VILLAGE COUNCIL
AGENDA FOR WORK SESSION OF OCTOBER 22, 2013
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA

1. Call to Order.

2. Reports

- Manager
- Council

3. Action: 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.

A. Resolution #13-44: A Resolution regarding a re-appointment to the Village Center Enhancement Committee. (Andrews)

4. Presentation/Discussion: Quarterly Financial Reports

5. Discussion and Action: Lease for the Welcome Center

6. Discussion:Roadside planting to regulate parking, McLean Road.

7. Discussion: Downtown Parking

8. Preview of Regular Meeting Agenda.

9. Other Business

10. Comments from attendees.

11. Adjournment.

History, Charm, & Southern Hospitality.

Vision

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities.

Mission

Preserve and enhance the community's character and ambience by guiding growth, managing change, and providing services in a financially responsible manner.

Values

Competent
Courteous
Professional
Responsive

ACTION: MOTION TO APPROVE CONSENT AGENDA.

ADDITIONAL AGENDA DETAILS:

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.

A. Resolution #13-44: A Resolution regarding a re-appointment to the Village Center Enhancement Committee. (Andrews)

FROM:

DATE OF MEMO:

MEMO DETAILS:

ATTACHMENTS:

Description
- Resolution 13-44
- Motions

RESOLUTION #13-44:

A RESOLUTION APPOINTING A MEMBER OF THE VILLAGE CENTER ENHANCEMENT COMMITTEE FOR THE VILLAGE OF PINEHURST (ANDREWS).

THAT WHEREAS, the Village of Pinehurst has established a Village Center Enhancement Committee by Resolution #10-15 on May 11, 2010; and

WHEREAS, the Village Council is desirous of having an individual on the Village Center Enhancement Committee who represents Village Center property owners; and

WHEREAS, Ms. Kerry Andrews would serve as a representative of Pinehurst Resort;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in Work Session assembled this 22nd day of October, 2013, as follows:

SECTION 1. That the following appointment is hereby made to the Village Center Enhancement Committee for the term indicated:

Ms. Kerry Andrews shall be appointed to the Village Center Enhancement Committee, to serve at the pleasure of the Council until the expiration of her term on October 31, 2015.

SECTION 2. That the appointee shall continue serving until a replacement is appointed and qualified.

THIS RESOLUTION passed and adopted this 22nd day of October, 2013.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

PRESENTATION/DISCUSSION: QUARTERLY FINANCIAL REPORTS

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye, Director of Financial Services

DATE OF MEMO:

MEMO DETAILS:

ATTACHMENTS:

Description
- Memo
- Financial Statement
- Investment Schedule and Report

John G. Frye, CPA
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434
e-mail: jfrye@vopnc.org

Village of Pinehurst

Memo

To: Village Council

From: John G. Frye

CC: Andy & Senior Leadership

Date: October 17, 2013

Re: Financial Statements for the Quarter Ended September 30, 2013

The Village remains in a very good financial position as we begin the fiscal year. Revenues exceeded expenditures by a larger margin than anticipated in our forecast for the first quarter. In addition, our operating expenditures are under control and our revenue outlook is stable. These results, in conjunction with our strong performance management system should position us well to carry out the objectives outlined in the FY 2014 Strategic Plan.

Financial Position:

The Village's General Fund is showing $3.6 million in income for the first three months of the year compared to $4.4 million the prior year. The Village budgeted for revenues to exceed expenditures by roughly $2.6 million for the first quarter.

In terms of fund balance, the Village's fund balance is currently 63% of expenditures, which is slightly lower than the 65% level seen the previous year at September 30.

The Village's total cash & investment balances decreased by $1,784,000, or 17% compared with the previous year. This is due to a delay in the mailing of annual property tax bills by Moore County. The tax bills, which traditionally are mailed in early July, were not mailed until late July. This delay caused more of the early tax payments that would normally have been collected in August to be collected in early September. This only amounts to a delay in the receipt of these taxes as the collection report on page 11 indicates collections through September 30 were comparable to the previous fiscal year. Of the $8.8 million in cash and investments at September 30, 2013, $3 million was held in high-quality certificates of deposit purchased under the Village's investment program.

Our long-term debt balances continue to remain relatively low. The Village currently owes $2,517,000 in notes payable and capital leases.

Revenues & Expenditures:

General fund revenues were $190,000, or 2.4% above the quarterly budget projections. This is within the normal range of variance. Property tax revenue increased approximately $117,000 from the prior year due to the increase in the construction of new single-family homes. Year to date, property tax revenues are 3.6% higher than budgeted. The Village's 71% collection rate for property taxes is the same as this time last year. Sales tax revenues are in line with the revenue forecast. In addition, we have also received the next installment of $50,000 of the US Open licensing fee.

General fund operating expenditures were $635,000 or 14% below the quarterly budget overall. Compared to the previous year operating expenditures were up $415,000. The majority of this increase was due to the $300,000 contribution to the Given Memorial Library's capital expansion campaign.

For capital outlay, only 69% of the capital outlay budgeted in the first quarter was expended in the first quarter. The majority of this variance is due to the Cannon Park Field House and Arboretum parking lot projects, which were budgeted for the first quarter but were not completed. Changes proposed to the vehicle replacement plan last month, if approved, will save $175,000 over the original replacement plan for FY 2014. In addition, Fleet Services was able to obtain a 2011 demo-model street sweeper for $57,000 less than the $150,000 originally budgeted.

Financial Outlook:

As we look to the future, our revenue prospects are good. The 2014 US Open golf championships are anticipated to have a positive impact on Village revenues. The revenue forecast anticipates increases in local retail sales, ABC sales, and other tourism related revenues. The exact economic impact for the Village will not be known for some time, but the outlook is positive.

The Village issued 24 residential building permits valued at $4,901,000 during the first quarter. Although the number of homes permitted this quarter is higher than the previous year, the taxable value of those homes is approximately equal to the same quarter last year.

The amount of fund balance appropriated this fiscal year is $1,075,000. This is significantly lower than the $2,021,000 appropriated at this point last year. If historical trends hold true, we anticipate the Village adding around $300,000 to fund balance in FY 2014. Any fund balance in excess of the Council's adopted maximum level of 40% will be considered a revenue source when preparing next year's budget.

Other Items:

During the quarter, the Fair Barn covered 122% of operating expenditures with operating revenues. This is higher than the 80% achieved at this point the previous year and higher than the balanced scorecard target of 78%. The Harness Track covered 5% of its operating expenditures compared to 30% the previous year. This shortfall is due to the timing of stall rental revenues at the start of the training season. By the end of the second quarter, we should have a better idea of where they stand for the season. Their performance target for expenditure coverage for the year is 53%.

The Residential Assurance Fund (RAF) had three new builders to join the fund in FY 2013. At the close of the year, there were three builders in the fund who had met the two-year membership requirement, but there were insufficient funds from new builders to refund their deposits. Staff met to discuss the situation and recommends eliminating the deposit requirement on new single-family homes and closing the RAF funds. This has been included with the PDO changes that are currently under consideration.

An upset bid sale is currently underway for the Old Fire Station. The sale of this property and any related revenues and expenditures were not anticipated in the FY 2014 Budget.

Also up for consideration is the future of the Land Dedication Fund's payment in lieu of land dedication requirement. We have provided Council with financial information regarding the fund since its inception and await Council's direction on this matter.

Conclusion:

At this point in the fiscal year, our financial results align with our expectations. Most variances in revenues, expenditures, and capital outlay timing will work their way out as the fiscal year progresses.

Should you have any questions about these quarterly statements, please feel free to contact me.

VILLAGE OF PINEHURST

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2013

Village of Pinehurst
Financial Statements
Table of Contents

Village of Pinehurst
Combined Balance Sheet - All Fund Types
September 30, 2013

	Governmental Fund Types				Account Groups			
	General Fund	Special Revenue Funds	Capital Project Funds	Trust & Agency Funds	General Capital Assets	General Long - Term Debt	Totals Sept. 30, 2013	Totals Sept. 30, 2012
ASSETS								
Cash & investments	$ 8,738,458	$ 10,811	$ (3,670)	$ 55,000	$ -	$ -	$ 8,800,599	$ 10,584,378
Taxes receivable	2,579,092	-	-	-	-	-	2,579,092	2,691,242
Assessments receivable	99,299	-	-	-	-	-	99,299	111,711
Due from other governmental agencies	2,712,637	-	-	-	-	-	2,712,637	1,268,832
Other receivables	204,495	-	-	-	-	-	204,495	144,172
Inventory	41,287	-	-	-	-	-	41,287	52,153
Capital assets	-	-	-	-	35,299,318	-	35,299,318	33,330,267
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	3,294,387	3,294,387	2,993,038
TOTAL ASSETS	$ 14,375,268	$ 10,811	$ (3,670)	$ 55,000	$ 35,299,318	$ 3,294,387	$ 53,031,114	$ 51,175,793
LIABILITIES AND FUND EQUITY								
Accounts payable	$ 6,506	$ -	$ -	$ -	$ -	$ -	$ 6,506	$ 6,614
Withholdings & accrued expenses	59,484	-	-	-	-	-	59,484	54,125
Accrued vacation	-	-	-	-	-	604,413	604,413	586,693
Net pension obligation	-	-	-	-	-	173,403	173,403	158,492
Deferred revenue-taxes	-	-	-	-	-	-	-	2,690,267
Deposits	68,826	-	-	-	-	-	68,826	85,702
Unavailable revenues	2,925,206	-	-	-	-	-	2,925,206	302,118
Residential assurance deposits	-	-	-	55,000	-	-	55,000	55,000
Long-term debt	-	-	-	-	-	2,516,571	2,516,571	2,247,853
Total Liabilities	3,060,022	-	-	55,000	-	3,294,387	6,409,409	6,186,864
EQUITY								
Investment in general capital assets	-	-	-	-	35,299,318	-	35,299,318	33,330,267
Fund Balance:								
Nonspendable:								
Inventory	41,287	-	-	-	-	-	41,287	52,153
Restricted:								
Stabilization by state statute	4,100,076	-	-	-	-	-	4,100,076	2,766,035
Municipal Service District	-	-	-	-	-	-	-	15,985
Transportation	-	-	-	-	-	-	-	237,792
Committed:								
Capital Project fund expenditures	-	-	(3,670)	-	-	-	(3,670)	24,982
Special Revenue fund expenditures	-	10,811	-	-	-	-	10,811	10,645
Assigned:								
Designated for expenditures	1,074,572	-	-	-	-	-	1,074,572	2,020,740
Unassigned	6,099,311	-	-	-	-	-	6,099,311	6,530,330
Total equity	11,315,246	10,811	(3,670)	-	35,299,318	-	46,621,705	44,988,929
TOTAL LIABILITIES & EQUITY	$ 14,375,268	$ 10,811	$ (3,670)	$ 55,000	$ 35,299,318	$ 3,294,387	$ 53,031,114	$ 51,175,793

