Village Council
Agenda for Regular Meeting of January 14, 2025
Assembly Hall
395 Magnolia Road, Pinehurst, NC 28374
Pinehurst, North Carolina
4:30 PM

1. Call to Order

2. Invocation and Pledge of Allegiance

   A. Invocation by Dr. Jonathan Shelor, Senior Pastor for the First Baptist Church of Pinehurst.

3. Reports

   A. Manager

   B. Council

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

   1. December 10, 2024, Regular Meeting Minutes

   2. December 10, 2024, Work Session Minutes

   3. December 10, 2024, Closed Session Minutes

   End of Consent Agenda

5. Public Comments

6. Resolutions

   A. Resolution 25-01 Appointment of Mr. Paul Roberts to the Historic Preservation Commission

   B. Resolution 25-02 Appointment of Ms. Casey Getman to the Bicycle and Pedestrian Advisory Committee

   C. Resolution 25-03 Appointment of Mr. Jeramy Hooper to the Bicycle and Pedestrian Advisory Committee

D. Resolution 25-04 Appointment of Mr. Lyle Covino to the Bicycle and Pedestrian Advisory Committee

E. Resolution 25-05 Adopting the Amended Investment Policy

7. Other Business

8. Motion to Adjourn

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.

Invocation by Dr. Jonathan Shelor, Senior Pastor for the First Baptist Church of Pinehurst.

ADDITIONAL AGENDA DETAILS:

FROM:	Shannon Konstantinou, Village Clerk
CC:	Village Council;
DATE OF MEMO:	12/31/2024

MEMO DETAILS

ATTACHMENTS

None

December 10, 2024, Regular Meeting Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 12/31/2024

MEMO DETAILS

ATTACHMENTS

1. 12.10.2024 DRAFT Regular Meeting Minutes

Village Council
Minutes for the Regular Meeting of December 10, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
4:30 p.m.

The Pinehurst Village Council held a Regular Meeting at 04:30 p.m., Tuesday, December 10, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:
Mr. Patrick Pizzella, Mayor
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Josh Dockery, IT Systems Specialist

And approximately 35 attendees in addition to 4 staff and 1 press.

1. **Call to Order.**
Mayor Pizzella called the Village Council meeting to order at 04:30 p.m.

2. **Invocation by Pastor Hugh Tudor-Foley and Pledge of Allegiance by the 2024 Village Council Pledge of Allegiance Volunteers.**
A. 2024 Invocation Volunteers
    - Mr. Hugh Tudor-Foley
    - Mr. Matthew Stillman
    - Mr. John Forbes
    - Mr. Roderick Stone
    - Mr. Trey Majure
    - Mr. Ed Shuck
    - Ms. Katie Hoerster

B. 2024 Pledge of Allegiance Volunteers
    - Mr. John Vann
    - Holden Mathis
    - Ainsley Bare
    - Maryn Evans
    - Porter Hoag
    - Samuel Carubba

- Oliver Swanson
- Gemma Harris
- Bridgette Baxter
- Eli Brown
- Braxton Reilly
- Kinley Czekalski
- Liselle Romero
- Will Simmons
- Tucker Newman
- Vice Admiral David Buss
- Landon Smith
- Benson Schiro
- Kaleb Cameron
- Genevieve DeSabio

3. Reports:

Village Manager

- Mr. Doug Willardson reported on the Beautification Committee's "It's a Pinehurst Christmas" decorating contest, the publication of the 2025 Solid Waste Collection Calendar, and on the closure of Rassie Wicker Park until March 2025 for the installation of artificial turf.

Village Council

- Mayor Pizzella reported on the December 09, 2024, Pinehurst No. 6 Community Meeting; the meeting of Moore County municipal leaders last week in Robbins, NC; on the groundbreaking at the SanStone Health and Rehabilitation facility on Midland Rd.; on the Oath of Office for Mr. Tom Adams of the Moore County Board of Commissioners; the Zoom meeting with leaders from Royal Dornoch and the Town of Dornoch, Scotland last week; the November 20, 2024, Sandhills Metropolitan Planning Organization Regular Meeting; the November 18, 2024, Neighborhood Advisory Committee Regular Meeting; the grand opening event for the Putter Girl Golf Shop in Taylortown; and on the Pinehurst No. 6 Community litter cleanup event last week along HWY 15-501 N.

