ORDINANCE #23-17:

AN ORDINANCE AMENDING ORDINANCE #23-14 APPROPRIATING FUNDS FOR OPERATIONS OF THE VILLAGE OF PINEHURST FOR FISCAL YEAR 2024, REGARDING REVENUES AND EXPENDITURES OF THE GENERAL FUND FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA (ADOPTION OF SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS REPORTING REQUIREMENTS UNDER GASB STATEMENT NO. 96)

THAT WHEREAS, the Governmental Accounting Standards Board (GASB) released Statement No. 96 entitled *Subscription-Based Information Technology Arrangements* which is effective for the fiscal year beginning July 1, 2022 (FY 2023); and

WHEREAS, this statement defines a subscription-based information technology arrangement (SBITA) as "a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction" and the underlying assumption is that a SBITA is a financing transaction; and

WHEREAS, staff compiled and reviewed all SBITA agreements that meet the criteria listed in the statement and utilized the existing lease tracking software to maintain these agreements going forward; and

WHEREAS, an amendment is needed to record these "right-to-use" subscription assets and liabilities and account for them in the correct manner as debt service instead of departmental operating expenditures as they were originally appropriated;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 11th day of July, 2023, as follows:

SECTION 1. To amend the FY 2024 General Fund budget with regard to revenues and expenditures, the revenue and expenditure accounts are to be changed as follows:

Account No.	Account Name	Debit	Credit
10-10-310-7900	Capital Outlay: Subscription Asset - Police	$ 146,510	
10-00-980-5901	IT R&M: Equipment		$ 33,710
10-00-190-3905	Other Financing Source: Fund Balance Appropriation		112,800
10-00-980-5901	IT R&M: Equipment		146,870
10-60-910-8084	Principal - Subscription Asset	138,160	
10-60-910-8085	Interest - Subscription Asset	8,710	
10-00-980-3560	Charges to Other Departments - IT	180,580	
10-00-220-5911	IT Charges - Administration		15,590
10-00-230-5911	IT Charges - Financial Services		8,880
10-00-240-5911	IT Charges - Human Resources		13,700
10-10-310-5911	IT Charges - Police		50,050
10-40-710-5911	IT Charges - Planning		57,550

Account No.	Account Name	Debit	Credit
10-10-320-5911	IT Charges - Fire		$ 14,210
10-10-330-5911	IT Charges - Inspections		2,130
10-20-410-5911	IT Charges - Public Services Administration		3,550
10-20-420-5911	IT Charges - Streets & Grounds		2,840
10-30-510-5911	IT Charges - Solid Waste		2,130
10-80-610-5911	IT Charges - Recreation		4,270
10-80-615-5911	IT Charges - Library		2,840
10-80-620-5911	IT Charges - Harness Track		710
10-80-640-5911	IT Charges - Fair Barn		1,420
10-40-720-5911	IT Charges - Community Development		710
	TOTAL	$ 473,960	$ 473,960

SECTION 2. Copies of this budget amendment shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 11th day of July, 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
John C. Strickland, Mayor

Attest:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

Council Member to Report	Partners & Collaborators
John Strickland	Convention and Visitors Bureau
	FirstHealth
	*Moore County, NC - Rotating
	Moore County Transportation Committee
	NCDOT/TARPO
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Partners in Progress
	Pinehurst Resort
Patrick Pizzella	*Moore County, NC - Rotating
	NCDOT/TARPO
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Partners in Progress
	Tri-Cities Work Group (Pinehurst, So. Pines, Aberdeen)
Jane Hogeman	Beautification Committee
	Chamber of Commerce
	*Moore County, NC - Rotating
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Pinehurst Business Partners
	Tri-Cities Work Group (Pinehurst, So. Pines, Aberdeen)
Lydia Boesch	Bicycle and Pedestrian Advisory Committee
	Convention and Visitors Bureau
	*Moore County, NC - Rotating
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
Jeff Morgan	FirstHealth
	*Moore County, NC - Rotating
	Moore County Schools
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Triangle J. COG

Dana Van Nostrand
Financial Services Director
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
e-mail: dvannostrand@vopnc.org

Memo

To: Village Council

From: Dana Van Nostrand

CC: Village Managers

Date: July 5, 2023

Re: Ordinance #23-17 Amending the FY 2024 Budget for the Adoption of Government Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*

Purpose:

To document the Village's procedures and necessary budget amendments to adopt Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96).

