



**Village Council
Agenda for Regular Meeting of May 27, 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 Ms. Katie Hoerster, Associate Pastor, of the Pinehurst United Methodist Church
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. May 13, 2025, Regular Meeting Minutes
 2. May 13, 2025, Work Session Minutes
 3. May 13, 2025, Closed Session Minutes
 - B. Budget Amendments Report

End of Consent Agenda
5. Public Comments
6. Resolutions
 - A. Consider Resolution 25-15 Reappointment of Ms. Angelique Fabiani to the Historic Preservation Commission
7. Public Hearing
 - A. FY 2026 Budget Public Hearing

8. Ordinances

A. Consider Ordinance 25-08 Amending the Library Expansion Capital Project Fund Budget

9. General Business

A. Accept the Resignation of Michael Newman as Village Attorney

10. Other Business

11. 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 Ms. Katie Hoerster, Associate Pastor, of the Pinehurst United Methodist Church

ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 05/16/2025

MEMO DETAILS

ATTACHMENTS

None



May 13, 2025, Regular Meeting Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 05/15/2025

MEMO DETAILS

ATTACHMENTS

1. 05.13.2025 DRAFT Regular Meeting Minutes



**Village Council
Minutes for the Regular Meeting of May 13, 2025
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
4:30 p.m.**

The Village of Pinehurst Village Council held a Regular Meeting at 04:30 p.m., Tuesday, May 13, 2025, 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
Dr. Jeff Morgan, Councilmember
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. Paul Conners, IT Systems Specialist

And approximately 8 members of the audience in attendance, in addition to 9 staff and 1 press.

1. Call to Order.

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

2. Invocation and Pledge of Allegiance.

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

B. Pledge of Allegiance by King Martin-Magee

3. Reports:

Village Manager

- Mr. Doug Willardson reported on the May 09, 2025, Live After 5 event at the Arboretum; addressed resident concerns regarding stormwater runoff from construction sites and stated the North Carolina Department of Environmental Quality (DEQ) is the regulatory authority for such matters; and announced the sidewalk installation project in the Pinehurst No. 6 neighborhood began May 12, 2025.

Village Council

- Mayor Pizzella reported on the April 26, 2025, 15th Annual Celebration of the Military Child event at the Arboretum; the April 29, 2025, Moore County Mayors and Managers meeting at the Cannon Park Community Center; the April 30, 2025, Village of Pinehurst Volunteer Luncheon at the Fair Barn; the April 30, 2025, Flag Raising Ceremony at Given Outpost; and the May 06, 2025, Village Heritage Foundation Spring Garden Party at the Arboretum.

- Councilmember Morgan reported on the Central Pines Regional Council meeting held the last week of April 2025; the 2029 International University Sports Federation World Summer Games to be held in Raleigh, NC July 11th to 22nd; and the May 10, 2025, Ms. North Carolina Senior America Pageant at Sandhills Community College.
- Mayor Pro Tem Taylor reported on the May 06, 2025, Village Heritage Foundation Spring Garden Party at the Arboretum; May 07, 2025, Technical Coordinating Committee (SMPO) meeting; and verified with Mr. Willardson that contractors apply directly to the DEQ when developing a lot.
- Councilmember Ficklin reported on the April 28, 2025, Pinehurst Business Partners meeting; the April 30, 2025, Flag Raising Ceremony at Given Outpost; the April 30, 2025, Village of Pinehurst Volunteer Luncheon at the Fair Barn; the May 05, 2025, Beautification Committee meeting and thanked the Beautification Committee members who participated in the recent NCDOT litter sweep event; the May 19, 2025, Pinehurst Garden Club Downtown Planting event; the May 06, 2025, Village Heritage Foundation Spring Garden Party at the Arboretum; and the week of May 15, 2025, which is Peace Officers' Memorial Day, being National Police Week and thanked Police Officers for the work they do to keep us all safe.
- Councilmember Farrell reported on the Fort Bragg Regional Land Use Advisory Commission (RLUAC) Board of Directors meeting held the week of May 05, 2025, and the RLUAC Members meeting to be held the week of May 12, 2025, in Southern Pines, NC.

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

- April 22, 2025, Regular Meeting Minutes
- April 22, 2025, Work Session Minutes
- April 22, 2025, Closed Session Minutes

B. Approval of the 2021 General Records and Program Records Retention Schedules and the 2009 Public Libraries Records Retention Schedule

End of Consent Agenda.

Mayor Pizzella asked for the vote on Item 4.B. Approval of the 2021 General Records and Program Records Retention Schedules and the 2009 Public Libraries Records Retention Schedule to be delayed allowing for discussion of the item.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Farrell, Council unanimously approved the Consent Agenda Items 4.A.1-3 by a vote of 5-0.

Council verified with Mr. Willardson the Records Management Officer for the Village of Pinehurst is the Village Clerk, the Accounts Receivable 3-year retention requirement for bills is sufficient due to the Village paying bills almost immediately upon receipt and the bills having passed through the audit process prior to disposal, the E-Records portion of the schedules being relevant to the Village due to the upcoming implementation of document imaging with Laserfiche, and the need to approve the schedules being due to some minor corrections required by the NC State Archives. Mayor Pizzella asked Mr. Willardson to inform Council what the acronym LME (Local Management Entity) means.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Farrell, Council unanimously approved the Consent Agenda Item 4.B. by a vote of 5-0.

5. Public Comments.

None.

6. Regular Business.

A. Review and Discussion of Pending Legislative Bills with Potential Impact on the Village of Pinehurst.

Mr. Willardson reviewed a Legislative Bills Discussion PowerPoint presentation highlighting House Bill 765 (Save the American Dream Act), House Bill 1009 (Eliminate ETJ Authority Statewide), Senate Bill 587 (Clarify Nonconforming Uses), Senate Bill 688 (Local Government Land Use Reform), Senate Bill 497 (Expand Middle Housing), Senate Bill 495 (Accessory Dwelling Units [ADUs]), Senate Bill 499 (Housing Near Job), Senate Bill 314 (Eliminate ETJ Overlap), and Senate Bill 291 (Short-Term Rentals).

Council and Mr. Willardson discussed some concerns and / or benefits of the bills listed and the potential catalysts for the higher-than-normal number of land use bills being proposed this year.

B. FY 2025 Quarterly Strategic Operating Plan Update for the Quarter Ended March 31, 2025.

Mr. Willardson reviewed a Q3 FY 25 KPIs table and a FY25 Initiative Action Plan Review PowerPoint highlighting the FY 2025 VOP Strategy Map, Update the Pinehurst Development Ordinance, Redevelopment of Village Place, Expand and Renovate Given Library & Tufts Archives, 3rd Fire Facility, Multi-Modal Transportation Improvements, Retrofit Current Athletic Fields with Synthetic Turf, Short-Term Rental Monitoring & Compliance, and Other Significant Projects.

Council and Mr. Willardson discussed there not being any areas of concern regarding the Village's performance and progress being made on each of the Initiative Action Plan items.

C. Quarterly Financial Statements as of and for the Nine Months Ended March 31, 2025.

Ms. Dana Van Nostrand, Financial Services Director, reviewed a memo summarizing the updated formatting of the reporting dashboard document and the Quarterly Financial Dashboard Fiscal Year Ending June 30, 2025, table.

