revenues, operating expenditures, anticipated debt service for financed capital, and planned capital expenditures. It will be inclusive of the significant initiatives prioritized by Village Council in the forecasted period and the impact those initiatives are projected to have on revenue, capital expenditures, and ongoing operating costs.

Sound and conservative financial principles should be utilized when preparing the financial forecast. Reasonable efforts will be taken to ensure that all revenue and costs associated with an initiative, capital addition, or program are included in the financial forecast. This will be done to ensure the plan is as complete and accurate as possible in predicting financial outcomes and to ensure that adequate resources are available to meet future obligations.

The Village's CIP is a detailed plan of capital additions and replacements, including vehicles, equipment, infrastructure, facilities, and other capital assets as defined by the Village's Capital Assets Policy. The CIP will be reviewed and updated as part of the annual budget process. Since capital additions involve large sums of resources and long-term commitments, each capital item will be carefully analyzed before it becomes a component of the program. The Village will take a systematic approach to capital improvement programming to ensure that any personnel services, operating expenditures, or revenues affected by capital spending decisions are included in the annual budget and financial forecast. The Village will protect and maintain its capital investments to reduce replacement costs.

The long-term financial plan will be reviewed and analyzed in conjunction with the recommended annual budget during the SOP process. Both the annual budget and long-term financial plan will be presented to Village Council to ensure Council and the public have a complete understanding of the strategic direction of the Village and the financial implications of those decisions.

E. Performance Measures and Accountability

The Village will develop and implement performance measures to assess the effectiveness and efficiency of services provided. These measures will be used as a basis for setting budget priorities and evaluating departmental performance.
All departments will be held accountable for adhering to the adopted budget and for ensuring that public funds are used effectively and efficiently. Department Heads are expected to be proactive in discussing budget availability issues with the Finance Officer before funds are encumbered to ensure compliance with the NCLGBFA. Deviations from budgeted amounts will require justification, and corrective actions will be taken when necessary.

The Finance Officer and Budget Officer are ultimately responsible for adhering to the NCLGBFA, this policy, and any other statutes or regulations that govern the Village’s budget.

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Accounting and Financial Reporting Policy**	Effective Date: XX/XX/202X
Department: Financial Services	Policy No.: FIN-602.1
Prepared by: Financial Services Director, Dana Van Nostrand	Revised:
Approved by: Village Council Resolution #_____	# of Pages: 5

I. PURPOSE:

This policy establishes the guidelines and procedures for accounting and financial reporting for the Village of Pinehurst. It aims to ensure transparency, accuracy, consistency, and accountability in the Village's financial operations. This policy is designed to comply with Generally Accepted Accounting Principles (GAAP), North Carolina General Statutes (NCGS), and other relevant regulatory requirements.

II. SCOPE:

This policy applies to all financial transactions and financial reporting activities for the Village of Pinehurst, including all departments, funds, and financial statements.

III. DEFINITIONS:

Basis of Accounting – *When* revenues, expenditures, expenses, and transfers and the related assets, deferred outflows of resources, liabilities, or deferred inflows of resources are recognized in the accounts and reported in the financial statements. It specifically relates to the *timing* of the measurements made. There are two primary bases of accounting used in governmental accounting: accrual basis and modified accrual basis.

- *Accrual Basis of Accounting* – Recognizes revenues when earned and expenses when incurred, regardless of when cash transactions related to the revenue or expense occur. This results in accounting based on the substance of transactions and events that have occurred, enhancing the relevance, neutrality, timeliness, completeness, and comparability of financial information.
- *Modified Accrual Basis of Accounting* – Recognizes revenues when they become both measurable and available to finance expenditures of the fiscal period. Available means the revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are generally recognized when the related liability is incurred. This results in accounting based on the substance of transactions and events to the extent they impact the current financial resources of the government.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are typically used to ensure and demonstrate compliance with requirements to use certain resources for a specific purpose, such as segregating grant-funded activities in a special revenue fund or revenues and expenditures related to a specific capital project in a capital project fund. NCGS §159-26 requires the use of certain funds. The GASB groups funds into three categories:

