



**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF JANUARY 26, 2021
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA**

IMMEDIATELY FOLLOWING THE REGULAR MEETING

The Pinehurst Village Council held a work session at 6:16 p.m., Tuesday, January 26, 2021, in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina and via the electronic meeting platform ZOOM. The meeting was streamed in real time on the Village's website.

The follow were in remote 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 Sanborn, Village Manager

The following were in attendance in Assembly Hall:

Ms. Beth Dunn, Village Clerk

And approximately 7 attendees, including 4 staff and 1 press.

1. Call to Order.

Mayor John Strickland, called the Council work session to order.

2. Discuss Potential Changes to the Village's Fund Balance Policy.

Natalie Hawkins, Assistant Village Manager, stated this agenda item is to discuss Village staff's recommendation on potential modifications to the Village's Fund Balance Policy. The Council discussed the Fund Balance Policy at their annual Strategic Planning Retreat in December. Ms. Hawkins explained the purpose of Fund Balance (FB) and noted the NC Local Government Commission (LGC) requires a minimum FB of 8% of expenditures. She reviewed the historic FB percentages of the Village, and noted the Village has historically maintained a lower FB in the General Fund than comparable communities.

Ms. Hawkins explained the first part of the Fund Balance Policy is measured at the beginning of the year and the second part is measured at the end of the year. Ms. Hawkins explained the difference in creating a capital reserve fund verses committing unassigned fund balance for capital needs. Staff is not recommending creating a capital reserve fund, as the funds would be forever committed to capital and much more restricted. Staff recommends moving a portion of unassigned fund balance to a separate line item in the general fund for future capital needs, which would be detailed out of financial statements.

The recommended changes to the Village's Fund Balance Policy are:

- Budget so that ending Fund Balance is a minimum of 30%.
- No changes recommended; Maintain requirement of 15% of actual expenditures in unassigned Fund Balance.
- Add a provision to commit a portion of unassigned fund balance for future capital needs if total FB exceeds 40%, with a floor to maintain the 15% of actual expenditures in unassigned FB.

Councilmember Hogeman stated she doesn't believe this process, for moving unassigned fund balance for capital needs, should

be put on auto-pilot and we should say we will look at making this commitment every year and laying out the standards that would be examined to make that decision. Mr. Sanborn explained that the General Statutes requires that Council adopt a resolution to move money around in the General Fund. He noted they are waiting on clarification from the School of Government on if a resolution would need to be adopted every year or if an adopted policy would cover this on an annual reoccurring basis. Councilmember Drum stated if the funds were going into capital reserve fund then he could see the need for approving every year, however, the fund are staying in the general fund so he doesn't think that is necessary to have to bring to Council annually. Mr. Sanborn stated these funds would be revisited every year during the Strategic Planning Process and any changes could be made by a resolution at any time. Staff will bring the amended policy to Council at their next regular meeting for consideration.

3. Discuss a Moratorium for Small Area Plan Focus Areas.

Darryn Burich, Planning and Inspections Director, explained this item is a carryover from Council's last work session on January 12th. He stated they have made some changes to the exclusions of the proposed moratorium ordinance to include projects currently undergoing Technical Review Committee as of the effective date of the project and alterations and repairs to existing buildings regulated by North Carolina State Building Codes, site improvements required to comply with the American with Disabilities Act, and changes in occupancy to existing structures not involving building or site additions and not requiring rezoning action and any development in an approved subdivision in which substantial infrastructure expenditures have been incurred, including roadway, water, and/or sewer infrastructure, regardless of whether individual parcel owners within the subdivision have submitted a complete application for development approval.

Mr. Burich explained the public hearing will be held on February 9th and the legal notice will be published in The Pilot, tomorrow, January 27th and on February 3rd. Mr. Burich noted he is working on FAQ relating to what you can and can't do during the moratorium which will be published on the Village's website. Council reviewed the public hearing notice and discussed communication efforts with the public.

4. Discuss Strategies for Working with the Planning and Zoning Board.

Mayor Strickland, stated I believes having a meeting with the Planning Boards and Historic Preservation Commission from time to time to understand what Council is working on and as well as what they are working on. Mayor Strickland noted that all Chairs were very agreeable to have these meetings and one of the key items for discussion would be overall training needs of the boards. Darryn Burich, Planning and Inspections Director, explained the various training methods and material currently used for the Planning Boards. Mayor Strickland suggested providing the board members with the history of Pinehurst.

Mayor Strickland suggested using the planning boards to set up subcommittees to help support staff and work on items such text amendments and PDO issues. Jeff Sanborn, Village Manager, explained that open meeting laws would apply to subcommittee work by appointed boards. Councilmember Hogeman read the duties of the Planning Board from the Municipal Code. Mayor Pro Tem Davis stated she has a concern with creating a delicate balance and undue influence by meeting with the Planning and Zoning Board and she is also concerned with the time commitment this would require. Councilmember Boesch stated she is worried about burning volunteers out. Mayor Pro Tem Davis stated she believes it would be ok to have a conversation with them to gage their appetite to work on additional items. Mr. Sanborn suggested meeting with the boards to find out what we can do to assist them.

Mayor Strickland suggested changing the process for appointing or re-appointing planning board members to give more time for Council to get to know them and be involved in the interview process along with the Department Head and Chair of the Board. Council discussed ways to be more involved in the interview process. Mayor Pro Tem Davis stated she has a concern with the top down approach, and doesn't believe Council needs to be part of the interview process. Mr. Sanborn explained the current selection process which consists of his self, the Planning Director, and the Board Chair reviewing all the current applications on file to select the applicants to interview and then they all 3 conduct the interviews and make a recommendation to Council. Councilmember Hogeman stated the Municipal Code states Council should appoint the board members and she believes with Council not being part of the interview process the goes against what the code says. Councilmember Boesch says she wants to trust staff to select the candidates and then Council can talk to the candidate before they are appointed. Darryn Burich, Planning and Inspections Director, asked if there is specific information Council is not getting that could be added to the application. Mayor Strickland stated he would do some follow up with Mr. Sanborn and Mr. Burich.

Mayor Strickland stated the Planning Boards want to know more about the proposed moratorium and that he will work on arranging a joint meeting with the Planning Board. Council discussed ways the Planning Board can bring items to their attention so Council can address the underlying issues.

5. Other Work Session Business

Jeff Sanborn, Village Manager, stated that during the TriCities meeting today they discussed the County's occupancy tax. Both Aberdeen and Southern Pines both have resolve for an equitable share for occupancy tax. Mr. Sanborn explained a year ago what was proposed was to take an additional 1% that is available for tourism and add it to the existing 1% and put it into a tourism

development fund. Then anyone could nominate a project to use the additional funds for. Mayor Strickland asked if the County had rescheduled the meeting to discuss. Mr. Sanborn stated the County told him it hasn't been re-scheduled yet. Councilmember Drum stated he would like reserve judgment on this issue until we know all the details and implications.

6. Potential Future Agenda Topics.

No topics were discussed.

7. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously approved to adjourn the work session by a vote of 5-0 at 8:50 p.m.

Respectfully Submitted,



Beth Dunn,
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