



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF MAY 25, 2021
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, May 25, 2021 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Mr. John C. Strickland, Mayor
Ms. Judy Davis, Mayor Pro Tem
Ms. Lydia Boesch, Councilmember
Mr. Kevin Drum, Councilmember
Ms. Jane Hogeman, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 17 attendees, including 5 staff and 1 press.

1. Call to Order.

Mayor Strickland, called the Village Council meeting to order.

2. Invocation and Pledge of Allegiance.

Invocation by Pastor Rod Stone, Community Presbyterian Church.

3. Reports:

Village Manager

- Mr. Jeff Sanborn said planning efforts are underway on two Small Area Plans: Village Place/Rattlesnake Trail and Hwy 5/Pinehurst South. We have had one Public Engagement hearing and staff is working with the Consultants on improvements and suggestions. We will hold the second Public Engagement hearing on June 2 at 5:30. Residents may sign up on our main website or go to Engage Pinehurst to register and learn more about the Plans.
- Mr. Sanborn stated West Pinehurst Park Planning Effort is also underway. We have had one opportunity to engage the public, and staff provided a survey to residents of which we have received approximately 800 responses. Staff is now reviewing the survey and will report out on the findings soon.

Village Council

- Mayor Strickland reported he attended a rail ride, along with other private citizens, on the Aberdeen railway. He noted the Management team has an interest in private passenger cars. He said The Village, the Resort and others up and down the rail line have shared interest on using the rail more. Mayor Strickland reported the NAC met for the first time since November 2020 and received updates on the Small Area plans and the Given memorial Library Acquisition. He reported they would meet again in June.
- Councilmember Drum reported he went to the opening of the Boys and Girls Club, which will serve a large area of Moore County.
- Councilmember Hogeman stated the Sandhill's Chapter of Military Officers is going to hold a Memorial Day service on

Monday at the Village Chapel at 3:00 and the Golf Capital Chorus will perform with a reception to follow. She stated Councilmember Boesch is assisting with this event. Councilmember Hogeman stated the Pinehurst business partners want to see their customers come back and are arranging some plans to stay open later and a special event for September.

- Mayor Pro Tem Davis stated she attended the Tri Cities meeting with Jeff and Kevin where the discussion centered around how we can collaborate more and about the potential usages of American Rescue Plan funding.
- Councilmember Drum stated this was the first meeting back in person with Southern Pines, Pinehurst and Aberdeen. He stated they looked at how the area Parks and Recreation departments can work more in partnerships on projects.
- Councilmember Boesch stated she does hope Council members can attend Monday's Memorial Day service.

4. First Health Management Team

Mayor Strickland said we have an excellent health coverage area here and he welcomed Mr. Mickey Foster, CEO of First Health of the Carolinas to speak. Mr. Foster stated public acknowledgements are very important and thus they wished to thank the Village of Pinehurst for the usage of the Fair Barn for their COVID-19 Vaccine Program. He stated that in December COVID was hitting all-time highs. During one of the early meetings of his team, they looked at potential locations where there would be a large enough space to accommodate their program. He stated it was then that the Village stepped up to offer the Fair Barn and we are thankful for this partnership.

Roxanne Elliot, First Health of the Carolinas Project Director stated they held the first clinic from January 5-12 and we are hosting the last clinic on June 16th. During the clinics, Ms. Elliot said the staff had administered 33,765 shots at the Fair Barn and anticipated hitting 34,000 on June 16th. She stated the first day they did 500 shots and now are capable of doing well over 2000 a day. Ms. Elliot said the Fair Barn was featured in the News & Observer from Raleigh so hopefully those people would host their weddings etc. She stated she wished to thank Holly from Parks and Rec and the Moore County Emergency Squad for all their assistance.

Mr. Foster presented a check to the Village for wear and tear on the Fair Barn that he said may have occurred during their usage and the Mayor offered a thank you from Council and staff for their generosity. Mr. Foster stated vaccinations would now be administered by the Moore Health Department and the Convenient Care Center. He stated to make appointments residents could call 947-SHOT.

5. 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.

- Approval of Village Council Meeting Minutes.
 - May 11, 2021 Regular Meeting
 - May 11, 2021 Work Session

End of Consent Agenda.