- Mayor Pizzella noted the absence of Councilmember Morgan due to a family emergency.

- Mayor Pro Tem Taylor reported on the December 04, 2024, Technical Coordinating Committee Regular Meeting; the December 10, 2024, meeting with Moore County Airport Authority; on a meeting with the North Carolina State Demographer last week; on the December 06, 2024, Pinehurst Tree Lighting Ceremony; on the December 07, 2024, FORSCOM holiday party at Fort Liberty; and on a recent presentation by the USGA.

- Councilmember Ficklin reported on the Moore County Commissioners' adoption of Transylvania County, NC, which was greatly impacted by Hurricane Helene, and the cold weather resources donation drive the Moore County Board of Commissioners is holding for the residents of Transylvania County.

- Councilmember Farrell reported on the December 04, 2024, North Carolina League of Municipalities' webinar on Extra-Territorial Jurisdictions.

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**
   - November 12, 2024, Regular Meeting Minutes
   - November 12, 2024, Work Session Minutes
   - December 03, 2024, Special Meeting Minutes

B. **Approval of the 2025 Council Meeting Schedules**

End of Consent Agenda.
Upon a motion by Councilmember Ficklin, seconded by Councilmember Farrell, Council unanimously approved the Consent Agenda by a vote of 4-0.

5. **Public Comments.**
None.

Mayor Pizzella reflected on the successful year the Village of Pinehurst had in 2024 and provided statistics on the popularity of the Village of Pinehurst. In addition, Mayor Pizzella encouraged residents to volunteer within the community.

6. **Resolutions.**

A. **Resolution 24-37 Honoring Mr. Paul Roberts**
Mayor Pizzella read aloud Resolution 24-37 honoring Mr. Roberts for his years of service on the Planning & Zoning Board and Board of Adjustment.

Mr. Roberts thanked the Village of Pinehurst for the privilege and honor of serving on the Planning & Zoning Board and Board of Adjustment.

Upon a motion by Councilmember Farrell, seconded by Councilmember Ficklin, Council unanimously approved Resolution 24-37 honoring Mr. Paul Roberts by a vote of 4-0.

A Resolution Honoring the Service of
Mr. Paul Roberts

WHEREAS, Mr. Paul Roberts has been a dedicated and invaluable member of the Village of Pinehurst community; and

WHEREAS, Mr. Roberts served with distinction on the Planning & Zoning Board and Board of Adjustment from 2018 to 2024, generously volunteering his time and expertise, and making significant contributions to the thoughtful and responsible growth of the Village; and

WHEREAS, Mr. Roberts was instrumental in the development of the Village Place and Pinehurst South Small Area Plans and Form-Based Guidance Plans, which were adopted by the Village Council in May of 2023; and

WHEREAS, Mr. Roberts' contributions to these Boards has had a profound and lasting impact on the Village of Pinehurst.

Now, Therefore, Be It Resolved by the Village Council of the Village of Pinehurst, North Carolina, in a Regular Meeting assembled this 10th day of December 2024 as follows:

Section 1. That the Village Council hereby expresses, on behalf of the citizens of Pinehurst, its sincere gratitude and appreciation to Mr. Paul Roberts for his exemplary service and dedication to the community.

Section 2. That a copy of this resolution be spread upon the permanent minutes of the Village of Pinehurst and a copy thereof, duly executed by the Mayor, be presented to Mr. Roberts as a token of our esteem.

This Resolution passed and adopted this 10th day of December 2024.

B. Resolution 24-40 Reappointing Mr. Bruce Hironimus to the Planning & Zoning Board and Board of Adjustment (P&Z / BOA)

Mr. Willardson provided background on Mr. Bruce Hironimus' service on the Planning & Zoning Board and Board of Adjustment and support for Mr. Hironimus' reappointment.

Upon a motion by Councilmember Farrell, seconded by Mayor Pro Tem Taylor, Council unanimously approved Resolution 24-40 reappointing Mr. Bruce Hironimus to the Planning & Zoning Board and Board of Adjustment effective January 01st, 2025, until December 31st, 2027, by a vote of 4-0.

RESOLUTION #24-40:

A RESOLUTION REGARDING A RE-APPOINTMENT TO THE PINEHURST PLANNING & ZONING BOARD AND BOARD OF ADJUSTMENT.

