



**VILLAGE COUNCIL
MINUTES FOR FY 2022 STRATEGIC PLANNING RETREAT
DECEMBER 11, 2020
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
9:00 AM – 3:00 PM**

The Pinehurst Village Council held the FY 2022 Strategic Planning Retreat on Friday, December 11, 2020 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. Some members of the Village Council participated remotely using the virtual meeting platform ZOOM.

The following were in attendance at 395 Magnolia Road, Pinehurst:

Mr. John C. Strickland, Mayor
Ms. Judy Davis, Mayor Pro Tem
Mr. Kevin Drum, Councilmember
Ms. Jane Hogeman, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk
Mr. Jeffrey Batton, Assistant Village Manager
Ms. Natalie Hawkins, Assistant Village Manager
Ms. Lauren Craig, Organizational Performance Director
Ms. Angela Kantor, Director of Human Resources
Mr. Carlton Cole, Fire Chief
Mr. Randy Kuhn, Director of Fleet Maintenance
Mr. Mike Apke, Director of Public Services
Mr. Mark Wagner, Director of Parks and Recreation
Mr. Glen Webb, Police Chief
Ms. Brooke Hunter, Director of Financial Services
Mr. Jason Whitaker, Chief Information Officer
Mr. Darryn Burich, Planning and Inspections Director
Ms. Cyndie Burnett, Planning and Zoning Chair
Mr. Tom Campbell, Bicycle and Pedestrian Advisory Committee Chair

The following were in remote attendance:

Ms. Lydia Boesch, Councilmember

And approximately 2 attendees and 1 press.

1. Fiscal Year (FY) 2022 Strategic Planning Retreat

Welcome and Overview

Lauren Craig, Organizational Performance Director, welcomed everyone and outlined the agenda for the day.

Review Initiative Action Plans

Ms. Craig reviewed the status of the current Initiative Action Plans (IAP) with Council.

Review Five-Year Financial Forecast and Fund Balance Policy and Discuss Five-Major Capital Needs

Brooke Hunter, Financial Services Director, reviewed the methodology for the five-year financial forecast. She noted that the amounts shared today are the projections for FY 2021-2025 that have been extended using the same assumptions to FY 2026. Retirement contributions will continue to increase, for FY 2022 the rate is set for 11.4%. Ms. Hunter noted currently there is no debt service and none planned at this time. Revenues are expected to continue to increase over the next 5 years.

Natalie Hawkins, Assistant Village Manager, explained the purpose of Fund Balance (FB). She noted that Council adopted a Fund Balance Policy in 2003. The current Policy states that the FB range should be between 30% and 40% and that unassigned FB must be maintained at a level greater than 15% of actual General Fund expenditures reported in the Comprehensive Annual Financial Report (CAFR). Ms. Hawkins stated the NC Local Government Commission's minimum FB target is 8% of expenditures.

Ms. Hawkins explained various types of funds that municipalities may have, specific to their services provided, such as an Enterprise Fund. She noted that municipalities can establish various capital reserves funds (CRF) to fund capital projects. The advantage of using a CRF is that you can easily identify how much money has been saved for capital need in a separate fund. The disadvantage of a CRF is that it's legally restricted to only defined capital needs, which are established by a resolution or ordinance.

Ms. Hawkins explained that FB can be accumulated to fund capital needs as well. The advantage of this option is it provides more flexibility because Council can use FB for operational or capital needs. A disadvantage of accumulating FB for capital needs is that the money saved for capital needs isn't as readily identifiable. Ms. Hunter explained the difference between restricted and unrestricted funds within the General Fund. Councilmember Hogeman asked what the FB is without the one million returned by the library. Ms. Hunter noted that the library funds account for approximately 4% of the FB. Also, Councilmember Hogeman stated she would like to see the projected FB number without the proposed tax increases in future years.

Ms. Hawkins reviewed a list of potential long term capital needs. Items in the 5-year forecast include sidewalks, West Pinehurst Park development, streetscape improvements, road resurfacing, and stormwater improvements, which total \$9.5 million. Ms. Hawkins noted that some other items to consider, that are not in the 5-year forecast, include library renovations/expansion, ladder truck, parking facility, 3rd fire station/police substation, and Public Services relocation, which total \$15.5 million to \$20.4 million. Ms. Hawkins stated that staff recommends a combination of funding options that would be dependent on more refined cost estimates and the timing of anticipated capital expenses.

