



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF JUNE 14, 2022
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 14, 2022 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
Ms. Lydia Boesch, Councilmember
Mr. Jeff Morgan, Councilmember
Ms. Jane Hogeman, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Kelly Chance, Village Clerk

And approximately 33 attendees, including 8 staff and 1 press

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Reports:

Village Manager

- Mr. Jeff Sanborn had nothing to report.

3. Village Council

- Mayor Strickland reported he attended the Sandhills Motoring Festival this past weekend and honored those who sacrificed their lives for this country. He attended the US Open Women's Champion and met many representatives of USGA. He attended the ribbon-cutting for the USGA building. He met with Senator Boles on Saturday at the Sandhills Community Baseball game where he threw the first ball out.
- Councilmember Boesch reported she attended the CVB meeting where they stated from all appearances, the Women's US Open was a success. She noted ticket sales were 50% above the three-year average of sales based on pre-COVID numbers. She also noted that of the 150 players on the field, 49 had come through the US Kids golf program.
- Mayor Pro Tem Pizzella attended the Pinehurst Number 6 HOA meeting with about 75 in attendance. He noted they had some representatives from the Pinehurst Resort and Country Club and the presentation was on the adaptive open that is coming up. He stated the tickets are free and encouraged the community to attend.
- Councilmember Hogeman reported the Pinehurst Business Partners will be holding its late till eight evening shopping on Thursday evenings, the fourth Thursday of the month throughout the summer. She noted the dates are June 23, July 28, and August 25th.
- Councilmember Morgan had nothing to report

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.
 - o April 26, 2022, Council Regular Meeting
 - o April 26, 2022, Council Work Session
 - o April 26, 2022, Council Closed Session
- B. Pulled out Item C to bring back at a later Council meeting

End of Consent Agenda.

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

5. Waste Management

Jeff Batton, Assistant Village Manager of Operations, reported the contract for waste management expires on June 30th and he presented Council with a request to consider renewal of the solid waste services at a negotiated increase of 5.3%. He noted they have not received any increase in the last two years and since they started out at 8.49% and negotiated down to the 5.3%, he does not feel will be able to get a better deal. Mr. Batton stated we are seeing shortages in carts, and with inflation running the way it is and the fuel instability, it would potentially cost us a lot more if we put this out to bid.

Mayor Pro Tem Pizzella asked when the contract was last negotiated and how many years it has been in place, to which Mr. Batton stated the previous amendment was a two-year arrangement, but the original contract we have had with them since 2010 and this will be the sixth amendment to that contract. Mr. Pizzella asked how much lead time would be needed next year to have a contract out in time for a bid and negotiation process, to which Mr. Batton stated they would put something out in late winter. Mr. Batton noted the preparation to make a switch is significant when you think about flipping out 900 homes of the various trash carts and recycling carts.

Upon a motion by Councilmember Boesch, seconded by Councilmember Hogeman, Council unanimously approved to authorize the mayor or his designee to execute a one-year extension to the contract with Waste Management with a negotiated increase of 5.3% in annual value at approximately \$270,000, effective July 1, 2022 and expiring on June 30, 2023, by a vote of 5-0.

6. Accella Contract Renewal – Planning and Inspections

Jason Whitaker, IT Director, presented Council with a contract renewal for Accela, the software for land management the Village uses for our permitting and inspections. He noted other departments use it as well across the village. Mr. Whitaker stated the renewal rate asked for is a 7% increase over last year and this will continue going forward. He noted the company offered a 3% uplift each year if we do a five-year-agreement with them so staff is requesting Council agree to the five-year renewal.

Mr. Whitaker stated by going with the five-year extension, we would save approximately a little over \$33,000 due to the 3% versus 7%. Mayor Pro Tem Pizzella asked if the Village Attorney had looked at the contract and stated if not, he would like him to review it and for staff to look at other software options.

Darryn Burich stated it is a very complex system that requires specialized training for his staff, who are now fully trained. This took a year and a half to get to this point and an additional concern would be what would happen to all our records that are stored if we changed software.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Morgan, Council unanimously approved to authorize the mayor or his designee to execute a five-year renewal contract with Accela Civic Platform for permitting and inspection software at a starting cost of \$50,346, that increases at a rate of 3% per year, effective July 1, 2022 and expiring on June 30, 2027, by a vote of 5-0.