Council and Ms. Van Nostrand discussed expenditures, fund balance usage, contributions and liabilities for accrued vacation and pension funds, property tax rates and revenues, some departments showing lower expenditure percentages than others, and the discrepancy in coverage of Fair Barn expenditures between FY 2024 and FY 2025 being due to a FY 2025 increase in rental fees for entities other than non-profits and an unchanged rental fee for non-profits resulting in a significantly higher discount rate for non-profits.

D. Presentation of the Draft Fiscal Year 2026 Strategic Operating Plan and Budget for the Village of Pinehurst and Announcement of the May 27, 2025, Public Hearing on the Fiscal Year 2026 Strategic Operating Plan and Budget for the Village of Pinehurst.

Mr. Willardson stated a detailed presentation of the Fiscal Year 2026 Strategic Operating Plan and Budget for the Village of Pinehurst will be given at the May 27, 2025, Public Hearing on the Fiscal Year 2026 Strategic Operating Plan and Budget for the Village of Pinehurst, which will be held in Assembly Hall at 04:30 p.m.

7. Other Business.

Council commended Village staff for the revised / shortened version of the draft Fiscal Year 2026 Strategic Operating Plan and Budget as compared to last year's version of the Strategic Operating Plan and Budget. Mr. Willardson stated Village staff also hope to be able to create a 1–2-page budget summary to make the budget review process even easier for the public.

Council asked that the Short-Term Rentals section of the vopnc.org "Hot Topics" page be updated with information on any responses received to the violation letters recently sent out. Mr. Willardson stated Village staff has a standing monthly meeting to review any updates they may have on Short-Term Rentals

and that the “Hot Topics” page will be updated each month after the meeting.

Council asked that a more defensive approach to the deer population problem and possible changes to the fencing regulations be discussed at a meeting in June 2025.

8. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Ficklin, Council unanimously approved to adjourn the Regular Meeting by a vote of 5-0 at 05:48 p.m.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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DRAFT



May 13, 2025, Work Session Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 05/15/2025

MEMO DETAILS

ATTACHMENTS

1. 05.13.2025 DRAFT Work Session Minutes



**Village Council
Minutes for the Work Session of May 13, 2025
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
04:30 p.m.**

The Village of Pinehurst Village Council held a Work Session Meeting at 05:48 p.m., Tuesday, May 13, 2025, 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
Dr. Jeff Morgan, Councilmember
Mr. John Taylor, Mayor Pro Tem
Ms. Barb Ficklin, Councilmember
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Paul Conners, IT Specialist

And approximately 1 members of the audience in attendance, in addition to 7 staff and 1 press.

1. Call to Order.

Mayor Pizzella called the Village Council Work Session to order at 06:03 p.m.

2. General Business.

A. Review Recommendations from the Fire BIRDIE Process

Mr. Willardson reviewed a BIRDIE Team Report: Fire Department Emergency Response PowerPoint presentation highlighting the BIRDIE Overview, Incidents and Response Times, Distance from Station Map, Station Coverage Area Map, Number of Calls Per Response Time Group, Options (Option 1: Status Quo, Option 2: Full Staffing and Build-Out of Station #93, Option 3: Station 91 Quick Response Unit, Option 4: Two Satellite Locations), and Recommendation.

Council, Mr. Willardson, and Mr. Derrick Clouston, Fire Chief, discussed the staffing and equipment details of a Quick Response Unit (QRU), using data from current 911 calls to analyze how many would qualify for a QRU being dispatch, the difference between emergency and non-emergency calls and how each is reported, the increase in response times during the past few years causing the negative slide in ISO grading, the use of 90% values to grade the Village's performance, the Village's performance in comparison to other Moore County municipalities, whether 6:30 minutes is a reasonable response time for the Village, the likelihood of a catastrophic event occurring in the Village, the loss of life / property probability relative to response times, and staffing difficulties for current positions and potential staffing difficulties for any additional facilities.

Council deliberated on the pros and cons of Option 3: Station 91 Quick Response Unit over Option 2: Full Staffing and Build-Out of Station #93 or Option 4: Two Satellite Locations and whether data projections justify a more aggressive approach or a more modest approach to a solution.

Council agreed to pursue Option 3: Station 91 Quick Response Unit for Fiscal Year 2027.

Council, Mr. Willardson, and Chief Clouston further discussed funding of Option 3 being reliant on either receiving a grant or increasing the tax rate by \$0.01, working the design of a full Station 93 into the 5-year plan beginning FY 2029, and the funding the Village receives from Moore County for fire services provided in Moore County jurisdiction areas.

B. Review and Discussion of Potential Capital Projects to be Included in the FY26 Strategic Operating Plan

Mr. Willardson reviewed a Capital Projects Discussion PowerPoint presentation highlighting Public Services Relocation, Phased Approach Map for Public Services Relocation and Village Place Redevelopment, Third Fire Facility (previously discussed and decided under Work Session Item 2.A.), Ladder Truck, Downtown Parking Facility, Library Facility, Tufts Archives, Other Capital Projects (West Pinehurst Park [2028] and Camelot Playground [2029], Village Place – EMS Building Removal / Site Cleanup [2030], Library Sidewalk Connections [2026], Trail Bridges [2026 and 2027], Software Systems [2029], Salt/Brine Storage [2026], and Hockey Rink Lights [2027]), Replacement Plan, Five-Year Forecast Recommendation, and Summary.

Council agreed to the following:

- Remove the Public Services relocation from the 5-year plan and to do further research into development interest of the Village owned properties within the Village Place area;
- Remove acquisition of a ladder truck from the 5-year plan;
- Forgo adding a Downtown parking facility to the 5-year plan and to do further research into the cost of either an above-ground or under-ground parking facility while continuing discussions with the National Park Service on historic preservation of the area;
- Retain placeholders in the 5-year plan for both West Pinehurst Park and Camelot Playground, Village Place – EMS Building Removal / Site Cleanup, Library Sidewalk Connections, Trail Bridges, and Software Systems; and
- Remove Salt/Brine Storage and Hockey Rink Lights.

C. Discussion of SMPO Carbon Reduction Program Project Funding Match

Mr. Willardson reviewed a memo detailing the funding available to the Sandhills Metropolitan Planning Organization (SMPO) for Carbon Reduction Program (CRP) projects and the proposed joint Village of Pinehurst, Southern Pines, and Moore County greenway project. Mr. Willardson noted the project totals approximately \$400,000; \$100,000 of which will potentially be contributed by the SMPO from the CRP funds but the remaining \$300,000 would need to be contributed by the municipalities (\$150,000 each). Mr. Willardson asked Council for a consensus on whether the Village of Pinehurst would be willing to contribute \$150,000 towards completion of this project.

Council agreed to the required \$150,000 funding contribution from the Village of Pinehurst for completion of the joint CRP greenway trail project.

3. Closed Session.

A. Closed Session § 143-318.11(a)(5)

Village Council will hold a Closed Session pursuant to NCGS § 143-318.11(a)(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii)

the amount of compensation and other material terms of an employment contract or proposed employment contract.

Upon a motion by Councilmember Morgan, seconded by Mayor Pro Tem Taylor, Council unanimously approved to recess the Work Session and enter the Closed Session pursuant to NCGS § 143-318.11(a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract by a vote of 5-0 at 08:09 p.m.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Morgan, Council unanimously approved to adjourn the Closed Session and re-enter the Work Session by a vote of 5-0 at 08:24 p.m.