THAT WHEREAS, the Village of Pinehurst has established a Planning & Zoning Board and a Board of Adjustment as required by its Development Ordinance and authorized by North Carolina General Statutes 160D-301 and 160D-302; and

WHEREAS, on the 13th day of March 2012, the Pinehurst Village Council adopted Ordinance #12-10 to amend Chapter 31 of the Pinehurst Municipal Code to combine the Planning & Zoning Board and the Board of Adjustment; and

WHEREAS, the term of Mr. Bruce Hironimus will expire on December 31st, 2024; and

WHEREAS, Mr. Hironimus and the Village Council of Pinehurst are desirous of him continuing to serve as a member of the Planning & Zoning Board and the Board of Adjustment for an additional term; and

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 10th day of December 2024 that the following appointment is hereby made to the Planning & Zoning Board and the Board of Adjustment for the term indicated:

Mr. Bruce Hironimus is re-appointed as a member of the Planning & Zoning Board and the Board of Adjustment effective January 01, 2025, to serve at the pleasure of the Council until the end of his term on December 31, 2027.

THIS RESOLUTION passed and adopted this 10th day of December 2024.

7. Regular Business.

A. Consider the Contract for the Comprehensive Update to the Pinehurst Development Ordinance

Mr. Willardson and Mr. Alex Cameron, Planning & Inspections Director, opened discussion of the selection process for the consultant to perform the comprehensive update to the Pinehurst Development Ordinance and stated their support for approval of the contract with Kimley-Horn.

Council, Mr. Willardson, and Mr. Cameron discussed details of the contract related to public input, checkpoints, and redevelopment; and stated their support for approval of the contract.

Upon a motion by Councilmember Farrell, seconded by Councilmember Ficklin, Council unanimously approved the contract for the comprehensive update to the Pinehurst Development Ordinance with Kimley-Horn in the amount of $216,625 and authorize the mayor or the Village Manager to execute the contract and approve the necessary budget amendment by a vote of 4-0.

B. Recognition of the Village's Joint Celebration of Donald Ross's 152nd Birthday with the Town of Dornoch, Scotland

Mr. Willardson reviewed a memo on the joint celebration of Donald Ross's 152nd birthday with the Town of Dornoch, Scotland and stated he will stay in touch with the General Manager of Royal Dornoch to continue developing a relationship with both the Town of Dornoch and Royal Dornoch.

Councilmember Farrell recommended Council, also, recognize the birthday of James Walker Tufts (February 11, 1835). Council agreed.

C. Acknowledgment of the USGA's Appreciation for the Village of Pinehurst's Support of the 124th U.S. Open Championship

Mr. Willardson reviewed a memo on the resolution of appreciation presented to the Village of Pinehurst by Mr. Reginald Jones, USGA Senior Director of U.S. Open Championships, and Mr. John Bodenhamer, USGA Chief Championships Officer, at the December 03, 2024, Council Special Meeting. The resolution is signed by Mr. Fred Perpall, President of the USGA, and will be displayed in the lobby of Village Hall.

8. Other Business

Mayor Pizzella asked for an update on proposed developments within the Village to be given at a future meeting and asked Council to consider amending the Planning & Zoning Board and Board of Adjustment policy to allow additional ETJ members.

9. Motion to Adjourn.

Upon a motion by Councilmember Ficklin, seconded by Mayor Pro Tem Taylor, Council unanimously approved to adjourn the Regular Meeting by a vote of 4-0 at 05:13 p.m.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

December 10, 2024, Work Session Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 12/31/2024

MEMO DETAILS

ATTACHMENTS
1. 12.10.2024 DRAFT Work Session Minutes_Revised

Village Council
Minutes for the Work Session of December 10, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
04:30 p.m.

The Pinehurst Village Council held a Work Session Meeting at 05:14 p.m., Tuesday, December 10, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:
Mr. Patrick Pizzella, Mayor
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Mr. Mike Newman, Village Attorney
Ms. Shannon Konstantinou, Village Clerk
Mr. Josh Dockery, IT Specialist

And approximately 2 attendees in addition to 3 staff and 1 press.

1. **Call to Order.**
   Mayor Pizzella called the Village Council Work Session to order at 05:24 p.m.