7. Discuss and Consider Resolution Janet Farrell

Village Manager Jeff Sanborn presented Council with a resolution prepared for their consideration to appoint Janet Farrell to be the new Chairperson of the Beautification Committee, following the expiration of Dee Johnson's term. He noted this will be a two-year term, beginning July 1, 2022.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously voted to approve Resolution 22-08, appointing Janet Farrell as Beautification Committee Chair for a two-year term, beginning July 1, 2022, and expiring on June 30, 2024, by a vote of 5-0.

8. Discuss and Consider Resolution Sonja HPC committee – Chair stated ... Jeremy Hooper in support

Village Manager Jeff Sanborn presented Council with a resolution prepared for their consideration to reappoint Sonia Rothstein to both the Planning and Zoning Board and Board of Adjustment for a second term, with the support of Chairperson Jeremy Hooper.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Boesch, Council unanimously approved Resolution 22-16, reappointing Sonia Rothstein to the Pinehurst Planning and Zoning Board and the Board of Adjustment for a July 1, 2022 term that expires on June 30, 2024, by a vote of 5-0.

9. Fund Balance

Brooke Hunter, Financial Services Director, stated Governmental Accounting Standards Board (GASB) Statement No. 54 established fund balance classifications and the various constraints for each category. She noted the categories listed from most to least restrictive are as follows: nonspendable (not in spendable form – i.e. inventory), restricted (by external sources), committed (by the government's highest decision-making authority), assigned (intended to be used for specific purposes), and unassigned (can be used for any purpose).

Ms. Hunter stated the Village's Fund Balance Policy was amended on February 9, 2021 by Resolution 21-03 to include a provision that allows Council to commit a percentage of fund balance for future capital needs if fund balance at year-end exceeds 40% of actual General Fund expenditures. She noted this commitment may take place in the form of a separate resolution each year to ensure a clear trail of Council's intent to commit the funds for future capital. Ms. Hunter reported to commit fund balance for a fiscal period, action must take place before year end. She stated the calculation of fund balance committed for future capital will occur after fiscal year end and will be reported in the Annual Comprehensive Financial Report (ACFR). Ms. Hunter noted once Council commits a portion of fund balance, those constraints may only be changed by another formal action by Council.

Ms. Hunter provided Council with an example of last year's calculation and the presentation in the FY 2021 ACFR. She stated Resolution 22-15 is presented for Council consideration, which would commit these excess funds for future capital as of June 30, 2022. She stated if approved, this amount will be reported under the committed fund balance category in the FY 2022 ACFR.

Mayor Pro Tem Pizzella noted we have an excess of the 40% number, which is our policy, and we want to have between 30 and 40%. Ms. Hunter stated it will be an excess of 40% of actual. She noted there are two different calculations here and that 30% is 30% of budgeted expenditures at the beginning of the year. She stated that is at our planning time when we are preparing the budget for the upcoming year. She stated when you are looking at the five-year forecast, we are setting a budget that will ensure that we keep at least 30% of fund balance, total fund balance on budgeted expenditures, and so the 40% is based on actual expenditures at the end of the year. Mayor Pro Tem Pizzella noted he remains concerned that our policy of 30% is too high.

Councilmember Hogeman stated we have a one-time \$5.3 million American Rescue Planned windfall and if we take this money and set it over to the side, because it is a windfall, she asked if we would still be solvent. Ms. Hunter stated we have received half of the ARP special revenue fund as of June 30, 2022, it's still going to be sitting in the special revenue fund. She noted it is not going to affect the decision that Council makes here tonight for this resolution. She stated this is specific to the Fiscal Year 2022 funding financial statements. Ms. Hunter stated the plan is in FY 2023, to balance the budget with that money from the American Rescue Plan Act and funnel those funds in so that the first year that we are seeing that money come into play in the general fund

will be in fiscal year 2023.

Upon a motion by Councilmember Boesch, seconded by Councilmember Hogeman, Council unanimously approved Resolution 22-15, to commit excess funds to the fund balance for future capital as of June 30, 2022, by a vote of 5-0.

10. Adopting the budget

Village Manager Jeff Sanborn stated Ordinance #22-05 adopting the Village of Pinehurst FY 2023 Budget is hereby presented for Council review and approval. He stated this ordinance is based on the budget that was presented by the Village Manager on May 10, 2022, and no changes have been made to the budgeted amounts since that time.

Mayor Pro Tem Pizzella stated he had an inquiry from a citizen regarding a position for an archivist and wanted to know if the FTEs being added were designated to specific positions. Brooke Hunter stated in Fiscal Year 2023 there are a couple of positions planned and in an out-year for the library once the expansion occurs and those positions have not been specifically named. Mr. Sanborn noted that there is a person in a dual-purpose Library and Archives associate role already.