4. Motion to Adjourn.

Upon a motion by Councilmember Morgan, seconded by Councilmember Ficklin, Council unanimously approved to adjourn the Work Session by a vote of 5-0 at 08:24 p.m.

Respectfully submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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May 13, 2025, Closed Session Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 05/15/2025

MEMO DETAILS

ATTACHMENTS

1. 05.13.2025 DRAFT CLS Minutes



Budget Amendments Report

ADDITIONAL AGENDA DETAILS:

FROM: Dana Van Nostrand, Financial Services Director
CC: Village Council;
DATE OF MEMO: 05/21/2025

MEMO DETAILS

Please see the attached report for two budget amendments approved by the Village Manager that transferred funds between departments.

ATTACHMENTS

1. Budget Amendment Report 5.27.2025



**VILLAGE OF PINEHURST
BUDGET AMENDMENTS APPROVED BY BUDGET OFFICER
FOR THE PERIOD MAY 9 - MAY 22, 2025**

Under Village of Pinehurst Ordinance #24-11, the Village Council grants the Budget Officer (the Village Manager) the ability to transfer appropriations under specific conditions. These conditions allow transfers between departments (including contingency) of the same fund to increase an appropriation up to \$25,000 in a single budget amendment for the FY 2025 Budget. The Budget Officer may not transfer monies between funds at any time.

According to Section 159-15 of The Local Government Budget and Fiscal Control Act, "any such transfers shall be reported to the governing board at its next regular meeting and shall be entered in the minutes." Listed below are the amendments authorized by the Budget Officer for the period specified above.

Note: Since appropriations are made at the department level, line item adjustments within the same department may be made without limit and do not require a report since they do not actually amend the adopted budget ordinance.

	<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>DEBIT</u>	<u>CREDIT</u>	<u>APPROVED DATE</u>
1	10-00-220-7420	Administration - Capital Outlay: B&G Equipment Charges	\$ 6,000		5/21/2025
	10-10-320-7420	Fire - Capital Outlay: B&G Equipment Charges	4,560		
	10-00-220-7220	Administration - Capital Outlay: B&G Building Charges		\$ 10,560	
			<u>\$ 10,560</u>	<u>\$ 10,560</u>	
	<i>Savings from the Village Hall elevator upgrade are being used to cover the overage for the Village Hall HVAC (planned replacement) and the unplanned need to replace a water heater at Fire Station 91 due to a leak that cannot be repaired.</i>				
2	10-20-410-5300	Public Services Administration - Contracted Services	\$ 10,000		5/22/2025
	10-20-420-5300	Streets & Grounds - Contracted Services		\$ 10,000	

Field services needed from McGill for projects managed by Public Services Administration.



**Consider Resolution 25-15 Reappointment of Ms. Angelique Fabiani to the
Historic Preservation Commission
ADDITIONAL AGENDA DETAILS:**

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 03/31/2025

MEMO DETAILS

ATTACHMENTS

1. DRAFT Resolution 25-15 Reappoint HPC (Fabiani)

RESOLUTION #25-15:

**A RESOLUTION REGARDING A REAPPOINTMENT TO THE HISTORIC
PRESERVATION COMMISSION**

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

WHEREAS, the term of Ms. Angelique Fabiani will expire on May 31st, 2025; and

WHEREAS, Ms. Fabiani and the Village Council of Pinehurst are desirous of her continuing to serve as a member of the Historic Preservation Commission for an additional term.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 27th day of May 2025 that the following appointment is hereby made to the Historic Preservation Commission for the term indicated:

Ms. Angelique Fabiani is reappointed as a member of the Historic Preservation Commission effective June 01, 2025, to serve at the pleasure of the Council until the end of her term on May 31, 2027.

THIS RESOLUTION passed and adopted this 27th day of May 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Village Clerk

Michael J. Newman, Village Attorney



FY 2026 Budget Public Hearing ADDITIONAL AGENDA DETAILS:

FROM: Dana Van Nostrand, Financial Services Director
CC: Village Council;
DATE OF MEMO: 05/19/2025

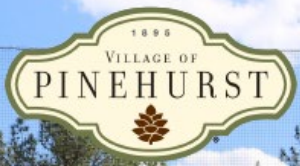
MEMO DETAILS

This agenda item is for the statutorily required Annual Budget Public Hearing. During this hearing, any person wishing to speak about the recommended FY 2026 Budget may do so. The budget in its entirety may be viewed online at www.vopnc.org/sop or at Village Hall. You can also view the SOP document directly here: <https://online.flippingbook.com/view/240809781/>.

Public comments for those unable to attend the Public Hearing to speak can be e-mailed to publiccomments@vopnc.org.

ATTACHMENTS

1. FY 2026 SOP Presentation



2026 Strategic Operating Plan

Village of Pinehurst, North Carolina

Presentation of the Proposed

FY 2026 Strategic Operating Plan

Public Hearing
May 27, 2025

What we will cover:

1. Council's strategic direction
2. Key components of the Strategic Operating Plan (SOP)
3. FY 2026 Budget
 - Revenue
 - Expenditures
4. FY 2026-2030 Financial Forecast
5. Next steps