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

6. Motion to Recess Regular Meeting and Enter Public Hearing.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously approved to recess the regular meeting and enter into a public hearing by a vote of 5-0.

7. Public Hearing No. 1 – Fiscal Year 2022 Budget.

Village Manager Sanborn stated this project began back at the December Retreat where Staff collected input and worked tirelessly to prepare the proposed Fiscal Year 2022 Budget. He stated 6 weeks ago, the Draft proposal was presented to Council and then the Final draft budget was presented at the last meeting. Mr. Sanborn stated Council then attended a public work session on May 19th and so tonight, we are here to allow the public to engage in the process. This agenda item is for the statutorily required Annual Budget Public Hearing. During this hearing, any person wishing to speak about the recommended FY2022 Budget may do so. The budget in its entirety is located online at www.vopnc.org/sop. In addition, public feedback on the FY2022 Budget and Strategic

Operating Plan may be provided and viewed online at <http://engage.vopnc.org/fy22>.

The FY 2022 Strategic Operating Plan (SOP) was developed to achieve the Council's vision, mission, goals, & objectives, to address strategic challenges & opportunities facing the community, and to comply with the Distinguished Budget Presentation Award requirements. The Village Council held one Budget Work Session on May 19th to review the SOP in detail. Within the plan, there are three areas of focus: Manage development to protect Village character; Support the business community; and provide a safe and effective multi-modal transportation system.

The FY 2022 General Fund Budget Overview provides for a \$24.0 million budget, which is 6% above the FY 2021 amended General Fund budget as of December 31, 2020. Of note is that 5% of the 6% increase is the result of acquiring the library and archives. The property tax rate of \$0.315 is an increase of \$0.015. The plan includes \$2.5 million of appropriated fund balance and has an expected ending fund balance of 42.2% of expenditures. The plan calls for the hiring of 10 new full-time equivalents (FTEs): a Financial Services Supervisor; two firefighters; a Planning & Zoning Specialist; a part-time Code Technician; a Solid Waste Equipment Operator; and four full-time and one part-time Library/Archives staff.

The Strategic Operating Plan includes five (5) Initiative Action Plans (IAPs): Updating the Pinehurst Development Ordinance at a projected cost of \$200,000; development of two small area plans for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area at a cost of \$0 (paid from FY2021); Expansion of Downtown Parking Facilities at a cost of \$150,000; Development of a comprehensive stormwater master plan at a cost of \$125,000; and the expansion/enhancement of Library Services at a projected cost of \$988,875. This is a projected net cost of \$1,463,875.

FY 2022 Budgeted Revenues is broken down to represent 30% of revenue coming from Intergovernmental Resources (local option sales tax); 51% Property Taxes; 10% Fund Balance Appropriations; 5% Other Revenues; and 4% from Permits & fees. FY 2022 Budgeted Expenditures is broken down to represent 54% of expenditures devoted to Salaries & Benefits; 32% to Operating Costs; 12% to Capital expenditures; 2% to Debt Service; and 0% to Other Financing Uses (Debt Service). Amount of Tax dollars budgeted for FY 200 by function (General Fund) are by category: Cultural & Recreation \$0.20 (hire due to the library investment); General Government \$0.14; Public Safety (Police, Fire and Inspections) \$0.32; Economic Development \$0.06; Transportation \$0.19; and Environmental Protection \$0.09.

Mayor Strickland opened the meeting to Public Comments. Debbie Lalor of Azalea Road asked if staff could speak about the Magnolia Streetscape project and more specifically as to whether there would be parallel parking lines drawn onto Magnolia Street. Mr. Jeff Batton, Assistant Village Manager of Operations stated the project is about to launch and there are finalizing the draining package. Draining is expected to start next week and the brick sidewalks – primarily on the Brewery side of the road - will start on June 10th. He stated the parking bays across from century link would be installed the next fiscal year along with the brick curbing and road striping. He further stated the draining would be going underground. Mr. Batton stated the stormwater that is currently there is an asphalt swell. He noted they will demolish the asphalt curbing in order to create the parking bays – they do not extend up to the first residential home – they extend down to an area across from brewery – up to the current vacant lot. Mr. Batton stated this is a continuation of an effort to connect this area to the downtown area – initially we went down Community Road – then went to McIntire Area and Pinehurst Pizza area – with enhancement done also at public Services across the street. He stated this would be a continuation of this project.