Summary of GASB 96:

The GASB issued GASB 96 in May of 2020 to improve the consistency of financial reporting and transparency regarding a government's obligations and assets resulting from subscription-based IT arrangements. This statement is effective for fiscal years beginning after June 15, 2022, which is the Village's fiscal year 2023. GASB 96 is very similar to GASB Statement No. 87, *Leases* in its intention and recognition, reporting, and disclosure requirements.

GASB 96 defines a subscription-based information technology arrangement (SBITA) as "a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction." The Village followed guidance from the GASB and North Carolina Local Government Commission (LGC) Memorandum # 2023-09 in its adoption of the standard.

Implementation Process

A summary of the Village's implementation process was provided in the memo that accompanied Ordinance #23-15 to amend the FY 2023 budget for the adoption of GASB 96. The initial adoption analysis performed for FY 2023 was not completed until after the FY 2024 budget development was done, therefore the impact to the FY 2024 budget was not incorporated in the FY 2024 budget adopted by the Council on June 13, 2023.

The subscriptions identified in the initial adoption analysis are included in the FY 2024 budget amendment, along with new subscriptions anticipated in FY 2024 based on the detailed departmental budget requests. There is one additional software subscription planned in the FY 2024 budget for Solid Waste routeware which is not included in this budget amendment since the specific software has not been selected yet. Another budget amendment will be presented to Council when the software is selected and cost is known.

The Financial Services Director will continue to monitor contract and purchase order requests for software as they come for review and approval to ensure all software subscriptions are analyzed for GASB 96 compliance.

Budget Amendment:

During the FY 2024 budget development process, subscription payments were budgeted as operating expenditures. To adopt GASB 96, the Village must amend the FY 2024 budget as follows:

- Account for the initial value of *new* right-to-use subscription assets as a capital outlays in the General Fund in the department that is charged for the software, essentially recording the full amount of the subscription as a General Fund expenditure up front;

- Account for the initial value of the *new* subscription liabilities as an inflow under Other Financing Sources, offsetting the capital outlay expenditures in the General Fund;

- Account for the FY 2024 subscription payments for *all* subscriptions as General Fund debt service principal and interest instead of General Fund operating expenditures within the respective departments. This is essentially a reclassification of the payments previously recorded as operating expenditures within the respective departments to debt service payments; and

- Reduce the IT internal service fund charges to the departments for the software that is a direct charge to IT (i.e. Village-wide or IT internal use) which is now budgeted as debt service instead of an IT expenditure.

The FY 2024 budget amendment includes the following subscriptions:

- Emergency notification (Administration)

- Lease and software subscription tracking (Financial Services)

- Applicant tracking (Human Resources)

- Various remote equipment (Police)

- Planning and permitting (Planning)

- Microsoft Enterprise and various IT security applications (Information Technology)

The Police subscriptions are all prepaid for the full term of the multi-year subscription at the beginning of the subscription, therefore there is no liability associated with these subscription assets. The FY 2024 budget included estimated amounts for one year of the three new multi-year subscriptions in FY 2024 (approximately four-year terms), totaling $33,710. The amount for the future years being paid in FY 2024 of $112,800 needs to be appropriated from fund balance to cover the capital outlay budget for the full cost.

RESOLUTION #23-28:

A RESOLUTION REGARDING APPOINTMENT TO THE PINEHURST NEIGHBORHOOD ADVISORY COMMITTEE REPRESENTING NORTH LAKE PINEHURST.

WHEREAS, the Village of Pinehurst established a Neighborhood Advisory Committee (NAC) in 2008; and

WHEREAS, the Village of Pinehurst officially reorganized the Neighborhood Advisory Committee (NAC) under the leadership of the Village Council of the Village of Pinehurst on the 11th day of April 2023; and

WHEREAS, there is a need to fill a vacancy on the Neighborhood Advisory Committee to represent North Lake Pinehurst; and

WHEREAS, Ms. Carolyn Jamison and the Village Council of Pinehurst are desirous of Ms. Jamison serving as a representative of the North Lake Pinehurst area on the Neighborhood Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 11th day of July, 2023 as follows:

SECTION 1. That the following appointment is hereby made to the Neighborhood Advisory Committee for the term indicated:

Ms. Carolyn Jamison is appointed as a representative of the North Lake Pinehurst area on the Neighborhood Advisory Committee, effective July 11, 2023, said term to expire June 30, 2025.