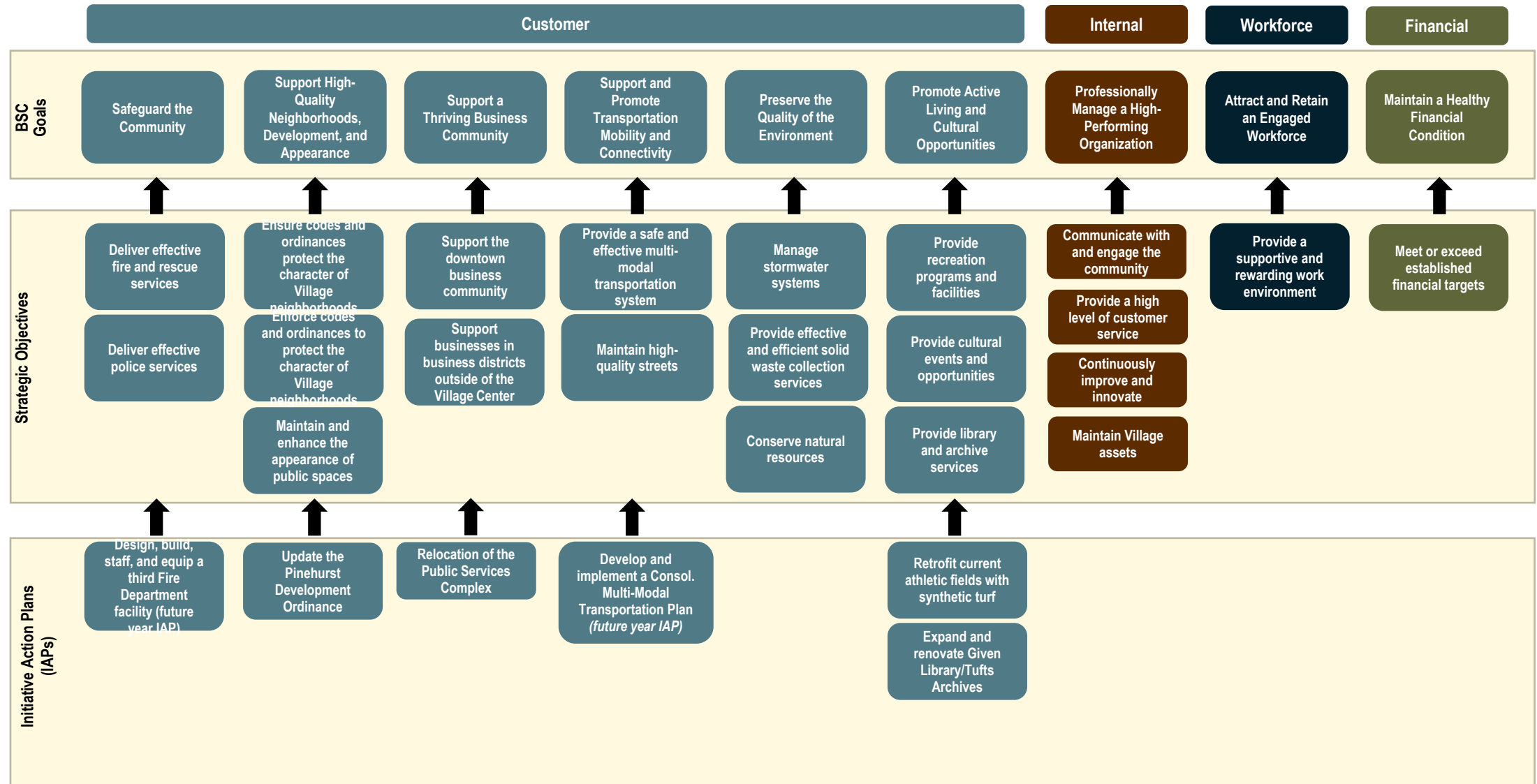
Council's Strategic Direction



FY 2025 VOP Strategy Map

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: To promote, enhance, and sustain the quality of life for residents, businesses, and visitors.



Strategic Priorities section (p. 60-66)

Key Initiatives

- Expansion and Renovation of Given Memorial Library and Tufts Archives
- Update the PDO
- Fire BIRDIE Recommendations
- Multi-modal Transportation Plan and Implementation
- STR Monitoring and Compliance
- Redevelopment of Village Place

Other Priorities

- Downtown timed parking enforcement
- Compensation study for employees
- Maintain funding levels for stormwater and street paving

Key Components of the Strategic Operating Plan



What is the Strategic Operating Plan (SOP)?

Mission, Vision, Balanced Scorecard Goals

Recommended
annual budget

Capital Improvement Plan (CIP)

Five-Year
Forecast

General
Fund

SMPO
Special
Revenue
Fund

Capital
Project
Funds

Fleet

IT

Other

Financial
impact of
all
elements

Key Components of the Strategic Operating Plan

- Budget in Brief (Page 16)
- Budget Message (Page 20)
- Strategic Operating Plan Guide (Page 46)
- Strategic Priorities (Page 60)
- General Fund (Page 68)
- Special Revenue Fund – SMPO (Page 114)
- Capital Project Funds – Library Expansion and Fire Facility (Page 118)
- Five-Year Financial Forecast (Page 122)
- Capital Improvement Plan (Page 130)

FY 2026 Budget

FY 2026 General Fund Budget Overview (*General Fund Summary* p. 68-73):

- \$31.5 million budget
 - 8% less than the FY 2025 amended General Fund budget
 - \$1.4 million cut from requested department budgets
 - \$28 million in Revenue + \$3.5 million Fund Balance
- Maintains property tax rate of \$0.225
 - \$0.01 of tax rate = \$600 thousand in revenue
- Focused on ensuring long-term budget sustainability
 - Ongoing revenues support daily operations and routine capital needs, while major capital projects are funded through savings
- Strived to make progress across all aspects of the Council's strategic direction

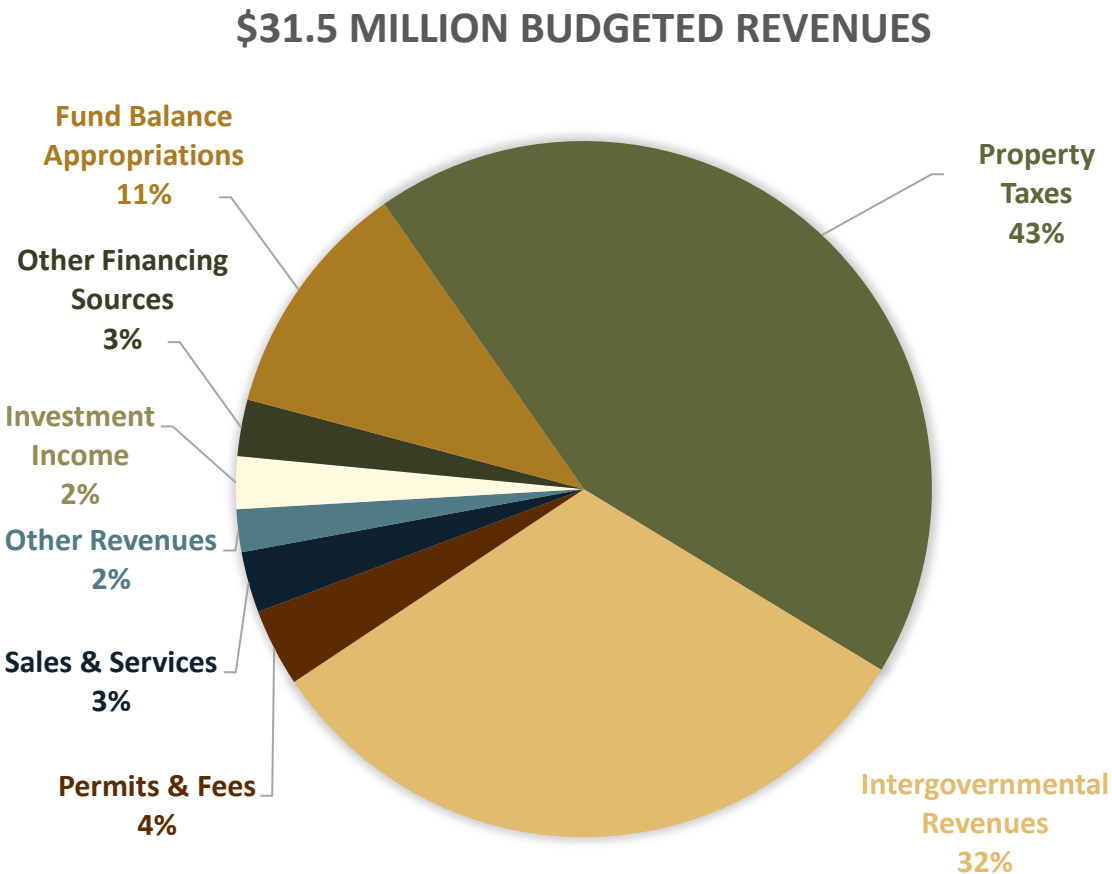
Changes from the Budget Work Session:

- Removed \$300K in capital
 - \$200K for the water tank removal
 - \$100K for the salt/brine storage building
- Incorporated the impact of the Enterprise Fleet Management program (vehicle leasing):
 - Added \$80K Other Revenues for the sale of surplus vehicles replaced in FY 2026
 - Added \$829K in Other Financing Sources for the lease liabilities
 - Added \$526K in Capital for acquiring 19 vehicles instead of 10 in the original CIP
 - Added \$180K in debt service for principal & interest payments
 - Reduced Fund Balance Appropriations by \$203K