- *Governmental Funds* – Governmental funds consist of the General Fund, capital project funds, special revenue funds, debt service funds, and permanent funds. Expendable assets are assigned to the appropriate governmental fund according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflows of resources and governmental fund liabilities and deferred inflows of resources is the fund balance.
- *Proprietary Funds* – Proprietary funds consist of enterprise funds and internal service funds. These funds segregate the resources and transactions related to business-type activities for which fees are charged to external users for goods or services that are intended to cover the costs of providing the goods or services, such as utilities. If the government is the primary recipient of the goods or services, then it is an internal service.
- *Fiduciary Funds* – Fiduciary funds consist of pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. These funds segregate resources held on behalf of others in a fiduciary capacity in accordance with GASB standards.

Fund Financial Statements – Report of financial information about the resources and activities in a government's funds. Separate statements are presented for each fund category (governmental, proprietary, and fiduciary). The emphasis is on major funds within each category, meaning the funds that are significant on a quantitative or qualitative basis.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of and guidelines to financial accounting and reporting, adherence to which assures that financial reports of all governments contain the same types of financial statements and disclosures, for the same types of funds, based on the same measurement and classification criteria, providing a reasonable degree of comparability among financial reports of governments.

Government-Wide Financial Statements – The statement of net position and statement of activities which report information about the financial activities of the government as a whole.

Internal Controls – Processes and procedures that, when effectively implemented, provide reasonable assurance that the goals and objectives will be met. The goal of internal controls from an accounting and financial reporting perspective is to guard against fraud, errors, and other risks of loss. Objectives include enabling smooth business operations, producing reliable financial information, and fostering compliance with applicable laws and policies.

Measurement Focus – *What* transactions and events are included in reporting an entity's financial performance and position. A particular measurement focus is accomplished by considering *which* resources are measured and *when* the effects of transactions and events involving those resources are recognized. *When* effects are recognized is referred to as the basis of accounting. There are two primary measurement focuses in governmental accounting: economic resources and current financial resources.

- *Economic Resources Measurement Focus* – All economic resources (i.e. financial and non-financial resources) are measured and all transactions and events that impact those economic resources are recorded. This measurement focus results in a long-term perspective that encompasses all assets and liabilities of the entity.
- *Current Financial Resources Measurement Focus* – Only financial resources that are available for spending in the near future are measured and only transactions that impact those current financial resources are recorded. This measurement focus results in a short-term perspective that emphasizes accountability and transparency in the sources of the government's resources and resources were spent.

IV. POLICY:

A. Accounting Standards

The Village of Pinehurst will adhere to the GAAP as promulgated by the Government Accounting Standards Board (GASB) and will use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In addition to GAAP, the Village will ensure its accounting system and financial reporting comply with the North Carolina Local Government Budget and Fiscal Control Act and North Carolina Local Government Commission (LGC) guidance.

Best practices and guidance from professional organizations, such as the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA) should also be considered in the Village's accounting and financial reporting system.

B. Measurement Focus and Basis of Accounting

The measurement focus and basis of accounting to be used in financial reporting is defined by the GASB and is dependent on the type of financial statements being prepared and type of fund.

i. Government-Wide Financial Statements

The Village of Pinehurst will use the economic resources measurement focus and the accrual basis of accounting for its government-wide financial statements.

ii. Fund Financial Statements

- *Governmental Funds* – In accordance with NCGS, all governmental funds of the Village are accounted for during the fiscal year on the modified accrual basis of accounting. The current financial resources measurement focus and the modified accrual basis of accounting are used in the fund financial statements for governmental funds.
- *Proprietary Funds* – The economic resources measurement focus and accrual basis of accounting are used in the fund financial statements for proprietary funds.
- *Fiduciary Funds* – The economic resources measurement focus and accrual basis of accounting are used in the fund financial statements for fiduciary funds

C. Financial Reporting, Auditing, and Transparency

The Finance Officer will prepare the Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal and State Awards in accordance with GAAP on an annual basis.

The ACFR will be audited annually by an independent certified public accountant firm in accordance with NCGS §159-34. The auditor will issue all required opinions on the financial statements and a management letter, if applicable, detailing areas that need improvement. The audited ACFR will be submitted to the LGC by the statutory deadline set by the LGC and be presented to the Village Council for acceptance within the time period required by 20 NCAC 03 .0502.