THIS RESOLUTION passed and adopted this the 11th day of July, 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
John C. Strickland, Mayor

Attest:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE OF PINEHURST
VILLAGE COUNCIL
CLOSED SESSION-JUNE 27, 2023

ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA

MINUTES

The Pinehurst Village Council held a Closed Session Meeting as Agenda Item 9 of the Work Session that immediately followed its Regular Meeting held at 4:30 p.m., Tuesday June 27, 2023, in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The Closed Session Meeting was called to order at 8:11 PM.

The purpose of the Closed Session, pursuant to NCGS §143-318.11(a)(5), was to establish, or to instruct the public body's staff or negotiating agents, concerning the position to be taken by or on behalf of the public body in negotiating the price and the other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

The following were in attendance in the Assembly Hall:

Mr. John C. Strickland, Mayor	Mr. Patrick Pizzella, Mayor Pro Tem
Ms. Lydia Boesch, Councilmember	Mr. Jeff Morgan, Councilmember
Ms. Jane Hogeman, Councilmember	Mr. Jeff Sanborn, Village Manager
Mr. Jeff Batton, Asst. Village Manager	Mr. Doug Willardson, Asst. Village Manager

MAYOR STRICKLAND CALLED THE MEETING TO ORDER.

A negotiating position was discussed for purchase of a property owned by Marty McKenzie, identified as the Murdocksville property. Upon consensus of the Council, Asst. Village Manager Jeff Batton was provided terms and authority to negotiate with the parcel's owner for a possible purchase. Mr. Batton was instructed to pursue due diligence by requesting a deed search and checking into wetland delineation.

ADJOURNMENT.
Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn the Closed Session and re-enter the Work Session at 8:41 p.m., by a vote of 5-0.

Respectfully Submitted,

Kelly Chance per Jeff Sanborn
Village Clerk

VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF JUNE 27, 2023
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

The Pinehurst Village Council held a Work Session Meeting at 6:03 p.m., Tuesday, June 27, 2023, in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:
Mr. John C. Strickland, Mayor
Mr. Patrick Pizzella, Mayor Pro Tem
Mr. Jeff Morgan, Councilmember
Ms. Jane Hogeman, Councilmember
Ms. Lydia Boesch, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Shannon Konstantinou, Administrative Specialist

And approximately 2 attendees, including 2 staff and 1 press

1. **Call to Order.**
   Mayor Strickland called the Village Council meeting to order.

2. **Update and discussion on Downtown Amenity Plan.**
   Mr. Batton and Mr. Apke gave a PowerPoint presentation outlining the completed, in process, and under consideration items of the Downtown Amenity Plan.

   Items completed: Lampposts & Flagpole Painted, Landscape Renovation, Parking Wayfinding Signs, and Benches Painted.

   Items in process: Trash Receptacles (waiting on samples), Planters (on order), Brick Curbing Replacement (teardrop beds in front of Department Store building, quote in-hand), Bollards (looking at options, waiting on samples), Additional Benches Received (waiting on remaining bench slats), Asphalt Resurfacing (Chinquapin, Cherokee, Market, Everett, Village Green West; process from July 02, 2023 to November 09, 2023 [coincides with NCDOT road work and Downtown business parking lot work]), Addition of 7 Car or 13 Golf Cart Parking Spaces (along the side of the Theatre building, public property, surveys being done), All-Way-Stop at the intersection of Chinquapin Rd. and Magnolia Rd., and Stormwater Improvement (along Chinquapin and Magnolia to Dogwood).

   Items under consideration: Sidewalk Widening on Chinquapin Rd., Sidewalk on West Side of Market Square (loss of 5 parallel parking spaces), and Golf Cart Parking Expansion (Market, Chinquapin, Cherokee; 3 cart parking spaces within a single car parking space; gain 12 cart parking spaces for the loss of 4 car parking spaces).

   Councilmembers, Mr. Sanborn, Mr. Batton, and Mr. Apke discussed the financial, scheduling, and quality of life considerations for the

Village, local businesses, and residents which impact the implementation of the Downtown Amenity Plan items.

It was determined a combination of car, golf cart, and some landscaping would be looked at along the side of the Theatre building.

It was determined pulling back the landscaping by 1 to 2 feet along Chinquapin Rd. would be the best approach to widening the sidewalk in front of the real estate office only.

