



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF NOVEMBER 10, 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, November 10, 2020 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

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

And approximately 42 attendees, 6 staff members, and 1 press.

1. Call to Order.

Mayor Strickland, called the Village Council meeting to order.

2. Reports:

Village Manager

- Mr. Sanborn stated we should find out next Tuesday, November 17th, if we received the Baldrige Excellence Award.

Village Council

- Mayor Strickland stated the Governor issued new restrictions today. Reminded everyone of the 3 W's, wear, wait, and wash and to please continue to adhere to the Governor's orders. FirstHealth continues to operate in good condition with no supply issues. FirstHealth received two awards, one for joint replacement and the other for care of stroke patients.
- Councilmember Hogeman stated the BPAC meet yesterday and they have mapped out the route for the new sidewalk from Hwy 211 to the new Pinehurst Elementary School. Also, they are looking at new projects for next year, such as intersection improvements and crosswalks at Hwy 5 and Ritter Road and extending sidewalks on Linden Road.
- Councilmember Boesch stated the Beautification Committee meet yesterday and they are having their Christmas decoration contest again this year, registration will not be required to enter the contest. The committee will send a panel of judges out to look at homes in December. Also, the Beautification Committee has their sights set on 2024 and making the Village look spectacular for the U.S. Open. Please send in pictures on MYVOP to report any areas of concerns.
- Councilmember Drum reported that he meet with the Board of Delegates for the Triangle J Council of Governments. He also attended a Partners in Progress meeting and they had a presentation from Sandhills Community College on expanding continuing education programs and building a new facility. He noted that with the efficiencies gained through the Baldrige process that the public won with the financial benefits gained by the process.
- Mayor Pro Tem Davis reported that the Given Memorial Library is now part of the North Carolina Public Library System. This will provide additional resources and benefits for patrons. She noted that regardless of the outcome of the Baldrige award she believes this process has been a resounding success and we have gained a lot from it.

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.

- Resolution to Honor Board of Adjustment and Planning and Zoning Board Member.
- Public Safety Reports.
 - October, 2020 Fire Report
 - October, 2020 Police Report
- Approval of Village Council Meeting Minutes.
 - October 20, 2020 Special Meeting
 - October 27, 2020 Regular Meeting
 - October 27, 2020 Work Session
 - October 27, 2020 Closed Session

End of Consent Agenda.

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

4. Discuss and Consider a Resolution Appointing a Chair to Planning and Zoning Board.

Jeff Sanborn, Village Manager, stated they are recommending Cyndie Burnett as the new Chair for the Planning and Zoning Board. Ms. Burnett stated she was honored that Council would consider her for this position and looks forward to working with everyone.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Drum, Council unanimously approved resolution 20-33 appointing Cyndie Burnett as the Chair of the Planning and Zoning Board, by a vote of 5-0.

5. Discuss and Consider a Resolution Appointing a Member to the Board of Adjustment and Planning and Zoning Board.

Jeff Sanborn, Village Manager, stated they are recommending Jack Farrell to fill the upcoming vacancy on the Board of Adjustment and Planning and Zoning Board. Mr. Sanborn noted that Mr. Farrell was a member of Council while the Comprehensive Plan was being developed and that extensive knowledge will be very valuable to the Planning and Zoning Board. Mr. Farrell stated it's an honor to continue his service to the Village.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Boesch, Council unanimously approved resolution 20-34 appointing Jack Farrell as a member of the Board of Adjustment and Planning and Zoning Board, by a vote of 5-0.

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

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

7. Public Hearing No. 1

Jeff Sanborn, Village Manager, explained this public hearing is for an Economic Incentive Agreement between Pinehurst, LLC and the Village of Pinehurst. Mr. Sanborn reviewed the North Carolina legal framework for economic incentives. The commitments made by Pinehurst LLC include constructing facilities that will employ at least 20 full-time employees with an average wage of at least \$30,000 plus benefits, initial direct investment in facilities and site of at least \$16,200,000, and the construction will be completed no later than March 1, 2024. Also, Pinehurst LLC, in good faith, will work with the Village of Pinehurst to address long-term parking needs at the Carolina Hotel and various other locations within the Village and the Pinehurst Resort. The Village's incentives include a tax grant incentive repayment of up to 90% of property taxes in each of the 10 years, which is the grant period. The incentive level is to be paid (up to 90%) in any given year of the grant period will depend on the number of full-time employees on the payroll as of the fourth quarter of the previous year. Annual tax grant incentive payments during the 10-year grant period will not be paid until after property taxes are collected. The Village also agreed, in good faith, to work with Pinehurst LLC to address long-term parking needs. Mr. Sanborn explained there is a clawback provision in the agreement that the parties agree that 35% of the gross economic benefit of the agreement is attributable to the frequency of Men's U.S. Open events. The other 65% is attributable to the Pinehurst, LLC facilities and employment. Pinehurst, LLC will return a specified percentage of the total incentive grant payments received if the

promised five Men's U.S. Open events do not occur with a maximum interval between them of seven years.

