



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF OCTOBER 22, 2019
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, October 22, 2019 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, Mayor Pro Tem
Ms. Judy Davis, Treasurer
Mr. Kevin Drum, Councilmember
Mr. Jack Farrell, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 30 attendees, including 7 staff and 1 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo, called the Village Council meeting to order.

2. Invocation and Pledge of Allegiance.

Invocation by David Beam of Pinehurst United Methodist Church.

3. Reports:

Village Manager

- We have received the application for the demolition of the old Pinehurst Elementary School. We should see that activity pick up shortly.

Village Council

- Mayor Nancy Fiorillo stated the ABC store is moving over near the post office, in a much more convenient location.
- Mayor Pro Tem Bouldry gave an update from the TARPO meeting last week. He explained that the NCDOT is short on funds and several planned projects are being delayed. The NC 5 project from US 1 to Pinehurst corporate limits and the US 2425 intersection with 15-501 will not begin until 2024, after the US Open. Traffic circle improvements will not begin until after 2026. Construction of widened 15-501 to Carthage is not scheduled until after 2027. Also, the NCDOT is asking for input on their NC Moves 2050 survey.
- Councilmember Davis stated that 98 women are in town for the LPGA, Q School, being played at No. 6 and No. 9. The jewelry store in the Village, Gemma Gallery, is celebrating its 27th year of business. She introduced Winston, a junior home school student, who is attending tonight's meeting to learn about Local Government.
- Councilmember Drum stated the Village had a great Holly Arts Festival this past weekend and reminded everyone that Oktoberfest is coming up this weekend.

4. 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.

- Approval of Draft Village Council Meeting Minutes.
 - October 8, 2109 Regular Meeting
 - October 8, 2019 Work Session
 - October 9, 2019 Special Meeting

End of Consent Agenda.

Upon a motion by Councilmember Drum, seconded by Councilmember Farrell, Council unanimously approved the Consent agenda by a vote of 5-0.

5. Discuss Adoption of the 2019 Comprehensive Plan.

Natalie Hawkins, Assistant Village Manager, stated this agenda is for Council to consider adopting the 2019 Comprehensive Plan. She thanked the Council, Planning and Zoning Board, Think Tank Group, and the public for all of their work and input during the process. She reviewed the "at a glance" document, which was drafted by Councilmember Davis, Council agreed to add at the beginning of the Plan. Mayor Pro Tem Bouldry stated this has been a long process and thanked staff, his colleagues, and Leo Santowasso, Planning and Zoning Board Chair, for his leadership during this process. He explained this document sets the table for future planning for years to come. Councilmember Davis stated she is grateful for all of the public input they received. She explained this is a visioning guide and she looks forward to the future. Councilmember Farrell explained that he went back and looked at the public comments and believes the Council did a good job addressing most of the concerns. He explained that he read the 2010 Comprehensive Plan, in depth, and it was more aggressive on the ETJ than the current plan. Councilmember Drum explained he feels it is unfortunate that some focused on one strategic plan and not all of them, as the predominate theme of the Plan has nothing to do with growth. Mayor Fiorillo stated it's a great pleasure to have such a large project that they all can support, with everyone's varying viewpoints. She thanked Natalie Hawkins, Assistant Village Manager, for her help with the Plan. Mayor Fiorillo explained that the next Council, Village staff, and the Planning and Zoning Board will be charged with making some of the proposals in the Plan become a reality, other proposals will never see the light of day.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Drum, Council unanimously approved to adopt the Village of Pinehurst, 2019 Comprehensive Plan dated October 2019 and that said Plan with its various recommendations and implementation strategies is reasonable and in the best interest of the public to help guide Village planning efforts, by a vote of 5-0.

6. Request for Waiver of Fees at Fair Barn.

Mark Wagner, Parks and Recreation Director, explained staff received a request from Audrey Moriarty, Executive Director of Given Tufts, asking for a waiver of fees at the Fair Barn for a Donor Appreciation Event on March 4, 2020. This would not be a co-sponsored event, simply a fee waiver request. This request does not necessarily fall under Category "C" of the Village's Sponsorship Policy which pertains to non-profits hosting a fundraising event, but that is the most closely aligned category in the policy. As the reserved day is a weekday rental, the cost to rent for Non-Profits is \$500, plus additional fees for tables, chairs, stage, dance floor, etc. The estimated total discount requested is between \$1,250 and \$1,500. Mr. Wagner stated if approval is granted, the renter would still be required to pay the refundable security deposit as well as the mandatory post event cleaning fee, if it is using the kitchen.

Upon a motion by Councilmember Farrell, seconded by Councilmember Davis, Council unanimously approved the sponsorship request from the Given's Memorial Library regarding use of the Fair Barn for an event on March 4, 2020, by a vote of 5-0.