FY 2026 General Fund Revenues (p. 79-94):

- Assumes 0.8% growth in the real property tax base based on prior year construction levels and 75 new homes
- Assumes 1.7% increase in sales tax receipts over FY 2025 amended budget
- \$3.5 million fund balance appropriation to fund the Library capital project fund transfer and other significant capital



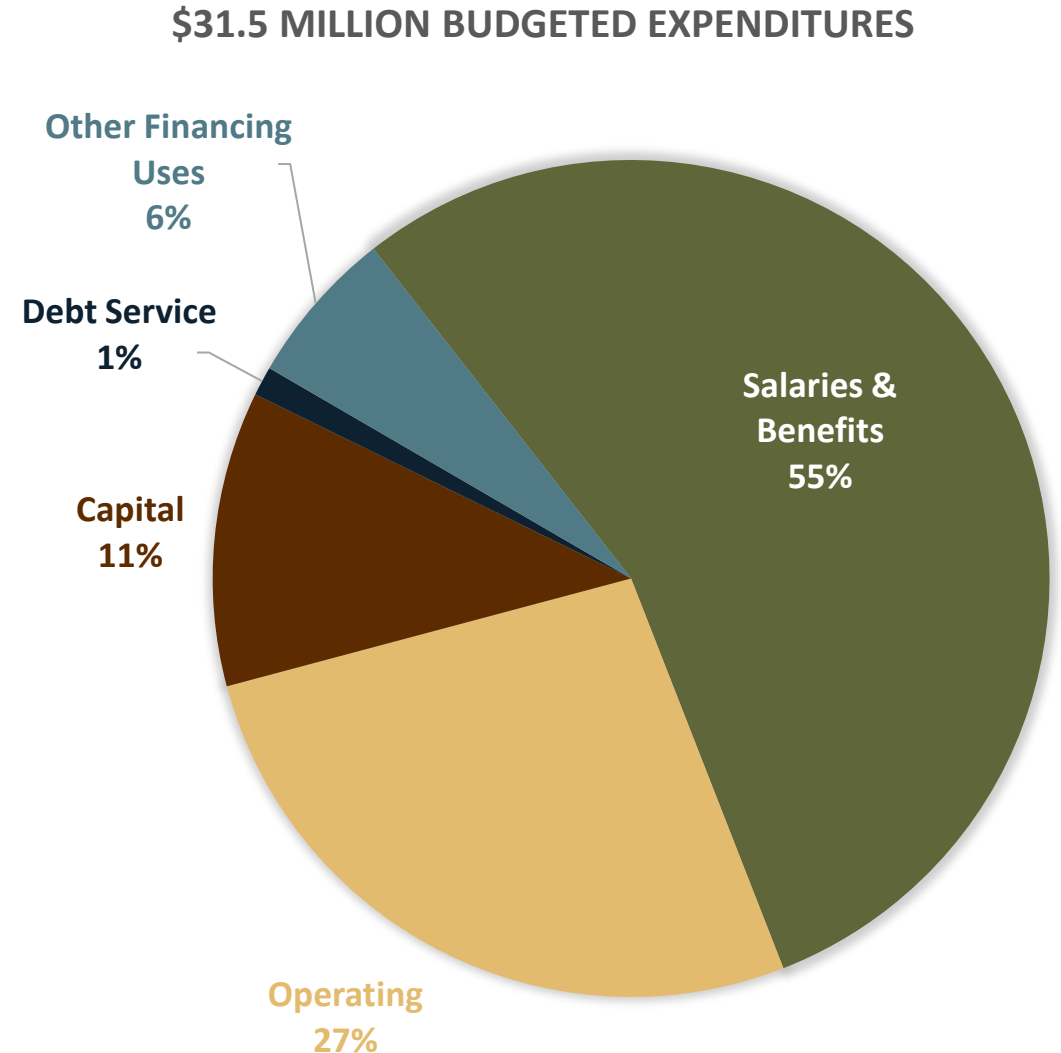
FY 2026 Strategic Operating Plan



<i>Revenues in Thousands (000s)</i>	FY 2024 Actuals	FY 2025 Budget	FY 2026 Recommended
Tax Rate	\$ 0.230	\$ 0.225	\$ 0.225
Property Taxes	\$ 13,650	\$ 13,486	\$ 13,675
Intergovernmental Revenues	9,674	9,813	10,069
Permits & Fees	1,414	1,164	1,137
Sales & Services	890	863	893
Other Revenues	1,030	541	624
Investment Income	1,196	1,003	768
Operating Revenues	27,854	26,871	27,166
Other Financing Sources	211	223	829
Fund Balance Appropriation (Contribution)	(3,172)	7,115	3,507
Total GF Revenues & OFS	\$ 24,893	\$ 34,209	\$ 31,502

FY 2026 General Fund Expenditures (p. 95-113):

- Merit pay raises at 2% average plus cost-of-living adjustment of 2.9%
- Estimate of 5% increase wage study adjustments
- One new full-time equivalent (FTE):
 - B&G Employee (starts mid-year)
- VOP pays 100% of employee health/dental/vision insurance with an estimated 10% increase in premiums