Tom Pashley, President Pinehurst Resort, explained that this project is a secondary component of the USGA Pinehurst Golf House and U.S. Open. This project involves building a 36 room hotel planned to be located on the Clubhouse campus on the existing croquet court. Mr. Pashley explained this is part of a process and he understands people will have concerns about where some of the current amenities will go and they will work to address those in the coming months. Mr. Pashley noted that Pinehurst Resort wouldn't be on the same timetable if it wasn't for the USGA agreement.

Mayor Strickland asked Mr. Pashley to outline the planned facility. Mr. Pashley explained facility would potentially sit directly above the Cradle and would be the only rooms within the Resort with a golf view. He noted they would have a small amount of meeting space in the facility but don't intend to have a restaurant or kitchen. Mr. Pashley explained the intent is that the facility would be used by the players and their families during the U.S. Open Championships and other time of the year be used as an amenity the Resort and that hotel.

Public Comments:

- Donald Irvin, 355 Lake Forest Drive, asked who would be able to use the new hotel.
 - Mr. Pashley stated they envision the new hotel to be like the other Resort hotels and used by anyone during the normal course of business but during the weeks leading up to a U.S. Open it would become more of a USGA controlled facility.
- Jim Spoonhour, 80 Village Green East, stated he and his wife play croquet and are concerned with the Resort removing the courts. He is concerned with the timeline and how it will affect the croquet tournaments.
 - Mr. Pashley stated the Croquet Club is a rich tradition and reiterated this is not an announcement of plans only a request for an Incentive Agreement, if this process doesn't go as planned there may not even be a hotel. However, if things work out they will definitely look at other locations to move both the tennis courts and the croquet courts.
- Elizabeth Fisher, 15 Carolina Vista, residential growth has increased traffic through Old Town. Shaw Road is used a cut through road to save time. Stated she was almost hit last week on her golf cart by a speeding vehicle. She is concerned that with the expansion of the Resort, a new hotel, and USGA the traffic volume will increase even more. She also asked that no construction traffic signs be placed at Shaw Road and Carolina Vista if progress continues with the plans with the Resort and USGA. Asked Council to please help them make it safer and more manageable.
- Chris Brown, Pinehurst resident, is a croquet player and is excited about the plan. Those croquet lawns have represented style, tradition, and interest and have been right up front as you pulled in the Resort.
- Mike LaGraff, Pinehurst resident, stated he joined the croquet club 5 years ago. He stated that parking is a concern of his, as you can't find parking in the current parking lots. He is concerned there will be shops in the hotel and will compete with the downtown.
- Mary Stewart Regensburg, Pinehurst resident, stated many people moved to Pinehurst to join the Club in order to play croquet. Both lawn bowl and croquet belong in Pinehurst.
- Debbie Lalor, 80 Azalea Road, stated she is excited to hear parking come from the presentation as part of the agreement. Adequate parking is not supplied for current Resort operations. There is a ripple effect to the Resort's success to those that live on the streets around the facilities. She stated that the Village hasn't come up with solutions for parking and the Resort continues to enhance amenities.
- Martha Milson, Pinehurst resident, state she is the President of the Pinehurst Lawn Bowls Club and they have a close partnership with Croquet Club. She asked that in the event the croquet court is taken away they need to be informed of a timeline to order to schedule tournament play.
- June Jefferies, Pinehurst resident, has watched Pinehurst grow into a beautiful place. Croquet is a unique game that is not played many places, Pinehurst is unique. She knows someone who is looking to buy a home here now specifically for playing croquet at the Resort.
- Gil and Christine Pritchard, 5 Carolina Vista, submitted the following comment by email: "We would like to express our concern regarding this proposed agreement and what seems to be other behind the scenes activities that are obviously occurring between the village and Pinehurst LLC/USGA. There seems to be a lack of transparency with village residents when it comes to how the village council and the Pinehurst Resort /USGA are co-existing. The stated mission of the Village of Pinehurst is to promote, enhance and sustain the quality of life for its residents, businesses and visitors. How is the building of another hotel on the grounds of the resort along with the building a USGA headquarters and visitor center, sustaining the residents' quality of life? It appears that the focus and priorities of the council have shifted to sustaining

more business interests, to the detriment of the residents and the heritage of our community. We fear that the charming character of our small village will irrevocably be changed. We would ask that the council consider the following:

- 1) An environmental study be conducted to identify the traffic impact these collective buildings (from the increased jobs and visitors) will have on our small community, and the disruption to the natural habitat (longleaf pines, woodpeckers, owls, foxes, etc.).
- 2) A more transparent communication to village residents of the COMPREHENSIVE MASTER PLAN being discussed and approved by the Pinehurst LLC and the USGA as it relates to our community. Getting piecemeal approval of each stage of their plans seems very secretive and inconsistent with the values expressed by village council during our recent elections.
- 3) An economic study to include
 - a. Tax revenue (gained and lost)
 - b. Analysis of new jobs created and how that will impact our community since it's likely they will commute to Pinehurst and not reside here.
 - c. Full disclosure of village 'give backs' and USGA/resort performance requirements for those concessions.
 - d. What other concessions the village council will have to make to accommodate the increased amount of parking required.
- 4) Tabling the vote today until there is full disclosure of these concerns and conducting a 'real' PUBLIC hearing to listen to residents' comments and concerns regarding these proposals.

