



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF DECEMBER 14, 2021
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM**

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, December 14, 2021 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following attended:

Mr. John C. Strickland, Mayor
Mr. Patrick Pizzella, Mayor Pro Tem
Ms. Lydia Boesch, Councilmember
Mr. Jeffrey Morgan, Councilmember
Ms. Jane Hogeman, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Kelly Chance, Village Clerk

In addition, approximately 13 attendees, including 6 staff and 0 press.

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Reports:

Village Manager

- Mr. Jeff Sanborn reported Council met this month at two sessions at the Strategic Retreat on December 8th and December 9th. He stated this provided Council with the items they will be working on over the upcoming year and into the outlying 5-year plan which will be published next June.

Village Council

- Mayor Strickland reported he attended the tri-cities work group on November 30th. The group will be looking into ways to work together on road resurfacing. He met with the Partners in Progress which met by zoom on December 7th. Couple of key issues discussed were efforts to work on the golf industry clusters who may wish to come into Moore County and the introduction of a broadband survey that will be available to all residents of Moore County soon. This survey is very important as we work to improve upon the lack of available broadband throughout the county.
- Councilmember Boesch reported the CVB reported actual occupancy taxes are going off the charts due to golf. The Women's US Open is coming this next year and the CVB is working on offering many new events during this event. Also, a big thankyou to the Beautification Committee for their beautiful Christmas decorations throughout our Village and for offering a decorating competition in each region. She reported Councilmember Jeff Morgan's wife, Laura, was selected as Ms. Senior America 2021, the first time in 42 years that North Carolina has had a winner.
- Councilmember Hogeman reported she had no reports.

3. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

- Approval of Village Council Meeting Minutes.
 - November 9, 2021 Regular Meeting
 - November 9, 2021 Work Session
 - November 23, 2021 Organizational Meeting
 - December 1, 2021 Strategic Planning Pre-Retreat Meeting

End of Consent Agenda.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved the Consent agenda by a vote of 5-0.

- 4. Discuss and Consider Resolution 21-31 Re-appointment of Mr. John Taylor to the Historic Preservation Commission**
Mr. Jeff Sanborn stated that Mr. Taylor is not present tonight, but we do have a recommendation to re-appoint him for a second term.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Morgan, Council unanimously voted to approve Resolution 21-31 re-appointing John Taylor as a member to the Historic Preservation Commission by a vote of 5-0.

- 5. Presentation of the FY2021 Annual Comprehensive Financial Report (ACFR).**

Brooke Hunter, Financial Director, stated she is pleased to present Council with the Village's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021. She stated these financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with Government Auditing Standards by a firm of licensed certified public accountants.

Ms. Hunter stated the Village is committed to maintaining a strong financial condition and the Village Council adopted a fund balance policy requiring the Village to maintain a minimum unassigned General Fund balance of 15% of actual expenditures as reported in the Village's annual comprehensive financial report. She stated, in addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance of at least 30%. She further noted, the policy also states that when total fund balance at June 30 is in excess of 40% of actual General Fund expenditures, Council may commit excess fund balance for future capital needs.

Ms. Hunter stated that at June 30, 2021, the General Fund's unassigned fund balance of \$2,891,475 represented 15% of General Fund actual expenditures and total fund balance was 58% of budgeted expenditures. She noted that in fiscal year 2021, Council approved a resolution to commit excess funds for future capital needs totaling \$4,102,691. She further noted Council approved a resolution to commit \$1,000,000 for improvements to the existing Given Memorial Library & Tufts Archives building and other operational improvements.

Ms. Hunter introduced Mr. John Frank of Dixon Hughes Goodman, LLP to present the firm's opinion of the statements. Mr. Frank stated Dixon Hughes Goodman, LLP had audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Pinehurst as of and for the year ended June 30, 2021. He stated Management's responsibility is for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Mr. Frank stated the auditors' responsibility is to express opinions on these financial statements based on our audit. He reported they conducted the audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. He noted those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial

statements are free from material misstatement. He stated he believed that the audit evidence obtained is sufficient and appropriate to provide a basis for their audit opinions.