It was determined the loss of 5 parking spaces to install a sidewalk on the west side of Market Square would not be beneficial and research on the installation of a bollard or curbing to help with traffic flow / congestion in the area would be done.

It was determined to only transition a couple car parking spaces to golf cart parking spaces to ease into the golf cart parking expansion item and to look at re-striping all parking areas downtown to address the lack of ADA compliant parking spaces.

Councilmember Boesch asked if a species of grass could be planted in Village Green that would withstand heavy use better due to the current grass looking very bare. Mr. Batton stated there are species of grass specifically grown for heavy use areas but there are other considerations such as lack of light or fertilization that impact the growth of grass. Mr. Batton stated this issue will be looked into.

3. Update on Stormwater Management and Master Plan.

Mr. Apke provided a handout to Council members on the Stormwater Management and Master Plan, which summarized the timelines and processes for each of the two phases of implementing the plan. McGill and Associates have been contracted by the Village to complete a Stormwater Management and Master Plan. A very comprehensive presentation will be given to Council in the near future (late July – August 2023).

Councilmember Hogeman asked whether design to meet 25-year storm requirements would be used instead of 10-year storm requirements. Mr. Apke stated the 25-year storm requirements were part of the design elements.

Councilmember Pizzella verified with Mr. Apke that the presentation will be advertised to residents so those interested may attend.

4. Discussion regarding naming the Council Conference Room in honor of Former Council member and Mayor Ginsey Fallon.

Mr. Sanborn reviewed the memo submitted by Mr. Doug Willardson recommending the naming of the Council Conference Room in honor of Ms. Ginsey Fallon, former Council member and Mayor, and stated this honor is in line with the policy recently adopted.

Mayor Strickland gave a brief background on the intention behind honoring Ms. Fallon.

All Councilmembers expressed support for naming the Council Conference Room in honor of Ms. Fallon.

It was determined honoring Ms. Fallon would be done by placing the wooden American Flag that had belonged to Ms. Fallon and was donated to the Village after Ms. Fallon's passing inside the Council Conference Room, changing the room's door sign, and having an acknowledgement or proclamation at an upcoming Council meeting.

5. Discussion on S-Line Passenger Rail Service

Mr. Sanborn provided background on the S-Line project restoring passenger rail service to the Pinehurst area, reviewed a draft copy of the endorsement letter to be sent to Secretary Buttigieg, a map of the existing rail lines and proposed S-Line project, the potential benefits and transportation solutions the rail service would provide to the community of Pinehurst, the S-Line project being named after the Seaboard Coast Line railroad company, the timeline for the project, and the building of a railcar manufacturing plant in nearby Lexington, NC.

All Councilmembers expressed support for the S-Line project and sending the letter of endorsement to Secretary Buttigieg.

6. Other Work Session Business

Mayor Strickland stated that the Dornoch Town Council in Scotland had passed a similar resolution to 23-25 creating a co-operative liaison of mutual benevolence agreement between Dornoch, Scotland and Pinehurst.

Councilmember Hogeman provided background on Moore County's plan to expand water and sewer service to other communities within the County; and discussed the location of existing treatment facilities, the need to upgrade or construct new treatment facilities / stations, the need to upgrade or install infrastructure, where to source water from and return water to, the need for an accurate growth and future use estimate, the need to research the impact expansion would have on the Pinehurst community, and the need for the local municipalities to have representation on the Moore County steering committee established to oversee the expansion plans.

7. Potential Future Agenda Items

Councilmember Boesch asked if Mr. Kevin Brewer, Buildings and Grounds Superintendent, would be able to come before Council to give an update on the Tree Survey. Mr. Sanborn and Mr. Batton both agreed Mr. Brewer would be able to provide Council with an update.

Councilmember Pizzella asked if an agenda could be put together for the Neighborhood Advisory Committee (NAC) for the September 2023 NAC meeting with information on all of the Downtown Amenity Plan items / events.

Councilmember Pizzella verified term limits are in place for Advisory Board members.

8. Motion to recess the Work Session and enter a Closed Session

Upon a motion by Councilmember Boesch, seconded by Councilmember Pizzella, Council unanimously approved at 08:11 PM to recess the work session and enter a closed session pursuant to NCGS §143-318.11(a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, by a vote of 5-0.

