

**PINEHURST
VILLAGE COUNCIL
AGENDA FOR SPECIAL MEETING OF JUNE 6, 2006
395 MAGNOLIA ROAD
CONFERENCE ROOM
PINEHURST, NORTH CAROLINA
9:00 A.M.**

1. Call to Order.
2. Recess Special Meeting and Enter Public Hearing.
3. Public Hearing: Consideration of the 2006-2007 Village of Pinehurst Municipal Budget.
4. Re-Enter Special Meeting.
5. Presentation on solid waste collection process.
6. Presentation by Human Resources Director on market adjustments and pay scale amendments.
7. Resolution #06-13: A Resolution Authorizing the Upset Bid Process (old Fire Station 91, 45 Community Road).
8. Closed session pursuant to NCGS 143-318.11, to consult with an attorney retained by the Village in order to protect the attorney-client privilege between the attorney and the Village of Pinehurst.
9. Other Business.
10. Adjournment.

**VILLAGE OF PINEHURST
VILLAGE COUNCIL
SPECIAL WORK SESSION
June 6, 2006**

**395 MAGNOLIA ROAD
CONFERENCE ROOM
PINEHURST, NORTH CAROLINA
9:00 A.M.**

The Pinehurst Village Council held a Special Work Session at 9:00 a.m., Tuesday, June 6, 2006 in the Conference Room of the Pinehurst Village Hall, 395 Magnolia Road, Pinchurst, North Carolina. The following were in attendance:

Mr. Steven J. Smith, Mayor
Mr. George E. Hillier, Mayor Pro-Tem
Ms. Virginia F. Fallon, Councilmember
Mr. Douglas A. Lapins, Councilmember
Ms. Lorraine A. Tweed, Councilmember
Mr. Andrew M. Wilkison, Village Manager
Ms. Linda S. Brown, Village Clerk
And 15 persons, including 7 staff and 3 press

1. Call to Order.

Mayor Steven J. Smith called the meeting to order.

2. Recess Special Meeting and Enter Public Hearing.

Councilmember Fallon moved to recess the Special Meeting and enter into a Public Hearing on the Proposed Fiscal Year 2006-2007 Budget for the Village of Pinehurst. The motion was seconded by Councilmember Hillier and carried unanimously by a vote of 5-0.

3. Public Hearing: Consideration of the 2006-2007 Village of Pinehurst Municipal Budget.

Comments:

Assistant Manager Natalie Dean presented slides from a Power Point overview of the proposed 2006-2007 Budget. (Copy of the Power Point presentation is in the Minute File.)

Maureen Burke-Horansky of Animal Advocates stated that her group is pleased with last year's funding but would respectfully request an increase in funding for this budget year. The group is responsible for all of Moore County each weekend since Moore County Animal Control is closed during those hours. The group has dealt with a large feral cat population in Pinehurst during the past year.

Mayor Smith explained to the audience that General Statutes prevent the Village from funding any non-profit except those who perform functions that the General Statutes allow to be performed by the municipality. Animal control is one of the allowed functions.

Councilmember Lapins asked how much increase the group is requesting.

Ms. Burke-Horansky replied that they would request \$1900.

Doug Middaugh asked questions concerning the MSD tax rate, the design costs for the proposed recreation center, and the increase in building and grounds maintenance costs in the Parks and Recreation Department budget. See document # 1 which is hereby incorporated by reference and made a part of these minutes.

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Mayor Smith defended the Parks and Recreation Department budget increases due to recent changes in that department. There have been miles added to the greenway trail system, an increase in park facilities, and demographics for the Village dictate that other increases will be needed in the future.

Councilmember Hillier berated Mr. Middaugh for his attitude and accusations of improper funding and subterfuge by the Council.

Tom Campbell expressed thanks to Natalie Dean for her presentation today and for the audience handouts that aided in following the presentation.

4. Adjourn Public Hearing and re-enter Work Session.

Councilmember Fallon moved to adjourn the Public Hearing and re-enter the Special Meeting. Councilmember Tweed seconded the motion, which passed unanimously by a vote of 5-0.

5. Presentation on solid waste collection process.

Assistant Manager of Operations Jeff Batton presented information to the Council concerning proposed solid waste collection process alternatives for household collection. All of the Village Councilmembers stated their support for the Village implementing the new solid waste collection method outlined in Mr. Batton's presentation. Council noted that funding for beginning this process is included in the 2006-2007 Budget and did not feel that any other action was required. (Copy of the Power Point presentation is in the Minute File.)

6. Presentation by Human Resources Director on market adjustments and pay scale amendments.

Human Resources Director Karen Habenstein presented information concerning market adjustments to the Village pay scale for all employees except policemen and firemen. She proposed four separate scales be adopted- administration, fire, police and operations. Council stated that it approved of the proposed market adjustments for all non-public safety village employees, and that it will review again the proposed new pay scales at the next work session of the Council.

