VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF JUNE 13, 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 13, 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. Kelly Chance, Village Clerk

And approximately 30 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, Village Manager, had no report.

   Village Council

   - Mayor Strickland reported he attended the Sandhills Concourse Motoring Weekend and reported it is a great event for the Sandhills. He stated he attended the Memorial Day Services and Shakespeare in the Pines. He stated he attended several MPO meetings over the last few weeks. He stated the Council has pulled a proposed Resolution #23-20 that will be discussed at a future date.
   - Mayor Pro Tem Pizzella reported he appreciates the staff who puts out the American flags over the holiday. He stated he recently took family to the watersplash park and Cannon Park and is very thankful for these amenities. He stated he attended the Moore County Economic Partnership meeting this past week and learned about the partnership with Habitat for Humanity.
   - Councilmember Boesch reported she, along with the mayor, took the train ride offered by a local resident. She stated June 14th is National Army Day – 148 years old.
   - Councilmember Hogeman reported she has been following the Moore County Task forces, including the Water and Sewer, and Land Use. She noted they are considering adding an ad hoc committee for Land Use and considering many other projects.
   - Councilmember Morgan reported he attended the Memorial Day Service and is very appreciative of

the event. He noted on the 14th Flag Day, Fort Liberty is a big part of our area and glad to have them.

3. **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
   - May 23, 2023, Council Regular Meeting
   - May 23, 2023, Council Work Session

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.

4. **Discuss and Consider Resolution #23-19 to Amend the Capital Assets Policy.**
Finance Director, Dana Van Nostrand, reported in FY 2022, the Village adopted Government Accounting Standards Board (GASB) Statement No. 87, Leases (GASB 87), and in FY 2023 the Village is adopting GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). GASB 87 and GASB 96 created two new types of intangible capital assets, right-to-use lease assets and right-to-use subscription assets.

Ms. Van Nostrand reported the Village's Capital Assets Policy needs to be amended to include these two new types of intangible assets. She stated both GASB 87 and GASB 96 include a provision that the statements need not be applied to immaterial items. She noted this amendment to the policy will help facilitate the Village's adoption of GASB 96 in FY 2023 as subscription-based information technology arrangements (SBITAs) that are valued at less than $5,000 will not be required to be recognized and reported under GASB 96 based on the Village's capitalization threshold of $5,000 in the Capital Assets Policy. She reported additionally, any new right-to-use lease assets valued under $5,000 will not be recognized and reported upon adoption of this policy. She stated the Village's capitalization threshold of $5,000 essentially means the Village considers items below $5,000 to be immaterial to the financial statements (i.e., exclusion of the item would not influence the judgment of a user of the financial statements), both individually and in the aggregate.

Ms. Van Nostrand reported this amended policy also adds software as an asset classification. Software costing over $5,000 has been capitalized in the past by the Village even though it was not specifically defined in the policy. She stated the final amendment to the policy is the addition of criteria to capitalize "bulk purchases" of identical or related assets purchased at or near the same time that cost less than $5,000 per unit. She noted this is required by GASB for financial reporting periods beginning on or after June 15, 2023 (the Village's fiscal year 2024). She reported the concept ensures capital assets aren't being materially understated by excluding purchases of items that are individually below the capitalization threshold but are significant in the aggregate. She stated the items still need to meet the criteria that they have a useful life of more than one year. She noted items that typically meet this "bulk purchase" criteria for capitalization include computers, furniture, and library books.

Ms. Van Nostrand reported the Village does not make bulk purchases of assets that would meet these criteria often. Mayor Pro Tem Pizzella and Councilmember Boesch asked questions about the policy's agreement with our Public Accountant auditors.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution 23-19 to amend the Capital Assets Policy, by a vote of 5-0.

5. **Discuss and Consider FY 2024 Budget Ordinance #23-14.**
Jeff Sanborn, Village Manager, and Dana Van Nostrand, Finance Director presented Ordinance #23-14 Adopting the Village of Pinehurst FY 2024 Budget for Council review and approval. Mr. Sanborn reported this ordinance is based on the budget that was presented by the Village Manager on May 9, 2023, and no changes have been made to the budgeted amounts since that time. Mayor Strickland stated this is a one-year budget within a five-year plan, with the budget being constructed with the goal to reach the five-year plan.