Village of Pinehurst
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Three Months Ended September 30, 2013

	Annual Budget as of 09/30/13	Quarterly Budget as of 09/30/13	YTD as of 09/30/13	YTD as of 09/30/12	Current Year Over (Under) Prior Year	% of 2014 Budget Spent / Received YTD
Revenues						
Ad valorem taxes & penalties	$ 9,682,000	$ 6,466,809	$ 6,702,921	$ 6,586,163	$ 116,758	69.23%
Other taxes and licenses	2,591,700	459,292	610,575	582,186	28,389	23.56%
Intergovernmental revenues:						
Unrestricted	1,617,200	355,264	145,242	133,584	11,658	8.98%
Restricted	533,255	284,675	243,116	238,575	4,541	45.59%
Permits & fees	1,241,250	169,488	245,150	164,216	80,934	19.75%
Sales & service	484,015	96,874	100,931	91,355	9,576	20.85%
Other revenues	224,980	43,460	21,924	15,754	6,170	9.74%
Interest earned on investments	20,500	1,640	(1,484)	(3,822)	2,338	-7.24%
TOTAL REVENUES	16,394,900	7,877,502	8,068,375	7,808,011	260,364	49.21%
Operating Expenditures						
Governing Body	216,500	70,750	40,949	56,820	(15,871)	18.91%
Administration	1,055,090	293,523	245,918	248,358	(2,440)	23.31%
Financial Services	587,460	229,240	201,591	198,316	3,275	34.32%
Human Resources	413,530	127,008	57,236	58,230	(994)	13.84%
Police	2,735,440	771,793	642,668	643,545	(877)	23.49%
Fire	2,560,102	723,385	564,310	555,265	9,045	22.04%
Inspections	226,600	60,626	50,621	52,885	(2,264)	22.34%
Public Services Administration	369,290	98,023	84,166	83,844	322	22.79%
Streets & Grounds	1,291,585	365,322	325,295	239,123	86,172	25.19%
Powell Bill Funds	801,800	250	15,476	283	15,193	1.93%
Solid Waste	1,278,900	339,476	307,571	261,755	45,816	24.05%
Recreation	1,096,524	307,772	278,837	272,845	5,992	25.43%
Library	360,000	315,000	330,000	-	330,000	91.67%
Harness Track	524,270	152,794	140,452	95,162	45,290	26.79%
Fair Barn	262,830	70,783	51,825	51,243	582	19.72%
Planning	652,410	190,104	167,080	161,939	5,141	25.61%
Community Development	413,000	107,250	82,030	46,307	35,723	19.86%
Debt Service	468,220	159,683	158,652	303,404	(144,752)	33.88%
Contingency	41,700	(3,300)	-	-	-	0.00%
Total Operating Expenditures	15,355,251	4,379,482	3,744,677	3,329,324	415,353	24.39%
Capital Outlay Expenditures						
Administration	150,050	21,050	-	-	-	0.00%
Financial Services	450	450	-	-	-	0.00%
Human Resources	10,225	10,225	-	-	-	0.00%
Police	105,600	2,100	-	-	-	0.00%
Fire	586,125	551,125	539,888	10,878	529,010	92.11%
Inspections	120	120	-	-	-	0.00%
Public Services Administration	7,565	7,565	-	-	-	0.00%
Streets & Grounds	574,365	365	131,428	-	131,428	22.88%
Solid Waste	245,225	225	-	-	-	0.00%
Recreation	404,269	214,269	7,135	25,759	(18,624)	1.76%
Harness Track	139,150	84,150	4,152	36,193	(32,041)	2.98%
Fair Barn	12,575	12,575	-	22,833	(22,833)	0.00%
Planning	175	175	-	-	-	0.00%
Community Development	428,327	143,327	37,597	20,432	17,165	8.78%
Total Capital Outlay Expenditures	2,664,221	1,047,721	720,200	116,095	604,105	27.03%
TOTAL EXPENDITURES	18,019,472	5,427,203	4,464,877	3,445,419	1,019,458	24.78%
REVENUES OVER (UNDER) EXPENDITURES	(1,624,572)	2,450,299	3,603,498	4,362,592	(759,094)	

Village of Pinehurst
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Three Months Ended September 30, 2013

	Annual Budget as of 09/30/13	Quarterly Budget as of 09/30/13	YTD as of 09/30/13	YTD as of 09/30/12	Current Year Over (Under) Prior Year	% of 2014 Budget Spent / Received YTD
Other Financing Sources (Uses)						
Loan proceeds	$ 550,000	$ 550,000	$ 550,000	-	$ 550,000	100.00%
Total Other Fin. Sources (Uses)	550,000	550,000	550,000	-	550,000	100.00%
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXP AND OTHER FINANCING USES	(1,074,572)	3,000,299	4,153,498	4,362,592	(209,094)	
Appropriated Fund Balance	1,074,572	473,397	-	-	-	
EXCESS OF REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE APP. OVER (UNDER) EXP AND OTHER FIN. USES	$ -	$ 3,473,696	4,153,498	$ 4,362,592	$ (209,094)	
FUND BALANCE, JULY 1			7,161,748			
FUND BALANCE, SEPT 30			$ 11,315,246			

Village of Pinehurst
Schedule of Capital Outlay by Function and Activity
Three Months Ended September 30, 2013

	Annual Budget	YTD Budget	YTD Expenditures	Remaining Balance
Land				
Streets & Grounds	$ 300,000	$ -	$ 38,783	$ 261,217
Recreation	242,183	52,183	6,520	235,663
Harness Track	64,000	64,000	1,115	62,885
Community Development	202,000	92,000	(17,401)	219,401
	808,183	208,183	29,017	779,166
Buildings and Grounds				
Administration	105,000	20,000	-	105,000
Police	6,000		-	6,000
Public Services Administration	7,000	7,000	-	7,000
Recreation	161,711	161,711	615	161,096
Harness Track	45,000	20,000	3,037	41,963
Community Development	62,000	32,000	31,776	30,224
	386,711	240,711	35,428	351,283
Equipment and Furniture				
Administration	45,050	1,050	-	45,050
Financial Services	450	450	-	450
Human Resources	10,225	10,225	-	10,225
Police	9,450	1,950	-	9,450
Fire	36,125	1,125	-	36,125
Inspections	120	120	-	120
Public Services Administration	565	565	-	565
Streets & Grounds	194,365	365	92,645	101,720
Solid Waste	225	225	-	225
Recreation	375	375	-	375
Harness Track	150	150	-	150
Fair Barn	12,575	12,575	-	12,575
Planning	175	175	-	175
Community Development	164,327	19,327	23,222	141,105
	474,177	48,677	115,867	358,310
Vehicles				
Police	90,150	150	-	90,150
Fire	550,000	550,000	539,888	10,112
Streets & Grounds	80,000	-	-	80,000
Solid Waste	245,000	-	-	245,000
Harness Track	30,000	-	-	30,000
	995,150	550,150	539,888	455,262
Total	$ 2,664,221	$ 1,047,721	$ 720,200	$ 1,944,021

% of Capital Outlay Budget Expended 27.03%

Note: This Schedule includes Fleet Maintenance, Buildings & Grounds and Information Technology Capital Outlay.

Village of Pinehurst
Combining Balance Sheet - Special Revenue Funds
September 30, 2013

	Land Dedication Fund	Interest Res. Assurance Fund	Total Sept. 30, 2013	Total Sept. 30, 2012
ASSETS				
Cash & investments	$ 2,889	$ 7,922	$ 10,811	$ 26,630
Taxes receivable	-	-	-	974
Assessments receivable	-	-	-	111,711
TOTAL ASSETS	$ 2,889	$ 7,922	$ 10,811	$ 139,315
LIABILITIES AND FUND EQUITY				
Deferred revenue-assessments	$ -	$ -	$ -	$ 112,685
Total Liabilities	-	-	-	112,685
FUND EQUITY				
Fund Balance:				
Committed:				
Designated for expenditures	2,889	7,922	10,811	26,630
Total equity	2,889	7,922	10,811	26,630
TOTAL LIABILITIES & FUND EQUITY	$ 2,889	$ 7,922	$ 10,811	$ 139,315

Village of Pinehurst

ıbining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Fı

Three Months Ended September 30, 2013

	Land Dedication Fund	Interest Res. Assurance Fund	Total Sept. 30, 2013	Total Sept. 30, 2012
Revenues				
Ad valorem taxes	$ -	$ -	$ -	$ 2,700
Interest earned on investments	2	54	56	3
Total Revenues	2	54	56	2,703
Expenditures				
Operating expenditures	-	-	-	1,069
Total Expenditures	-	-	-	1,069
Revenues Over (Under) Expenditures	2	54	56	1,634
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2	54	56	1,634
Fund Balance, July 1	2,887	7,868	10,755	24,996
Fund Balance, June 30	$ 2,889	$ 7,922	$ 10,811	$ 26,630

Village of Pinehurst
Combining Balance Sheet - Capital Project Funds
September 30, 2013