7. Resolution #06-13: A Resolution Authorizing the Upset Bid Process (old Fire Station 91, 45 Community Road).

The Manager explained the need for Resolution #06-13. Upon the motion of Councilmember Lapins, seconded by Councilmember Tweed, Resolution # 06-13 was unanimously approved by a vote of 5-0. (Copy of resolution is found in the Resolution Book and in the Minute File.)

8. Other Business.

➤ **Resolution #06-14: A Resolution Supporting the Resumption of Commercial Air Service at the Moore County Airport by Delta Airlines.**

The Manager explained the need for Resolution #06-14. Upon the motion of Councilmember Hillier, seconded by Councilmember Fallon, Resolution # 06-14 was unanimously approved by a vote of 5-0. (Copy of resolution is found in the Resolution Book and in the Minute File.)

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➤ **Proposed changes to the original recommended budget- slide # 12 of the Power Point presentation-**

- **gazebo on Village Green and xeriscaping demonstration garden**

Council discussed the fact that the gazebo on Village Green seemed a good idea two years ago when it was originally proposed, but things have changed considerably since then. The possibility of doing something on the Rassie Wicker Park land such as something to accommodate the symphony now seems a better option.

Norm Brown, Chairman of the Community Appearance Commission detailed the work that has already been done to get a gazebo project to be a possibility, but reluctantly admitted that a different location would probably be better. Council discussed the xeriscaping garden plans and possible locations.

Consensus of Council was to leave the \$15,000 in the budget for xeriscaping but not for the gazebo.

- **Proposed change to funding amount for Animal Advocates.**

Consensus of Council was to change the amount of funding in the 2006-2007 Budget for Animal Advocates to \$2,000.

Note: Councilmember Tweed left the meeting at 11:30 a.m. The absence was excused.

9. Closed Session.

Councilmember Fallon moved to recess the Work Session and enter a Closed Session pursuant to NCGS 143-318.11: To consult with an attorney retained by the Village in order to protect the attorney-client privilege between the attorney and the Village of Pinehurst. The motion was seconded by Councilmember Lapins and carried unanimously by a vote of 4-0.

GENERAL ACCOUNT

The Council, the Village Manager, the Planning Director and the Village Attorney discussed potential litigation between Quality Built Homes and the Village of Pinehurst.

Upon the conclusion of the Closed Session, Councilmember Fallon moved to adjourn the Closed Session and re-enter the Work Session. The motion was seconded by Councilmember Lapins and carried unanimously.

10. Adjournment.

Councilmember Fallon moved to adjourn the Work Session. The motion was seconded by Councilmember Lapins and carried unanimously. The meeting adjourned at 12:10 p.m.

Respectfully Submitted,

Linda S. Brown

Linda S. Brown, CMC
Village Clerk

June 1, 2006

Mr. Andrew M. Wilkison
Village Manager
The Village of Pinehurst
395 Magnolia Road
Pinehurst, NC 28374

Re: FY 2006-07 Budget Comments

Dear Andy:

I am providing the following comments for the June 6, 2006 FY 2006-2007 Public Hearing on the proposed budget.

1. My first comment is specific to the proposed 9 cents (\$.09) tax rate for the Municipal Service District (MSD). As you know, the MSD was established by Resolution #93-24 that became effective on October 25, 1993. Section 4 of this referenced Resolution clearly states the method by which the Village of Pinehurst was and is to recover the annual cost of MSD operations. This method is "...levying of an ad valorem tax on the non-exempt property comprising the Municipal Service District, on an annual basis, *in arrears*..." Unfortunately, and for reasons unknown, this methodology appears to have been significantly revised for the proposed budget, thereby causing the proposed 9 cents (\$.09) tax rate to be over-stated rather than what it actually should be.

The attached document was prepared by the Village Finance Director and reflects MSD Revenues and Expenditures for FY 2000-2006. You will note that total MSD Village expenditures for 2006 are estimated at \$3,500 which, by Resolution #93-24, is the amount that the Village should recover on an ad valorem basis. Using \$6,183,000 as the total value of property within the MSD subject to taxation (reference page 33, section 13, of the proposed budget), one can calculate that the proper tax rate, as established by the Resolution, should be 5.7 cents or 6 cents (\$.06), when rounded. This rate will, accordingly, produce approximate revenue of \$3,710 to the Village, thereby satisfying the resolution requirement for arrears recovery.

I believe that this matter is straightforward, with supporting factual data provided, and is easily resolved by reducing the proposed rate of 9 cents (\$.09) to the rate of 6 cents (\$.06), as specified by the Resolution.

2. Section 2, questions #3 & #4 of the current "Parks and Recreation Services Survey", quite clearly solicits the opinion of the responder as to his/her support of an indoor recreation center. It is inappropriate that the Parks & Recreation portion of the proposed budget contain \$45K for design of the center since, at this time, Council decision has not been made to construct the facility. Further, it is inappropriate that the amount has been classified as an "operating expenditure" and, hence, buried among all the operating expenditures when -- traditionally-- the activity is classified as a capital expenditure and more readily visible. This amount has not been in the past two years' budgets and is, therefore, incorrectly termed a "reappropriation" in available documentation. It is only appropriate that the residents'

opinions be known before funding any portion of the project is made if the true intent of the referenced survey is, in fact, to gauge residents' support/non-support of the center.

3. The Parks and Recreation proposed budget of \$632,260 represents basically a 50 percent (50%) increase over the prior year's budget total of \$414,886, with the increased total almost solely attributable to the \$156,928 increase in Buildings & Grounds (B&G) Maintenance.

This dramatic increase highlights the impact of increased maintenance costs (estimated this year at \$61,032 vs. the projected \$246,240 for next year) as additional facilities are added to a system. It is unfortunate that the current services survey has ignored this facet and it is suggested that B&G expenses be considered with any future facility addition. I further believe it appropriate that the dramatic increase in the B&G Maintenance account be fully justified when comparing the *current* FY account expense to the *proposed* FY account expense. It is extremely difficult to accept that non-labor maintenance expense has increased to the extent stated, which suggests that the account is being used to fund non-approved capital construction.

4. It is tragic that the Village has chosen to not fund or even increase the current FY \$1,200 grant to Animal Advocates of Moore County (AAMC). AAMC provides a much needed service to the Village of Pinehurst and was frequently called by the Pinehurst Police this current year for support services which included a visit to Council member Fallon's residence. I believe that the Police Department would support the current grant simply on the basis of the support that AAMC provides it in terms of resultant manpower savings, not to mention the entirety of Pinehurst. It is more than appropriate to continue the increased funding of this organization for the services that it provides on weekends that is not otherwise provided as the Pinehurst population increases.

As usual, I am available at any time to discuss any and all aspects of this letter.

Best regards,

Doug Middaugh
400 Pine Vista Drive
Pinehurst, NC 28374-9212

Phone: 910-295-4387
Fax: 910-295-3749
Email: dugnjudl@earthlink.net

Attachment

Village of Pinehurst
MSD Revenues and Expenditures
For Fiscal Years 2000-2006

	Estimated					Actual			
	2006	2005	2004	2003	2002	2001	2000	2000	2000
<u>Revenues</u>									
Ad valorem taxes	\$ 7,100.00	\$ 6,880.00	\$ 6,858.00	\$ 10,352.00	\$ 3,536.00	\$ 2,691.00	\$ 2,050.00	\$ 2,050.00	\$ 2,050.00
Investment Earnings	166.00	73.00	31.00	31.00	31.00	20.00	-	-	-
Total	7,266.00	6,953.00	6,889.00	10,383.00	3,567.00	2,711.00	2,050.00	2,050.00	2,050.00
<u>Expenditures</u>									
Departmental Supplies*	1,000.00	502.37	2,255.09	-	-	-	-	-	-
Professional Services	-	-	-	-	4,244.91	-	-	-	-
Utilities	2,000.00	1,835.00	1,927.81	1,245.11	3,941.98	4,038.28	2,293.00	2,293.00	2,293.00
Repair & Maintenance: Equip	500.00	-	467.85	-	-	-	-	-	-
Pond #1 Rehab	-	3,952.00	-	-	-	-	-	-	-
Capital Outlay: Equip**	-	-	-	4,948.19	1,074.00	-	-	-	-
Total	3,500.00	6,289.37	4,650.75	6,193.30	9,260.89	4,038.28	2,293.00	2,293.00	2,293.00
<u>Transfer from (to) GF</u>	-	-	-	(3,600.00)	5,350.00	2,000.00	-	-	-
<u>Rev Over (Under) Exp</u>	3,766.00	663.63	2,238.25	589.70	(343.89)	672.72	(243.00)	(243.00)	(243.00)
<u>Beginning FB</u>	3,820.41	3,156.78	918.53	328.83	672.72	-	243.00	243.00	243.00
<u>Ending FB</u>	\$ 7,586.41	\$ 3,820.41	\$ 3,156.78	\$ 918.53	\$ 328.83	\$ 672.72	\$ -	\$ -	\$ -
<u>Tax Rate</u>	0.12	0.12	0.12	0.28	0.10	0.08	0.06	0.06	0.06