7. Request for Sponsorship/Use of Stage.

Mark Wagner, Parks and Recreation Director, explained staff received a request from Peter Stillwell with Tarheel Communications regarding use of the Village's mobile stage for an event in Southern Pines on Saturday, November 9, 2019. The event, Parade to the Park, is a benefit for the USO and will be held in the Southern Pines Downtown Park following the annual Veterans Day Parade. This event is being presented by Cooper Ford, The Heritage Flag Company and Cox Double Eagle Harley Davidson. Entertainment includes a vintage car and bike show, live entertainment and area food trucks. Mr. Wagner explained the organizers are requesting use of the Village stage in return for an in-kind sponsorship for the event which would include the Village of Pinehurst being listed on all promotional materials and sponsor signage. Mr. Wagner noted that the organizers have agreed to pay for staff's time to set up and break down the stage. Requests to other municipalities are also being made including a waiver of park rentals fees in Southern Pines, and for use of furniture and equipment from the Town of Aberdeen. Staff would need to coordinate in advance of the Parade in the Park the exact location for stage placement, and the entry and exit points for the stage with the Town of Southern Pines as well

as the timing for delivery and pick-up.

Heath with Heritage Flag Company, explained the Veteran's Day event, which will be held after the Southern Pines Veterans Day parade, which is the only one in the County. This year they are able to combine several different organizations events into one. Rick with stated this event is a win win for the Community and a tremendous effort from all organizations.

Councilmember Drum stated he is in support of this the problem lies with allowing the use of property owned by the Village residents. Heath stated this event is for the community and will include many Pinehurst residents. Councilmember Farrell said he is a little concerned because the event is less than 2 weeks away and considering the logistics. Mayor Nancy Fiorillo stated that everyone is contributing to the event, the stage is what we have to contribute and she believes this is a great use of our mobile stage.

Upon a motion by Councilmember Davis, seconded by Mayor Pro Tem Bouldry, Council unanimously approved the sponsorship request from Tarheel Communication's regarding use of the Village's mobile stage for the Parade to Park event on November 9, 2019, by a vote of 5-0.

8. Motion to Recess Regular Meeting and Enter into a Public Hearing.

Upon a motion by Councilmember Davis, seconded by Mayor Pro Tem Bouldry, Council unanimously approved to recess the regular meeting and enter into a public hearing, by a vote of 5-0.

9. Public Hearing No. 1

Jeff Batton, Assistant Village Manager, explained this public hearing is for Village Council to consider a resolution, pursuant to NCGS 160A-271, authorizing the exchange of real property belonging to the Village of Pinehurst for other real property, realizing a full and fair consideration in exchange for the Village's property. The parcel owned by DGH Management, LLC that would become Village of Pinehurst property is identified as Parcel ID #00028431 and is valued at \$11,250. It's located at 455 Adams Circle. The property the Village would relinquish to DGH Management, LLC is identified as Parcel ID #00019462 and is valued at \$11,630. This property does not have a physical address but is located adjacent to 35 Woods Road. This exchange is a parcel for parcel arrangement and does not involve any exchange of cash between the parties. Mr. Batton explained that the Adams Circle lot would be advantageous to the Village given it is adjacent to the Pinehurst Greenway system and could provide additional greenway access to the public. The lot being given up by the Village has no foreseeable benefit to the Village. Councilmember Davis asked who owned the adjacent lot to the east of the Village property. Mr. Batton stated that lot was owned by Clark Campbell.

Public Comments:

- Tom Campbell, Pinehurst resident, asked what road the DGH land backed up to.
 - Councilmember Farrell stated it was Hwy. 15-501.

10. Motion to Adjourn Public Hearing and Re-Enter Regular Meeting.

Upon a motion by Davis, seconded by Councilmember Drum, Council unanimously approved to adjourn the public hearing and re-enter the regular meeting, by a vote of 5-0.

11. Discuss and Consider Resolution 19-22 to Exchange Real Property with DGH Management, LLC.

Councilmember Drum asked what the next steps would be procedurally, if approved. Mr. Batton explained that they would have deeds drawn up, executed, and recorded. Councilmember Farrell stated his only concern would be that the sliver of land we would be exchanging would inadvertently be combined with another parcel. Jeff Sanborn, Village Manager, explained the Village owned lot is only 25 feet wide and the only potential property to combine with, other than Clark Campbell's current developed property, would be the lot to the north. This would then make the lot 50 feet wide, and with the 15 foot setbacks that would only give 20 feet to build on. Councilmember Davis stated she didn't think the exchange is strategic. Councilmember Drum stated exchanging for the Adams Circle lot is more strategic because it's a lot in a neighborhood that backs up to our Greenway.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Drum, Council approved Resolution 19-22 exchanging real property within the Village of Pinehurst with DGH Management, LLC, by a vote of 4-1, Councilmember Davis voting no.