	Jackson Hamlet CDBG-III Fund	Total Sept. 30, 2013	Total Sept. 30, 2012
ASSETS			
Cash & investments	$ (3,670)	$ (3,670)	$ 24,982
Due from other governments	-	-	-
TOTAL ASSETS	$ (3,670)	$ (3,670)	$ 24,982
Fund Balance:			
Reserved:			
Designated for capital improvements	$ (3,670)	$ (3,670)	$ 24,982
Total equity	(3,670)	(3,670)	24,982
TOTAL LIABILITIES & FUND EQUITY	$ (3,670)	$ (3,670)	$ 24,982

Village of Pinehurst
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund - Jackson Hamlet CDBG-III
From Inception and for the Three Months Ended September 30, 2013

		Actual		
	Project budget	Prior years	Current year	Total to date
Revenues				
Community Development Grant	$ 683,200	$ 29,044	$ 1,818	$ 30,862
	683,200	29,044	1,818	30,862
Expenditures				
Professional Services	73,200	1,125	1,088	2,213
Grants for community projects	610,000	27,919	4,400	32,319
	683,200	29,044	5,488	34,532
REVENUES OVER (UNDER) EXPENDITURES	-	-	(3,670)	(3,670)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	(3,670)	$ (3,670)
FUND BALANCE, JULY 1			-	
FUND BALANCE, SEPTEMBER 30			$ (3,670)	

Village of Pinehurst
Residential Assurance Trust Fund Summary
Three Months Ended September 30, 2013

Residential Assurance Trust Fund

Deposits at June 30, 2013	$	50,000
Deposits received through September 30, 2013		5,000
Deposits refunded through September 30, 2013		-
Deposits at September 30, 2013	$	55,000

Village of Pinehurst
Schedule of General Long Term Debt
Fiscal Year Ended June 30, 2014

	Balance at 09/30/13	Balance at 09/30/12	Increase (Decrease)
Fire Station			
$2,500,000; due in 30 semi-annual payments of fixed principal of $83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 3/15/2020	$ 1,083,333	$ 1,250,000	$ (166,667)
Fair Barn			
$1,000,000; due in 40 semi-annual payments consisting of fixed principal of $25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	425,000	475,000	(50,000)
67.04 Acres (Chicken Plant Road)			
$500,000; due in 30 semi-annual payments consisting of fixed principal of $16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land; final payment due 4/17/18	150,000	183,333	(33,333)
2009 Firetruck			
$500,000; due in 14 semi-annual payments of $42,037 beginning on 6/1/10; final payment due on 12/1/16; interest @ 4.43% with a 35% interest rebate on each payment; collateralized by firetruck	269,667	339,520	(69,853)
Capital Lease			
SAN Storage; due in 3 annual payments of $20,932 beginning on 01/14/13; final payment due on 01/14/15; interest at 5.5%; title passes to the Village at the end of the lease term.	38,571	-	38,571
2013 Firetruck			
$550,000; due in 14 semi-annual payments of $41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck	550,000	-	550,000
	2,516,571	2,247,853	268,718
Unfunded Pension Benefit Obligation	173,403	158,492	14,911
Accumulated Vacation	604,413	586,693	17,720
	777,816	745,185	32,631
	$ 3,294,387	$ 2,993,038	$ 301,349

Village of Pinehurst
Schedule of Ad Valorem Property Tax Collections
Three Months Ended September 30, 2013

Real and Personal

	Three Months Ended September 30, 2013			Three Months Ended September 30, 2012		
Tax Year	Budgeted Collections	Gross Collections	% Collected Through 09/30/13	Budgeted Collections	Gross Collections	% Collected Through 09/30/12
Third Prior Year	$ -	$ 77	100.00%	$ -	$ 22	100.00%
Second Prior Year	-	18	100.00%	-	1	100.00%
First Prior Year	5,000	2,160	43.20%	5,000	1,250	25.00%
Current Year	9,110,000	6,548,738	71.89%	9,050,000	6,480,123	71.60%
	$ 9,115,000	$ 6,550,993	71.87%	$ 9,055,000	$ 6,481,396	71.58%

Motor Vehicles

	Three Months Ended September 30, 2013			Three Months Ended September 30, 2012		
Tax Year	Budgeted Collections	Gross Collections	% Collected Through 09/30/13	Budgeted Collections	Gross Collections	% Collected Through 09/30/12
Third Prior Year	$ -	$ 18	100.00%	$ -	$ 14	100.00%
Second Prior Year	-	254	100.00%	-	35	100.00%
First Prior Year *	2,000	18,578	928.90%	8,000	4,070	50.88%
Current Year	565,000	133,434	23.62%	440,000	100,847	22.92%
	$ 567,000	$ 152,284	26.86%	$ 448,000	$ 104,966	23.43%

* Includes amounts collected in July and August through the DMV that were previously recorded as Current Year using the staggerd method of vehicle levy and collection.

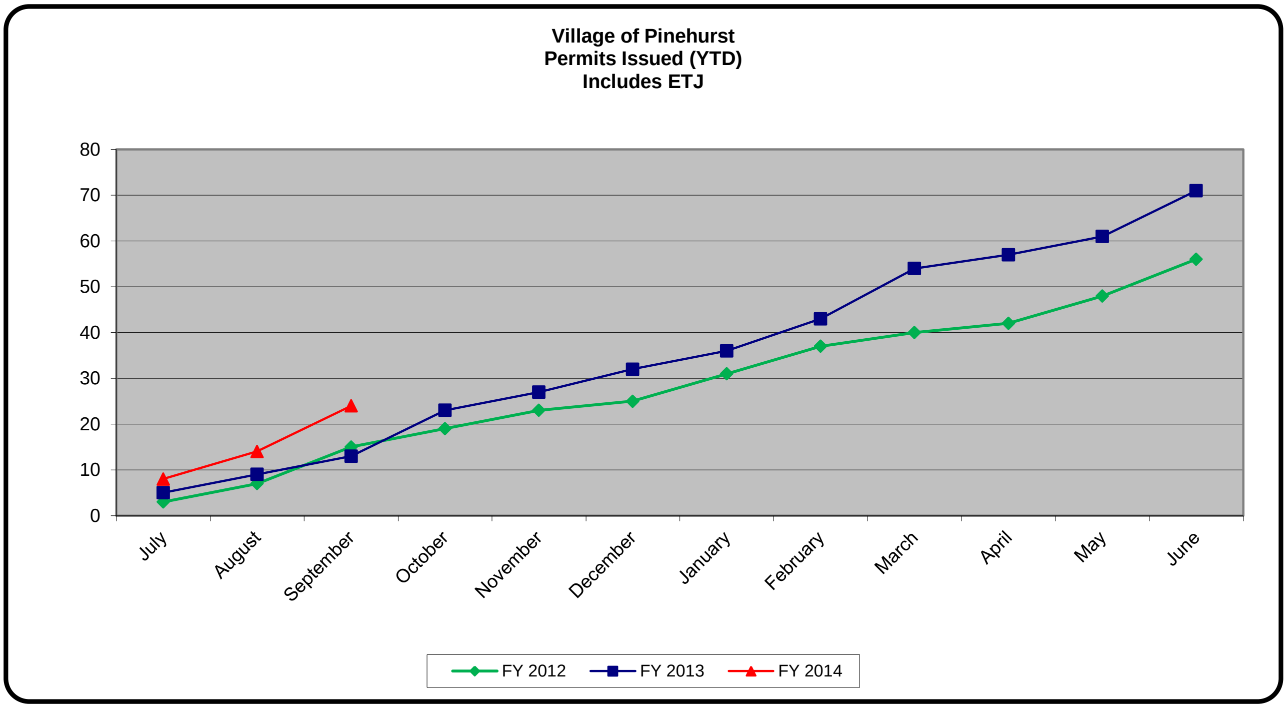
Village of Pinehurst
Schedule of Ad Valorem Property Tax Levy
Three Months Ended September 30, 2013

	Property Valuation			
	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 3,235,790,402	$ 3,221,193,019	$ 14,597,383	0.45%
Motor Vehicles	68,415,613	60,787,436	7,628,177	12.55%
Municipal Service District	-	7,358,526	(7,358,526)	-100.00%
	$ 3,304,206,015	$ 3,289,338,981	$ 14,867,034	0.45%

	Levy			
	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 9,061,826	$ 9,020,224	$ 41,602	0.46%
Motor Vehicles	191,564	170,197	21,367	12.55%
Municipal Service District	-	3,679	(3,679)	-100.00%
	$ 9,253,390	$ 9,194,100	$ 59,290	0.64%