2. **General Business.**
   A. **Review and Approval of the 2025 Key Partners and Collaborators Assignments**
      Council agreed to amend the 2025 Key Partners and Collaborators Assignments to show Councilmember Farrell as an additional representative for the Bicycle and Pedestrian Advisory Committee.

      Mr. Willardson stated "Historic District" would be added to the "What We Collaborate On" section of the National Park Service "Collaborators" line and Councilmember Farrell asked that Landmark Status be added to the National Park Service "Collaborators" line making it National Park Service (NPS) / Landmark Status (NLS). Council agreed to include these changes in future Key Partners and Collaborators Assignments documents.

      Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Ficklin, Council unanimously approved the amended 2025 Key Partners and Collaborators assignments by a vote of 4-0.

B. **Review Summary of Decisions from the FY26 Council Retreat**
Mr. Willardson reviewed a Retreat Decision Summary Table outlining the decisions made for each Goal and Strategic Objective covered at the December 03, 2024, Special Meeting – Strategic Planning Retreat and gathered additional feedback from Council.

C. **FY 2026 SOP Draft Five-Year Forecast Discussion**
Ms. Dana Van Nostrand, Financial Services Director, reviewed a memo on the FY 2026 SOP Draft Five-Year Forecast; a Five-Year Income and Expense Projections Summary of Revenues and Expenditures FY 2026-2030; a Fire Station Cost Analysis; and a PowerPoint presentation highlighting Methodology, FY 2026-2030 Summary, and Major Capital Needs.

Council agreed to move Other Business to after the Closed Session.

3. **Closed Session**

A. **Closed Session pursuant to NCGS § 143-318.11(a)(3): NC Citizens v Village of Pinehurst**
NC Citizens v Village of Pinehurst: The Village Council will hold a Closed Session pursuant to NCGS § 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Ficklin, Council unanimously approved to recess the Work Session and enter the Closed Session pursuant to NCGS § 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, by a vote of 4-0 at 06:34 p.m. The parties to the lawsuit being discussed are NC Citizens and the Village of Pinehurst.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Ficklin, Council unanimously agreed to adjourn the Closed Session and re-enter the Work Session by a vote of 4-0 at 07:40 p.m.

4. **Other Business.**

Mayor Pro Tem Taylor asked Council to consider a potential parking solution for Downtown that would entail building a subterranean parking structure below the Village Green lot.

5. **Motion to Adjourn.**

Upon a motion by Councilmember Ficklin, seconded by Councilmember Farrell, Council unanimously approved to adjourn the Work Session by a vote of 4-0 at 07:43 p.m.

Respectfully submitted,

Shannon Konstantinou
Village Clerk

December 10, 2024, Closed Session Minutes

ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 12/31/2024

MEMO DETAILS

ATTACHMENTS

1. 12.10.2024 DRAFT CLS Minutes

Resolution 25-01 Appointment of Mr. Paul Roberts to the Historic Preservation Commission

ADDITIONAL AGENDA DETAILS:

FROM:	Shannon Konstantinou, Village Clerk
CC:	Village Council; Doug Willardson
DATE OF MEMO:	12/12/2024

MEMO DETAILS

ATTACHMENTS

1. DRAFT Resolution 25-01 Appoint HPC (Roberts)

RESOLUTION #25-01:

A RESOLUTION REGARDING AN APPOINTMENT TO THE VILLAGE OF PINEHURST HISTORIC PRESERVATION COMMISSION.

WHEREAS, the Village of Pinehurst has established an Historic Preservation Commission as authorized by North Carolina General Statutes, Chapter 160D, Article 303; and

WHEREAS, there is a need to fill a vacancy on the Historic Preservation Commission.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 14th day of January 2025 that the following appointment is hereby made to the Historic Preservation Commission for the term indicated:

Mr. Paul Roberts is appointed as a member of the Historic Preservation Commission, effective January 14, 2025, said term to expire January 31, 2027.

THIS RESOLUTION passed and adopted this the 14th day of January 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Patrick Pizzella, Mayor

Attest:

____
Shannon Konstantinou, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

Resolution 25-02 Appointment of Ms. Casey Getman to the Bicycle and Pedestrian Advisory Committee

ADDITIONAL AGENDA DETAILS:

FROM:	Shannon Konstantinou, Village Clerk
CC:	Village Council; Doug Willardson
DATE OF MEMO:	12/12/2024

MEMO DETAILS

ATTACHMENTS

1. DRAFT Resolution 25-02 Appoint BPAC (Getman)

RESOLUTION #25-02:

A RESOLUTION REGARDING AN APPOINTMENT TO THE VILLAGE OF PINEHURST BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE.