Mayor Pro Tem Pizzella stated he recommends lowering the proposed tax rate from $0.23 to $0.22 based on the county tax revaluations and other items causing the community to be hard hit. He stated he feels the Village can comfortably lower the one (1) cent and still fully meet the obligations for the current year and for the outlying years. He stated the amount left over from this cut, still leaves the Village in good condition. He stated $0.22 is closer to the revenue neutral amount suggested and will leave the community with a little more money in their pocket. He noted that historically the Village has around 60+% left at the end of the year, while our policy is 30%. He asked the Council to consider dropping the proposed tax rate from the $0.23 to $0.22.

A motion was made by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, strike the proposed $0.23 to $0.22 in the budget.

Councilmember Boesch stated if this passes staff would have to redo the whole budget and submit a new budget ordinance, to which Village Manager Jeff Sanborn agreed. She stated that this ordinance that has been presented works and we have succeeded each year, even those unique, with finding a stable and workable budget. She stated her sense is that many of the Pinehurst residents will be fine with the amount of work the staff has put into this process and this ordinance as submitted allows us to not be hurt in the outer years.

Councilmember Morgan stated he appreciates the staff's work that was done on this and he appreciates that this is a five-year plan, which is a smart way to budget. He noted that the true tax for government is shown in what the government is spending. He stated that if we have to meet larger expenditures in the outer years, we will be looking at raising the taxes down the road. He stated with the current state we are in now; he does not think it would be fiscally responsible for the village and does not support the change.

Councilmember Hogeman stated the budget was put together very conservatively, while taking into consideration a lesser revenue pull than will be expected. She stated at the end of the year this would leave us some wiggle room by doing this. She stated the Moore County valuations did affect the residents, unevenly, rising more than commercial properties. She noted this shifted the weight of burden onto the residents, with smaller condos etc., taking the hit. She stated we need to try to stay as close to revenue neutral as we can because of this shift and so she thinks it important to lower the one cent for a year.

Mayor Strickland stated that he feels it is important to have consistency for the taxpayer, and while this will provide some relief this year, we will be causing undue stress when we have to up it again for the future years. He stated the staff worked in a drop from $0.235 down to $0.23 and found this a strong decision for long-term stability and consistency.

Mayor Pro Tem Pizzella stated this $600,000 is coming off of the $18.4 million we have in the reserve fund, and we have debt financing planned downstream. He stated we have excess planned in the future and we are always looking healthy, thus he thinks providing this drop is a way of restoring the good faith in our residents. He noted he thinks the staff did a good thorough job on the expenses, but he wants to save the taxpayers money.

Councilmember Morgan stated that things can change, up and down, and this budget is an estimate. He stated by keeping it where it is at, according to staff compiling good data, we are ensuring fiscal stability. He stated if we lower this a penny this year it is putting the Village in the spot of having to raise this in the future.

Vote was pulled for the motion made by Mayor Pro Tem Pizzella. Councilmember Morgan, Councilmember Boesch, and Mayor John Strickland voted no, with Councilmember Hogeman and Mayor Pro Tem Pizzella voting yes. Motion failed, by a vote of 2-3.

Upon a motion by Councilmember Boesch, seconded by Councilmember Morgan, Council unanimously approved Ordinance 23-14, adopting the Village of Pinehurst FY 2024 Budget, by a vote of 5-0.

6. **Discuss and Consider Resolution #23-21 Appointment of Kevin Reed to P&Z and BOA.**
Jeff Sanborn, Village Manager, stated there is a need to fill a vacancy on the Planning and Zoning Board and Board of Adjustment. He stated Mr. Kevin Reed is being presented and is desirous of serving as a member of the BOA and P&Z Boards. He stated staff is asking Council to consider Mr. Reed to this appointment, effective June 13, 2023, with term expiring on May 31, 2025. He stated that Mr. Reed has extensive experience in Planning and formerly served as the Planning Director for the Village.