Village of Pinehurst
Residential Building Permits - Includes ETJ

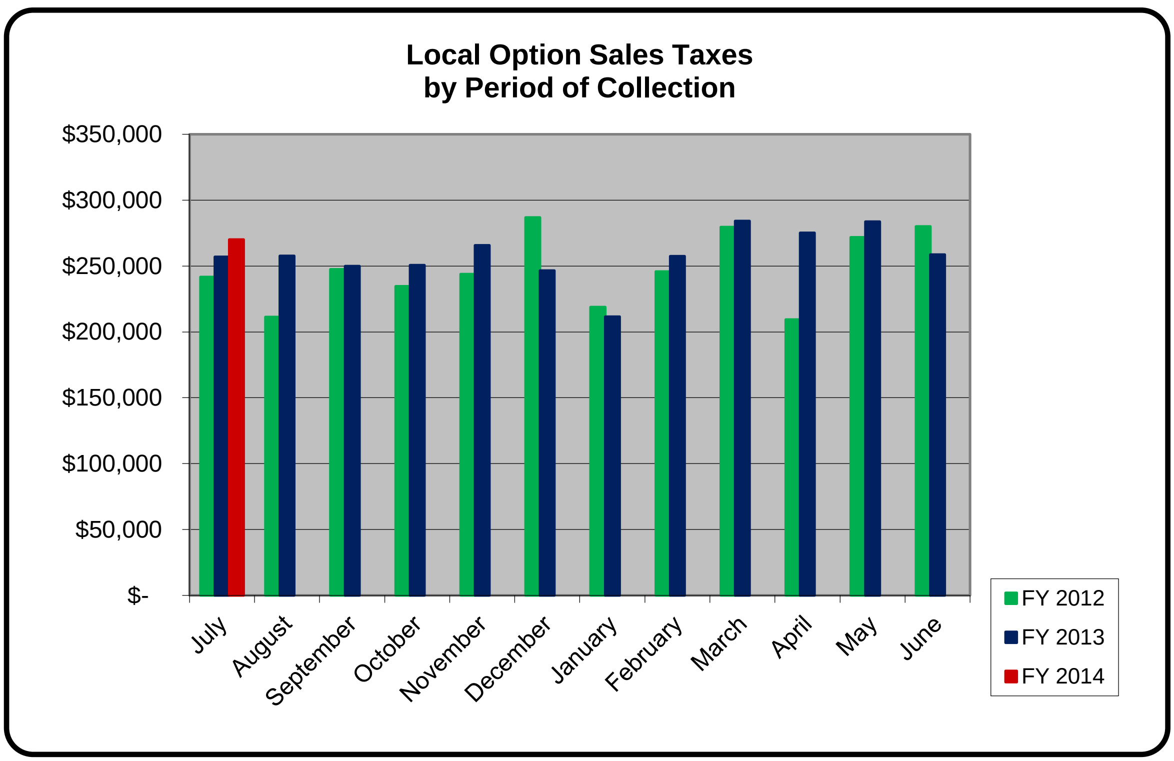
	FY 2012		FY 2013		FY 2014		Construction Costs
	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	Percentage Change YTD
July	3	$ 900,000	5	$ 1,418,713	8	$ 1,579,000	11.30%
August	4	653,570	4	2,380,000	6	1,624,120	-15.68%
September	8	2,055,000	4	1,108,000	10	1,698,171	-0.11%
October	4	775,000	10	2,531,000			
November	4	1,420,000	4	815,000			
December	2	977,000	5	1,417,000			
January	6	761,542	4	764,000			
February	6	1,836,000	7	1,706,000			
March	3	901,700	11	2,812,700			
April	2	500,000	3	790,237			
May	6	1,295,000	4	1,085,000			
June	8	2,324,910	10	1,619,900			
YTD	56	$ 14,399,722	71	$ 18,447,550	24	$ 4,901,291	



Village of Pinehurst
Local Option Sales Taxes

	FY 2012	FY 2013	FY 2014	Same Month Change From Prior Year
July	$ 241,619	$ 256,870	$ 269,967	5.10%
August	211,176	257,725	-	
September	247,359	249,925	-	
October	234,651	250,726	-	
November	243,899	265,785	-	
December	286,682	246,614	-	
January	218,741	211,509	-	
February	245,856	257,455	-	
March	279,581	284,085	-	
April	209,374	275,036	-	
May	271,658	283,616	-	
June	280,027	258,733	-	
YTD	$ 2,970,623	$ 3,098,079	$ 269,967	

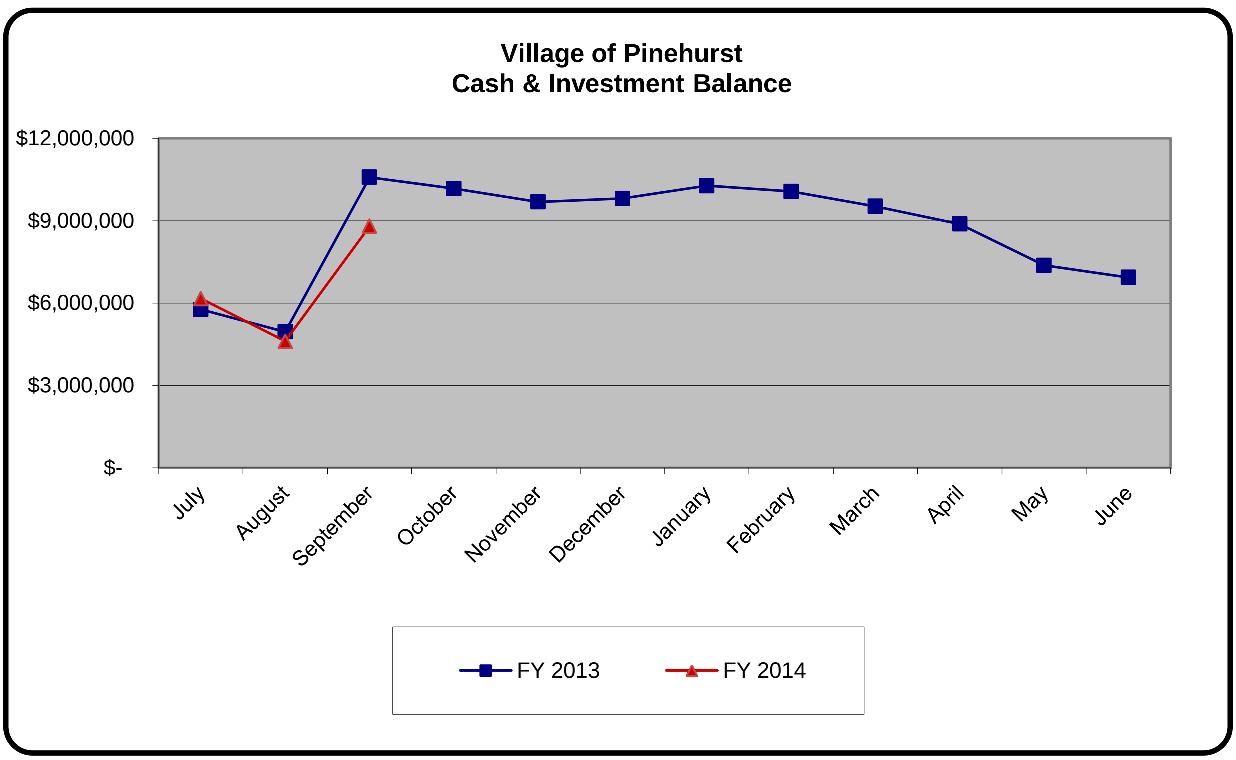
* Estimate



Village of Pinehurst
Investment Yield Summary

	FY 2013			FY 2014		
	Cash Balance	Investment Earnings	Investment Yield*	Cash Balance	Investment Earnings	Investment Yield*
July	$ 5,762,591	$ (3,971)	-0.83%	$ 6,163,553	$ 5,345	0.99%
August	4,956,569	51	0.01%	4,609,828	19	0.00%
September	10,583,377	100	0.02%	8,799,599	24	0.00%
October	10,168,497	286	0.03%			
November	9,683,202	222	0.03%			
December	9,808,087	301	0.04%			
January	10,271,734	2,784	0.34%			
February	10,064,742	185	0.02%			
March	9,524,191	292	0.04%			
April	8,878,255	6,183	0.82%			
May	7,370,077	168	0.03%			
June	6,937,783	6,866	1.17%			
Average	$ 8,667,425	$ 13,467	0.16%	$ 6,524,327	$ 5,388	0.08%

* Investment yield is presented on a cash basis. See the separately issued quarterly investment report for additional details.



Village of Pinehurst
Schedule of Fund Balance - General Fund
September 30, 2013

	Fund Balance at 09/30/13	Fund Balance at 09/30/12
General Fund		
Nonspendable:		
Inventory	$ 41,287	$ 52,153
Restricted:		
Stabilization by State Statute	4,100,076	2,766,035
Transportation	227,202	237,792
Assigned		
Subsequent year's expenditures	1,074,572	2,020,740
Unassigned	5,872,109	6,530,330
	$ 11,315,246	$ 11,607,050

Village of Pinehurst
Schedule of Budget Amendments - General Fund
For the Fiscal Year Ended June 30, 2014

As of September 30, 2013

	ORIGINAL 2013-2014 BUDGET	Amended * Qtr Ended 09/30/12	Amended Qtr Ended 12/31/12	Amended Qtr Ended 03/31/13	Amended Qtr Ended 06/30/13	Total Amendments	Amended 2013-2014 Budget
REVENUES							
Ad valorem taxes	$ 9,682,000					$ -	$ 9,682,000
Other taxes and licenses	2,591,700					-	2,591,700
Unrestricted Intergov't Revenues	1,617,200					-	1,617,200
Restricted Intergov't Revenues	552,755	(19,500)				(19,500)	533,255
Permits & Fees	1,241,250					-	1,241,250
Sales & Services	484,015					-	484,015
Other Revenues	221,480	3,500				3,500	224,980
Investment Income	20,500					-	20,500
Other Financing Sources	550,000					-	550,000
Appropriated Fund Balance	601,175	473,397				473,397	1,074,572
TOTAL REVENUES	**$ 17,562,075**	**$ 457,397**	**$ -**	**$ -**	**$ -**	**$ 457,397**	**$ 18,019,472**
OPERATING EXPENDITURES							
Governing Body	216,500					-	216,500
Administration	1,055,090					-	1,055,090
Financial Services	587,460					-	587,460
Human Resources	413,530					-	413,530
Police	2,695,730	39,710				39,710	2,735,440
Fire	2,530,590	29,512				29,512	2,560,102
Inspections	226,600					-	226,600
Public Services Administration	369,290					-	369,290
Streets & Grounds	1,274,785	16,800				16,800	1,291,585
Powell Bill	801,800					-	801,800
Solid Waste	1,278,900					-	1,278,900
Planning	627,410	25,000				25,000	652,410
Community Development	395,000	18,000				18,000	413,000
Recreation	1,092,070	4,454				4,454	1,096,524
Library	360,000					-	360,000
Harness Track	524,270					-	524,270
Fair Barn	262,830					-	262,830
Contingency	50,000	(8,300)				(8,300)	41,700
Debt Service	468,220	-				-	468,220
Other Financing Uses	-					-	-
Total Operating Expenditures	15,230,075	125,176	-	-	-	125,176	15,355,251
CAPITAL EXPENDITURES							
Governing Body	-					-	-
Administration	150,050					-	150,050
Financial Services	450						450
Human Resources	10,225						10,225
Police	105,600					-	105,600
Fire	586,125					-	586,125
Inspections	120					-	120
Public Services Administration	7,565						7,565
Streets & Grounds	574,365					-	574,365
Solid Waste	245,225					-	245,225
Planning	175					-	175
Community Development	285,000	143,327				143,327	428,327
Recreation	215,375	188,894				188,894	404,269
Harness Track	139,150					-	139,150
Fair Barn	12,575					-	12,575
Total Capital Expenditures	$ 2,332,000	$ 332,221	$ -	$ -	$ -	$ 332,221	$ 2,664,221
TOTAL EXPENDITURES	**$ 17,562,075**	**$ 457,397**	**$ -**	**$ -**	**$ -**	**$ 457,397**	**$ 18,019,472**

* Includes $425,397 that was reappropriated from FY 2012-13.