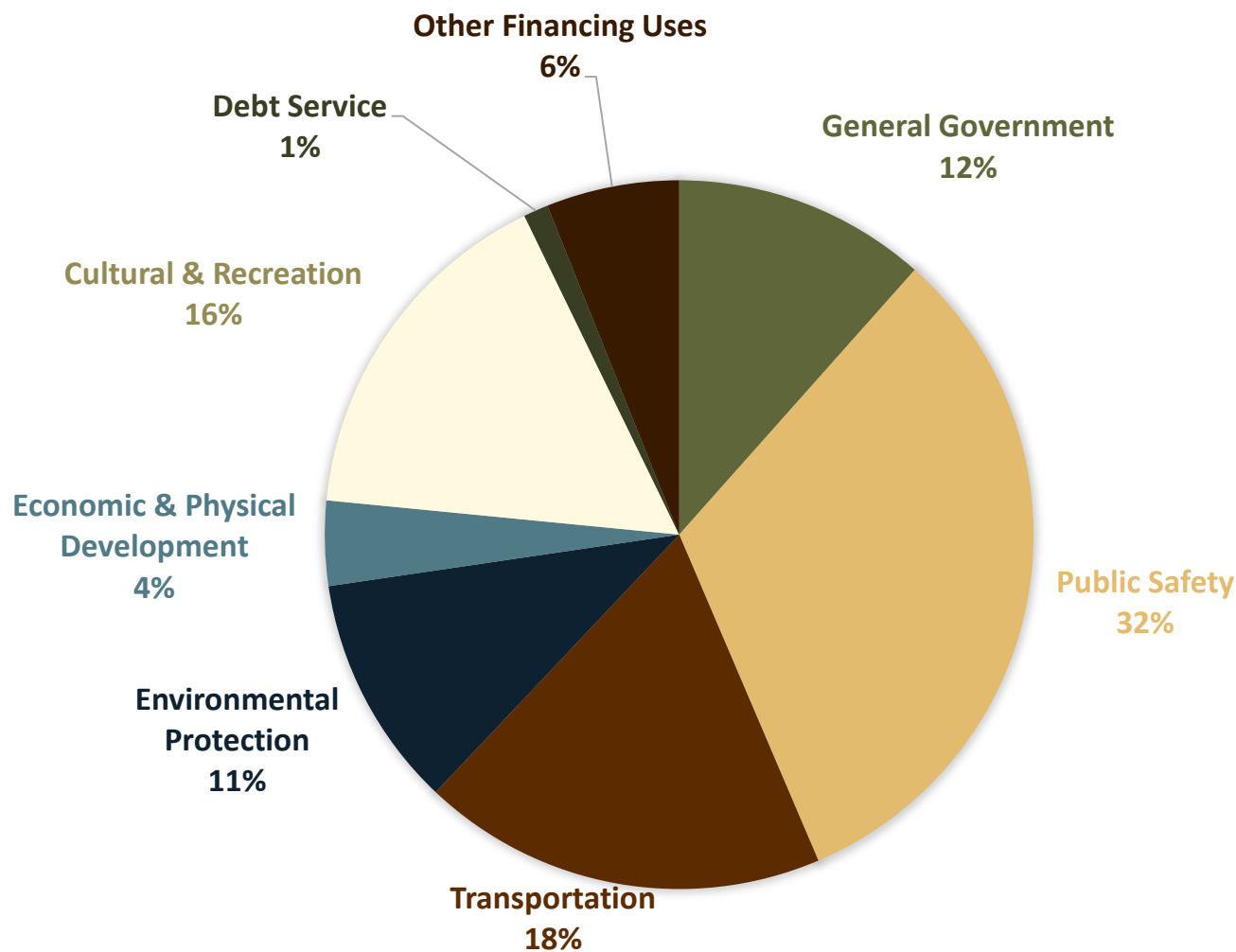
FY 2026 Strategic Operating Plan



<i>Expenditures in Thousands (000s)</i>	FY 2024 Actuals	FY 2025 Budget	FY 2026 Recommended
Salaries and Benefits	\$ 14,257	\$ 15,698	\$ 17,208
Operating	7,465	8,930	8,436
Debt Service	304	216	357
Operating Expenditures	22,026	24,844	26,001
Other Financing Uses (OFU)	-	2,800	1,910
Capital Expenditures in GF	2,867	6,565	3,591
Total GF Expenditures & OFU	\$ 24,893	\$ 34,209	\$ 31,502



EXPENDITURES BY FUNCTION



FY 2026 Significant Operating (p. 95-108):

Significant Operating Items	Amount
Estimated salary increases (compensation study, COLA, and merit including impact of related benefits)	\$1,318,500
Estimated debt service (principal & interest) for leased vehicles	182,100
Group insurance cost increases	166,000
Pension contribution rate increases	91,000
Harness Track repair projects (clay for tracks, barn doors, office)	78,000
Property and liability insurance increase	45,000



FY 2026 Significant Capital (p. 110-113):

Significant Capital Items	Amount
Nineteen (19) leased vehicles	\$905,600
Two (2) garbage trucks	540,000
Pedestrian facilities	460,000
Stormwater drainage projects	450,000
Walkways on Magnolia & Rattlesnake	350,000
Rebuild Trail Bridges	200,000

SMPO Special Revenue Fund (p. 114-117):

- Accounts for the grant revenues, member dues revenue, and expenditures of the SMPO separate from the Village's General Fund
- Annual budget (UPWP) is approved by the SMPO Governing Board for inclusion in the Village's annual budget ordinance
- FY 2026 budget of \$494,197 is funded from a combination of federal grants, state grants, and member dues local match
- FY 2026 budget covers salary and benefits for the director, consultant costs for the MTP and transit plan, insurance, travel, and indirect costs
- Indirect costs are remitted to the Village as reimbursement for its services as lead planning agency
- Village's member dues are estimated to be \$26,634 for FY 2026

FY 2026 Strategic Operating Plan



<i>SMPO Special Revenue Fund</i>	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget
Federal Grants	\$ 18,442	\$ 223,840	\$ 395,677
State Grants	-	-	6,706
Member Dues	4,610	55,560	91,814
Total Revenues	\$ 23,052	\$ 279,400	\$ 494,197
Salaries & Benefits	19,615	59,300	190,736
Operating Expenditures	3,437	220,100	303,461
Total Expenditures	\$ 23,052	\$ 279,400	\$ 494,197

FY 2026–2030 Five-Year Financial Forecast

Five-Year Financial Forecast (p. 122-129):

- Developed to meet key financial ratios:
 - Fund balance (>30%)
 - Operating margins (0.89 – 0.91)
 - Debt service ratios (<10%)
- Incorporates:
 - Five-Year Staffing Forecast (addition of 6 Fire FTEs & 4 Library FTEs)
 - Five-Year Capital Improvement Plan (CIP)
- Key Financial Assumptions:
 - 1.0% annual growth in real & personal tax base + annexation of Phase 4
 - 4.9% average annual increase in base salaries & benefits
 - 2.0% inflation rate in operating costs

- What is included in Five-Year Financial Forecast:
 - Completion and staffing of the Library and Archives
 - Adding 6 Firefighters to staff a Quick Response Unit (QRU)
 - Staffing is assumed to be funded by the SAFER Grant for 3 years
 - Design of a fire facility
 - Following list of Significant Initiatives and Capital (next slide)
- What is **not** included in Five-Year Financial Forecast:
 - Relocation of Public Services Complex
 - Downtown Parking Facility
 - Multi-modal improvements above operationalized \$460,000 in annual budget
 - Ladder Truck

FY 2026 Strategic Operating Plan



Changes from the draft presented on May 13:

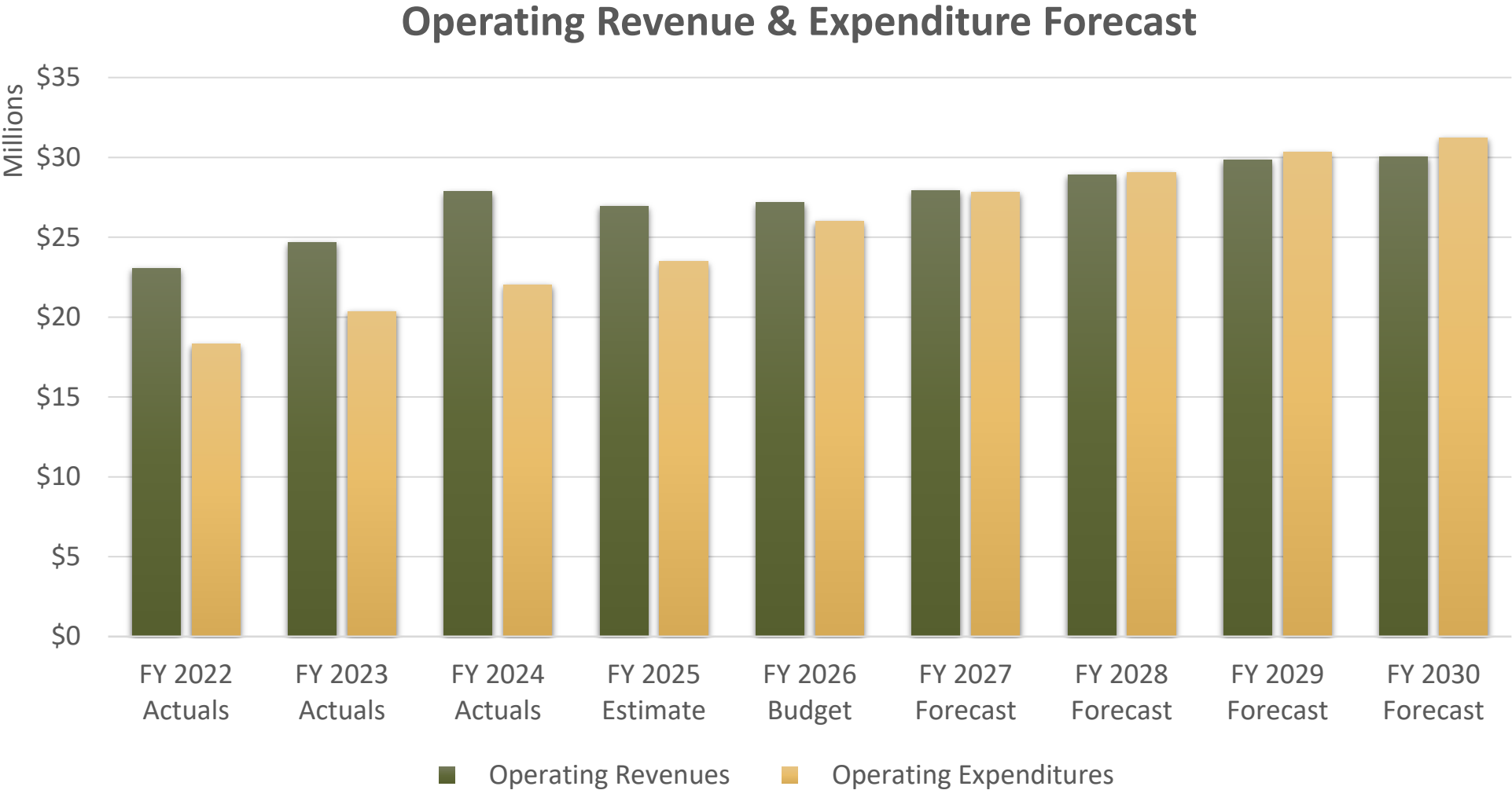
<i>\$ in Thousands</i>	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Projected Ending General Fund Fund Balance	\$ 18,780	\$ 16,068	\$ 14,776	\$ 14,026	\$ 13,647
Baseline (SOP Draft)	18,780	13,906	12,149	11,671	10,900
Change vs. Baseline	-	2,162	2,627	2,355	2,747
Impact on Fund Balance from Changes to the Forecast¹:					
Revenues (SAFER grants + change in investment income)	\$ -	\$ 585	\$ 614	\$ 603	\$ (1,179)
Other Financing Sources	-	-	-	(400)	-
Operating expenditure changes from Fire FTEs ²	-	(567)	(589)	(610)	729
Debt service for Fire Facility removed	-	-	-	487	955
Capital expenditure changes (see detail below)	-	2,098	(7)	-	(50)
Other Financing Uses (Fire Facility design)	-	-	400	(400)	-
Net Change in Fund Balance	\$ -	\$ 2,116	\$ 418	\$ (320)	\$ 455
Change in Revenue budget-to-actual variance (1%)	-	6	6	6	(12)
Change in Expenditure budget-to-actual variance (7% of operating)	-	40	41	42	(51)
Change in Ending Fund Balance	\$ -	\$ 2,162	\$ 2,627	\$ 2,355	\$ 2,747
¹ A positive number increases fund balance compared to the Baseline and a negative number decreases fund balance compared to the Baseline.					
² Six firefighters added in FY 2027; 12 removed in FY 2030					

Detail of Capital Expenditure Changes Above:					
Ladder Truck		\$ (2,450)			\$ (50)
Village Place Development Infrastructure		500			100
Hockey Rink Lights		(148)			
Parks & Recreation Master Plan Implementation			7		
	\$ -	\$ (2,098)	\$ 7	\$ -	\$ 50

FY 2026 Strategic Operating Plan



Significant Initiatives	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Capital:					
Parks & Recreation Master Plan Implementation			\$750,000	\$500,000	
Village Place Infrastructure		\$500,000			\$300,000
Library Sidewalk Connections	\$350,000				
Trail Bridges	200,000	145,000			
Software Systems		105,000	120,000	80,000	
Operating:					
US Open Expenses				150,000	





Key Highlights of the Proposed FY 2026-2030 Forecast:

- FY 2026 maintains Tax Rate of \$0.225
- FY 2026–2030 Projected Tax Rates:
 - FY 2026-2027: No change
 - FY 2028: Increase one cent to \$0.235 to fund added staff and operating costs for the new library and renovated archives and adjust for inflation in revaluation
 - FY 2029: No change
 - FY 2030: Increase one cent to \$0.245 to fund 6 firefighters added in FY 2027 after the SAFER grant funding ends

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2029
Tax Rate	\$0.23	\$0.225	\$0.225	\$0.225	\$0.235	\$0.235	\$0.245
Year-Over-Year Tax Rate Change		-0.5¢	-	-	1.0¢	-	1.0¢

Note: FY 2028 is expected to be the next revaluation year.

- Library Expansion Capital Project Fund (p. 118-119, 138)
 - Completion and staffing of the Library and Archives in FY 2026-2028
 - Anticipates the new library opening summer of 2026 (FY 2027) and hiring one FTE to staff the new library while the archives is closed for renovation
 - Archives renovation is designed in FY 2026 and completed in FY 2027
 - Renovated archives opens in FY 2028 and three FTEs are hired to fully staff both buildings

- Fire Facility Capital Project Fund (p. 120, 139)
 - \$400,000 planned in FY 2029 for the design of a third fire facility
 - Construction would be determined at a later date that is currently expected to be outside the five-year planning horizon

FY 2026 Strategic Operating Plan



<i>\$ in Thousands</i>	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Total Revenues & OFS	\$ 27,995	\$ 28,736	\$ 29,607	\$ 30,435	\$ 30,360
Operating Expenditures	26,001	27,840	29,070	30,320	31,237
<i>Operating Income (Loss)</i>	1,994	896	537	115	(877)
Capital Expenditures	3,591	3,649	4,115	2,836	1,935
Other Financing Uses	1,910	2,150	-	400	-
Total Expenditures & OFU	\$ 31,502	\$ 33,639	\$ 33,185	\$ 33,556	\$ 33,172
<i>\$ in Thousands</i>	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Fund Balance	\$ 20,220	\$ 18,780	\$ 16,068	\$ 14,776	\$ 14,026
Revenues Over (Under) Exp	(3,507)	(4,903)	(3,578)	(3,121)	(2,812)
Budget to Actual Variance	2,067	2,191	2,286	2,371	2,433
Projected Actual Gain/(Loss)	(1,440)	(2,712)	(1,292)	(750)	(379)
Projected Ending GF Bal	18,780	16,068	14,776	14,026	13,647
% of Total Budget	59.6%	47.8%	44.5%	41.8%	41.1%
Estimated Operating Margin	0.88	0.92	0.93	0.94	0.96
Tax Rate Change	\$ -	\$ -	\$ 0.010	\$ -	\$ 0.010
<i>Tax Rate</i>	\$ 0.225	\$ 0.225	\$ 0.235	\$ 0.235	\$ 0.245
<i>Average residential tax bill (\$500K value)</i>	\$ 1,125	\$ 1,125	\$ 1,175	\$ 1,175	\$ 1,225
<i>Change to average residential tax bill</i>	\$ -	\$ -	\$ 50	\$ -	\$ 50

Budget to Actual Variance assumes actual revenues of 101% of budget and actual operating expenditures of 93% of budget

Next Steps



Key Upcoming Dates	
May 27	Budget Public Hearing
June 10	Adopt the Budget

The Proposed FY 2026 Strategic Operating Plan is posted online at www.vopnc.org, or you can view a hard copy by visiting Village Hall.