9. Closed Session

A Closed Session pursuant to NCGS §143-318.11(a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

10. Motion to adjourn the Closed Session and re-enter the Work Session

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn the Closed Session and re-enter the Work Session at 8:41 p.m., by a vote of 5-0.

11. Adjournment.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Morgan, Council unanimously approved to adjourn the work session at 8:41 p.m., by a vote of 5-0.

Respectfully Submitted,

Shannon Konstantinou,
Administrative Specialist

RESOLUTION #23-29:

A RESOLUTION REGARDING APPOINTMENT TO THE PINEHURST NEIGHBORHOOD ADVISORY COMMITTEE REPRESENTING DONALD ROSS AREA.

WHEREAS, the Village of Pinehurst established a Neighborhood Advisory Committee (NAC) in 2008; and

WHEREAS, the Village of Pinehurst officially reorganized the Neighborhood Advisory Committee (NAC) under the leadership of the Village Council of the Village of Pinehurst on the 11th day of April 2023; and

WHEREAS, there is a need to fill a vacancy on the Neighborhood Advisory Committee to represent the Donald Ross designated area; and

WHEREAS, Ms. Jennifer Tomilin and the Village Council of Pinehurst are desirous of Ms. Tomilin serving as a representative of the Donald Ross area on the Neighborhood Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 11th day of July, 2023 as follows:

SECTION 1. That the following appointment is hereby made to the Neighborhood Advisory Committee for the term indicated:

Ms. Jennifer Tomilin is appointed as a representative of the Donald Ross area on the Neighborhood Advisory Committee, effective July 11, 2023, said term to expire June 30, 2025.

THIS RESOLUTION passed and adopted this the 11th day of July, 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
John C. Strickland, Mayor

Attest:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF JUNE 27, 2023
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 June 27, 2023, in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:
Mr. John C. Strickland, Mayor
Mr. Patrick Pizzella, Mayor Pro Tem
Mr. Jeff Morgan, Councilmember via Zoom Platform
Ms. Jane Hogeman, Councilmember
Ms. Lydia Boesch, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Shannon Konstantinou, Administrative Specialist

And approximately 8 attendees, including 5 staff and 1 press.

1. **Call to Order.**
Mayor Strickland called the Village Council meeting to order.

2. **Invocation by Dan Francis and Pledge of Allegiance led by Mayor John Strickland**

3. **Reports:**

Village Manager

- Mr. Jeff Sanborn, Village Manager, reported the July 04th festivities for the Village will be held on Monday and Tuesday. On Monday, July 03rd, 2023 activities will be held at the Harness track beginning at 06:00 PM and continuing with fireworks at 09:15 PM (the weather will be monitored, and residents notified of any changes). On Tuesday, July 04th, 2023 activities will be held in the Downtown area of the Village beginning at 09:45 AM with the Pet Parade and continuing with the Main Parade at 10:00 AM.

Village Council

- Mayor Strickland reported attending the retirement ceremony of General Mennes, attending the Congressional Hearing held at Village Hall on the power outage that occurred in December of 2022, attending a service honoring Ms. Susan Strine held by the Greenway Wildlife Habitat Committee, and attending the Moore County Economic Development Partnership meeting which included information on the new Pinehurst Course No. 10 and USGA facilities.
- Mayor Pro Tem Pizzella reported attending Neighborhood Advisory Committee (NAC) meeting,

reminded residents there are still vacancies on the Committee, and encouraged residents to apply.

- Councilmember Boesch reported on the pride the Community should feel over the efforts made to welcome the U.S. Open organization and visitors to Pinehurst, on the Men's North & South Amateur tournament being held at Pinehurst No. 2 and No. 4, and on the Convention & Visitors Bureau signs to be posted at various entrances to Moore County.
- Councilmember Hogeman reported attending the Neighborhood Advisory Committee meeting which included information on the Metropolitan Planning Organization (MPO) to be formed and attending several Moore County Board of Commissioners Task Force meetings on growth and new development which included information on Moore County Public Utilities' plans to expand water and sewer services to more communities within Moore County and the upcoming County Land Use Plan update.
- Councilmember Morgan reported attending the retirement ceremony for General Mennes and asked for the community to remind each other that fireworks should only be handled by professionals to help reduce the number of fireworks injuries to both adults and children that occur during the July 04th holiday each year.

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.

A. Approval of Village Council Meeting Minutes
   - June 13, 2023, Council Regular Meeting
   - June 13, 2023, Council Work Session

B. Budget Amendments Report

End of Consent Agenda.
Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved the Consent agenda by a vote of 5-0.

5. Motion to recess the Regular Meeting and enter into Public Hearing No. 1.
Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to recess the Regular Meeting and enter Public Hearing No. 1, by a vote of 5-0.

6. Public Hearing No. 1 – Request for Voluntary Annexation (Trotter Drive).
Mr. Cameron gave a PowerPoint presentation containing background and information on the voluntary annexation request (the properties to be annexed are four parcels owned by Red Pines Investments, LLC and are located along Trotter Dr. east of NC Hwy 5 and consist of approximately +/- 7.86 acres of land), reviewed the requirements of NCGS 160A-31 regulating annexations and outlined how the voluntary annexation request meets those requirements, reviewed how the voluntary annexation is located within the agreed upon area Pinehurst may annex per the annexation agreement with Aberdeen adopted in 2010, reviewed the timeline and process for voluntary annexations the Village must follow, stated to date Staff had not received any future development plans and the properties are located within the Pinehurst South Form Based District (Block H) so new development would be subject to the newly adopted zoning regulations and requirements, and outlined the potential benefits allowing the annexation would have for the Village and presented Council with the options available to them regarding approval and future development.

Mayor Strickland asked for clarification on the development options for the lots with existing structures. Mr.

Cameron stated the current use and structures are allowed to remain, any future development would still need to follow the process outlined earlier even if those current structures remain, and any vested rights would have had to be claimed in the application and would have lapsed a long time ago due to how long the existing structures have been there.

Mayor Strickland asked for further details on what new development would be permitted in this area. Mr. Cameron stated based on the newly adopted regulations, single-family detached development would be capped at 7 units per acre and single-family attached development would be capped at 9 units per acre.

Mayor Strickland verified with Mr. Cameron there would be development happening on the property soon and expressed the hope that some Workforce and affordable housing needs would be met by the development.

Councilmember Hogeman asked for further information on the well lot owned by Moore County that is adjacent to the proposed annexation property (just to the north across Trotter Dr.). Mr. Cameron stated that lot is owned by Moore County but is not an active well lot at this time. Mr. Batton, also, confirmed the well site is owned by the County but is not active and has been capped.

Councilmember Boesch stated Council had heard about these properties and possible development there for over a year, asked if the Applicant waited to submit the application for annexation until after the Small Area Plans and Form Based District had been approved and adopted, and asked if there is any information on what specific type of development will be proposed. Mr. Cameron verified the Applicant waited until the Small Area Plans and Form Based District were finalized, and stated the Applicant had been involved with Staff gathering information and keeping up to date on the progress of the approval and adoption of the new regulations. Mr. Cameron, also, stated the Applicant has indicated they would be willing and able to meet the type of development required by the newly adopted regulations.

Councilmember Pizzella asked what tax revenue benefits (if any) the Village would receive from the annexation and where the tax revenue from the properties is currently paid. Mr. Sanborn stated only Moore County taxes are paid at this time.

Councilmember Pizzella verified the property adjacent to the proposed annexation area is located within the Pinehurst Extra-Territorial Jurisdiction (ETJ) and is not densely populated, and reviewed some of the areas surrounding the proposed annexation area.

Councilmember Pizzella asked how long the Technical Review process took for the proposed annexation. Mr. Cameron stated the process took a couple of weeks to complete.

Mayor Strickland noted not all of the roads in the area connect through to the North. Mr. Cameron verified Mayor Strickland's statement and stated this lack of connectivity contributes to the transportation woes in the community.

Mr. Sanborn stated it is important to not only consider the present but, also, the future implications of requests such as the one before the Council, how the decisions made now will impact future development in the area and impact the community as a whole; and complications can come from denying annexation requests such as this when other annexation requests in the area are submitted, and can further complicate the patchwork type boundaries of the community and the provisioning of services to this area of the community. Councilmember Hogeman echoed Mr. Sanborn's sentiment stating the properties area "polka dot".

Mayor Strickland stated his view of the Village's approach to annexation requests has always been that such requests should be cautiously considered, however, this group of four lots seem to be a perfect fit.