Village of Pinehurst
Schedule of Harness Track and Fair Barn Revenues and Expenditures
Three Months Ended September 30, 2013

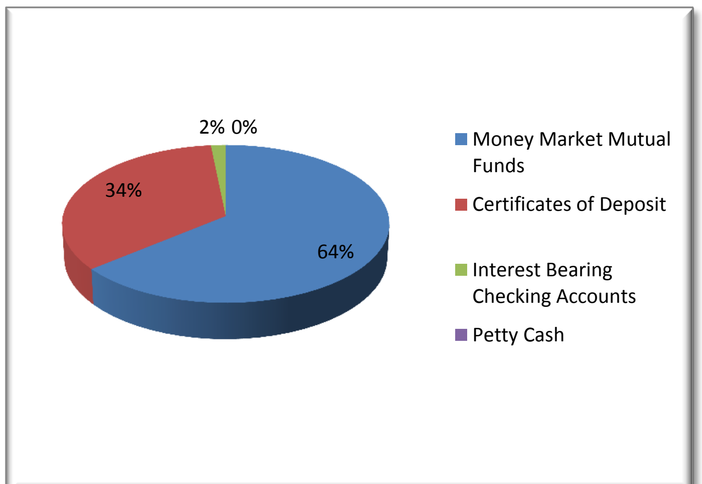
	Annual Budget as of 09/30/13	Quarterly Budget as of 9/30/2013	Actual 9/30/2013	YTD as of 9/30/2012	Current Year Over (Under) Prior Year	% of 2014 Budget Spent / Received YTD
Fair Barn						
Revenues	$ 153,000	$ 43,000	$ 63,441	$ 40,838	$ 22,603	41.46%
Expenditures						
Operating	262,830	70,783	51,825	51,243	582	19.72%
Capital	12,575	12,575	-	22,833	(22,833)	0.00%
Debt Service	70,125	35,350	35,351	36,501	(1,150)	50.41%
	345,530	118,708	87,176	110,577	(23,401)	25.23%
Net	$ (192,530)	$ (75,708)	$ (23,735)	$ (69,739)	$ 46,004	12.33%
Operating Revenues as a % of Operating Expenditures		61%	122%	80%		
Harness Track						
Revenues	$ 237,515	$ 30,499	$ 6,771	$ 28,914	$ (22,143)	2.85%
Expenditures						
Operating	524,270	152,794	140,452	95,162	45,290	26.79%
Capital	139,150	84,150	4,152	36,193	(32,041)	2.98%
	663,420	236,944	144,604	131,355	13,249	21.80%
Net	$ (425,905)	$ (206,445)	$ (137,833)	$ (102,441)	$ (35,392)	32.36%
Operating Revenues as a % of Operating Expenditures		20%	5%	30%		

Village of Pinehurst
Quarterly Investment Report
Quarter Ended September 30, 2013

Investment	CUSIP	Bond Ratings (Moodys/S&P)	Purchase Date	Maturity Date	Original Maturity (Days)	Cost Basis	Market Value	Rate	Total Accrued Interest	Yield	Unrealized Gains (Losses)
U. S. Agencies											
Money Market Mutual Funds											
North Carolina Capital Management Tru	47,180,989	AAAm			n/a	5,636,043	5,636,043	0.06%	-	0.04%	-
Certificates of Deposit											
First Bank	9049000098-5	3.5 star	07/29/13	07/29/14	365	1,520,549	1,520,549	0.27%	907	0.27%	-
BB&T Capital Markets	8340001444489	4 star	07/03/12	10/03/13	457	502,779	502,779	0.30%	1,872	0.30%	-
First Bank	9049000216-2	3.5 star	02/21/13	02/21/14	365	500,000	500,000	0.25%	814	0.25%	-
BB&T Capital Markets	8340001522994	4 star	08/02/13	08/01/14	364	500,000	500,000	0.25%	262	0.25%	-
Interest Bearing Checking Accounts											
PNC Bank Operating	5324792991				n/a	140,228	140,228	0.05%	-	0.05%	-
Petty Cash					n/a	1,000	1,000	-	-	-	-
Total Cash and Investments						**$ 8,800,599**	**$ 8,800,599**		**$ 3,855**		**$ -**
Total Cash and Investments (same quarter previous year)						**$ 10,584,377**	**$ 10,584,377**				

Summary of Cash and Investments

Money Market Mutual Funds	$ 5,636,043
Certificates of Deposit	3,023,328
Interest Bearing Checking Accounts	140,228
Petty Cash	1,000
	$ 8,800,599
Weighted Average Maturity (months)	3.0
Weighted Average Yield	0.12%



DISCUSSION AND ACTION: LEASE FOR THE WELCOME CENTER

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton, Assistant Village Manager

DATE OF MEMO:
10/15/2013

MEMO DETAILS:

Please find attached a draft lease to occupy approximately 875 square feet of space in the Theater Building for the Village of Pinehurst Welcome Center. The lease is result of recent meetings with the property owner, Marty McKenzie, Councilmember Cashion and I and addresses only the use of space for the Welcome Center and does not address the public restrooms. Any agreement related to restrooms would be in addition to this lease.

The lease is for 3 years at $1,035 per month plus $350 per month in common area maintenance, utilities, taxes, etc. The common area maintenance amount will adjust on an annual basis depending on actual expenses while the rental amount on the space will remain constant during the 3 year term. The effective date is proposed for November 1.

The Village will incur additional expenses in order to make the building and restrooms handicapped accessible as required by law. The landlord has approved of the general concepts of making the space accessible and the Village has an architect engaged to develop plans. Also, expenses related to up-fit and furnishing of the rental space will be the responsibility of the Village and are yet to be determined.

Our attorney has reviewed the lease and adjustments have been agreed to be both parties as a result. Should Council desire to enter into the lease, a motion will be needed authorizing the Mayor or her designee to execute the lease.

Thanks.

ATTACHMENTS:

	Description
	Lease
	Motions

THE THEATRE COMPANY, LLC
90 CHEROKEE ROAD
PINEHURST, NC 28370

STATE OF NORTH CAROLINA
COUNTY OF MOORE

LEASE AGREEMENT

THIS AGREEMENT, made this _________ day of October, 2013 by and between
THE THEATRE COMPANY, LLC, hereinafter called "LANDLORD", and, the Village of Pinehurst hereinafter called "TENANT".

This Lease Commences on November 1, 2013
This Lease Expires on September 30, 2016
Rent Commences on November 1, 2013
Annicilaries of Utilities, Trash, Common Area Maintenance, Insurance, and Taxes shall be payable monthly based on the cost of such services to Landlord and passed through to Tenant on a prorata basis as outlined in Lease. These costs to Tenant are estimated, for estimation purposes only, to average $350.00.

WITNESSETH

That the said Landlord does hereby demise and lease to Tenant and Tenant does hereby hire from Landlord the following described Premises containing approximately 875 square feet.

Act 1, Scene A

Together with all appurtenances thereto and with easements of ingress and egress necessary and adequate for the conduct of Tenant's business as hereinafter described, for the term of 3 Years, running from November 1, 2013 through September 30, 2016 for use in Tenant's regular business of a Pinehurst Welcome Center and for no other purpose, subject to the terms and conditions of the Lease, **except with the approval of the Landlord.**

AMOUNT OF RENTAL

1. Tenant covenants to pay to Landlord at Landlord's office at Biltmore Professional Center in Olmsted Village, 285 Olmsted Blvd., Suite 7, Pinehurst, NC 28374 or such place as Landlord shall designate in writing as rent for said Premises, the annual sum of $12,420.00, payable monthly in the sum of $1,035.00 per month, payable on the first day of each month of the Lease term commencing November 1, 2013.

~~As additional rent for said Premises, the Tenant agrees to pay the Landlord a percentage of the Tenant's gross sales made from the demised Premises that exceed $________________________ for each twelve (12) month's period computed from the commencement of the term of this lease.~~

~~The term "Gross Sales" as used herein is hereby defined to mean and shall be the total amount of dollar value, exclusive of Federal, State and local sales taxes or excise taxes paid or payable thereon, of all sales of merchandise, ____ and services and all revenues of every kind and the character derived from, arising out of or payable on the account of the business transactions conducted at or from said Premises, both from cash and on credit, including all orders for merchandise, __________________________________ or services taken or sold at or from the said Premises and filled or delivered from any other place or location; provided however, shall be allowed as credit~~

~~in reduction of the Gross Sales on the dollar value of bona fide refunds or credits granted for exchanges, or returns of merchandise.~~

RECORD OF SALES

2. ~~Tenant, during the term of this Lease, shall maintain and keep, or cause to be maintained and kept, at said Premises as full complete and accurate permanent record and account of all sales of merchandise, ________________________________ and all sums of money paid or payable for or on account of or arising out of the business and all business transactions conducted at or from said Premises by or for the account of Tenant, for each day of the term hereof, and such records and accounts and all supporting records at all times shall be open to inspection and audit at said Premises by Landlord and its duly authorized agents or representatives at all reasonable times during ordinary business hours, Tenant shall keep and preserve or cause to be kept and preserved said records for not less than twelve (12) months after the due date and payment of any percentage rental due under the terms thereof.~~

REPORTS

3. ~~On or before sixty (60) days after the close of each six (6) months lease period, Tenant, at the place where the rent herein reserved shall be payable, shall deliver to Landlord, or the person, firm or corporation to which such rent shall be payable, a complete written statement showing in all reasonable detail the gross amount of sales for the preceding six (6) month lease period, including therein a statement of the total amount of State sales taxes and Federal excise taxes (if any) paid or payable on account thereof and the number of dollar amount of all refunds and credits for return of the merchandise, if any, made during such period. Each such statement shall be signed by the Tenant, and if required by Landlord, such statement shall be signed under oath. Based on these statements, Tenant shall, within sixty (60) days of the end of every six (6) months lease period, pay to the Landlord all percentage rental payments then due, if any, hereunder.~~

TENANT STANDARD

4. Each Tenant shall maintain the highest standard of quality in the operation of their business, presentation of merchandise, design and maintenance of Leased Premises, marketing of products and services, with the understanding that the uniqueness of the ambient atmosphere of Pinehurst must be preserved and perpetuated with the commitment of always striving to improve.