In addition, Mr. Batton said it does dovetail in with the Small Area Plans enhancements that are being designed. Ms. Lalor stated that when the consultant made his presentation he was uncertain that the lane width would accommodate the sidewalk. She asked how this would be addressed. Mr. Batton stated the current design shows sidewalks being relocated, but we have went back to the consultant to have them look to see if the sidewalks will need to be lowered to meet the elevations. He stated if we do not move the sidewalk, we would have a green space between the pavement and sidewalk.

Mr. Batton said the width of the road currently has lessened as the Resort has added some parking as well as the pandemic has lowered downtown numbers. The width should be able to stay the same as it is now as we have arranged the parking bays. We have gained an easement from Century Link to help with this. This easement will allow us to gain some width.

Steve Saye of 40 McCaskill road – Received a phone call from Jeff Batton and plans to meet with him on Thursday. He states he has the lot on the corner and is interested in this from the parking aspect. He stated he hopes we are working with all the stakeholders to be sure we are communicating with each other and working toward a bigger plan. He would like to know more about the traffic issues we are going to encounter as our town continues to grow. He asked if the three lots adjacent to his lots have access to these 22 spots. He said he would like to see our lines of communication stay open. Mr. Batton stated the entrance would have driveway permits that will give them access.

8. Motion to Adjourn Public Hearing and Re-Enter Regular Meeting.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Davis, Council unanimously approved to adjourn the public hearing and re-enter the regular meeting by a vote of 5-0.

9. Q3 Update on the Status of the FY2021 Strategic Operating Plan Implementation.

Lauren Craig, Village Staff, presented a report on the Village of Pinehurst Strategic operating Plan Update for FY 2021-Q3, January 1, 2021 – March 31, 2021. She stated each year that the Pinehurst Village Council adopt a Strategic Operating Plan, which indicates the Village's plans to achieve our vision and mission. The Strategic Operating Plan covers the fiscal year that begins on July 1 and includes a five-year financial plan. Ms. Craig stated the vision is what the village intends to be and the mission is what the Village must do to achieve that vision. The Village's core values are the guiding principles and behaviors that embody how Village employees and volunteers are expected to operate as they provide services.

Ms. Craig stated the Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC contains goals, objectives, and key performance indicators in four perspectives to ensure a balanced approach to evaluating the achievement of organizational strategy: Customer, Internal, Workforce, and Financial. She reports the Balanced Scorecard contains nine strategic goals in the four perspectives: Safeguard the Community; Provide High Quality Development & Appearance; Promote a Thriving Business Community; Promote Transportation Mobility & Connectivity; Protect the Environment; and Promote Active Living & Cultural Opportunities.

Ms. Craig stated each balanced scorecard goal has one or more strategic objectives. Strategic objectives indicate how we will achieve the Village goals. She stated in FY 2021, the Village Council identified three strategic objectives as Areas of Focus: Manage development and enforce codes and ordinances; provide a safe and effective multi-modal transportation system; and Manage stormwater systems. Ms. Craig explained we define strategic opportunities as prospects for new or changed services or processes. The Village Council prioritizes the list of strategic opportunities identified in the annual Strategic Planning Retreat. She stated there are 10 OFIs beginning in FY 2021 addressing these strategic opportunities included in the five-year financial forecast (FY 2021-2025). There are five future year OFIs that will begin in the years FY 22 – FY26+.

Councilmember Boesch stated that we need to assure the public that what has been completed as it pertains to the multi-modal transportation system is not all that we plan to do. Ms. Craig said this portion was to create the position of Transportation Planner, which was completed.

Ms. Craig updated Council on the status of FY 2021 Initiative Action Plans at March 31, 2021 conclusion. She stated the FY 2021 Strategic operating Plan includes seven Initiative Action Plans (IAPs). As of March 31, 2021, of the 7 IAPs scheduled to begin, all seven were in progress and on schedule. She stated the Village achieved projected performance for the seven IAPs of 100% effectiveness rating. The seven IAPs consist of: Update the Pinehurst Development Ordinance (FY21-25); Small Area Plan for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area (FY21); Develop a comprehensive storm water master plan (FY21-23); Planning & Inspection Process Improvements (FY21); Build Baldrige Framework Systems & Culture (FY21); Expand GIS Capabilities (FY21); and Workforce Learning and Development (FY21). Ms. Craig stated staff would continue to monitor these through the last quarter and roll on into FY 2022.