Mr. Frank stated in their opinion, the financial statements referred to present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mr. Frank reported the following Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,199,445 (net position).
- The Village's total net position increased by \$1,527,004 primarily due to lower-than-expected expenditures, an increase in capital assets, and the reduction in long-term debt due to scheduled principal payments.
- At the end of the current fiscal year, the Village's only governmental fund with activity, the General Fund, reported ending fund balance of \$13,288,868, an increase of \$1,810,224 in comparison with the combined governmental fund balance the prior year.
- The American Rescue Plan Act Special Revenue Fund was established in fiscal year 2021 to account for the use of federal grant funds received as part of the American Rescue Plan Act. These COVID-19 relief and economic recovery grant funds are allowed to be expended over multiple years. The first tranche was not received by year end, thus there is no current year fund activity.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$2,891,475, or 15% of total general fund expenditures for the fiscal year. This amount is available for spending at the Village's discretion. Committed fund balance totaled \$5,102,691, which includes \$1,000,000 for improvements to the existing Given Memorial Library & Tufts Archives building and other operational improvements and \$4,102,691 for future capital needs per the Village's fund balance policy.
- The Village's installment purchase debt decreased by \$141,600 (100%) during the current fiscal year. The decrease was due to scheduled principal payments on existing debt obligations and the acceleration of remaining debt payments scheduled for next fiscal year. The Village had no installment purchase debt outstanding at the 2021 fiscal year end.
- The Village had no general obligation bonded debt as of June 30, 2021.
- Throughout the year, the Village's deposits were insured or collateralized as required by State law. Total investment earnings were approximately \$2,879, which is equivalent to a return of approximately 0.02% on the average amount of cash and cash equivalents during the year due to historic low interest rates. At fiscal year's end, 98% of the Village's cash and investments were invested with the North Carolina Capital Management Trust (NCCMT) Government Portfolio.
- The Village has received the Certificate of Achievement for Excellence in Financial Reporting for 28 consecutive years. The Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.
- For the 2021 fiscal year, the Village received the Distinguished Budget Presentation Award for the 14th consecutive year from the Government Finance Officers Association for its annual budget. We have also been awarded the Special Performance Measures Recognition in four of those years.

Mayor Strickland stated Ms. Hunter and the Finance team does an exceptional job and he is very appreciative of this work.

6. Q1 Update on the Status of the FY 2022 Strategic Operating Plan Implementation

Matthew McKirahan presented Council with an update on the status of implementing the FY2022 Strategic Operating Plan, including this year's Initiative Action Plans (IAPs) through the end of September 30, 2021. He noted that the IAP that is currently in progress, but not on schedule is to Update the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and changes required by 160d legislation. He stated that 3 PDO sections of a goal of 10 have been drafted and presented to Village Council.

Mr. McKirahan did report that the Small Area Plan for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy5 Commercial Area is progressing and only slightly behind schedule.

7. Other Business

Council presented no other business for consideration.

8. Comments from Attendees.

- Collett Kolinski, 25 Queens Court, spoke about the issues of clear-cutting.
- Jeannie, spoke about short-term rentals and questioned why it is not being addressed yet with ordinances. She stated with the coming of the Women's Open and the Men's US Open, there is an increase in the number of short-term rentals. She stated she hopes that Council will remember their Vision of a charming and historical village and will initiate work on this topic soon. She stated residents want to be safe in their communities and if we continue on the path we are on, we will cease to have this safety in the future. Lastly, she spoke about the Southern development. She stated from Lake Hills road and through the Village, traffic is bumper to bumper and with increased growth, residents will have increased difficulty in getting out of their house and with travel around the Village.
- Jack Farrell, 25 Grey Abbie Drive, spoke about the impending work session topic about the Anniversary celebrations. He stated we need to be careful not to overstate the involvement of Olmstead in his design and his firm's design of the Village. He also stated that Donald Ross was a distinguished citizen for the 6 months of the year, but we need to be careful we don't overstate his involvement in the development of the Village and that he had more impact on the development of golf. He stated that with the upcoming Women's Open, this would be an appropriate time to speak about the development of Women's golf by the Village of Pinehurst and celebrate this accomplishment. He stated he would like to see us conduct tours in the Village, provide some nice exhibits, and drive some tourism downtown by celebrating this event. He stated we have a great story to tell, and we have a lot of useful and interesting material that would be great for visitors to see.

9. Motion to Adjourn.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 5:26 p.m.

Respectfully Submitted,



Kelly Chance,
Village Clerk

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

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

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

Values: Service, Initiative, Teamwork, and Improvement