ACCEPTANCE OF PREMISES

5. Tenant accepts the Premises in an "AS IS" condition and the Landlord makes no representations or warranties regarding the condition of the Premises.

TENANT'S MAINTENANCE AND REPAIR OF PREMISES

6. Except as hereinafter provided, Tenant shall maintain and keep the interior of the Premises in good repair, free of rubbish and shall return the same at the expiration or termination of this Lease in as good condition as received by Tenant, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion or other unavoidable cause excepted; provided, however; that if alterations, additions and/or installation shall have been made by Tenant as provided for in this Lease, Tenant shall not be required to restore the Premises to the condition in which they were prior to such alterations, additions and/or installations except as hereinafter provided.

TENANT'S ALTERATIONS, ADDITIONS, INSTALLATIONS AND REMOVAL THEREOF

7. Tenant may, at its own expense, either at the commencement of or during the term of this Lease, make such alterations in and/or additions to the Leased Premises including without prejudice to the generality of the foregoing, alterations in the water, gas, and the electric wiring system, as may be necessary to fit the same for its business, upon first obtaining written approval of Landlord as to materials to be used and the manner of making such alterations and/or additions. Landlord covenants not to unreasonably withhold approval of alterations and/or proposed additions to be made by Tenant. Tenant may also, at its own expense, install such counters, racks, shelving, fixtures, fittings, machinery and equipment upon the Leased Premises as Tenant may consider necessary to the conduct of its business. At any time prior to the expiration or earlier termination of this Lease, Tenant may remove any or all such alterations, additions or installations in such a manner as will not substantially injure the Leased Premises. In the event Tenant shall elect to make any such removal, Tenant shall restore the Premises, or the portion affected by such removal, to the same condition as existed prior to the making of such alteration, addition or installation, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion or other unavoidable cause excepted.

All alterations, additions or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

COMMON AREA MAINTENANCE

8. Tenant shall reimburse Landlord for a pro rata share of the Operating Costs to be calculated by dividing the Tenant's leased square footage by the total square footage owned by the Landlord and multiplying the total Operating Cost by the resulting fraction.

The Landlord's building contains **14,664** rentable square feet. Tenant is leasing from Landlord approximately 875 square feet or 6% percent of the rentable square footage. Tenant agrees to pay 6% percent of aforementioned Common Area Maintenance costs and Trash.

Landlord agrees to perform all repairs and maintenance of the common areas of The Theatre Building necessary to keep the common areas in good repair. "Common Area Maintenance" shall mean the total cost and expense incurred in operating, maintaining and repairing the common areas, including without limitation, bookkeeping or accounting expenses not to exceed 5% of the Operating Costs, costs and expenses of elevator, landscaping, gardening, irrigation systems, painting, cleaning, decorating, lighting, sanitary control, gutters, downspouts, removal of snow, trash, garbage, and other refuse (as it pertains to common areas); the cost of pest and termite control; operation of public toilets and maintenance costs for signs advertising The Theatre Building and maintenance of utility systems serving The Theatre Building.

The annual charges for Common Area Maintenance shall be paid in monthly installments on the first day of each calendar month in advance in an amount estimated by Landlord. Within ninety (90) days after the end of each fiscal year, Landlord shall furnish Tenant a statement in reasonable detail of the actual Operating Costs paid or incurred by Landlord during such period prepared in accordance with sound accounting practices, and thereupon there shall be an adjustment between Landlord and Tenant with the payment to or repayment by Landlord as the case may require, to the end that Landlord shall receive the entire amount of Tenant's pro rata share of Operating Costs for such period and no more. Landlord agrees to make all records of its expense herein available to Tenant for inspection at Landlord's office during normal business hours for one (1) year after submission of each invoice to Tenant.

HARMFUL GASES IN CHLOROFLUOROCARBON (CFC) CATEGORY

9. Upon enactment or passage of any governmental legislation or regulations requiring the removal or changes in the use of Freon or any other gases in the CFC Category (being defined as that category of gases that destroy or otherwise damage the ozone layers of the atmosphere) from or in relation to the Leased Premises, Tenant agrees to comply promptly with such legislation of regulations. Landlord, its duly authorized agents or representatives, shall have the right to inspect the Leased Premises and any storage area utilized by Tenant at any time to ensure Tenant's compliance with such legislation or regulations. Tenant agrees to do and perform certain things including, but not limited to, the following remedies to comply with any such legislation or regulations: 1) Adapt equipment owned or leased by it to utilize CFC substitutes when available and possible; and, 2) Safely replace Tenant installed equipment with CFC-free equipment as soon as it becomes available; and Tenant shall properly remove any replaced equipment from Leased Premises and dispose of it properly at a place not on the Leased Premises.

Any work performed by Landlord or Tenant associated in any way with CFC will not result in a reduction in rent to Tenant. If Tenant does not comply with the CFC legislation or regulations, Tenant shall be deemed to be in default under the terms of this Lease: and if Landlord is forced to incur expenses because of Tenant's failure to perform work or otherwise comply, then such expenses shall be for Tenant's account and shall be deemed to be additional rent due hereunder to Landlord from Tenant.

UTILITY BILLS

10. It is acknowledged that the utility bills for the entire building will be billed to Landlord by the charging utilities. Tenant agrees to pay a portion of these utility charges (except for the tenant's business telephone which will responsibility of tenant and billed to tenant by provider) based upon the following formula:

> The Landlord's Building contains **14,664**
> rentable square feet. Tenant is leasing
> from Landlord 875 square feet of said
> building or 6 percent of the rentable square footage.
> Tenant agrees to pay 6 percent of aforementioned utility bills

OBSERVANCE OF LAWS

11. Tenant shall duly obey and comply with all public laws, ordinances, rules or regulations relating to the use of the Leased Premises; provided, however, that any installation of fire prevention apparatus, electric rewiring, plumbing changes, or structural changes in the building that serve the Leased Premises, required by any such law, ordinance, rule or regulation shall be made by Landlord without expense to Tenant.

SIDEWALK ENCUMBRANCES

12. Tenant shall neither encumber nor obstruct the sidewalk in front of, or any entrance to, the building or the Leased Premises.

SIGNS

13. Tenant shall have the right to erect, affix or display on interior walls, doors and windows of the building or Leased Premises, such signs or sign advertising its business as Tenant may consider necessary or desirable, subject to all applicable municipal ordinances and regulations and respect thereto and the prior approval of the Landlord as to design, size and location.

CANCELLATION OF LEASE BY LANDLORD

14. It is mutually agreed that in the event the Tenant shall default in the payment of rent herein reserved, when due, and fails to cure default within five (5) days after written notice thereof from Landlord; or if Tenant shall be in default in performing any of the terms or provisions of this Lease other than the provision requiring the payment of rent, and fails to cure such default within thirty (30) days after the receipt of written notice of default from Landlord; or if Tenant is adjudicated bankrupt; or if a permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; or if whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred; or if Tenant makes an assignment for benefit of creditors; or if Tenant's effects should be levied upon or attached under process against Tenant and shall not remain satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof; then, and in any of said events, Landlord at his option may at once, or within six (6) months thereafter (but only during continuance of such default or condition), terminate this Lease by written notice to Tenant; whereupon this Lease shall end. After an authorized assignment or subletting of the entire Premises covered by this lease, the occurring of any of the foregoing defaults or events shall affect this Lease only as caused by, or happening to, the assignee or sub lessee. Landlord or his attorney may give any notice provided in this paragraph, or agent herein named. Upon such termination by Landlord, Tenant will at once surrender possession of the Premises to Landlord, and remove all of Tenant's effects therefrom; and Landlord may forthwith re-enter the Premises and repossess himself thereof, and remove all persons and effects therefrom using such force as may be necessary without being guilty of trespass, forcible entry or detainer or other tort.

LANDLORD NOT A PARTNER

15. It is expressly understood that the Landlord shall not be construed or held to be a partner or associate of the Tenant in the conduct of his business; it being expressly understood that the relationship between the parties hereto is and shall remain at all times that of Landlord and Tenant.

CONDEMNATION

16. In the event that the Leased Premises shall be taken for public use by the city, State, Federal government, public authority or other corporation having the power of eminent domain, then this Lease shall terminate as of the date on which repossession thereof shall be taken for public use, or, at the option of the Tenant, as of the date on which the Premises shall become unsuitable for Tenant's regular business by reason of such taking; provided, however; that if only part of the Leased Premises shall so be taken, such termination shall be at the option of the Tenant only. If such a taking of only part of the Leased Premises occurs, and Tenant elects not to terminate the Lease, there shall be a proportionate reduction of the rent to be paid under this Lease from and after the date such possession is taken for public use. Tenant shall have the right to participate, directly or indirectly, in any award for such public taking to the extent that it may have suffered compensable damage as a Tenant on account of such public taking.

ASSIGNMENT

17. Tenant may not assign this Lease or sublet the Premises or any part thereof for any legitimate use without the consent of Landlord. If any assignment or sublease is made by Tenant without Landlord's consent, Tenant shall remain liable under the terms hereof notwithstanding such assignment or sublease, and Landlord at its option may cancel the remainder of the Lease.