10. Discuss and Consider Ordinance #21-07 for a proposed Amendment to the Official Zoning Map for a portion of Moore County PID # 00025800.

Mayor said at the last meeting on May 11th we had a very comprehensive review and looked at the plan in a detailed manner. We have invited representatives of the Resort to provide their updates tonight and changes.

Dick Higginbotham, CFO of Pinehurst Country Club said that 100 years ago this year, Leonard Tufts envisioned a much grander vision of the Country Club that would have included a facility with guest rooms. In 1922, the Club House was under renovations and again 50 years later. Both of these projects share in that they had to make some changes that affected some historical aspects. We know that change is essential and we are here today to discuss the request again. He stated we are now asking for approval from the Village Council within the next 30 days. Coming out of Planning and Zoning, there were eight conditions approved by both the applicant and the board, which have been discussed at past meetings.

Mr. Higginbotham discussed these conditions, which were:

1. Maximum building height of 55 feet;
2. Front yard setback of 40' minimum; side yard setback of 20' minimum; and side street setback of 30' minimum;
3. Increase in allowed signage size and amount by 50% for the north and east sides of the building only;
4. Provide 85 standard size parking spaces on the subject property;
5. PRCC will provide parking required for the Lodge facility on the subject property;
6. PRCC, as stated above, will consider construction of a parking structure on the subject property and/or additional surface parking areas, bringing plans forward to the Village at the specified date.
7. PRCC and Village of Pinehurst enter into a development agreement for PRCC to provide the required parking spaces per conditions 4, 5, and 6.
8. Efforts will be made to preserve 2 specimen trees on either side of the proposed emergency fire access along the west property line.

Mr. Higginbotham noted that due to required calculations the highest point of the lodge, which from elevation is 45' high, becomes higher than the allowed current height allowance, due to the sloping property. He also noted signage, condition three, would still have to be approved.

Mr. Higginbotham stated they would remove the Dining room facility – which means we can extend the locker room – USGA – Player Designer Space was the least needed. The Board Room will remain but the number of square footage will be less. He discussed their understanding of the parking requirements based on the PDO standards for the lodge as being 74 spaces. He stated the applicant will agree to go to 125 standard size parking spaces and as required in condition no. 6, any changes that occur will result in these spaces being reevaluated. He stated that they would also turn in the parking plan three months before the U.S. Open to allow for ample time for the Village to view and consider.

Mr. Higginbotham stated, as it pertains to the parking at the Carolina, applicant would add 86 new spaces, with the rear employment parking lot layout changing. This he states will lead to an additional gain of 28 spaces for employees. Mr. Higginbotham stated in the Rear Pool Lot, 20 additional spaces would be gained for employees. As well, 35 additional spaces will be added in the Front East Wing Parking lot – used for guests overflow. Mr. Higginbotham stated 3 additional spaces would be added on the Front West Wing parking lot; bring a total of additional spaces to 126.

Mr. Higginbotham stated that an additional alternate parking site could be off Barrett Road. A further alternative site could also be a Greenhouse Parking Lot Alternative. He stated these two alternative locations could provide an additional 246 spaces. He further stated that the applicant is comfortable they have met the parking conditions expectations.

Mr. Higginbotham stated as it pertains to questions about the architecture of the building: he showed the revised floor plans as concept drawings. He noted changes might change before the final submittal of the plans to the construction plans. The Lodge on Level 1 – Locker Room did not change in size but will be taller. The USGA dining space was eliminated. There will be regular guest rooms, larger suites, and two offices located in the building. There will also be laundry and normal maintenance rooms.

Mr. Higginbotham stated the Carolina Hotel Barrett Road Alternative Site Proof of Concept shows a potential 40 additional surface parking spaces. Bob Kuntz stated he provided the initial recommended conditions by the P&Z Board on 4/21/21 and the changes that the applicant has made based on these conditions. Changes are to provide 125 standard size parking spaces on the PRCC main campus, to include shuttle parking, storage, and driver parking will be relocated off the PRCC main campus. Also changed to that the PRCC will provide parking required for the lodge facility on the subject property three months prior to the 2024 US Open

Golf Tournament to allow review, approval, and construction to begin prior to Year-end 2024, provided plans are approved by the Village in a timely manner.