WHEREAS, the Village of Pinehurst has established a Bicycle and Pedestrian Advisory Committee by Resolution 15-28; and

WHEREAS, there is a need to fill a vacancy on the Bicycle and Pedestrian Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 14th day of January 2025 that the following appointment is hereby made to the Bicycle and Pedestrian Advisory Committee for the term indicated:

Ms. Casey Getman is appointed as a member of the Bicycle and Pedestrian Advisory Committee, effective January 14, 2025, said term to expire January 31, 2028.

THIS RESOLUTION passed and adopted this 14th day of January 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Patrick Pizzella, Mayor

Attest: ______________________________
Shannon Konstantinou, Village Clerk

Approved as to Form: ______________________________
Michael J. Newman, Village Attorney

Resolution 25-03 Appointment of Mr. Jeramy Hooper to the Bicycle and Pedestrian Advisory Committee

ADDITIONAL AGENDA DETAILS:

FROM:	Shannon Konstantinou, Village Clerk
CC:	Village Council; Doug Willardson
DATE OF MEMO:	12/12/2024

MEMO DETAILS

ATTACHMENTS

1. DRAFT Resolution 25-03 Appoint BPAC (Hooper)

RESOLUTION #25-03:

A RESOLUTION REGARDING AN APPOINTMENT TO THE VILLAGE OF PINEHURST BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE.

WHEREAS, the Village of Pinehurst has established a Bicycle and Pedestrian Advisory Committee by Resolution 15-28; and

WHEREAS, there is a need to fill a vacancy on the Bicycle and Pedestrian Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 14th day of January 2025 that the following appointment is hereby made to the Bicycle and Pedestrian Advisory Committee for the term indicated:

Mr. Jeramy Hooper is appointed as a member of the Bicycle and Pedestrian Advisory Committee, effective January 14, 2025, said term to expire January 31, 2028.

THIS RESOLUTION passed and adopted this 14th day of January 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Patrick Pizzella, Mayor

Attest:

____
Shannon Konstantinou, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

Resolution 25-04 Appointment of Mr. Lyle Covino to the Bicycle and Pedestrian Advisory Committee

ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 01/02/2025

MEMO DETAILS

ATTACHMENTS

1. DRAFT Resolution 25-04 Appoint BPAC (Covino)

RESOLUTION #25-04:

A RESOLUTION REGARDING AN APPOINTMENT TO THE VILLAGE OF PINEHURST BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE.

WHEREAS, the Village of Pinehurst has established a Bicycle and Pedestrian Advisory Committee by Resolution 15-28; and

WHEREAS, there is a need to fill a vacancy on the Bicycle and Pedestrian Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 14th day of January 2025 that the following appointment is hereby made to the Bicycle and Pedestrian Advisory Committee for the term indicated:

Mr. Lyle Covino is appointed as a member of the Bicycle and Pedestrian Advisory Committee, effective January 14, 2025, said term to expire January 31, 2028.

THIS RESOLUTION passed and adopted this 14th day of January 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Patrick Pizzella, Mayor

Attest:

____
Shannon Konstantinou, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

Resolution 25-05 Adopting the Amended Investment Policy
ADDITIONAL AGENDA DETAILS:

FROM: Dana Van Nostrand, Financial Services Director
CC: Village Council;
DATE OF MEMO: 01/08/2025

MEMO DETAILS

The Village's Investment Policy requires it to be reviewed annually. The policy was last amended in 2010. In this year's review of the policy, I found some updates were needed to reflect the current NC General Statutes, current processes, and best practices recommended by the GFOA. The red-lined and clean versions of the recommended policy are attached. The updates do not change the substance of the policy, and I am not recommending any changes to the Village's current investment strategy at this time.