TAXES

18. Tenant shall pay all personal property ad valorem taxes and assessments and shall pay all license, privilege, or other occupation taxes or fees levied on account of its operation. Landlord shall pay all taxes, assessments, and charges, which shall be assessed and levied upon the Leased Premises or any part thereof during the said term, as they shall become due. However, Landlord shall assess Tenant each year a proportionate share of 6% of the taxes paid by Landlord. The proportionate share shall be computed by dividing the Tenant's leased square footage by the total square footage owned by the Landlord and multiplying the total tax due by the resulting fraction. The Tenant shall receive a bill for this tax upon receipt by Landlord of total tax due and it shall be payable by Tenant thirty (30) days prior to the payable due date of the Landlord.

PROPERTY & CASUALTY INSURANCE

19. Tenant shall pay his proportionate share of the cost for any property and casualty insurance on The Theatre Building. Such insurance shall be exclusive of, and not affect, the insurance required of Tenant in Paragraph 29 of this Agreement. Such insurance shall cover only property and casualty losses on property owned by Landlord. Tenant shall be assessed 6% of the taxes paid by Landlord. Said assessment shall consist of the Tenant's proportionate share of the property and casualty insurance cost based on the Tenant's utilization of square feet within the building. Landlord shall notify Tenant in writing of his assessment and the assessment shall be paid by Tenant within thirty (30) days after said written notification. Any increase or decrease in the rental area of the building covered by said property and casualty insurance will be adjusted for by as proportionate change in the percentage of the cost paid by the Tenant.

DESTRUCTION OF OR DAMAGE TO PREMISES

20. If Premises are destroyed by storm, fire, lightning, earthquake or other casualty this Lease shall terminate as of the date of such destruction, and rental shall be accounted for as between Landlord and Tenant as of the date of such destruction. If Premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as use of Premises has been destroyed and Landlord shall restore Premises to substantially the same condition as before damage as speedily as practical, whereupon full rental shall commence.

LANDLORD'S RIGHT TO ENTER PREMISES

21. Tenant shall permit Landlord and Landlord's agents to enter at all reasonable times to view the state and condition of the Premises or to make such alterations or repairs therein as may be necessary for the safety and preservation thereof, or for any other reasonable purpose. Tenant shall also permit Landlord or Landlord's agents, on or after ninety (90) days next preceding the expiration of the term of this Lease, to show the Premises to prospective Tenants at reasonable times, and to place notices on the front of said Premises, or on any part thereof offering the Premises for lease or for sale.

RENEWAL OPTION

22. Providing Tenant has not defaulted in respect to any provision of this Lease, it shall have the right to extend the term of this Lease for an additional period of _______(TBD)________ year terms_from the expiration date of the initial term, provided however that written notice is given the Landlord of such intention to extend the Lease six (6) months prior to the initial expiration date, and further provided that all provisions of the Lease shall continue in full force and effect for the period of such extension. The maximum rental amount for the first year of the renewal will be the following:

~~A) The annual rental amount for the first year of initial term plus an increase of 10% for each year of the initial term, or~~

B) The annual rental amount of the first year of the initial term plus an increase of the cumulative total of the C.P.I., or 3% whichever is greater for each year of the initial term.

Beginning with, and including the second year of the renewal term(s) through the full term of the renewal term(s), the annual rate of increase in the rental amount will be based on an increase at the per annum rate of increase in the Consumer Price Index of the previous year's annual rental amount. Any lesser amount shall be at the sole discretion of the Landlord. A "Consumer Price Index" shall mean the "ALL ITEMS INDEX" as published by the U.S. Bureau of Labor Statistics, formerly known as the Consumer Price Index for Wage Earners and Clerical Workers, or any successor index published by the Department of the United States Government.

MORTGAGEE'S RIGHTS

23. Tenant's rights shall be subject to any bona fide mortgage Deed of Trust to secure debt, which is now, or may hereafter be, placed upon the Premises by Landlord. Tenant hereby subordinates its interest in the Lease to any such mortgage or Deed of Trust.

NO ESTATE IN LAND

24. This contract shall create the relationship of Landlord and Tenant between Lessor and Lessee; no estate shall pass out of Lessor; Lessee has only a use of structure, not subject to levy and sale, and not assignable by Lessee except as provided in Paragraph 18 hereof.

HOLDING OVER

25. If Tenant remains in possession of Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of parties, Tenant shall be a Tenant at Will at rental rate plus 125% in effect at end of Lease; and there shall be no renewal of this Lease by operation of Law.

ATTORNEY'S FEES

26. If any rent owing under this Lease is collected by or through an attorney at law, Tenant hereby agrees to pay reasonable attorney fees in the amount of fifteen percent (15%) of the outstanding balance of the total rent for the remainder of the then current term plus any additional sums then due or to become due under any provision of this Agreement.

LATE CHARGES

27. In the event that Tenant is more than ten (10) days late in the payment of its monthly charges under the provisions of this Lease, then in addition to the amount owed, Tenant shall pay a late charge equal to five percent (5%) of the amount owed due within fifteen (15) days after receipt of such notice, should Tenant have failed to cure default within said grace period. In no event shall Tenant be allowed, such 15 day grace period more often than two (2) times per Lease year. Failure to pay any funds when due under the terms of this Lease shall subject Tenant to all of the provisions applicable upon default provided for in this Agreement, or provided for by law, and such rights granted to the Landlord shall not be abridged by the provisions herein for said late charge.

NOTICES

28. All notices required to be given to Landlord hereunder shall be sent by Registered or Certified Mail to and all rent payments shall be made to Landlord at THE THEATRE COMPANY, LLC C/O Olmsted Village Company, LLC, 285 Olmsted Blvd. Suite 7 Pinehurst, North Carolina 28374. All notices required to be given to Tenant hereunder shall be sent by Registered or Certified Mail to:

Village Manager
Village of Pinehurst
395 Magnolia Road
Pinehurst, NC 28374
Telephone: 910-295-1900
Email: awilkison@vopnc.org

INDEMNIFICATION AND LIABILITY INSURANCE

29. The Landlord shall not be liable for any damage to property of Tenant, or person utilizing the Theatre Building premises by reason of the Tenant's use or occupancy of the Premises, and the Tenant agrees to save Landlord harmless from and against all claims, suits, demands, actions, and the cost and expense thereof, arising out of any property damage or personal injury whatsoever occurring in or on the Premises except where same results from Landlord's own negligence or breach of any of Landlord's covenants contained in this lease. The Tenant further specifically agrees that it will procure and keep in force at its own expense Broad Form Comprehensive Liability Insurance in an amount of not less than $500,000.00 per occurrence, $1,000,000.00 aggregate, which policy or policies of insurance shall show Landlord as an additional insured as Landlord's interest may appear. Tenant will cause a Certificate of Insurance to be furnished to Landlord evidencing such coverage and said policy shall provide that said insurance may not be cancelled without written notice to Landlord at least thirty (30) days prior to any cancellation.

INDEMIFICATION OF PARTIES. The parties, in entering this Lease, are not entering into a partnership arrangement in any regard. Each party to this Lease will indemnify, and hold the other party harmless in the event that the other party is made, or threatened to be made, a party to any threatened or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding and any appeal (and any inquiry or investigation that could lead to an action, suit, or proceeding) as a result of acts or omissions by the party, its agents, contractors, employees, servants, lessees or concessionaires. The indemnification right provided to each party shall, to the fullest extent permitted by law, cover all liabilities and expenses, including without limitation all attorneys' fees and expenses, judgments, fines, excise taxes, and amounts paid in settlement, and any and all expenses incurred by the other party in enforcing its rights.

IMPLEMENTATION OF INDEMNIFICATION. For the purposes of implementing the foregoing agreements to indemnify each other, the parties agree:

(a) If any claim, demand, or liability arises in respect to which a party is entitled to indemnification, such party shall promptly notify the other party in writing of the claim, demand, or liability, and shall give the other party all relevant information in respect to the claim. The other party shall then undertake to defend or settle the claim, and all monies expended in the defense for settlement, together with costs, expenses, and attorneys' fees, shall be paid by the other party.
(b) If for some reason the other party is unable to defend the claim, demand, or liability, the other party shall notify the party of the inability in writing, and the party shall be required to defend or settle the claim diligently and as effectively as it can. Any money required for the defense or settlement, together with all costs, expenses, and attorneys' fees, shall be promptly paid by the other party. If prompt payment is not made by the other party, then the party shall have the right to make the payment and require the other party to pay the party the amount paid plus interest at eight (8%) percent per annum on any amounts that the other party does not pay. The interest shall accrue on any amounts that are not reimbursed until the party has been fully reimbursed for all the money paid.
(c) Note that in this section of this Lease, "party" is referring to the entity entitled to indemnification and "other party" is referring to the entity receiving indemnification.

WAIVER OF RIGHTS

30. Neither a failure of Landlord to exercise any power given Landlord hereunder, nor a failure to insist upon strict compliance by Tenant of his obligation hereunder, nor will any custom or practice of the parties or variance with the terms hereof constitute a waiver of Landlord's right to demand exact compliance with terms hereof.

TIME IS OF ESSENCE

31. Time is of the essence of this Agreement.

MERCHANT'S ASSOCIATION

32. Tenant agrees to maintain a membership in the Pinehurst Business Guild

SECURITY DEPOSIT

33. Landlord hereby acknowledges receipt from Tenant of the sum of $_____(TBD)___________ to be held as collateral security for the payment of any rentals and any other sum of money for which Tenant shall become liable to Landlord under this Lease, and for the faithful performance by Tenant of all other covenants and agreements made herein; said deposit to be returned to Tenant after the termination of this Lease provided Tenant shall have made all such payments and performed all such covenants and agreements.

NUMBER AND GENDER

34. All words herein in the singular number shall extend to and include the plural. All words in the plural shall extend to and include the singular. All words used in any gender to and include all genders.