Councilmember Drum asked why if the Village would approve the three suggested alternative areas, then why could this not become part of the conditions. He said he would have no problem with that as long as the Village approves those.

Mayor Strickland asked who would be shuttled. Mr. Higginbotham said the caddies most likely. Mayor Strickland asked how that would be managed. Mr. Higginbotham stated Caddies are third parties and are not our employees and currently they park where they are assigned. Caddies are on shift, morning, afternoon and a later crew during the summer so they come at various times. He said we already shuttle employees at certain times and manage that well. We anticipate seeing some shifts as the pandemic ends and we are currently seeing member play increasing as well as from outside tourist...

Mayor Strickland said he would like to discuss more about the core Village area parking. We would like to be able to divert parking but it appears the shuttling of people may cause problems. He would support the Greenhouse parking area. He said we are still looking at other alternatives, such as carts etc. We will have to just see how this all plays out as well during construction time. Councilmember Drum said he hopes these additional parking spaces at the Carolinas would help, but he would like to see it for not just employees. Councilmember Boesch stated she appreciates that they have really been listening to what the Public and Council has said. She said some of the things they say they could do however, need to continue to become true solutions.

Councilmember Hogeman said she appreciates the amount of work they have done on the parking and she appreciates the additional employee parking around the Carolina. She also appreciates the dining area. She said the PDO measures building height from common grade, which is normal. She said the point made at May 11th meeting, the lodge building appears to be out of scale from the clubhouse. She thought she would see some reduction in mass during the conception plan phase. For example, she said there are many service areas that were around the dining area and maybe the building could be rearranged to shorten the building from east to west. She also stated the turret bar being so close to the clubhouse it accentuates the height disparity.

Mr. Higginbotham said they are working with the Architects and he understands that the exterior of the building is all that is questioned. We are still looking at changes, including colors, room usage and size, and exterior design. We really need to have the actual final design to staff by September in order to give time to review it. Councilmember Hogeman asked about signage – she said the percentage size should not need to be change. Bob Kuntz said they are asking for 20sq foot 50% increase – meaning he would take a 20 sq. feet sign and that would become 30 sq. feet. Councilmember Hogeman said she would like to see sizes that are more specific.

Councilmember Hogeman asked if the plats are going to be merged. Mr. Koontz said no they had not planned on that. She asked that in the NW principal part where there is parking for employees, overflow and van parking, how many spaces are there now? He said 81 now. She stated she counted 15 vans and buses etc. today in that area. She wants to see a more definitive number on the actual spaces that are there. She said you anticipate needing 62 extra spaces for the lodge – She stated she showed that only 84 are needed but he is willing to put in 120 spaces, is that correct. She asked if the Carolina parking extra 125 would be for only the Carolina or also for the clubhouse. Mr. Higginbotham said employees as needed would use them.

Councilmember Hogeman asked about the 120 additional parking spaces at the greenhouses and how many vans etc. would this account for. She asked how that compares to the northwest corner. She stated she wants a specific breakdown on number of spaces lost compared to those are assumed created. Councilmember Hogeman said she wants to see a term sheet now and if it changes later, that is fine, but we need to see a plan now. Mayor Pro Tem stated they are not to that point she believes and that they have said they have agreed to have a plan together three months before the Open.

Mayor Strickland said they talked about the parking deck with the appearance of a Carriage House and one of the things deck parking does is double the amount of parking in a space. He said whatever we could do to get some low profile decking. Mr. Higginbotham said, vision is sometimes hard to imagine but he said surface space parking does not have to look ugly. He said he understands that Village wants to see this type of deck parking but it may not be the best way. It also has to fit in with what the Club House wants as well. Councilmember Drum said he would like to see some more detailed drawings. Mr. Higginbotham said the

artist would be working on these with the hope of being available in two weeks. These will be digital watercolor drawings to help see how the lodge looks beside the clubhouse. Councilmember Drum said he also wants to see number of spaces and who will be using them.