ATTACHMENTS

1. Investment Policy 2025 - Red-Lined
2. Investment Policy 2025
3. Resolution 25-05 Amending Investment Policy

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Investment Policy**	Effective Date: 03/01/2005
Department: Financial Services	Policy No.: FIN-909.1
Prepared by: Financial Services Director, Dana Van Nostrand	Revised: 03/09/2010, 01/14/2025
Approved by: Village Council Resolution #25-05	# of Pages: 9~~14~~

I. PURPOSE:

The purpose of this investment policy is to provide investment guidance to the statutory Finance Officer in the routine investment of public funds and to ensure public funds are invested ~~within the limitations of~~in accordance with ~~the~~ North Carolina General Statutes (NCGS) Chapter 159.

This policy applies to the investment of short-term operating funds. Longer-term funds available for investment would include the proceeds from certain debt issues which are not covered by this policy.

II. POLICY:

Pooling of Funds – Except for cash in certain restricted and special funds, the Village will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

A. ~~II.~~ General Objectives

The three primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. ***Safety*** ~~–~~ – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

    a. *Credit Risk* is the risk of loss due to the failure of the security issuer or backer. The Village will minimize this risk by:

- Limiting investments to the safest types of securities,
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business, and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. *Interest Rate Risk* is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Village will minimize this risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. ***Liquidity*** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds of local government investment pools which offer same-day liquidity for short-term funds.

3. ***Yield*** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The cores of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

    - A security with declining credit may be sold early to minimize loss of principal,
    - A security swap would improve the equality, yield, or target duration in the portfolio, or
    - Liquidity needs of the portfolio require that the security be sold.

Standards of Care

Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Ethics and Conflicts of Interest

Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Village.

Delegation of Authority

Authority to manage the investment program is outlined in NCGS §159-30 and granted to ~~the Financial Services Director (i.e. ~~the statutory Finance Officer~~)~~, hereinafter referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to~~: ~~ safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

B. ~~IV.~~ **Safekeeping and Custody**

Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. Banks approved for investments must be located in the State of North Carolina as required under G.S. 159-31(a). The i~~I~~nvestment o~~O~~fficer shall review publicly available financial information to prequalify banks for investment deposits (CD’s). Banks qualified for investments by the ~~I~~investment o~~O~~fficer shall be deemed an official depository of the Village for investment purposes.

In addition, a list also will be maintained of approved security brokers/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements,
- Proof of Financial Industry Regulatory Authority (FINRA) certification,
- Proof of state registration,
- Completed broker/dealer questionnaire~~ (Exhibit A)~~, and
- Certification of having read and understood and agreeing to comply with this~~e (entity's)~~ investment policy.

An annual review of the financial condition and registration of qualified financial institution and broker/dealers will be conducted by the investment officer (typically in January)~~ in March~~.

Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

~~Accordingly, the investment officer shall establish a process for an annual review by an external auditor to assure compliance with policies and procedures.~~ The internal controls shall address the following points:

- Control of collusion,
- Separation of transaction authority from accounting and recording keeping,
- Custodial safekeeping,
- Clear delegation of authority to subordinate staff members,
- Written confirmation of transactions for investments and wire transfers, and
- Execution~~Development~~ of a wire transfer agreement with the lead bank and third-party custodian.

Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

C. ~~V.~~ Suitable and Authorized Investments

Investment Types

Per ~~North Carolina General Statutes (~~NCGS~~)~~ §159-30(b) and (c), the Village is authorized to invest in the following classes of security and no other:

a. ~~a.~~ Moneys may be deposited at interest in any bank, savings and loan association, or trust company in the State in the form of certificates of deposit or such forms of time deposit~~.~~ ***(Certificates of Deposit)***.~~)~~

b. ~~b.~~ Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States ***(Treasury Bills, Notes, and Bonds)***.

c. ~~c.~~ Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae ~~the Federal National Mortgage Association~~, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service ***(Agencies)***.

d. ~~d.~~ Obligations of the State of North Carolina ***(NC State Bonds)***.

e. ~~e.~~ Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose ***(NC Municipal Bonds)***.

f. ~~f.~~ Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the ~~Administrator~~ Commissioner ~~of the Savings and Loan Division~~of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized ***(Certificates of Deposit)***.

g. ~~g.~~ Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation ***(Commercial Paper)***.

h. ~~h.~~ Bills of exchange of time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (1) incorporated in the State of North Carolina or (2) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations ***(Bankers Acceptances)***.

i. ~~i.~~ Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under NCGS §159-30(c) ~~this sub section~~ and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment ***(North Carolina Capital Management Trust Fund – NCCMT)***.

j. A commingled investment pool established and administered by the State Treasurer pursuant to NCGS §147-69.3 ***(Ancillary Governmental Participation Investment Program – AGPIP)***.

k. A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to NCGS §160A-460 through 464, if the investments of the pool are limited to those qualifying for investment under NCGS §159-30(c) ***(North Carolina Investment Pool or other pools meeting this definition)***.

l. ~~j.~~ Evidences of ownership of, or fractional undivided interest in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian ***(Treasury Strips)***.

m. Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if it meets the requirements of NCGS §159-30(c)(12).