Councilmember Boesch noted this annexation request differs from most annexation requests received in that the developer is applying for voluntary annexation prior to developing the property. Mr. Sanborn and Mr. Cameron stated generally the annexation requests are not necessarily submitted "post" development as the Village would have been given a general idea of the type of development to occur and most would have been "by rights" developments meaning a legislative process would not have to be followed in order for development to occur. If a rezoning were required for development, generally the rezoning request and annexation request would be handled during the same Public Hearing with the rezoning being voted on first with the annexation vote directly following.

Michael Etowski, Red Pine Investments, LLC, stated the company intended to seek annexation since purchasing the property, residents are currently living in a type of "landlocked" situation, the properties are currently receiving Pinehurst services and are access via Pinehurst roads, there is concern over how to correct issues with jurisdiction without affecting services, the company has been monitoring the Small Area Plans progress and are happy the moratorium has been lifted, there are concepts in place that will be brought forward in the near future, and the company is looking forward to working with Council to complete the vision on what will be the first project under the new regulations and to being a good example.

Mayor Strickland asked if there were any other members of the audience who wished to speak on this issue. None came forward.

7. **Motion to adjourn Public Hearing No. 1 and re-enter the Regular Meeting.**
Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn Public Hearing No. 1 and re-enter the Regular Meeting, by a vote of 5-0.

8. **Discuss and Consider Ordinance 23-16 (Annexation).**
Mayor Strickland stated he found the annexation request to be a very supportable project and thanked one of the Owners for being present, however, there are issues of annexation and policy for the Council to consider. Mayor Strickland asked if there were any further comments from Council.

Councilmember Boesch expressed support for the annexation request and echoed the sentiment that annexation of these properties will help "cleanup" the boundaries of the Village.

Councilmember Hogeman stated the annexation request will take a "polka dot" and blend it into the background of the rest of the Village and makes sense.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Ordinance 23-16 for the voluntary annexation of four parcels located in the vicinity of Trotter Dr. currently owned by Red Pine Investments, LLC; parcel ID's 00052965, 00052966, 00052967, and 00052968, by a vote of 5-0.

9. **Discuss and Consider Ordinance 23-15 Amendment to FY 2023 Budget for GASB 96 Subscription-Based IT Arrangements.**
Mr. Sanborn stated the requested amendment will help the Village to come into compliance with the new GASB requirements for the FY2023 budget before closing out the fiscal year.

Ms. Van Nostrand stated the GASB requirement is a very technical standard that involves analyzing the Village's IT subscription agreements to determine which agreements involve multi-year agreements or anticipated multi-year renewal agreements, detailed how this type of reporting benefits governments and how it differs from the way these subscriptions were previously reported, reviewed Ordinance 23-15, detailed how the different types of subscriptions (licensing or per user) are reported for current fiscal year debt and future liability, the adjustments made for internal charges to IT, and stated this amendment will bring the budget report for FY2023 into compliance and an additional amendment will be presented for FY2024 to, also, bring that report into compliance.

Mayor Strickland stated he was impressed with the capabilities of Staff and the system to sort out the details and explain what was required, and expressed support for adopting the amendment to comply with reporting requirements.

Councilmember Boesch asked for clarification on how it is confirmed that the accounting method used by the Village conforms to the GASB requirements. Ms. Van Nostrand stated there should be mention either in the Auditor's Report or in the footnotes on the summary of significant accounting policies that the GASB Standards are followed as the primary generally accepted accounting principle, and the Audit Report provides some assurance certainty and is the primary means by which the accounting methods used by the Village are confirmed to be in compliance. Ms. Van Nostrand further stated a lot of research and due diligence is done by Staff along with the work of the Auditor to ensure standards of reporting are met by the Village.

The Council and Ms. Van Nostrand discussed the increasing complexity of financial reporting for local governments and the Village's upcoming projects adding to the complexity.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Ordinance 23-15 amending the FY 2023 Budget for GASB 96 Subscription-Based IT Arrangements, by a vote of 5-0.

10. Discuss and Consider Resolution 23-18 to Commit Fund Balance for Future Capital.

Ms. Van Nostrand stated this item was incorporated into the fund balance policy several years ago and has been addressed at the end of each fiscal year since, and this policy allows that, if there is a fund balance in excess of 40% of the actual general fund expenditures in the year-end report, will allow the Village to report the funds in excess of 40% as designated for future capital projects. Ms. Van Nostrand further explained the designations may be adjusted or amendment by Council action should the needs of the Village change.