12. Presentation of Financial Statements for the Year Ended June 30, 2019.

Brooke Hunter, Financial Services Director, stated that the Village ended the fiscal year in a strong financial position with our fund balance just above the Council's policy range and our debts at reasonably low levels. The Village's General Fund expenditures

exceeded revenues by \$2,769,865, bringing General Fund fund balance to \$7,871,973. This is positive compared to our third quarter estimate of a \$3,598,000 loss after the transfer to the Community Center Capital Project Fund for construction. The Community Center Capital Project Fund revenues and other financing sources exceeded expenditures by \$2,333,581, with an ending Capital Project Fund fund balance of \$2,520,458. Community Center construction was slightly less than 50% complete at June 30. Combined, the Village's fund balance decreased by \$436,284 to \$10,392,431. The Village's fund balance policy requires us to maintain unassigned fund balance of at least 15% of actual expenditures and total fund balance of 30%-40% of budgeted expenditures. At June 30, the General Fund has unassigned fund balance of \$5,112,998, or 29%, of actual expenditures. The total fund balance of \$7,871,973 represents 41% of budgeted expenditures.

The Village's total cash and investments at June 30 were \$10,276,000 compared to \$10,107,000 the previous year. This is an increase of \$169,000 or 2%. The Village earned approximately \$262,000 on investments during the year at an average yield of 2.20%. All deposits were insured or collateralized as required for local governments and managed under the Village's investment policy. The Village's outstanding debts decreased by \$297,000, or 40%, during the fiscal year. The total debt outstanding at June 30 was \$440,287 and total debt service for the year was 1.7% of budgeted expenditures. Capital investments during the year pushed the Village's total capital assets to \$47,617,000. This is an increase of \$3,203,000, or 7%, over the previous year. The most significant additions were the Community Center construction in progress, Wicker Park playground equipment replacement, sewer jet and vacuum trailers, and skid steer loader. Overall, the Village's capital assets have 42% of their original (undepreciated) value remaining, which is slightly less than 45% in the previous year. Once the Community Center facility is completed and capitalized in FY 2020, we expect a significant increase in the capital asset condition ratio. General Fund revenues were \$569,000, or 3.0%, above the year-to-date budget projections. This is above the normal range of variance of around 1%.

Ms. Hunter stated that property taxes exceeded our budget estimate by approximately \$55,000 and tax collections for the year were strong with 99.89% collected at year end. Sales taxes were \$160,000, or 3.7%, higher than budgeted. Permits and fees revenues were \$80,000 above budget due to a few significant non-residential construction projects. The larger portion of the year-end variance can be attributed to expenditures being below budget. General Fund expenditures were \$1,504,000, or 7.9%, below budget overall. Expenditures were less than budgeted amounts for the following significant items: (1) contracted and professional services were \$162,000 lower than expected due to lower costs for legal and engineering fees, and the timing of comprehensive plan expenses, (2) salaries and benefits were \$482,000 lower due to employee turnover and the related vacancies; and (3) capital expenditures were \$189,000 below budget.

Ms. Hunter explained that the operating expenditures represented 86% of operating revenues, a 1% increase from the previous year. During FY 2019, the Fair Barn covered 82% of operating expenditures with operating revenues. This is less than the 97% recorded in the previous year and below the balanced scorecard target of 95%. Discounts for non-profit events remained high at \$46,000, compared to \$50,000 last year. Ms. Hunter noted that before discounts were applied, the Fair Barn covered nearly all operating expenditures for the year with a ratio of at 98%. The Harness Track also covered 48% of its operating expenditures compared to 53% in the previous year, which is below their performance target of 60%. Ms. Hunter stated that overall the Village ended FY 2019 better than expected and is well positioned to carry out the initiatives outlined in the FY 2020 SOP. Ms. Hunter noted that after completing the transfer to the Capital Project Fund for construction, the General Fund fund balance is just above Council's policy range at 41%.

Mayor Nancy Fiorillo asked about the construction on the Community Center. Jeff Batton, Assistant Village Manager, stated currently the completion date is still November 15th.

13. **Discuss and Consider Ordinance 19-21 to Amending the Village of Pinehurst Municipal Code for Yard Debris Collection.** Jeff Batton, Assistant Village Manager, stated the attached Municipal Code amendment is an attempt to codify and more clearly define long-standing practice in relation to Village curbside yard debris collection services. It has been the Village's long-standing practice that commercial lawn services be required to remove and dispose of the yard debris they generate when providing services to commercial and residential units. Mr. Batton explained that for the most part it is our belief that the majority of lawn services already remove debris from the premise they are serving and the requested ordinance change is only intended to provide staff with a recourse if absolutely necessary. Councilmember Farrell asked how we would let contractors in gated communities, such as Pinewild and CCNC, know of the changes. Mr. Batton stated they would notify the HOA in those gated communities and respond to any problems on an as needed basis.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Drum, Council unanimously approved Ordinance 19-21 amending the Village of Pinehurst Municipal Code, specifically section 50.10 Yard Waste Collection, by a vote of 5-0.