The Village will not invest in derivatives of the above instruments.

D. ~~VI.~~ Investment Parameters

Diversification

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds, such as the North Carolina Cash Management Trust Government Fund (NCCMT), which is a money market mutual fund, to ensure that appropriate liquidity is maintained ~~in order to~~to meet ongoing obligations.

Maximum Maturities

To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five (5) years from the date of purchase. The Village shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives and strategy. The maximum weighted average maturity for working capital investments, such as the NCCMT Government Fund, is 90 days.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Village Council.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in the NCCMT to ensure that appropriate liquidity is maintained to meet ongoing obligations.

E. ~~VII.~~ Reporting

Methods

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the Village Manager and the Village Council. The report will include the following:

a. Listing of individual securities held at the end of the reporting period,
b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements),
c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks,
d. Listing of investments by maturity date, and
e. Percentage of the total portfolio that each type of investment represents.

Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established by the investment officer against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA ~~Recommended~~ Best Practice on "Mark-to-Market Reporting~~Practices~~ for ~~State and Local Government~~Public Investment Portfolios~~ and Investment Pools.~~".

F. ~~VIII.~~ Policy Considerations

Amendments

This policy shall be reviewed on an annual basis, typically in January to coincide with the broker/dealer review and the submission of the LGC-203 report to the Local Government Commission~~ in March~~. Any changes must be approved by the investment officer, the Village Manager, and the Village Council, ~~as well as the~~after consultation with the individual(s) charged with maintaining internal controls, such as broker/dealers.

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**	
SUBJECT: **Investment Policy**		Effective Date: 03/01/2005
Department: Financial Services		Policy No.: FIN-909.1
Prepared by: Financial Services Director, Dana Van Nostrand		Revised: 03/09/2010, 01/14/2025
Approved by: Village Council Resolution #25-05		# of Pages: 9

I. PURPOSE:

The purpose of this investment policy is to provide investment guidance to the statutory Finance Officer in the routine investment of public funds and to ensure public funds are invested in accordance with North Carolina General Statutes (NCGS) Chapter 159.

This policy applies to the investment of short-term operating funds. Longer-term funds available for investment would include the proceeds from certain debt issues which are not covered by this policy.

II. POLICY:

Pooling of Funds – Except for cash in certain restricted and special funds, the Village will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

A. General Objectives

The three primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. ***Safety*** – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

   a. *Credit Risk* is the risk of loss due to the failure of the security issuer or backer. The Village will minimize this risk by:

      - Limiting investments to the safest types of securities,

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business, and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. *Interest Rate Risk* is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Village will minimize this risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. ***Liquidity*** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds of local government investment pools which offer same-day liquidity for short-term funds.

3. ***Yield*** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The cores of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal,
- A security swap would improve the equality, yield, or target duration in the portfolio, or
- Liquidity needs of the portfolio require that the security be sold.

Standards of Care

Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Ethics and Conflicts of Interest

Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Village.

Delegation of Authority

Authority to manage the investment program is outlined in NCGS §159-30 and granted to the statutory Finance Officer, hereinafter referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

B. Safekeeping and Custody

Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. Banks approved for investments must be located in the State of North Carolina as required under G.S. 159-31(a). The investment officer shall review publicly available financial information to prequalify banks for investment deposits (CD's). Banks qualified for investments by the investment officer shall be deemed an official depository of the Village for investment purposes.

In addition, a list also will be maintained of approved security brokers/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements,
- Proof of Financial Industry Regulatory Authority (FINRA) certification,
- Proof of state registration,
- Completed broker/dealer questionnaire, and
- Certification of having read and understood and agreeing to comply with this investment policy.

An annual review of the financial condition and registration of qualified financial institution and broker/dealers will be conducted by the investment officer (typically in January).

Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion,
- Separation of transaction authority from accounting and recording keeping,
- Custodial safekeeping,
- Clear delegation of authority to subordinate staff members,
- Written confirmation of transactions for investments and wire transfers, and
- Execution of a wire transfer agreement with the lead bank and third-party custodian.

Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

C. Suitable and Authorized Investments

Investment Types

Per NCGS §159-30(b) and (c), the Village is authorized to invest in the following classes of security and no other:

a. Moneys may be deposited at interest in any bank, savings and loan association, or trust company in the State in the form of certificates of deposit or such forms of time deposit ***(Certificates of Deposit)***.

b. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States ***(Treasury Bills, Notes, and Bonds)***.

c. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service ***(Agencies)***.

d. Obligations of the State of North Carolina ***(NC State Bonds)***.

e. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose ***(NC Municipal Bonds)***.

f. Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized ***(Certificates of Deposit)***.

g. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation ***(Commercial Paper)***.

h. Bills of exchange of time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (1) incorporated in the State of North Carolina or (2) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations ***(Bankers Acceptances)***.

i. Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under NCGS §159-30(c) and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment ***(North Carolina Capital Management Trust Fund – NCCMT)***.

j. A commingled investment pool established and administered by the State Treasurer pursuant to NCGS §147-69.3 ***(Ancillary Governmental Participation Investment Program – AGPIP)***.

k. A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to NCGS §160A-460 through 464, if the investments of the pool are limited to those qualifying for investment under NCGS §159-30(c) ***(North Carolina Investment Pool or other pools meeting this definition)***.

l. Evidences of ownership of, or fractional undivided interest in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian ***(Treasury Strips)***.

m. Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if it meets the requirements of NCGS §159-30(c)(12).

The Village will not invest in derivatives of the above instruments.

D. Investment Parameters

Diversification

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds, such as the North Carolina Cash Management Trust Government Fund (NCCMT), which is a money market mutual fund, to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Maximum Maturities

To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five (5) years from the date of purchase. The Village shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives and strategy. The maximum weighted average maturity for working capital investments, such as the NCCMT Government Fund, is 90 days.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Village Council.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in the NCCMT to ensure that appropriate liquidity is maintained to meet ongoing obligations.

E. Reporting

Methods

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the Village Manager and the Village Council. The report will include the following:

a. Listing of individual securities held at the end of the reporting period,
b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements),
c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks,
d. Listing of investments by maturity date, and
e. Percentage of the total portfolio that each type of investment represents.

Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established by the investment officer against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Best Practice on "Mark-to-Market Reporting for Public Investment Portfolios".

F. Policy Considerations

Amendments

This policy shall be reviewed on an annual basis, typically in January to coincide with the broker/dealer review and the submission of the LGC-203 report to the Local Government Commission. Any changes must be approved by the investment officer, the Village Manager, and the Village Council, after consultation with the individual(s) charged with maintaining internal controls, such as broker/dealers.

RESOLUTION #25-05:

A RESOLUTION AMENDING A FINANCIAL POLICY OF THE VILLAGE OF PINEHURST (INVESTMENT POLICY).

THAT WHEREAS, Chapter 160A, Article 7 of the General Statutes of North Carolina outlines the powers and duties of the Village Manager and the Village Council; and

WHEREAS, the Village Council has deemed it necessary and in the best interests of its employees and citizens to formulate and revise administrative policies; and

WHEREAS, the Village Council by Resolution #10-03 established that "All financial policies of the Village shall be approved by the Village Council"; and

WHEREAS, as the operational needs of the Village change, the Village Council has, from time to time, adopted and amended previously adopted financial policies for the Village of Pinehurst;

NOW, THEREFORE, BE IT RESOLVED, by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 14th day of January, 2025, as follows:

SECTION 1. The amended Investment Policy recommended by the Village's Financial Services Director, which has been reviewed by the Village Manager, is hereby amended and approved by the Village Council and replaces the previous version of the Investment Policy in its entirety.

SECTION 2. The Financial Services Director is instructed to inform all employees of the updated policy in a timely manner.

SECTION 3. This resolution shall be and the same is hereby effective from and after the date of its adoption.

THIS RESOLUTION passed and adopted this 14th day of January, 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ____________________________
Patrick Pizzella, Mayor

Attest:

____
Shannon Konstantinou, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney