VILLAGE OF PINEHURST 1895

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,

Kelly Chance

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