



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF DECEMBER 8, 2020
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 8, 2020 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

The following were in attendance at 395 Magnolia Road:

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

The following were in remote attendance:

Ms. Lydia Boesch, Councilmember

And approximately 27 attendees, 7 staff members, and 1 press.

1. Call to Order.

Mayor Strickland, called the Village Council meeting to order.

2. Invocation and Pledge of Allegiance.

Invocation by Pastor David Beam of Pinehurst United Methodist Church.

3. Reports:

Village Manager

- Mr. Sanborn stated based on the last executive order the Village is now requiring face coverings for all Village facilities. The Governor issued Executive Order 181 this afternoon effective December 11th through January 8th.

Village Council

- Mayor Strickland stated COVID trends in the County are not good. He encouraged everyone to read Jamie Baxley's article in The Pilot concerning the condition of the County. He noted that FirstHealth continues to operate in good condition. Also, he has received some good feedback about the efforts to support the businesses in the Village. He thanked the Parks and Recreation Department for hosting a great Holiday Drive-Through Event.
- Councilmember Hogeman stated the Beautification Committee met yesterday and put together their list of projects and the FY 2022 budget. They are looking for support on these projects as the 2024 U.S. Open nears.
- Councilmember Boesch received some comments of the color of lights on the wreaths downtown. The Beautification Committee will be evaluating those to possibly replace next year. She thanked Dee Johnson and Janet Farrell for all of their work.
- Councilmember Drum wished everyone a Merry Christmas and reminded everyone of the Holiday Shopping event this

upcoming weekend from 5:00 pm to 8:00 pm in the Village.

- Mayor Pro Tem Davis reminded everyone that December 31st the 125th anniversary of Pinehurst and stated as everyone is celebrating at home on New Year's Eve take a moment to celebrate that someone was so thoughtful 125 years ago to give us this wonderful community.

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.

- Public Safety Reports.
 - November, 2020 Fire Report
 - November, 2020 Police Report
- Approval of Village Council Meeting Minutes.
 - November 10, 2020 Regular Meeting
 - November 10, 2020 Work Session
 - November 10, 2020 Closed Session

End of Consent Agenda.

Upon a motion by Councilmember Drum, seconded by Mayor Pro Tem Davis, Council unanimously approved the consent agenda, by a vote of 5-0.

5. Present Resolution to Leo Santowasso Honoring His Service on the Board of Adjustment and Planning and Zoning Board.

Mayor Strickland read aloud a resolution that Council adopted to honor Mr. Santowasso for his service as a member of the Board of Adjustment and Planning and Zoning Board for the past six years. Mr. Santowasso also served as Chair of the Planning and Zoning Board his last term and previously served as Chair of the Board of Adjustment. Mr. Santowasso thanked all the Councilmembers, other members of boards that he served with. He thanked the Planning and Inspections Department and stated they are all the engaged, professional, and caring people who are really behind what the Village is trying to do.

6. Discuss and Consider a Resolution Reappointing Terry Lurtz to the Historic Preservation Commission.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Hogeman, Council unanimously approved resolution 20- 37 reappointing Terry Lurtz as a member of the Historic Preservation Commission, by a vote of 5-0.

7. Discuss and Consider a Resolution Reappointing Tom Schroeder to the Historic Preservation Commission.

Upon a motion by Councilmember Drum, seconded by Mayor Pro Tem Davis, Council unanimously approved resolution 20-38 reappointing Tom Schroeder as a member of the Historic Preservation Commission, by a vote of 5-0.

8. Discuss and Consider a Resolution Reappointing Eric Von Salzen to the Historic Preservation Commission.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Drum, Council unanimously approved resolution 20-39 reappointing Eric Von Salzen as a member of the Historic Preservation Commission, by a vote of 5-0.

9. Discuss and Consider a Resolution Reappointing Eric Von Salzen as Chair of the Historic Preservation Commission.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Davis, Council unanimously approved resolution 20-40 reappointing Eric Von Salzen as Chair of the Historic Preservation Commission, by a vote of 5-0.

10. Presentation of the FY 2020 Comprehensive Annual Financial Report.

Brooke Hunter, Financial Services Director, explained that the FY 2020 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. She noted that John Frank, Dixon Hughes Goodman, is here to present his opinion of the report.

Mr. Frank stated the audit was completed virtually this year, due to the pandemic, and thanked the staff for all of their help. He explained that the Village's total fund balance increased 3.3 million this fiscal year as a result of many factors. Property tax 912,000 due to mostly the revaluation of property taxes and adoption of a greater than revenue neutral tax rate. Sales tax revenue increased

this year by \$129,000, in spite of the pandemic. Fair Barn revenues and recreation fees were down around \$132,000. Building and Inspections revenues were up this year at \$130,000.

Mr. Frank stated the General Fund fund balance was \$11.2 million, with \$7.3 million in unassigned dollars, at the end of FY 2020. He explained that unassigned fund balance is 42% of actual General Fund expenditures and total fund balance is equal to 51% of budgeted expenditures. State wide the average of fund balance in the Village's peer group is 56%. The Village continued to have very low debt levels, and noted since that time all debt has been paid off. The Village was required to complete a state single audit this year due to grant funds received and there were no findings.

Mayor Pro Tem Davis asked if anything stands out about Pinehurst. Mr. Frank stated most municipalities are not debt free like Pinehurst. Councilmember Hogeman asked about the pension liability and what our total liability would be in the future. Jeff Sanborn, Village Manager, stated these pension payments are not something that the Village could calculate for a future liability, as they are not due until a payroll has been completed. Mr. Sanborn explained if the payroll changed the amount would change.

11. Motion to Recess Regular Meeting and Enter into a Public Hearing.

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

12. Public Hearing No. 1

Alex Cameron, Senior Planner, stated this public hearing is to consider a request for a Major Subdivision Review for a 42 lot subdivision with 38 single-family residential lots located in the Extraterritorial Jurisdiction (ETJ) and off Blake Boulevard, currently Moore County Parcel ID# 00046287 and a portion of Parcel ID# 00046241. The applicant and the property owner is The Cottages at Legacy Lakes, LLC. Mr. Cameron explained the properties included with this proposal are currently zoned R-5 (High Density Residential) and NC (Neighborhood Commercial). There is no proposed change to rezone the property. Mr. Cameron stated the public hearing was duly posted, adjacent owners notified, and a hearing was published.

Mr. Cameron reviewed the process for a subdivision review. He noted that a previous proposal was submitted last year with a proposed rezoning. The Planning and Zoning Board didn't recommend the previous proposal and the applicant pulled the application before it went forward to Village Council for consideration. Mr. Cameron reviewed the new proposed preliminary plat, the setback requirements, and adjacent land uses and zoning. Mr. Cameron explained the current R-5 zoning district allows for a minimum of 5,000 square foot lots which roughly results in a net density of 8 units per acre. The typical lot size is shown on the proposed plan as 6,600 square feet and would allow for approximately 2,800 square feet of buildable area. Other lots are shown for stormwater management, sanitary sewer lift station and undeveloped common areas or green space.

Mr. Cameron explained the 2019 Comprehensive Plan identifies this area as Focus Area 2, Highway 5 Commercial Area, and recommends a mixed-use stacked residential area with primary focus on commercial and retail. Mr. Cameron stated the proposed subdivision is not consistent with the Comprehensive Plan, however, it is compliant with the existing zoning and no zoning amendment is proposed.

The site includes proposed internal streets with a 60 foot right-of-way, a 24 foot street width, and a 49 foot cul-de-sac radius. Access to the subdivision is from a connection to Blake Boulevard, a Village owned and maintained road.. The applicant is proposing to use valley gutter in lieu of full concrete curb and gutter, which will require a waiver to be granted by Village Council. The applicant is proposing a 20 foot wide gated emergency vehicle only access from Olivia Lane, which the Village currently has an agreement with the railroad to utilize the crossing on Olivia Lane for the sole purpose to provide emergency services to the lots is the rear of CCNC. The streets are intended to be public and sidewalks are required and provided on both sides of all proposed streets. Water and sewer will be provided to the site by Moore County Public Works, with the pump station and lot to be turned over to Moore County Public Works. The applicant indicated that a HOA will be formed and will be responsible for the maintenance of the required improvements and ownership of the common areas. Mr. Cameron stated the applicant indicated they intend to petition the Village for annexation into the corporate limits.

There are no subject floodplains, wetlands, or located in a watershed area. The TRC has reviewed and issued comments in which the applicant have addressed. At this time the TRC has deemed it complaint enough to move forward with a few items that will need to be addressed and can be done so at the time of construction drawing approvals. The TRC recommends the following conditions:

- A. All dwelling units shall be equipped with a fire sprinkler suppression system as approved by the Village of Pinehurst Fire Marshall unless the Village's current lease agreement with the Aberdeen Carolina and Western Railway Company is renegotiated to permit emergency secondary access to the subdivision. Prior to approval of construction drawings, the applicant is to provide information acceptable to the Village that an emergency access drive can be connected to Olivia Lane.
- B. A sight distance analysis be performed and sealed by a qualified, licensed North Carolina Professional Engineer with transportation engineering experience for the proposed intersection with Blake Boulevard, to confirm compliance with the AASHTO and NCDOT requirements noted in the Village's ESSM as part of and prior to approval of the construction drawing submittal for this project.
- C. The proposed preliminary plat does not show a site triangle compliant with Section 3.02(a) of the Pinehurst Engineering Standards and Specifications Manual (ESSM) at the intersection of proposed "Street A" and Blake Boulevard. A compliant site triangle will be required prior to approval of construction drawings and the final plat.

Mr. Cameron explained that the Pinehurst Planning and Zoning Board conducted a public hearing on October 1st and November 5th, reviewed the material along with the staff recommendation and the requirements of the Pinehurst Development Ordinance. The Planning and Zoning Board recommended that Village Council approve the Preliminary Plat with the following conditions:

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- B. A sight distance analysis be performed and sealed by a qualified, licensed North Carolina Professional Engineer with transportation engineering experience for the proposed intersection with Blake Boulevard, to confirm compliance with the AASHTO and NCDOT requirements noted in the Village's ESSM as part of and prior to approval of the construction drawing submittal for this project.

Mayor Pro Tem Davis asked about the condition for the emergency access. Mr. Cameron explained that they will either get an easement for Oliva Lane, or they will have to install fire suppression in each unit, or reduce the number of units to 30.

Tim Carpenter, LKC Engineer, stated that Legacy Lakes seeks to develop as is with no rezoning requested. He reviewed the site location plan. The topography generally slopes from west to east, evaluations range. Mr. Carpenter noted they are prepared to do a detailed analysis with Remy Kemp on the sight triangles. Mr. Carpenter explained they are asking for a curb and gutter waiver to install a valley curb to reduce the number of cuts on the curbs.

Josh Ramey, Ramey Kemp Associates, explained the trip generation shows the site to be well below the NCDOT threshold for requiring a Traffic Impact Analysis (TIA). The trip generation also shows that the proposed development would have no significant impacts to the existing roadways. Dave Neil, applicant's attorney, stated that Oliva Lane is weird road and has existed since the 1950's and the title shows that the road has never been deeded out. Under the law that is called a neighborhood public road, however, it's a private road. The railroad crossing is only memorialized by an agreement between the Village and Aberdeen Western Railroad. Mr. Neil explained from discussion he has had there seems to be support from the railroad to amend the current agreement to include this new development.

Mayor Pro Tem Davis asked if the proposed homes were all single story homes. Mr. Carpenter stated there are some a story and half and some 2 story. Mayor Pro Tem Davis asked what they would do with the Neighborhood Commercial lot to be used as the entrance. Mr. Carpenter stated they would clean the lot up and dress it up for a nice entrance. Mayor Pro Tem Davis suggested adding a mail kiosk to the development to limit mail boxes at the driveways.

Councilmember Hogeman asked when the title report would be available and how big is Olivia Lane. Mr. Neil stated he was unsure of when the final report would be available. Mr. Carpenter stated Olivia Lane is a 40 foot right of way, which accommodates emergency vehicles. Councilmember Boesch asked if they planned to build all the units at one time and if they would all be spec homes or some

custom built. Mr. Carpenter stated they wouldn't build all at one time, current pace in the market is about 15 per year or less and also stated there will be both custom built and some spec. homes.

Public Comments:

Kaye Pierson, 45 Brandon Trail, read a section on PDO that talks about the Comprehensive Plan and spoke on the following 4 points:

#1 - The statement in the staff report on this proposal says this development is "not consistent with the Comprehensive Plan." This development is totally contrary to the plan and the wishes of the community. After 2 years and countless hours of analysis, along with extensive public input and taxpayer money, the 2019 Comprehensive Plan was developed and approved just 1 year ago yet, here we are with a development proposal that is in direct conflict it. This area is identified in the plan as generally commercial and professional with the only residential being "stacked residential" and no Single Family Detached development. The Pinehurst citizens' vote last year has been embodied in the document of the LRCP, therefore, Council should reject this plan as not being consistent with the Comprehensive Plan.

#2 - Blake Blvd entrance:

The inclusion in this development of the small parcel fronting Blake Boulevard that is currently zoned Neighborhood Commercial would seem to become part of the development, which is zoned R5. The R5 parcel will be transferred, if you will, and maintained by an HOA. It would seem the parcel zoned NC should be both be used as such, and not to support and be part of a residential development or be rezoned as R-5. Will this small parcel become part of the "common ground" of this development and be maintained by the HOA? And without designating this parcel as an integral part of the development, effectively rezone the parcel? To avoid a rezoning is the developer going to maintain ownership of this small parcel on Blake Boulevard and give the owners of property in this development an irrevocable right to access this parcel? Or will the developer continue to maintain and pay taxes on the parcel?

A rezoning requires an ordinance, and no such ordinance was discussed in the Planning Board meeting or is on any agenda. It seems like this is a rezoning of the parcel on Blake Boulevard and should be treated as such.... No rezoning to residential should be permitted in this area.

#3 – Mailboxes:

When asked about mailboxes in the development, I felt the developer was somewhat vague in giving a solution. He stated that he was not planning to construct a centralized kiosk area with postal boxes for the community, yet the Postal Service will no longer deliver to residents in developments. A mailbox kiosk must be the developers' responsibility.

#4 - Parking within the development:

With 2 parking spaces for each residence, and a turnaround for emergency vehicles, where are visitors, repair/utility trucks, etc. supposed to park within the development? It was mentioned the streets within the development will become public and emergency vehicles will have access to the emergency gate at CCNC at the junction of street A and Olivia Lane, through another gate. This would seem to be a recipe for disaster. Should not additional visitor/overflow parking be mandated?

- Bob Coates, 21 Edinburgh Lane, stated the Village spent a lot of money developing the Comprehensive Plan and this proposed residential development is not consistent with that plan. We should adhere to and enforce the Comprehensive Plan.

Councilmember Drum asked if they planned to clear cut to build the homes. Mr. Carpenter stated they plan to retain as much vegetation as possible.

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

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

14. Review and Discuss Magnolia Streetscape Plan.

Jeff Batton, Assistant Village Manager, completed design last spring but with COVID we put final design on hold. Last year the Council approved that budget for this project. Design funds have been spent and construction funds have been rolled forward to this current year.

David Honeycutt, McGill and Associates, reviewed the plans for the project. He explained the first part of the plan would be a

developing a sidewalk behind the trees that align Magnolia Road. The new sidewalk would tie into the brick sidewalk that Pinehurst Brewery installed. The current storm drainage across from the Century Link building is asphalt swells that would be changed to piped storm water drainage to create more parking along the street. The project would include 1,000 feet of new sidewalk, 700 linear feet of brick curbing, add 22 additional parking spaces, 400 linear feet of drainage piping, and 1,600 square yards of asphalt overlay.

Mayor Pro Tem Davis asked where the additional parking spaces would be. Mr. Batton stated there will be two parking spaces in front of the Brewery on that side of the street then parallel parking across the street. Councilmember Hogeman asked if we should talk to the Resort about helping with the project since it benefits them as well. Mr. Batton stated we certainly can talk with them. Councilmember Drum stated this project is not just a sidewalk project as it addresses so many issues and also noted residents will use this extra parking for the Arboretum and other uses. Mayor Strickland noted he would like to see the two spaces removed in front of the Brewery, which is currently a grassy area. Mr. Honeycutt estimates a six to nine month construction time.

15. Discuss and Consider an Ordinance Amending Chapter 72, Parking Regulations, of the Pinehurst Municipal Code.

Jeff Batton, Assistant Village Manager, stated as a result of recent construction parking downtown taking up multiple parking spaces with irregular parking patterns, it is necessary to amend the current parallel and diagonal parking sections of the municipal code in order to be able to enforce restrictions on irregular parking. It is also necessary to add a section in the parking schedule that pertains to perpendicular parking, as only diagonal and parallel parking are addressed. Also, the parking schedule does not include the streets in the downtown area, therefore parallel parking in diagonal spaces is not prohibited. We also do not have a section or schedule to address the same issue with perpendicular parking.

Mr. Batton explained to correct this we are suggesting that we add all parking in the Village Commercial, Village Mixed Use and Public Conservation Zoning jurisdictions to the schedules thereby allowing Police to enforce correction of unconventional parking when necessary. Recognizing that we need to also allow substantial renovation and planned maintenance to be done on buildings in those zoning jurisdictions, the ordinance allows for permission to be granted by the Village Manager, with restrictions deemed appropriate, to park unconventionally when necessary. There is also a recognition that unplanned and emergency repairs will be necessary and the ordinance exempts requirements for permission to be sought in those instances. Council discussed associated fines and Mayor Strickland recommended staff bring that discussion back to Council in January.

Upon a motion by Councilmember Drum, seconded by Mayor Pro Tem Davis, Council unanimously approved ordinance 20-15 amending Chapter 72, Parking Regulations, of the Pinehurst Municipal Code, by a vote of 5-0.

16. Other Business.

No other business was discussed.

17. Comments from Attendees.

- Kaye Pierson, Pinehurst resident, asked Council to initiate an immediate moratorium on commercial development and identify parcels within the 5 focus areas that are zoned inconsistent with the 2019 comprehensive plan and propose the rezoning.
- Mike York, 340 Manning Square, submitted the following comments by email: I am deeply concerned about the "Magnolia on Knoll" development on Knoll Rd. behind Walker Station. My wife and I have lived in Walker Station since February 2018. The Magnolia on Knoll development was approved under certain conditions. The developer said that they would provide a privacy fence against the Walker Station property line - this has not happened. They have also not provided any erosion control measures, which the developer also promised. We were told that the homes in that neighborhood would have attached garages, though they are apparently pouring foundations for detached garages. Today there was a piece of heavy machinery tearing trees down on the lot behind my house, and its track was inches away from one of the crepe myrtles on my property. No one was being supervised. Some of the workers from that development are also walking up and down driveways on the 300 block of Walker Station to borrow equipment from the building sites in our neighborhood. That is completely unacceptable. This development is not going as planned. Please consider sending someone out to perform a site inspection. I am very concerned about the integrity of our neighborhood and I do not like what I am seeing behind our home. If the developer is not within compliance, then site development should not continue.
- Willie Engelson, 296 Manning Square, submitted the following comments by email: I have some uneasy concerns about

the Magnolia on Knoll development going up next to our residence in Walker Station. I've enclosed a Walker Station plat map showing our home on lot 28 (296 Manning Square) in the lower right corner. There is a Walker Station homeowner community lot between us and the new development to the east. I've witnessed workers from Magnolia on Knoll walking across that lot and over my driveway to the current construction site across from me on lots 62 thru 64. I believe that fencing will be erected along the perimeter of Magnolia on Knoll and would hope that the developer complies and that the VOP will require conformance with that plan. Without fencing casual access would encourage transit between the two developments with foot traffic and the walking of dogs and other pets with unsavory consequences as the community lot and my property would be an attractive target. I'm asking y'all to keep us in mind and urging you to direct periodic inspections to ensure developer/builder compliance with the approved plan. Thank you for the opportunity to comment.

- Anna-Marie Jaeschke, Pinehurst resident, submitted the following comments by email: Thank you for providing a platform in which members of your community can voice and share concerns. I appreciate your consideration of the below described situation. We heard there was a scheduled council meeting in the village today and I am seeking to raise awareness to a development that would benefit from a site inspection to ensure compliance. The development of concern is Magnolia on Knoll and the developer is Calvin Riddle from Fayetteville. There are multiple inconsistencies with what the developer shared with neighboring communities and what is being built (location of fence, detached garages, number of trees coming down, construction debris on our property, DEQ noncompliance etc.) I love living in NC and feel truly blessed to call Pinehurst home! From my experience people in our community are honest, live with integrity, say what they mean and do what they say. I hope you can hold this developer accountable to being honest and complying with his proposed plan which granted him approval to build.
- Walker Station HOA Board submitted the following comments by email: We have been informed about safety and compliance concerns by our homeowners that involve the development named Magnolia on Knoll by developer Calvin Riddle. Could the village please clarify what the agreement and conditions are regarding a fence to be erected between Walker Station and Magnolia on Knoll, and the required timeline for this? Was there a bond requirement to ensure compliance? We understand that the HOA board has no involvement with ensuring compliance. We are simply reaching out in good faith on behalf of our homeowners and requesting that the village inspect the development site and ensure compliance with the zoning and development agreement
- Christine Barrett, Manning Square, submitted the following comments by email: Thank you for your service and dedication to our community. I know growth is a hot topic in Pinehurst, and I also know that many residents are concerned with the quality of the home being built and the environmental impact of those builds. In the spirit of full disclosure, I am a realtor. As a resident of the 300 block of Manning Sq., in Walker Station, I have many concerns about how things are progressing at Magnolia Knoll. There have been plans distributed to realtors representing that the homes may be built with detached garages. The remaining 4 lots (#6-9) are approximately 140' x 80'. Hard to imagine how a side entry detached garage may be accommodated on a lot with those specs, in addition to a +/- 2500 sq. ft. house. Variances on setback were given in the council meeting to accommodate side entry attached garages. Clearly, based on what is being sold and built, plans have changed. I'm writing to request that the site and plans be inspected (building envelope and property lines verified), as well as revisiting the environmental quality standards as they pertain to the drainage plan, and the fence be erected between the 300 block on Manning Square and the development. Many thanks for your attention to this matter.
- Aria and Jared Rayes, Pinehurst residents, submitted the following comments by email: Good afternoon, Pinehurst Town Council. We are Aria and Jared Rayes. We are a military family and have been residents of the Village of Pinehurst since 2016. We have grown to love and appreciate the unique and tight-knit community that lives here. We are coming to you because we are deeply concerned with the mandates imposed on us by Governor Cooper and the lack of transparency provided by government leadership to the citizens of our community during the last several months. The state and local governments' response to COVID-19 has been more damaging than the virus itself. Information and data pertinent to better understand the virus as it relates to public health measures is being intentionally suppressed in order to justify Governor Cooper's mandates under Emergency Executive Powers and keep citizens living in a state of fear and compliance. He has grossly overreached the limits of his authority. By extension, the Village leadership's complicity in his overreach violates the Constitutional freedoms of its citizens. The consequences of these mandates are extremely damaging to our community socially, economically, and politically. If Governor Cooper can get away with it now, what's next? When does it end? Who is holding him accountable? Currently, the narrative promoting mask mandates and social distancing overwhelmingly dominates the COVID-19 discussion. Anything that challenges that narrative is met with hostility and even discrimination. Even worse, the mandates imposed on us eliminate citizens' ability to freely choose for themselves, based on available data, whether they want to cover their face; this has created damaging division throughout the community. There has been zero platform to freely and openly discuss this in Pinehurst. We ask the Town Council to be open and receptive to hearing this information challenging data on COVID-19, lockdowns, and the efficacy of masks. This ongoing divisiveness and deception has to stop, and it starts with respectfully opening up a discussion on

the issue with the agreement of open-mindedness from both sides. We would like to finish our statement by stating once more that Governor Cooper has abused his executive power, and we believe it is your responsibility, as representatives of this town, to apply pressure where it is due to hold the Governor accountable for his actions. Secondly, we ask that you consider the other evidence we present to you that contradicts his mandates so that you can make the best-informed decision for the citizens of Pinehurst. Thank you for carefully considering our request.

- John Webster, Pinehurst resident, submitted the following comments by email: After reading the 2020 CAFR, I have the following questions/comments I would appreciate your reading: Pages 43-44. Why is covered payroll for each year different in the two tables? There is a one year difference. If not a mistake, a footnote would help explain. The VOP 2020 CAFR includes the first part of a serious crisis, yet the VOP's finances are even stronger than a year before which demonstrates the resilience of property taxes and taxes on consumption. This has all resulted in the VOP delaying some projects and hiring's. What sort of crisis is the VOP accumulating funds for? The fund balance is 51% of 2021 budgeted expenditure, in excess of the 30-40% VOP policy. Given that budgeted expenditure is normally 6% above actual, the fund balance percentage is, in fact, generally understated. If expenditure had not increased so markedly in 2019, the fund balance would be even larger. VOP at June 30th continued to pay 4.6% interest on a small pre-payable debt while holding in excess of \$ 11MM in cash earning 0%. Good financial management? The LGERS LT pension liability is calculated using a 7% discount rate. This is a received rate from the State and not subject to VOP decision. However, Council should be aware that this is unreasonably high; the higher the discount rate, the lower the accounted pension liability, although the real liability remains unaltered. See https://reason.org/wpcontent/uploads/files/pension_discount_rates_best_practices.pdf. This basically says the discount rate should be the rate at which the pension liability could be financed by a municipality. Lowering the LGERS discount rate just 1%, from 7% to 6%, would reportedly increase the VOP LGERS accounted pension liability from \$2.7MM to \$6.3MM. Interestingly, the LEOSS accounting uses a 3.26% discount rate based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2019 (yesterday this rate was 2% <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#overview> - which implies a further some \$1.5MM accounting liability for the LEOSSA liability). Bottom line is that the real overall pension liability is a multiple of the accounted one and increasing. Should a VOP trust (to be funded over time from the General Fund) be created to build a fund to cover the difference between the real pension liability (calculated using a realistic discount rate) and the VOP pro-rata asset value in the LGERS fund? One could argue that the present system just kicks the bucket forward to be paid by future taxpayers, as this is a real liability that corresponds to past employment. Please ask LGERS what the pension liability would be using a 2% and a 3% discount rate. The pension liability is a very real and large long term liability that I fear most of us do not realize is there. My annual reminder to you that the VOP's property base progression does not keep up with the sum of the two VOP expenditure drivers (inflation and population growth). See the table below. The Ad Valorem tax base per capita has actually fallen 2.5% in the last 5 years, in spite of the intervening 10% inflation. VOP policies that favor lower cost housing, which also impedes existing housing stock appreciation, will only exacerbate this situation. The difference has to be made up with increased taxation, as has been the case.

18. Motion to Recess Regular Meeting and Enter Closed Session.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Hogeman, Council unanimously approved to recess the regular meeting and enter into a closed session pursuant to NCGS §143-318.11(a)(5)(i) 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, by a vote of 5-0.

19. Closed Session.

Council held a closed session 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 the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

20. Motion to Adjourn the Closed Session and Re-enter Regular Meeting.

Upon a motion by Councilmember Drum, seconded by Councilmember Boesch, Council unanimously to adjourn the closed session and re-enter the regular meeting, by a vote of 5-0.

21. Action on Purchasing Land on Bowman Road.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Drum, Council unanimously approved to purchase

7.62 acres of land located on Bowman Road, Parcel ID 20030102, and authorized the Village Manager to execute all necessary documents, by a vote of 5-0.

22. Motion to Adjourn

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously approved to adjourn the regular meeting, by a vote of 5-0, at 9:45 p.m.

Respectfully Submitted,



Beth Dunn,
Village Clerk

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

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

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

Values: Service, Initiative, Teamwork, and Improvement