The Council and Ms. Van Nostrand discussed the funds remaining in the General Fund but being committed for future projects, and the difference between these types of funds and funds attached to specific projects that may not be changed (such as the Library funds).

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Resolution 23-18 to Commit Fund Balance for Future Capital, by a vote of 5-0.

Mayor Pro Tem Pizzella asked for clarification on the inclusion of Resolution 23-07. Ms. Van Nostrand stated Resolution 23-07 was included as an attachment to Resolution 23-18 as a reference for the Fund Balance Policy and Resolution 23-07 was approved in March of 2023.

Mayor Pro Tem Pizzella asked Ms. Van Nostrand to provide a history of the Fund Balance Policy changes since the original adoption of the policy in 2003. Ms. Van Nostrand stated she would provide information on the changes for Council. Mayor Pro Tem Pizzella stated after reviewing the information Ms. Van Nostrand is to provide, he would like to discuss the Fund Balance Policy at a future Council meeting and possibly propose a change to the policy.

11. **Discuss and Consider Resolution 23-26 Changes to the Policy on the Administration of the Position Classification and Pay Plan.**

Mr. Sanborn provided background on the yearly changes to the policy on the Position Classification and Pay Plan, which are done to remain competitive in the job market, and stated Resolution 23-26, also, proposes changes to how the Position Classification and Pay Plan are implemented.

Ms. Kantor reviewed the main bullet points of Resolution 23-26 outlining the proposed changes to the Policy on the Administration of the Position Classification and Pay Plan and gave a brief background on each change.

Mr. Sanborn stated the proposed changes are intended to address two primary problems facing the Village: 1. Making the administration more equitable and fairer, and 2. Compression of pay within a classification between an experienced employee and a newer employee.

Ms. Hogeman asked what the financial impact of these changes would be on the budget. Ms. Kantor stated the financial impact of the proposed changes on the budget would be an increase of about $35,000 to $40,000 total.

The Council, Mr. Sanborn, and Ms. Kantor discussed how the proposed changes to the administration of the Cost of Living Adjustment (COLA) and merit increases will be pro-rated, how the proposed changes help address the issue of salary compression, the use of MAPS for Position Classification review (6 year relationship), the Village's position within the peer group for salary comparisons / competitiveness (the proposed changes will place the Village in a good, comparable position to those within the peer group), and the difference between each grade classification.

Mayor Pro Tem Pizzella asked for clarification on how exempt versus non-exempt status is determined. Ms. Kantor stated nothing significant has changed in positions to warrant a review of exempt versus non-exempt status, the last status change took place in 2019, and the Village takes care to ensure a truly non-exempt position is not incorrectly classified as exempt.

Mayor Pro Tem Pizzella asked if the anticipated COLA for the following fiscal year will decrease. Ms. Kantor stated she anticipated the COLA for following fiscal years will decrease as inflation has decreased.

Mayor Pro Tem Pizzella asked for clarification on whether the reclassification of one of the positions from a grade of 19 to 18 was position or person specific and whether the individual in that position will see a change in their salary as a result. Ms. Kantor stated the reclassification was position specific and based on changes to the responsibilities of that position, and the individual will not see a change in their salary as they are still within the acceptable range for the new position classification.

The Council, Mr. Sanborn, and Ms. Kantor discussed how the 0-3% merit rase is determined and allocated.

Councilmember Boesch asked whether the proposed changes address some of the retention problems the Village and others around the country are having. Mr. Sanborn and Ms. Kantor stated it is hoped these changes will help.

Ms. Hogeman verified the increases proposed are already accounted for in the FY2024 budget. Ms. Kantor stated the increases proposed are already accounted for in the FY2024 budget.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Resolution 23-26 Changes to the Policy on the Administration of the Position Classification and Pay Plan, by a vote of 5-0.

12. Other Business

Mayor Pro Tem Pizzella asked for an update on the construction being done in the upstairs portion of Village Hall. Mr. Sanborn stated construction is complete.

Councilmember Hogeman read a prepared statement thanking the residents of Pinehurst for their valuable advice, suggestions, and feedback over the last four years; announced her intention not to seek re-election; and expressed her appreciation for her time serving on the Council.

13. Comments from Attendees.

None.

14. Motion to Adjourn

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn the Regular Meeting by a vote of 5-0 at 5:55 p.m.

Respectfully Submitted,

Shannon Konstantinou,
Administrative Specialist

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