The Village welcomes public comments by e-mailing them to publiccomments@vopnc.org.



Consider Ordinance 25-08 Amending the Library Expansion Capital Project Fund Budget

ADDITIONAL AGENDA DETAILS:

FROM: Dana Van Nostrand, Financial Services Director
CC: Village Council;
DATE OF MEMO: 05/21/2025

MEMO DETAILS

Ordinance #25-08 is attached for your consideration and adoption. The Library Expansion Capital Project Fund budget needs to be amended to increase the anticipated revenues for the following items:

- The appropriated transfer of \$2,800,000 from the General Fund in FY 2026,
- A restricted donation of \$500 received to fund landscaping at the new library, and
- The estimated investment income to be earned over the remainder of the project.

Per the North Carolina Local Government Budget and Fiscal Control Act, revenues cannot be expended unless they are budgeted. This budget amendment will allow the revenues to be spent when needed.

The increases in the anticipated revenues are used to increase the construction expenditure appropriation.

Another budget amendment will be brought to Council for consideration when the construction bids are received later this year.

ATTACHMENTS

1. DRAFT Ordinance 25-08 Library Expansion CPF Budget Amendment

ORDINANCE #25-08:

AN ORDINANCE AMENDING THE LIBRARY EXPANSION CAPITAL PROJECT FUND BUDGET FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA.

THAT WHEREAS, the Village adopted Ordinance #22-06 establishing the Library Expansion Capital Project Fund for the design and construction of an expansion of the Given Memorial Library and Tufts Archives building located on Cherokee Road; and

WHEREAS, the Village adopted Ordinances #23-12, #24-10, and #24-13 amending the Library Expansion Capital Project Fund budget; and

WHEREAS, the Village appropriated \$2,800,000 to be transferred from the General Fund to the Library Expansion Capital Project Fund in the FY 2026 budget ordinance #24-11 to fund construction costs for the new library building; and

WHEREAS, the Village has received a donation restricted for the new library that is not an estimated revenue source in the current Library Expansion Capital Project Fund budget; and

WHEREAS, the Library Expansion Capital Project Fund budget needs to be amended to increase the appropriations and estimated revenues for these items and;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Governing Body of the Village of Pinehurst, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the Library Expansion Capital Project Fund is amended as follows:

SECTION 1. The expenditure appropriations for the project are amended as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Current Budget</u>	<u>Amendment</u>	<u>Amended Budget</u>
50-80-615-7600	Capital Outlay: Design Costs	\$ 610,000	\$ 0	\$ 610,000
50-80-615-7601	Capital Outlay: Construction Costs	810,000	2,980,500	3,790,500
	TOTAL	<u>\$1,420,000</u>	<u>\$2,980,500</u>	<u>\$4,400,500</u>

SECTION 2. The revenues anticipated to be available to complete this project are amended as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Current Budget</u>	<u>Amendment</u>	<u>Amended Budget</u>
50-80-120-3890	Investment Income	\$ 20,000	\$ 180,000	\$ 200,000
50-80-120-3882	Restricted Donations	0	500	500
50-80-190-3910	Transfer from General Fund	1,400,000	2,800,500	4,200,000
	TOTAL	<u>\$1,420,000</u>	<u>\$2,980,500</u>	<u>\$4,400,500</u>

SECTION 3. The Village Manager is hereby authorized to transfer appropriations between line items in the Library Expansion Capital Project Fund up to \$10,000 with an official report of such transfers made at the next regular meeting of the Village Council.

SECTION 4. Copies of this capital project ordinance shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for direction in carrying out this project.

THIS ORDINANCE passed and adopted this 27th day of May, 2025.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Village Clerk

Michael J. Newman, Village Attorney



Accept the Resignation of Michael Newman as Village Attorney

ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 05/22/2025

MEMO DETAILS

After more than 20 years of dedicated service, Mike Newman has announced his resignation from the position of Village Attorney effective in 90 days.

Throughout his tenure, Mike has served the Village of Pinehurst with exceptional professionalism, sound legal judgment, and an unwavering commitment to public service. His counsel has been instrumental in navigating both routine municipal matters and complex legal challenges. His steady and thoughtful approach has earned the respect and admiration of colleagues across the organization—and his sense of humor has never gone unnoticed.

We are grateful that Mike will continue to serve in his role over the next 90 days, during which he has generously offered his full support to ensure a smooth transition. This continued commitment is yet another testament to his character and his dedication to the Village.

Staff recommends the Council formally accept Mike Newman's resignation with sincere appreciation for his outstanding service to the Village of Pinehurst.

ATTACHMENTS

1. Resignation Letter 5.15.25

VAN CAMP, MEACHAM & NEWMAN, PLLC

ATTORNEYS AT LAW

THOMAS M. VAN CAMP
EDDIE H. MEACHAM
MICHAEL J. NEWMAN
RICHARD LEE YELVERTON III
WHITNEY P. FOUSHEE
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SAMUEL V. LUCHANSKY*
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May 15, 2025

*MEMBERS OF THE FIRM'S
CAROLINA TAX, TRUSTS &
ESTATES DEPARTMENT

VIA EMAIL AND U.S. MAIL

Village of Pinehurst
c/o Doug Willardson
Village Manager
395 Magnolia Road
Pinehurst, N.C. 28374

Re: Retirement and Resignation as Village Attorney

Dear Doug:

Having now served for over two decades as the Village Attorney for the Village of Pinehurst, I intend to retire from that role and will resign from my position effective 90 days from the date of this letter.

As I enter my thirty-seventh year of practicing law, I would like to dedicate my full time and energy – for the remaining years of my legal career -- to other important areas of my practice, including managing the continued growth of my law firm. Leaving my position as Village Attorney will provide me the additional time necessary to accomplish these goals.

Of course, I am fully committed to ensuring a smooth transition over the next 90 days. I will work with you, staff, and my successor. The replacement process will be seamless.

It has been an absolute honor to serve as Village Attorney. For twenty-one years, I had the privilege of working every day with the best, most dedicated, and most talented municipal staff in the state. Your efforts have made the Village what it is today – the safest, most desirable, and most enjoyable place to live in North Carolina. Congratulations to you, Alex, and the entire staff for a job well done.

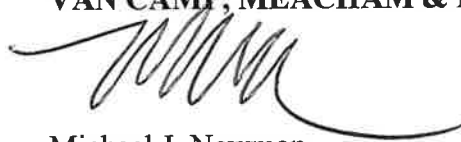
Village of Pinehurst
May 15, 2025
Page 2

I certainly will miss the comradery. But I will always remain grateful for the life-long friendships.

I wish you all the very best.

Sincerely,

VAN CAMP, MEACHAM & NEWMAN, PLLC

A handwritten signature in black ink, appearing to read 'MJN', with a long, sweeping horizontal line extending to the right.

Michael J. Newman

MJN/sf
cc: Alex Cameron