Council discussed the potential capital needs and if any of those fell in the 5-year planning period. Council agreed the library and parking facilities should be in the 5-year financial forecast. Councilmember Boesch talked about the need and benefit of having Parks and Recreation. Mayor Pro Tem Davis stated she feels the funding for the development of West Pinehurst Park should remain in the five-year forecast. Councilmember Hogeman stated there is a laundry list of capital projects and we need to be careful to put our needs before things that are nice to have. Council came to a consensus to remove the \$250,000 placeholder for FY 2022 for West Pinehurst Park development, and leave the funding for the remaining out years.

Discuss Potential Workforce needs

Ms. Hawkins explained the Fire Department Birdie, completed last year, resulted in the need for additional firefighters. After the Birdie was completed one additional firefighter was hired as a floater and they started using additional reserve officers. However, to truly solve the problems an additional two to three firefighters are needed. Ms. Hawkins also explained the police department will need an additional employee to manage CELA, for accreditation. Mayor Pro Tem Davis asked if CELA was the only accreditation program. Glen Webb, Police Chief, explained the state is rolling a program out next year which wouldn't require as much for ongoing needs as CLEA. Mr. Sanborn stated we can get the CELA certification now, as we are already in the process of doing, however, it's the re-accreditation process that would require an additional employee.

Ms. Hawkins explained another area for potential need is development services and community services which would include an economic developer, permit technician, and a code enforcement officer. One option would be to combine a permit technician and code enforcement officer position together and they could also serve as backup to those in the full time roles. Councilmember Hogeman stated she believes we need more planners to start updating the Pinehurst

Development Ordinance (PDO). Ms. Hawkins stated that the recommendation would be to hire a consultant to start on a comprehensive update to the PDO. Jeff Batton, Assistant Village Manager, suggested changing the economic developer position to a Planner, whether contracted or part time, and reevaluate the numbers and Council agreed to this change. Ms. Hawkins also explained the need to create a position under the planning director, such as an assistant director position, and Council was open to that change.

Ms. Hawkins explained the potential needs of library staff if the Village were to take over those services. An estimated 7 full time equivalents (FTE) would be needed to staff a library and 1 FTE if the Tuft Archives is acquired. The library would also impact financial services, human resources, IT, and Building & Grounds staffing. Mr. Batton explained with the work of the Beautification Committee, creating new landscaping areas, additional staffing will be needed to help maintain these areas. Solid Waste will need an additional 1 FTE as a floater to go between solid waste and streets and grounds. If we insourced solid waste services for Pinewild we would need an additional 1 to 3 FTE's, this will be evaluated this year. Ms. Hawkins also noted there is a need for a .5 to 1 FTE in both Financial Services and Human Resources. Mr. Sanborn noted that these two areas are probably the greatest need.

Discuss Potential Changes to the FY 2022 Balanced Scorecard Goals, Strategic Objectives, and Key Performance Indicators.

Ms. Craig reviewed the current goals in the Corporate Balanced Scorecard. Councilmember Boesch asked to change the wording for Goal 5 to Protect the Environment and Council agree to re-word to "Preserve the Environment". Ms. Craig stated based on conversations yesterday she has spilt out the Strategic Objectives in Goal 2 to enforce codes and ordinances and manage development to protect Village character. For Goal 3 Council reworded the Strategic Objective to remove the word economic development and agreed to change the wording to "Support the Business Community".

Discuss 2021 Key Partners & Collaborators

Ms. Craig reviewed the current FY 2021 Key Partner and Collaborator List and noted Council will need to confirm Council liaisons for 2021. Councilmember Boesch stated that the Chamber suggested adding a Council liaison. Mayor Strickland stated he would get with individual Councilmembers to discuss any changes and they will confirm at their January meeting.

Wrap Up, Next Steps, and Evaluation

The group evaluated the Strategic Planning Retreat by completing a plus/delta.

2. Adjournment.

Council unanimously adjourned Day 2 of the Strategic Planning Retreat at 3:00 p.m.

Respectfully Submitted,



Beth Dunn
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