ENTIRE AGREEMENT

35. This Lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise between the parties not embodied herein, shall be of any force or effect.

RECORD

36. Landlord and Tenant agree that this Lease will not be recorded but that a memorandum of the Lease reflecting the parties and the terms of the Lease can be recorded to protect Tenant's interest, after review and approval of Landlord, and at the expense of Tenant.

HOURS OF OPERATION

37. Tenant hereby agrees to maintain normal business hours daily and a normal business week, 52 weeks a year. Tenant understands that the objective of a shopping complex is so various tenants providing various goods and services depend on each other to jointly draw and service customers and it is imperative that all businesses maintain commonality in their operating hours. Therefore, it is understood that Tenant will be open for business at generally similar hours as other retail businesses in the Village.

ESTOPPEL AGREEMENT

38. Tenant hereby agrees to provide Landlord's lender an Estoppel Agreement at any time requested stating the status of the terms of the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written and have adopted the designation (SEAL) beside their signature as their duly impressed seal.

LANDLORD

The Theatre Building, LLC

BY: ________________________________ (SEAL)
Marty R. McKenzie, Managing Agent

Witness: ________________

Date:________________________________

` TENANT AND GUARANTOR

Village of Pinehurst

BY:____________________________________ (SEAL)
____

Witness: _________________

Date:________________________________

DISCUSSION:ROADSIDE PLANTING TO REGULATE PARKING, MCLEAN ROAD.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton, Assistant Village Manager

DATE OF MEMO:
10/15/2013

MEMO DETAILS:

Attached is a hand-drawn map that indicates a location where would propose to plant three longleaf pines in order to discourage cars from periodically parking on the grass. This location is an area that was previously sodded to control stormwater runoff and erosion in conjunction with the Barrett Road sidewalk extension.

We can control this in two ways, one is to establish a “No Parking” zone and put up a sign and the other is to the plant the trees.

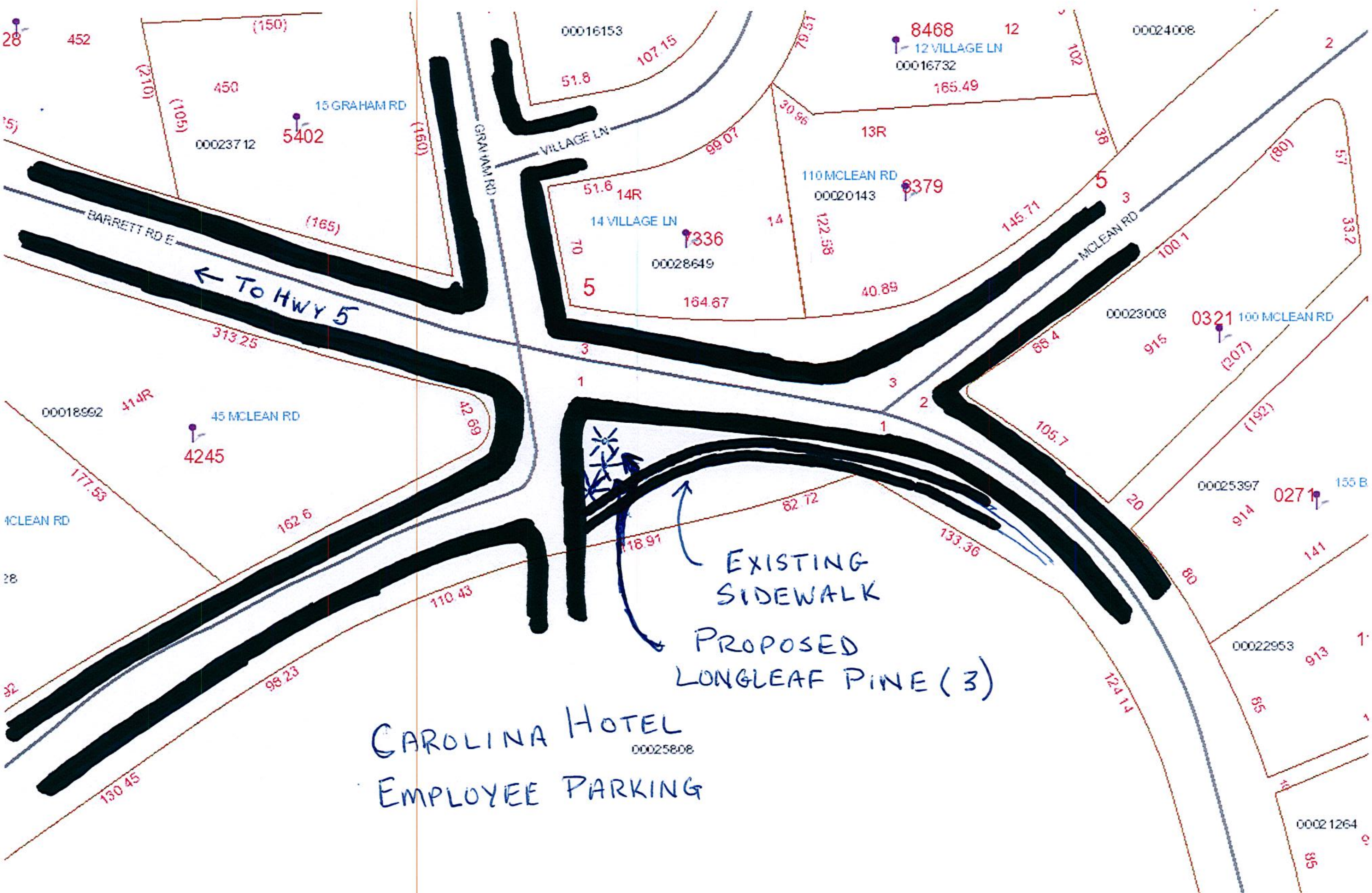
Our proposal is to plant the trees instead of putting up the sign because it’s more aesthetically appealing way of serving the same purpose of discouraging parking in this location.

As per policy, this is item that needs Council review. I will be at the work session on October 22 to receive direction.

Thanks.

ATTACHMENTS:

	Description
🗋	Trees



← To Hwy 5
BARRETT RD E
GRAHAM RD
VILLAGE LN
MCLEAN RD
15 GRAHAM RD
12 VILLAGE LN
14 VILLAGE LN
110 MCLEAN RD
45 MCLEAN RD
100 MCLEAN RD
Existing Sidewalk
Proposed Longleaf Pine (3)
Carolina Hotel
Employee Parking
00025808

DISCUSSION: DOWNTOWN PARKING

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton, Assistant Village Manager

DATE OF MEMO:
10/15/2013

MEMO DETAILS:

As you are aware, staff and the Village Center Enhancement Committee initiated a "Put the Customer First" parking program to try and encourage employees of downtown offices and businesses to park in the outlying parking areas thereby preserving the interior parking spaces for customers. The initiative has had nominal compliance, thus in an effort to more directly effect change in behavior among downtown employees, Councilmember Strickland, Chief Phipps and I have met to discuss other options to address the issue. We in essence have done a mini-BIRDIE process review of the parking issue.

In identifying and dissecting the issue we find the following:

- Compliance with parking requests through encouragement is not effective
- Relying on self-policing is not effective
- Lack of sole employer undermines any self-policing attempts
- Lack enforcement encourages non-compliance
- Lack of parking ordinances in essence means no enforcement
- Without a concerted, dedicated ongoing hands-on approach, enforcement and compliance are not possible

Alternative solutions for downtown such as timed parking restrictions, metered parking and actively restricting employee parking were discussed.

While recognizing nothing is foolproof, the most effective solution, and likely the most expensive, is to actively restrict employee parking. This concept involves issuance of parking decals to downtown employees, passage of an ordinance that restricts decaled parking to certain areas, and actively and regularly enforce the ordinance by hiring a part-time position to serve as a Parking Ambassador/Coordinator under the direction of the Police Department.

The development of processes and procedures to manage on-going education of downtown employees and distribution of decals can all be designed relatively easily and quickly at a later date but will be only effective if it's combined with active, on-site enforcement, i.e., the hiring of someone specific to this task.

An actual request for a position would still need review, input and vetting by Human Resources including job description, pay range, interview process, etc. before formally coming to Council but pending that, we believe, if everyone approved of the concept, the proper person could be found in the community. Conceivably, a panel, inclusive of a few downtown merchants as well as appropriate staff, could possibly serve on an interview panel in order to select someone with patience and excellent communications skills that can demonstrate sound judgment and who fully understands the philosophical approach of friendly encouragement and kind persuasion to gain voluntary compliance. The person would need to get to know all employees downtown and be able to deal with repeat offenders with friendly, yet aggressive enforcement, including issuance of tickets. We do not envision this being a sworn officer or requiring BLE training.

The person would work about 25 hours a week and possibly have an office situated in a location downtown (maybe a back storage area of the Welcome Center) so that they could issue decals as necessary and have a presence downtown. While this person should have a set office hour(s), the vast majority of their time would be spent patrolling downtown to ensure employee parking compliance as well as serve as a friendly face offering directions to visitors and guests.

As compliance becomes the norm for employees and patrols become more random and less frequent, this position could add the responsibility of Police Department Volunteer Coordinator. This is a position that the Police Department has identified as a need given the growing ranks of their volunteer force. Hours would remain at an average of 25 per week but time could become split between the two functions (again pending Human Resources involvement in further development of the concept and position particulars.)

As for parking restrictions, we envision prime parking spaces being off-limits to downtown employees during defined hours, such as 10 am to 4 pm Monday through Saturday., Residential units on Market Square would likely need a little more flexibility. The particulars of this and related items would be worked out at a later date.

Expenses related to this initiative are roughly estimated as follows:

Expenses	**Year 1**	**Annual**
Decals (2”x2”)	$500	$100
Office Furniture	2,000	-
Office Supplies	100	100
Computer, radio, cellphone	4,000	800
Part-time Salary (1300 hours x $15.00)	19,500	19,900
Totals	$26,100	$20,900

We look forward to discussing this concept in greater detail at the Council work session on Tuesday.

Thanks.