14. Presentation of the Risk Management Committee's Annual Report and to Consider the Recommendations for Employee Health Benefit Plans.

Jeff Batton, Assistant Village Manager, explained the mission of the Risk Management Committee (RMC), who is making the recommendations for employee health insurance benefits. Mr. Batton stated FirstCarolina Care (FCC) is the current provider for medical coverage for all full-time staff. The RMC recommends changing the provider for medical to CIGNA for calendar year 2020. There are no plan changes and no rate increase for 2020 with CIGNA. Mr. Batton explained the change is being recommended for two reasons. The first is the CIGNA network for specialists, physicians and hospitals is considerably larger and provides more choices for staff when seeking in-network services. The second is the opportunity to profit share under a program called Level Funding. Under this program the Village's premium per employee is stable (as it is currently) but if our account shows premiums exceed claims plus administration expenses, then we can split that profit with CIGNA. The net financial premium paid (total premium less employee withholdings for dependent coverage) by the Village when combining, medical, vision, and dental for calendar year 2020 is estimated at \$1,105,567 which represents a 4.1% increase over the projected 2019 expense of \$1,061,702. Mr. Batton noted the main reason for this projected cost difference is due to the many vacancies experienced throughout 2019.

Mr. Batton explained the Business Insurance Program includes all property and liability insurance coverages. All liability and property coverages, with the exception of the Harness Track and the Finance Director's required bonding, are through the Interlocal Risk Financing Fund of NC. This program is administered by the North Carolina League of Municipalities (NCLM). All of the above referenced coverages are renewed on a fiscal year basis. The combined premium for these coverages for FY 2020 is \$123,225 which is approximately a 4.6% increase over the current year. Workers' Compensation (W/C) insurance is through the N.C. Interlocal Risk Management Agency. This program is administered by the NCLM. Workers' Compensation coverage is renewed on a fiscal year basis. The premium for FY 2020 is \$132,373 which represents a 10% increase from the previous year.

Councilmember Farrell asked if we had insurance related to potential attacks on technology, as many municipalities have had attacks on their systems. Mr. Batton stated our current insurance contains coverage for cyber security and the levels of coverage can be increased. Councilmember Davis asked about the dependent coverage available with the medical insurance. Mr. Batton stated dependent coverage is available to all full-time employees and the remaining Village subsidy of 5% is being reduced to 0% for 2020 and completes a multi-year phase out of the subsidy.

Upon a motion by Councilmember Davis, seconded by Councilmember Farrell, Council unanimously approved the medical and dental contracts for calendar year 2020 and authorized the Mayor or her designee to execute the contracts, by a vote of 5-0.

15. Other Business.

Mayor Pro Tem Bouldry stated the County is having a follow up meeting on the Highway Corridors discussions this coming Thursday, October 24th. He plans to attend and ask a few questions regarding the improvements at Memorial Drive and 15-501 and see if that project will be delayed. Also, he would like to speak with Moore County regarding the sewer project in No. 7, which has closed the main gate at No. 7 and routed traffic through the Woodlands neighborhood.

16. Comments from Attendees.

- John Hoffman, Everett Road, stated the Community Presbyterian Church improvement project has been shady from the start and the PDO should have prevented the renovations. He read a portion of the Pinehurst Development Ordinance regarding conditional zoning, which he feels is not being met or enforced. He stated that the condition to remove the gravel from the right of way hasn't been met yet.
 - Jeff Sanborn, Village Manager, stated that condition will be acted on and the gravel will be removed by the Village. They are working on the timing of that removal to ensure adequate parking is available until the parking area is finished on that property.

17. Motion to Recess the Regular Meeting and Enter Into a Closed Session.

Upon a motion by Councilmember Drum, seconded by Mayor Pro Tem Bouldry, Council unanimously approved to recess the regular meeting and enter a closed session, pursuant to NCGS §143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness and conditions of appointment of an individual public employee, specifically, to discuss Village Manager Jeff Sanborn's performance review, by a vote of 5-0.

18. Motion to Adjourn the Closed Session and Re-enter the Regular Meeting.

Upon a motion by Councilmember Davis, seconded by Mayor Pro Tem Bouldry, Council unanimously approved to adjourn the closed session and re-enter the regular meeting by a vote of 5-0.

19. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Drum, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 7:30pm.

Respectfully Submitted,



Beth Dunn,
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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