If the Village expends sufficient federal awards in a fiscal year to require a federal single audit under 2 CFR 200 Subpart F of the Uniform Guidance, the Finance Officer will ensure compliance with the Uniform Guidance audit requirements. The Finance Officer will also ensure that a state single audit is performed if the requirements of the State Single Audit Implementation Act are met.

The Finance Officer will remedy any/all management letter recommendations made by the auditor and/or findings from the single audit(s) within a reasonable timeframe and notify the Village Manager and the Village Council of the actions taken.

The Finance Officer will prepare quarterly fund financial statements and present them at a regular meeting of the Village Council. In addition to the fund financial statements, the quarterly report may include other financial reports as required by Village ordinances and other financial information that the Finance Officer deems relevant and useful for the Village Council and the public.

The Finance Officer will ensure department heads and other Village staff, as appropriate, have access to financial reports to manage the budgets under their purview and monitor actual revenues and expenditures.

The Village shall maintain transparency in its financial operations by making financial reports, audits, and budget information available to the public. These documents will be presented in public meetings, when required or appropriate, posted on the Village's website, and made available upon request.

D. Internal Controls

The Finance Officer will implement, monitor, and maintain a system of internal controls to ensure that financial transactions are executed in accordance with GAAP and appropriate laws, policies, and procedures and recorded in the accounting system timely to produce complete and accurate financial reports. Internal controls will include, at a minimum:

- Written financial policies and procedures;
- Segregation of incompatible duties to prevent fraud and error;
- Monthly reconciliation of cash and bank accounts;
- Regular reconciliation of other account balances;
- Timely review and approval of financial transactions by authorized personnel;
- Adequate documentation for transactions and retention of records; and
- IT system access controls.

Internal controls must have an apparent net benefit when evaluating the costs and benefits of a particular control. The cost of implementing or maintaining any control system shall be evaluated against the expected benefits to be derived from that system. This evaluation should be done when processes or systems change or periodically as needed by the Finance Officer.

E. Accountability

The Finance Officer is responsible for maintaining the Village’s accounting system, including internal controls and financial records, and preparing all required financial statements in accordance with this policy. The Village Manager and the Village Council are responsible for oversight of the Village’s finances and ensuring compliance with this policy.

Discuss Downtown Parking Enforcement Plan
ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 02/03/2025

MEMO DETAILS

Background and Context:

The Village of Pinehurst manages 208 on-street parking spaces and 118 public parking lot spaces. Parking congestion remains an issue, especially in specific downtown areas during peak hours (weekdays, 10 am to 2 pm). We have explored various solutions over the years, including timed parking restrictions and technology.

From 1988 to 2008, the Village implemented a 2-hour timed parking system, enforced via manual tire chalking. A 2008 study revealed that the costs of issuing and collecting fines exceeded the revenue generated, leading to the system's discontinuation. More recent parking studies (2012 and 2017) confirm that congestion continues, particularly in Market Square and parts of Chinquapin during peak hours.

License Plate Reader (LPR) System Evaluation:

After reviewing the License Plate Reader (LPR) system for parking enforcement, we found that its benefits do not justify the cost. The system's initial setup would exceed $50,000, with annual software fees starting at $22,000 and increasing over time. Additionally, the time saved using the software could not be effectively utilized, as the parking attendant would be left with "dead time" between digital tagging runs, making this solution inefficient.

Recommendation:

Based on the evaluation, we recommend hiring a part-time parking attendant to manage downtown parking enforcement. We plan to revise the parking ordinances to implement a 3-hour parking limit from 9:00 AM to 4:00 PM in designated areas and update fines to non-criminal penalties. This attendant will manually chalk tires (or explore alternative methods if identified) to enforce timed parking. While some concerns have been raised about the legality of chalking tires, our District Court has not issued a ruling on the matter, and our attorney has confirmed that it remains a permissible practice for us. Attached is a draft of the job description. If Council approves of this approach, we will bring forward an amendment to the Classification and Compensation plan to account for this new position at a future Council meeting. Downtown Parking Attendant

Parking Decriminalization:

Currently, Pinehurst uses the prima facie rule, where it is assumed that the vehicle was parked by the registered owner, and penalties are capped at $5. However, parking violations may also be enforced via civil penalties, allowing payment without requiring a court appearance. Many cities have decriminalized parking violations through G.S. 160A-175(b), keeping the fines collected locally rather than sending them to the county for public school funding. To streamline enforcement and keep fines local, we recommend decriminalizing parking tickets and setting a new fine of $25. However, if Council would like to increase this even more, we are legally capped at $50. A draft revised parking ordinance is attached. Ordinance 25-XX 3 Hour Parking Restrictions .doc

Map of Three-Hour Parking Areas:
Attached is a map outlining the designated three-hour parking zones, which experience the highest congestion and will be monitored by the new attendant. The map also shows the location of the existing "Shop, Dine & Stay" signs (marked in red) – there are 22 of these signs. Another map, marked with green, indicates the proposed locations of "3-hour Parking" signs – 32 in total.

Industry practice recommends placing parking signs every 30 to 50 feet. To minimize sign clutter, they have been spaced at least 50 feet apart. While we've tried to limit the number of signs, I believe any fewer would result in complaints about inadequate notice for enforcement. With this spacing, the new signs should be less visually intrusive than the existing "Shop, Dine & Stay" signs. Timed Parking Map.pptx

Downtown Community:
On January 29th, we held a Business Listening Session with the downtown business community. While only three business representatives attended, all were supportive of timed parking and ticketed enforcement. If the Council approves the parking plan, we will proactively visit all downtown businesses to inform them.

Timing:
Typically, new employees and initiatives are introduced at the beginning of the fiscal year. Since parking enforcement was not discussed during last year's budget process, no specific funds were allocated for it. Additionally, fees and charges changes typically take effect on July 1st. Therefore, the conventional approach would be to implement the new parking enforcement starting July 1st.

However, if you'd like to accelerate the process, hiring a part-time parking attendant is the key step. Realistically, a timeline for advertising, interviewing, hiring, and training suggests a start date no earlier than May 1st. If the Council supports enforced timed parking, we will need to decide between a May 1st or July 1st implementation.

We are confident that this approach will improve parking availability and enforcement in downtown Pinehurst. Thank you for your attention. Please reach out with any questions or suggestions.

ATTACHMENTS

1. Downtown Parking Attendant
2. Ordinance 25-XX 3 Hour Parking Restrictions
3. Timed Parking Map

Title:	Downtown Parking Attendant	**Reports To:**	Deputy Police Chief
Department:	Police	**Division:**	
Salary Grade:		**Directly Supervises:**	NA
FLSA Status:	Non-exempt	**Shift:**	Primarily Days M-F; Up to 19 hours per week
Safety Sensitive:		**Review Date:**	
Established Date:	February 2025	**Revision Date:**	

GENERAL STATEMENT OF DUTIES

Ensures compliance with parking regulations in the Center Village Business District. Under general supervision, the officer collaborates with business owners, employees, residents, and staff to enforce rules, address concerns, and maintain traffic flow. The officer also responds to inquiries, issues citations, and helps resolve parking disputes.

DESCRIPTION

The Downtown Civilian Parking Enforcement Officer is responsible for ensuring strict adherence to municipal parking regulations within the designated area of the Center Village Business District. Under general supervision, the officer plays an integral role in monitoring parking activity, enforcing rules, and providing timely intervention to address parking-related issues. The officer works closely with business owners, employees, residents, and local government staff to facilitate smooth interactions and maintain a positive atmosphere within the community.

In addition to enforcing parking regulations, the officer is tasked with identifying potential parking violations, issuing citations as necessary, and providing assistance to individuals who have questions or concerns regarding parking policies. The officer is also expected to serve as a mediator in parking disputes, offering support and guidance to help resolve conflicts in a fair and efficient manner. Through these duties, the officer helps to improve traffic flow, prevent congestion, and maintain order in a bustling downtown environment.

The officer's role extends beyond enforcement to foster a positive relationship with the community by being approachable and responsive to public needs. Whether engaging with local business owners to understand specific parking challenges or providing residents with helpful information, the officer serves as a key resource in promoting an orderly, accessible, and well-functioning downtown area.

DUTIES AND RESPONSIBILITIES

- Patrols assigned area on foot or via vehicle to enforce parking regulations.
- Identifies and responds to parking violations as needed.
- Works closely with business owners and staff to gain parking compliance for vehicles found in violation of Village ordinances as appropriate.
- Notes improperly parked vehicles and takes appropriate enforcement action.
- Answers inquiries from general public and provides directions and street locations.
- Files parking citations according to established procedures.
- Prepares daily reports of activities.
- Performs other related duties as assigned.

KNOWLEDGE, SKILLS AND ABILITIES

- Considerable knowledge of Village streets, locations, and general layout.

- Good working knowledge of two-way radio communication systems and related Federal Communications Commission (FCC) regulations.
- Working knowledge of computer hardware and software.
- Ability to communicate effectively, both verbally and in writing.
- Ability to operate assigned equipment.
- Knowledge of effective conflict resolution and mediation techniques.
- Knowledge of community policing philosophy.
- Knowledge of local parking ordinances and other related public safety regulations.
- Ability to present a positive public relations image.
- Ability to establish and maintain effective working relationships with business owners, employees, residents, Village employees, and the general public.
- Ability to accurately transmit radio communications.
- Strong decision-making skills, with the ability to use judgment effectively.
- Clear, distinct, and polite verbal communication.
- Ability to deal tactfully and courteously with the public.

SAFETY

This position requires enforcing and following all Village of Pinehurst and OSHA safety regulations.

PHYSICAL REQUIREMENTS

- Must be able to physically perform the basic life operational functions of fingering, talking and hearing.
- Light work requiring exertion of up to 20 pounds occasionally, up to 10 pounds frequently, and negligible force constantly to move objects; involves balancing, standing, walking, stooping, sitting, bending, fingering, and repetitive motions.
- Vocal communication is required for expressing or exchanging ideas, with hearing needed to perceive information at normal spoken word levels.
- Visual acuity required for preparing and analyzing written/computer data and for operating motor vehicles or equipment.

MINIMUM AND PREFERRED EDUCATION AND EXPERIENCE

Graduation from an accredited high school or GED. No specific experience required. Prior ordinance enforcement experience preferred.

SPECIAL REQUIREMENTS

Possession of a valid driver's license.

ORDINANCE #25-XX:

AN ORDINANCE AMENDING SCHEDULE II - PARKING TIME LIMITED ON CERTAIN STREETS, CHAPTER 72, SECTION 72.03 OF THE PINEHURST MUNICIPAL CODE AS IT PERTAINS TO PARKING IN THE VILLAGE OF PINEHURST.

THAT, WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011 the Village Council of the Village of Pinehurst adopted Ordinance 11-25 which adopted the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the "Village of Pinehurst, North Carolina Municipal Code;" and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village Council has determined that it is in the interests of our downtown merchants, guests, and citizens of Pinehurst to limit parking time on certain at the designated locations listed below in Section 1;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina, in a regular meeting assembled this 25th day of June, 2014, as follows:

SECTION 1. That Schedule II – Parking Time Limited on Certain Streets, Chapter 72, Section 72.03 of the Pinehurst Municipal Code is hereby amended by adding the following streets and roads to the schedule of those designated as "Parking time limited on certain streets" as follows:

Street	***Side***	***Time Limit***	***Hours***	***Location***
Cherokee Road	South	1 hour	Between 9:00 a.m. and ~~5~~**4**:00 p.m. **on Weekdays excluding Village observed holidays**	In front of Given Memorial Library
Cherokee Road	**North and South**	**3 hours**	**Between 9:00 a.m. and 4:00 p.m. on Weekdays excluding Village observed holidays**	**All public parking locations from 95 Cherokee Rd to 105 Cherokee Rd up to the flag pole. Also includes parking in front of 90 Cherokee Rd.**

Chinquapin Road	**North and South**	**3 hours**	**Between 9:00 a.m. and 4:00 p.m. on Weekdays excluding Village observed holidays**	**All public parking locations from Cherokee Road/Dogwood Road to Magnolia Road.**
Dogwood Road	**East and West**	**3 hours**	**Between 9:00 a.m. and 4:00 p.m. on Weekdays excluding Village observed holidays**	**In front of 5 Dogwood Road.**
Market Square	**North and South**	**3 hours**	**Between 9:00 a.m. and 4:00 p.m. on Weekdays excluding Village observed holidays**	**All public parking locations.**

SECTION 2. That Chapter 72, Section 72.99 of the Pinehurst Municipal Code is hereby amended by adding the following:

§ 72.99 PENALTY.

(C) Violations of the terms of § 72.03 shall subject the violator to an infraction and a civil fine of up to $25, inclusive of all penalty assessments and court costs as set forth in 160A-175 (c)

SECTION 3. That Sections 1 and 2 of this ordinance shall be effective on **DATE** and after the erection of the appropriate and necessary traffic signs.

SECTION 4. That all ordinances in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

THIS ORDINANCE passed and adopted this 25th day of February, 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Patrick Pizzella, Mayor

Attest: ______________________________
Shannon Konstantinou, Village Clerk

Approved as to Form: ______________________________
Michael J. Newman, Village Attorney

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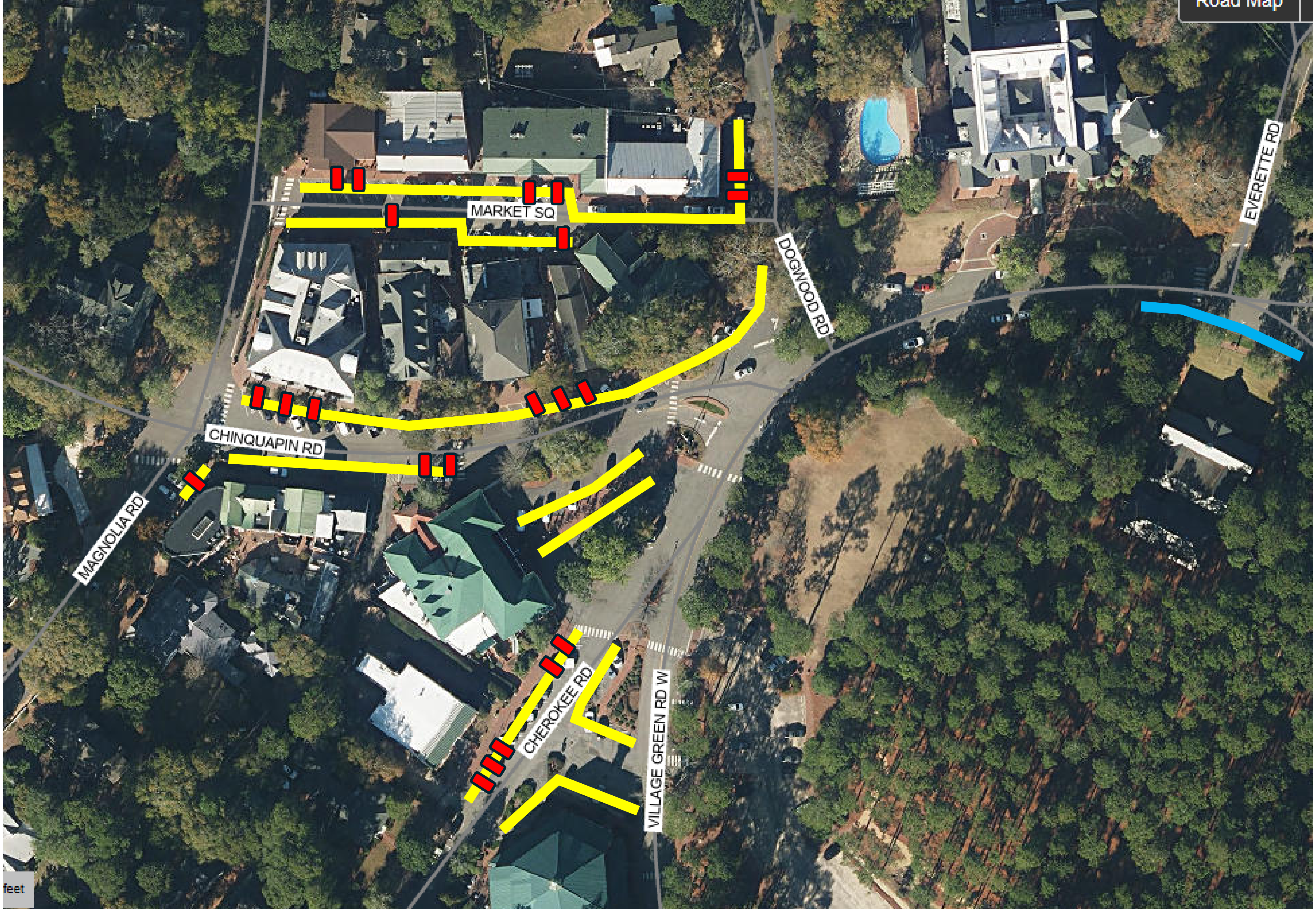
Signs


