

**RESOLUTION #11-01:**

**A RESOLUTION AMENDING THE FEES AND CHARGES POLICY  
FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA.**

**THAT WHEREAS**, the Village of Pinehurst adopted a Fees and Charges Policy on April 1, 2004 (last amended January 9, 2010) to establish the method of setting fees and charges at an appropriate level that is consistently applied to all users; and

**WHEREAS**, it is the policy of the Village of Pinehurst to review and amend the Fees and Charges Policy as deemed necessary; and

**WHEREAS**, the Village Council, after considering all of the facts and circumstances surrounding the proposed amendments to the Pinehurst Fees and Charges Policy, have determined that it is in the best interest of the Village of Pinehurst to make the amendments as requested;

**NOW, THEREFORE, BE IT RESOLVED** by the Village Council of the Village of Pinehurst, North Carolina, in Special Work Session assembled this 13<sup>th</sup> day of January, 2011, as follows:

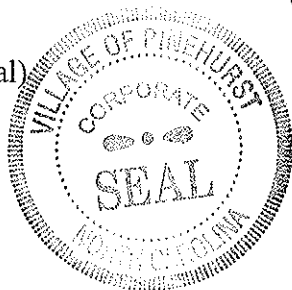
**SECTION 1.** That the "Village of Pinehurst Fees and Charges Policy" is hereby amended as detailed in the attached Exhibit A which is attached hereto and made a part hereof, the same as if included verbatim.

**SECTION 2.** That these policies shall supersede all previous policies for the services enumerated herein.

**SECTION 3.** That this resolution shall be and shall remain in full force and effect from and after the date of its adoption.

**THIS RESOLUTION** passed and adopted this 13<sup>th</sup> day of January 2011.

(Municipal Seal)



VILLAGE OF PINEHURST  
VILLAGE COUNCIL

By: Virginia F. Fallon  
Virginia F. Fallon, Mayor

Attest:

Linda S. Brown  
Linda S. Brown, Village Clerk

Approved as to Form:

Michael J. Newman  
Michael J. Newman, Village Attorney



## VILLAGE OF PINEHURST STANDARD POLICY

|              |                                |                               |
|--------------|--------------------------------|-------------------------------|
| SUBJECT:     | <b>Fees and Charges Policy</b> | Effective Date: April 1, 2004 |
| Department:  | Financial Services             | Revised Date: Jan 13, 2011    |
| Prepared by: | Financial Services             | Policy No.: FIN-1306.1        |
| Approved by: | Village Council                | # of Pages: 5                 |

### **PURPOSE:**

To establish the method of setting fees and charges at an appropriate level that is consistently applied to users, to identify those costs that will be used as the basis for setting fees and charges, and to identify how charges and fees are periodically updated

### **POLICY:**

Charges are payments for elective participation in an activity and are used to finance traditional governmental services (i.e. recreation charges), while fees are imposed as a result of a public need to regulate activities. Fees result in the purchase of a privilege or authorization (i.e. building permits).

Fees charged by the Village of Pinehurst will be established at a rate that is intended to cover the costs of providing the services for those services that can be directly identified and the costs that are directly related to the level of service. Economic theory indicates the most efficient use of resources is achieved if the price for a good or service is set at a level that is related to the cost of producing the good or service.

The full cost of providing a service should be calculated in order to provide a basis for setting the fee or charge. Full cost incorporates both direct and indirect costs. Indirect costs could include administrative services, debt service, etc.

User charges or fees will supplement the ad valorem tax revenues generated by the Village. Ad valorem tax revenues are intended to finance primarily general governmental, public safety, transportation, environmental protection, and recreation services.

User charges or fees are appropriate for several reasons:

- User charges are paid by all users, including those exempt from property taxes
- User charges avoid subsidization in instances where the service is not being provided to the general public
- User charges are a means of rationing the provision of certain services (i.e. supply of water)
- User charges for certain services can be justified on the basis of equity and efficiency by producing information on the demand level for services and by helping to make the connection between the amount paid and the service received

The Financial Services and departmental staff will review all fees and charges annually with any changes in rates recommended by the Village Manager and approved by the Village Council.

### **PROCEDURE:**

The Village Council has established fees and charges for various goods and services provided by the Village. These fees and charges are included on the comprehensive Village-wide Fees and Charges Schedule.

When establishing or reviewing already established fees and charges, the Financial Services Department will prepare an analysis of the costs incurred to provide the service. This analysis will include both direct and indirect costs. Other factors the Village Manager will consider when determining the fees and charges to be recommended to the Village Council include:

- The need to regulate demand,
- The intent to subsidize a certain service with ad valorem tax revenue,
- The cost of collection,
- Compliance with laws and regulations, and
- Competitive considerations.

### **COST RECOVERY/PERIODIC REVIEW**

It is the Village's policy to recover the full cost of providing goods and services (both direct and indirect), as detailed in the following sections. As the cost recovery levels may vary by service area, a more detailed description by fee area follows. Village management will review and update, if necessary, the Fees and Charges Schedule on an annual basis. In addition to a cost analysis, the Village Manager will support any recommendation of changes to the Fees and Charges Schedule with consumer price index information, fee comparisons with other jurisdictions, historical financial operating results, and utilization rates.

Starting in November, the responsible department and the Financial Services Department will conduct a review of the fees and charges and develop a recommendation for the Village Manager.

The Village Manager, Financial Services Director, and Department Head will present recommended changes to the Fees and Charges Schedule to the Village Council for their approval in January. All changes will become effective on July 1 in the year of approval.

### **Administrative Charges**

Administrative charges include items such as copy charges, etc. These charges are set at levels to ensure full cost recovery.

### **Building Inspection Fees**

Building inspection fees should cover the full costs of providing inspection services for new construction and development. The Council's policy is that new development should pay for those costs incurred as a result of it, and current residents should not absorb those costs.

### **Engineering Fees**

Engineering fees are established to recover the full cost of providing Engineering inspection and plan review services.

### **Fire Inspection Fees**

It is the policy of the Village to provide an initial fire inspection as part of Village services that are funded with ad valorem tax revenues. The Village's goal is to ensure compliance with Fire Codes. However, plan review, fire prevention permits, and re-inspection fees are established at levels to ensure full cost recovery.

### **Information Services Charges**

The routine cost of the Village providing public record documents is not recovered through charges. However, when the Village provides information on electronic media and significant time and effort is devoted to the compilation of information, above and beyond that of gathering public records, a fee may be charged. That fee is established at a level to recover the full cost associated with the compilation and delivery of the information.

### **Planning Fees**

Planning fees are charged to offset a portion of the costs incurred by the Planning and Zoning department. Zoning enforcement costs are not directly supported with fee revenue. Rather ad valorem tax revenues fund these costs.

### **Police Fees**

The cost of providing police protection is supported by ad valorem tax revenue. However, parking citations and accident report fees are established to recover the full cost of providing the service.

## **Recreation Fees**

### Fair Barn Fees

The Village's policy is that Fair Barn fees are set with the intention of fully recovering the costs associated with providing access to the Fair Barn at the Harness Track while also taking into account relevant market conditions in the area. Due to the nature of the Fair Barn rentals, the Council authorizes the Village Manager to adjust any rental fee as deemed appropriate and/or necessary, as recommended by the Parks and Recreation Director. The Fair Barn fees for non-residents are established at rates higher than those for residents, recognizing residents contribute to the support of capital costs through ad valorem tax revenue.

### Harness Track Fees

Harness Track Fees are established with the intention of recovering the full cost of providing services, taking the following items into consideration:

- Utilization of the facility,
- Changes in the Consumer Price Index,
- Rates charged by similar facilities, and
- Financial results of operations.

The Parks and Recreation Director may establish separate fees for special uses of Village property that are not sponsored or co-sponsored by the Village of Pinehurst, with the approval of the Village Manager. Criteria that would determine if an event qualifies as a special use would include factors such as the number of participants/spectators, economic factors such as estimated revenues and expenses, the nature and type of event and the extent of work required by the Village Staff that is above and beyond what is normal and customary. Examples of events that may qualify as special uses include the use of recreational facilities for parking for professional athletic events or concerts.

### Parks and Recreation Fees and Charges

Parks and Recreation fees are not intended to cover the full cost of providing the programs, but should seek to cover the total direct costs of providing the programs. Non-resident rates are set at levels higher than resident rates, recognizing residents contribute to the support of capital costs through ad valorem tax revenue. The amount of sponsorships available is also taken into consideration when determining fee levels.

The Parks and Recreation department also offers special events to the public at no cost. The Parks and Recreation Director reserves the right to waive fees and charges for indigent youth (i.e. no Pinehurst resident youth will be denied participation based on their ability to pay).

## **Reimbursement Fees**

It is the policy of the Village of Pinehurst to recover reasonable costs incurred for providing services above and beyond those that are normal and customary. Normal

and customary are those services provided on a daily basis by Village personnel and funded by the general ad valorem tax revenues of the Village. Services beyond those that are normal and customary are subject to reimbursement at the established rates.

Items that are subject to reimbursement include, but are not limited to, equipment use, acquisition of specialized equipment required, expended supplies, and staff time.

As soon after the services that are beyond normal and customary are performed, the Department performing the service should complete the Request to Invoice form and submit it to the Financial Services Department. The Financial Services Department will determine the hourly rates in accordance with the fee schedule and will then calculate the total costs to be invoiced. Once an invoice is prepared, the Financial Services Department will send a completed copy of the Request to Invoice, along with a copy of the invoice to the requesting department.

Per NC General Statutes, if police protection is requested that is above the amount that is normal and customary, the sponsor of the event may compensate the Police officers directly at a flat rate. As the Village police department has elected to utilize this statute, police protection does not fall under the reimbursement fee category.

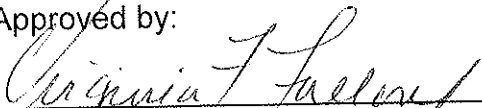
The Village of Pinehurst reserves the right to review and determine whether or not services will be provided and at what rate, subject to the Village Manager's approval.

### Fines and Penalties

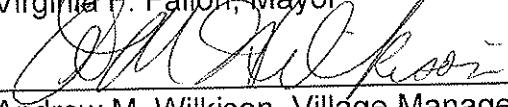
Fines and penalties will be charged for violations of Village laws and regulations in accordance with the applicable sections of the Municipal Code and the Pinehurst Development Ordinance.

This fees and charges policy hereby supersedes all previously adopted fees and charges policies for the Village of Pinehurst

Approved by:

  
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Virginia F. Fallon, Mayor

01-13-11  
Date

  
\_\_\_\_\_  
Andrew M. Wilkison, Village Manager

1-14-11  
Date