Upon a motion by Councilmember Morgan, seconded by Councilmember Hogeman, Council unanimously approved Ordinance 22-05, adoption the FY2023 Budget for the Village of Pinehurst, by a vote of 5-0.

11. Library capital ordinance

Brooke Hunter presented for Council consideration, a capital project ordinance that will create a multi-year capital project fund to accumulate costs for the Given Memorial Library and Tufts Archives expansion. She noted the ordinance initially funds the architectural and design costs with a transfer of \$400,000 that is appropriated in the FY 2022 General Fund budget. Ms. Hunter stated after the expansion is designed and construction costs are estimated, the capital project fund budget will be amended to include construction and other costs associated with the project.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Ordinance 22-06, adopting the library expansion capital project fund for the design and construction of an expansion of the Given Memorial Library and Tufts Archives Building for the Village of Pinehurst, by a vote of 5-0.

12. Small Area Plan

Darryn Burich, Planning and Inspections Director, stated Council is being asked to consider action on the Village Place Small Area Plan. He noted at its May 5, 2022 meeting, the Planning and Zoning Board, received public comments, discussed, and has provided a recommendation to Council on both the Village Place and Pinehurst South plans. He stated it is important to note that as Council considers the plan to understand what a plan does and what it does not do after approval. Mr. Burich noted Plans in and of themselves do not create a desired future and are not self-implementing.

Mr. Burich presented Council with four (4) options:

1. Support the non-residential land use pattern along Magnolia Road
2. Support residential single family attached or detached along Magnolia Road, retaining the single family detached pattern
3. Support residential single family detached only along the Magnolia Road frontage.
4. Flexible Option along Magnolia that allows residential or non-residential along Magnolia within the original focus area boundaries and maintain the single family detached transition to Caddell Road.

Mr. Burich presented slides detailing what each of the proposed areas might look like. He stated it is hard to pull verified statistics on trip generations and actual costs. Councilmember Morgan asked why the Planning and Zoning Committee recommended option four, to which Alex Cameron stated the committee felt it was worthwhile to preserve the original boundary and exclude those three lights on the west side directly across and preserve single family detached residential along Caddell road.

Councilmember Hogeman stated her concern is that the existing zoning on the West Side of Magnolia is R10 except for the Traditions Parcel which is (VR) Village Residential. She noted village residential permits have a great deal of flexibility within

residential areas, including different types of buildings. She noted it can be single family attached or detached such as condos and townhomes. She noted on the East side of Magnolia is Village mix use and that is what it should stay to allow the current residents a separation.

Mayor Pro Tem Pizzella stated his disappointment that these consultants did not come and meet Council in person and present their plan. He stated three things need to occur which is to relocate the public services complex, relocate the EMS, and relocate the water tanks. He stated to the west of Magnolia, there should be remaining single family or detached, however it is done, or a townhouse, but just not be commercially developed.

Councilmember Boesch stated it was Jack Farrell's comment in the staff memo that convinced her that the public has been told for two years basically what Option four states and so that is her preference. Councilmember Hogeman stated she would like to see the second clause of option 4 added to option 2: take out the second word non-residential and third word and support single family attached or detached along the Magnolia Rd frontage. She noted this would retain the single family detached pattern to the West in the boundary.

Darryn Burich stated you can choose option four, take out non-residential and say support single family attached or detached, which basically takes out the non-residential land use.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council approved to support residential single family attached or detached along the Magnolia Road frontage retaining the single family detached pattern to the west and the boundary of the Small Area Plan to revert to the initial boundary as designed in the Focus Area and original Plan as shown to the public in 2021, by a vote of 4-1 with Councilmember Morgan casting the no vote.

13. Other Business.

Mayor Pro Tem Pizzella provided Council with a proposed text amendment to the Pinehurst Development Ordinance addressing short-term rentals, but no discussion ensued.

14. Comments from Attendees.

- Phillip Sounia, 29 Bedford Circle, addressed Council on short-term rentals about public policy and suggested the usage of third-party operator group.
- Linda Guerrero, 15 McQueen Rd, addressed Council about future growth of commercial in residential areas.
- Jeff Heintz, 225 Lake Forest Dr, addressed Council on short-term rentals and in opposition to a third-party operator group.

15. 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 6:57 p.m.

Respectfully Submitted,



Kelly Chance,
Village Clerk

*A videotape of this meeting is located on the Village website: www.vopnc.org
Vision: The Village of Pinehurst is a charming, vibrant community, which reflects our rich history and traditions.
Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.
Values: Service, Initiative, Teamwork, and Improvement*