Road Map
MARKET SQ
DOGWOOD RD
EVERETTE RD
CHINQUAPIN RD
MAGNOLIA RD
CHEROKEE RD
VILLAGE GREEN RD W
feet

32
Signs


Road Map
MARKET SQ
DOGWOOD RD
EVERETTE RD
CHINQUAPIN RD
MAGNOLIA RD
CHEROKEE RD
VILLAGE GREEN RD W
feet

Discuss Council Feedback on Comprehensive Plan

ADDITIONAL AGENDA DETAILS:

FROM:	Doug Willardson, Village Manager
CC:	Village Council;
DATE OF MEMO:	02/03/2025

MEMO DETAILS

Per policy, The Village Council is to periodically review and update the Comprehensive Plan to avoid disparities between the Comprehensive Plan, market & economic realities, actions taken as specified in the Plan, and existing and emerging conditions. In accordance with NCGS 160D-501, the Village's process for adopting and amending the Comprehensive Plan shall include opportunities for citizen engagement.

Council recently reviewed the current Comprehensive Plan and provided feedback regarding areas that require further discussion and potential amendments. Based on the input received, several key themes have emerged that reflect concerns and evolving priorities. Below is a high-level summary of the Council's feedback on potential amendments to the Comprehensive Plan:

1. **Balancing Conservation and Growth**
   The Council has expressed ongoing concern regarding the alignment of growth and conservation, particularly within the Village's Extra-Territorial Jurisdiction (ETJ). Specifically, there is hesitation about the concept of "Conservation Neighborhoods" in this area. The Council suggests revisiting this concept to determine whether it is still a viable option for preserving the character and resources of the ETJ while accommodating future growth.
2. **Western Connector**
   There are questions about the effectiveness of the proposed "Western Connector" in alleviating traffic congestion elsewhere in the Village. Additionally, there are concerns that it could invite unwanted growth and increased density in the western ETJ area. Given the current land use plans for the proposed area, the Council feels that the Western Connector is no longer a viable option. The recommendation is to remove this reference from the plan and maps.
3. **Reevaluating the Small Area Plan for NC Highway 5 Commercial Area**
   The Council believes that the current Small Area Plan for the NC Highway 5 Commercial Area needs to be revisited to address new traffic patterns and congestion. This will likely be part of the upcoming updates to the PDO and should be considered in the context of overall growth and development.
4. **Ensuring Compatible Growth Along Highway 211**
   The Council discussed ways to ensure compatible growth along Highway 211, including reevaluating zoning on the Pinehurst side of the highway. While the idea of expanding the ETJ north of 211 is unlikely, working with the County and/or Taylortown to address zoning issues or developing an overlay district within those jurisdictions to ensure appropriate development may be a viable option.

Next Steps:

Staff will share this feedback with the Kimley Horn, our development ordinance consultant.

Additionally, Planning and Zoning Board will review and hold a public hearing to gather additional input on these proposed amendments. After that meeting, staff will prepare specific text alterations/amendments based on the feedback received. These amendments will then be presented to the Village Council at a public hearing, where the Council will have the opportunity to review the proposed changes, receive public input, and vote on adoption. If the Planning and Zoning Board acts on these recommendations in April, the Council could potentially adopt the amendments in March.

ATTACHMENTS

None