Mayor thanked them for their information and Council took a quick break, returning at 7:20 p.m.

11. Presentation of Financial Statements for the Quarter Ended March 31, 2021.

Brooke Hunter, Finance Director, presented Council with the Financial Statements for the Quarter ended March 31, 2021. She stated as we enter the final quarter of the fiscal year, the Village's financial condition remains strong, despite the economic impacts of the COVID-19 pandemic. Our revenue forecast for the first three quarters is on target. In addition, operating expenditures are running below expected levels and our capital outlays are within budget. These results should position us well to carry out the objectives outlined in the FY 2021 Strategic Operating Plan. We will also continue to closely monitor the impacts of the pandemic on our more economically sensitive revenues as the year progresses.

Ms. Hunter stated the Village's General Fund is showing \$3.9 million in income for the first nine months of the year. This is considerably lower than the \$6.5 million in income the prior year, but is comparable with other historical results at this point in the fiscal year. Last year's income at March 31 was unusually high, primarily due to the return of \$1 million previously contributed to the Given Memorial Library capital expansion campaign. Fund balance in the General Fund is currently 66% of budgeted expenditures, which is the same level seen the previous year at March 31.

Ms. Hunter stated the Village's total cash and investment balances increased by \$456,000, or 3%, compared with the previous year. This small increase is due to operating expenditures that are lower than expected at this point in the fiscal year. Of the \$14.4 million in cash and investments at March 31, 2021, \$13.7 million was invested in the North Carolina Capital Management Trust Government portfolio. She noted this year, the Village made an early debt payoff for its final installment financing debt obligation. As of March 31, 2021, the Village has no installment financing debt.

Ms. Hunter stated General fund revenues were \$453,000, or 2.6%, above the year-to-date budget projections. Most of this variance is due to property tax revenues, which were \$227,000, or 2.1%, above the quarterly revenue estimate. The real and personal property tax collection rate of 99.87% is similar to this time last year. The real and personal base grew by 1.3%, compared to the same period last year, which is in line with our projection. The motor vehicle tax base grew by 13.0%, compared to the prior year.

Ms. Hunter stated for local option sales taxes, the actual collections for the first seven months of the year received are running 14.6% ahead of the previous year's collections. At the time the local option sales tax budget for FY 2021 was adopted, the impact of COVID-19 on sales tax collections was unknown. We budgeted this revenue source conservatively after reviewing information distributed by local economists and the North Carolina League of Municipalities. Fortunately, actual results were better than we expected, thus the budget for local option sales tax revenue was increased by \$314,000 in the mid-year budget amendment.

Ms. Hunter stated General fund operating expenditures were \$1,921,000, or 13.3%, below the quarterly budget. This variance is significantly larger than the expected year-end expenditure variance of 7%. A portion of the operating expenditure variance is due to lapsed salaries and benefits. Employee turnover has increased this year, with some positions remaining vacant for longer than expected. Although the largest variance this year has been in the Planning Department, other departments have also been affected. In addition to salaries and benefits, departments as originally planned have not expended other operating items. Examples include the Small Area Plan contract and departmental supplies that were encumbered but not expended by March 31.

Ms. Hunter stated for capital outlay, approximately 58% of the capital outlay budgeted in the first three quarters has been expended. One large component of the variance includes \$180,000 budgeted for the purchase of land for a future fire station, of which \$169,000 was expended in April. Another factor includes the timing of the Magnolia Streetscape project, large stormwater infrastructure projects, and sidewalk construction that are all underway. Staff expects a majority of these projects to be completed by year-end.

Ms. Hunter reported the Village issued 106 single-family residential building permits valued at \$33,624,000 during the first three

quarters compared to 147 the previous year. At this point, we project approximately 150 homes will be constructed in FY 2021, which is a decrease from the 189 permits issued in FY 2020. She stated based on our current estimates, we anticipate the Village's fund balance will decrease by approximately \$236,000 by the end of FY 2021. Ending fund balance for the General Fund is projected to be approximately \$10,994,000, 48%, of expenditures, which is above our current policy minimum of 30%. Please note this forecast could vary significantly if departmental projects are delayed or not completed by year-end.