Chairman Jeramy Hooper stated he is very supportive of Mr. Reeds appointment, and he stated the board is excited about the extensive knowledge base he will provide. He stated he hopes to use his expertise and knowledge to further the work of the board.

Mr. Kevin Reed introduced himself to Council and stated he is appreciative of the opportunity to potentially serve in a volunteer position, which he states volunteers are the heart of the village. He stated he looks forward to the opportunity to serve the community.

Mayor Pro Tem Pizzella asked Mr. Reed where he lived, when the last planning and zoning meeting was, he attended, and if he is registered to vote. Mr. Reed stated he lives in Village Place, has reviewed all the P&Z videos since he moved back to Pinehurst, and he has not registered to vote yet.

Mayor Pro Tem Pizzella asked Jeramy how many candidates they interviewed to which he stated 7 or 8 over the last year, with he thought 4 for this current appointment.

Councilmember Morgan asked what Mr. Reed felt he could bring to the P&Z board. Mr. Reed stated one is he is willing to serve, a second is a willingness to work, and lastly is the ability to represent the entire community. Mr. Reed stated he recognizes that he would represent the entire area.

Mayor Strickland stated he has one concern that he has expressed with Village management and Councilmembers. He stated that he has concerns that when executives come back to serve like this, it perhaps put pressure on staff and departments. He stated he hopes that we can find a position that you can work with the Village, but his concerns are for the staff.

Mayor Pro Tem Pizzella asked Chairman Hooper if he had discussed this with other board members to which Mr. Hooper stated only one.

Upon a motion by Councilmember Morgan, seconded by Councilmember Boesch, Council did not approve Resolution 23-21 appointment of Kevin Reed to P&Z and BOA, effective June 13, 2023, with term expiring on May 31, 2025, by a vote of 2-3., with Mayor John Strickland, Councilmember Hogeman, and Mayor Pro Tem Pizzella casting no votes.

7. **Discuss and Consider Resolution #23-22 Appointment of Angelique Fabiani to the Historic Preservation Commission.**
Jeff Sanborn, Village Manager, stated there is a need to fill a vacancy on the Historic Preservation Commission. He stated Ms. Angelique Fabiani is desirous to serve as a member of the Historic Preservation Commission Board and staff recommends Council approve the appointment of Ms. Fabiani to the HPC, effective June 13, 2023, with a term expiration date of May 31, 2025.

Ms. Fabiani introduced herself to Council and stated she has experience in development and Historic Preservation and hopes to be able to apply her love of historic preservation in a different capacity.

Mayor Pro Tem Pizzella asked Ms. Fabiani if she has any experience working with design, construction, historic preservation properties, to which she stated she had not. He stated he noticed that she had applied for an open council position with the village earlier.

Councilmember Hogeman asked Ms. Fabiani if she had been able to watch any of the Historic Preservation to which she stated she has read minutes online and has a good understanding of what is presented to the HPC.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution 23-22 appointment of Angelique Fabiani to the Historic Preservation Commission, with an effective date of June 13, 2023, and term expiration date of May 31, 2025, by a vote of 5-0.

8. **Discuss and Consider Solid Waste Contract for Lofton Garbage Services for FY24.**
Mike Apke, Public Services and Engineering Director, presented a renewal for a contract for solid waste collection services within CCNC for FY24. He stated Lofton Garbage Service is one (1) of two (2) providers of service within CCNC; however, the estimated value of the second provider's contract (Becky's Rubbish) is well under the Village Manager's threshold for execution.

Mr. Apke reported the proposed Lofton Garbage Service contract renewal is for 12 months beginning on July 1, 2023, and extending through June 30, 2024. He stated it includes a CPI adjusted rate increase for FY24 of 5.4%. Mr. Apke noted the value of Lofton's contract is estimated to be approximately $135,000 with the actual amount being based on the total number of residences served during the contract period. He noted as a comparison, the value of the Becky's Rubbish contract is estimated to be approximately $21,000.

Mr. Apke reported staff reached out to the solid waste representative for the CCNC HOA, who expressed that the community is very satisfied with both Lofton Garbage Service and Becky's Rubbish and expressed no concerns with renewing both contracts for FY24. He stated in order to continue services with Lofton Garbage Service, Council would need to adopt a motion authorizing the Mayor or his designee to execute the contract renewal.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Boesch, Council unanimously approved the mayor or his designee to execute a contract renewal for solid waste collection services within

CCNC for FY24, with Lofton Garbage for 12 months beginning on July 1, 2023, and extending through June 30, 2024, at an estimated cost of $135,000, by a vote of 5-0.

9. **Discuss and Consider Resolution #23-23 Support of Moore County Transportation Committee Proposed STIP 7.0 Project Prioritization Submittal.**
Jeff Sanborn, Village Manager, reported members of the Moore County Transportation Committee (MCTC) have developed a proposed list of seven highway projects and seven bike/pedestrian projects to submit to TARPO for prioritization in the ongoing STIP 7.0 process. He stated during previous Village Council discussions regarding potential projects for inclusion in this list, three projects were identified as Village priorities: 1) the Highway 211 & Rattlesnake Trail intersection improvement, 2) the bike/pedestrian project along highway 2, east of the traffic circle, and 3) the bike/pedestrian project along airport road. He noted all three of these projects have been included in this MCTC recommendation.

Mr. Sanborn explained what happens with this list of projects and what the process is for final decision on what projects are funded. He provided clarification on the scoring process and noted what the spot scoring means. He presented Resolution 23-23 for Council consideration and approval.

Upon a motion by Councilmember Morgan, seconded by Councilmember Hogeman, Council unanimously approved Resolution 23-23 supporting the Moore County Transportation Committee proposed STIP 7.0 Project Prioritization Submittal, by a vote of 5-0.

10. **Discuss and Consider Resolution 23-24 Adopting the MPA for the Sandhills Area Metropolitan Planning Organization.**
Jeff Sanborn, Village Manager, stated that at the recent meetings on the new MPO, two items were finalized. He stated the first is the urbanized zone that will be approved as the Sandhills Area Metropolitan Planning Organization. He noted this was a negotiated agreement between all those municipalities and organizations within this zone and they have also invited Foxfire Village to join but are awaiting a decision from them. He stated the second item voted on was the name of the organization, which will be the Sandhills Area Metropolitan Planning Organization. He is presenting this Resolution to Council for adopting the MPA for the Sandhills Area Metropolitan Planning Organization.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution 23-24 Adopting the Metropolitan Planning area for the Sandhills Area Metropolitan Planning Organization, by a vote of 5-0.

11. **Discuss and Consider Resolution 23-25 Agreement with Dornoch, Scotland.**
Mayor John Strickland reported this item is a continuation of conversation Council has been having with Dornoch, Scotland about a partnership centered around Donald Ross. He stated the two are now ready to move forward with a formal agreement, which he stated is being presented as Resolution 23-25 for consideration and approval.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Morgan, Council unanimously approved Resolution 23-25 Agreement with Dornoch Scotland, by a vote of 5-0.

12. **Other Business**
Mayor Pro Tem Pizzella asked if there was any information on the EMS facility that has been discussed, to which Mr. Sanborn stated that there has been no official discussions yet.

13. **Comments from Attendees.**

- Lesa Huff, Pinehurst resident, addressed Council about considering changing the existing ordinance addressing wire fence placement. She noted she would like to see the ordinance changed to say the wire fence can go on either the inside or outside of the wood split rail.
- Frank Pacifico, Pinehurst resident, addressed Council about the proposed tax rate and the dramatic increases he has personally experienced. He also stated that in 2008 the Village purchased a plot of land to put the public services facility, turned around and sold it. He stated now they are going to purchase yet another piece of property. He noted just like with the library, which is not needed, the village needs to follow through with the projects they have planned. He stated he would like to see the walking trails fixed which are in very poor condition and unsafe.

14. **Motion to Adjourn**

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 6:41 p.m.

Respectfully Submitted,

Kelly Chance

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