Ms. Hunter stated during the first three quarters, the Fair Barn covered 13% of operating expenditures with operating revenues due to the extensive state-mandated facility closures for most of the fiscal year. This is lower than the 71% achieved at this point the previous year and is below the revised balanced scorecard target of 55%. Fortunately, Governor Cooper's most recent executive order on May 14, 2021 eliminated capacity limitations and allows dancing at event venues, which has been a deterrent for many people interested in renting the Fair Barn for weddings over the past several months.

Ms. Hunter reported the Harness Track covered 49% of its operating expenditures compared to 62% the previous year. Revenues were lower than last year primarily due to five trainers who did not return and a couple of trainers who brought fewer horses. As we discussed last quarter, travel restrictions resulting from the pandemic contributed to lower revenue this season. Fortunately, soccer and lacrosse practices occurring at the track has brought in some additional revenue. The Harness Track's balanced scorecard target is to cover 45% of operating expenditures with operating revenues for FY 2021.

Ms. Hunter stated at this point in the fiscal year, I am pleased with the Village's financial condition and position. We will continue to monitor the impacts of the pandemic on our revenues and expenditures for the last quarter of the year. However, we have found that the effects were less severe than originally anticipated. The Village Council and Village managers are to be commended for meeting or exceeding most of the Village's financial targets. This also positions the Village well for the upcoming adoption of our five-year Strategic Operating Plan.

12. Discuss and Consider a Contract for Legal Services for FY 2022.

Brooke Hunter, Finance Director presented to Council the proposed contract for legal services with Van Camp, Meacham, & Newman, PLLC for FY 2022. She stated the functional terms of the contract are unchanged from the previous year with a 2% cost increase. Ms. Hunter noted the contract agreement states the Attorney will provide general legal representation to the Village in the following areas of law as they pertain to municipalities, with said list not being all-inclusive: Land Use Regulation; General Police (Ordinance making) powers; Employer-Employee relations, labor law; Environmental Law; Police and Public Safety law; and financial law.

Upon a motion by Councilmember Boesch, seconded by Councilmember Drum, Council unanimously approved to authorize the Mayor or his designee to execute a contract with Van Camp Meacham & Newman, PLLC for legal services for Fiscal Year 2022 by a vote of 5-0.

13. Discuss and Consider Ordinance #21-08 for a budget amendment to close the Community Center Capital Project Fund.

Brooke Hunter presented Council for discussion and consideration, Ordinance 21-08 for a Budget Amendment to close the Community Center Capital Project Fund. She stated the Community Center Capital Project Fund was created to account for the design and construction of the Community Center at Cannon Park. Ms. Hunter reported the project is complete and all invoices have been paid. She stated that after recording all closing entries, the total project was \$4,695,894. She reported that by adoption of the budget ordinance amendment presented, the remaining \$244,999 in the Community Center Capital Project Fund would be transferred to the General Fund.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Hogeman, Council unanimously approved, Ordinance 21-08 closing the Community Center Capital Project Fund and transferring all remaining funds to the General Fund.

14. Consider two-year extension for Waste Management Services

Jeff Batton, Assistant Village Manager of Operations stated the Waste Management solid waste services contract for Pinewild would expire on June 30, 2021. This agenda item is to consider a two-year extension with pricing holding steady in year one and adjusted based on CPI in year two. The annual value of the contract is estimated at \$254,600. If Council concurs with this two-year extension, we will need authorization to enter into the contract.

Mayor Strickland asked about PPOA's satisfaction with the Waste Management since they have had complaints of hydraulic leaks on the streets. Councilmember Boesch said she received a long email from the PPOA voices their dissatisfaction with Waste Management and the new PPOA board wants it to go on the board agenda on June 21st to discuss it. She stated they want to report to Jeff Batton via Amy Damone, Property Manager on the 21st. Mr. Batton said there is no way we can bid this out at this stage. He stated at the time of discussions with Pinewild PPOA there were no concerns and it was approved to continue with the service contract. He suggested we do it just for a one-year contract and then reevaluate. Mayor Strickland suggested we defer this to the June 8th meeting. Jeff said he would communicate with Amy and find out what other concerns they have.

15. Other Business

Councilmember Drum states he will be out of town on June 8th and he will call in via his zoom account.

16. Comments from Attendees.

- No Comments

17. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Drum, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 7:50 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