Finally, we need to decide if we are the Resort of Pinehurst or the Village of Pinehurst. It seems there is currently an imbalance of priority with representing those who 'play' here and those of us who live here."

Mr. Pashley stated they don't plan to destroy the croquet program and plan to relocate the courts. The Resort will be meeting with club members to address concerns and come up with a plan. He also stated they are committed to working with the Village and other parties to seek solutions on parking issues.

Mayor Pro Tem Davis stated someone mentioned shopping in the new hotel and Mr. Pashley stated there will be no shops in the hotel. Councilmember Hogeman stated there seems to be inadequate parking for the existing facilities and that will need to be addressed in the future. Councilmember Drum stated it is time to address the parking issue and it's in the agreement and we will work together to address. Councilmember Boesch stated tonight is just looking at the Economic Incentive Agreement and this is a process in which the construction of the facility will go through the planning process with public hearings.

8. 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.

9. Discuss and Consider Economic Incentive Agreement

Mayor Strickland stated the Resort has contributed into the community for 125 years and the agreement is to enhance the efforts of the USGA and the Resort. Councilmember Hogeman suggest tabling the item to the December meeting so the public has a chance to think this through and Council can look at parking issues. Councilmember Boesch stated that they are hearing the request for an Incentive Agreement and there will be many issues to hear as they start the planning process and submitting plans for the project.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously agreed, to authorize the Mayor to execute the proposed economic incentive agreement with the Pinehurst LLC, which will increase the taxable property and increase employment opportunities in the Village of Pinehurst, by a vote of 5-0.

10. Update on the Status of the FY 2021 Strategic Operating Plan Implementation.

Lauren Craig, Organization Performance Director, reviewed the strategic opportunities included in the five-year financial forecast (FY 2021-2025). Ms. Craig stated the current Strategic Operating Plan (SOP) includes 8 Initiative Action Plans (IAP), of those seven are in progress and on schedule and one is scheduled to begin in the third quarter. We achieved 71% of the metrics associated with those IAP's for the first quarter. Ms. Craig reviewed the current fiscal year 2021 IAP's.

Mayor Strickland asked if any of the current IAP's would be complete this fiscal year. Ms. Craig noted the Baldrige IAP is completed and will be removed after this year and the GIS and Workforce Development IAP's may move off the list after this year, as they will

become ongoing continuous processes.

11. Discuss and Consider a Resolution to Approve County-Wide Recycling Standards.

Mike Apke, Public Services Director, introduced David Lambert, Solid Waste Director of Moore County. Mr. Apke explained that the Village has published a variety of promotional material to educate the public on what is accepted in recyclables. He noted that the Village has struggled with contamination of recyclables. Moore County has come up with a program called "Recycle Moore" to help unify the efforts of reducing contamination.

Mr. Lambert stated Moore County is unique in that there are 3 different murphs where municipalities send their recyclables to. They want to create a unified standard to educate residents on recycling, to help reduce contamination. He noted that if we can reduce contamination we can reduce the cost. Councilmember Drum asked if there is any hope of glass being brought back into recyclables. Mr. Lambert stated that it comes down to the murphs accepting them and currently they don't.

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Boesch, Council unanimously approved resolution 20-36 approving county-wide recycling standards, by a vote of 5-0.

12. Presentation of Financial Statements for the Quarter Ended September 30, 2020.

Natalie Hawkins, Assistant Village Manager, stated the Village's General Fund is showing \$6.4 million in income for the first three months of the year compared to \$7.1 million the prior year. The Village's General Fund fund balance is currently 78% of budgeted expenditures, which is higher than the 68% level seen the previous year at September 30. The collection rate of 77.8% through the first quarter was higher than the standard 70% collection rate that we estimated at this point in the year. Ms. Hawkins noted that the valuation of real & personal taxable property increased by approximately 2% and motor vehicle valuations increased 18% compared to this time last year. Both of these growth rates exceed FY 2021 budgeted increases of 1.3% and 1.0% for real & personal property and motor vehicles. Ms. Hawkins stated that General fund operating expenditures were 27%, below the quarterly budget overall, which is comparable to previous year amounts. In this quarter, Village staff held back on making certain expenditures until the impacts of COVID-19 on our revenues became clearer.

Ms. Hawkins stated that so far this year, the Village has issued 45 new residential building permits valued at nearly \$11.5 million. The impacts of COVID-19 have affected our Fair Barn operations with state-mandated closures. As a result, during this quarter, the Fair Barn recognized no revenues and issued a refund, which resulted in a negative 3% of operating expenditures covered with operating revenues. The Harness Track covered 23% of its operating expenditures compared to 20% the previous year. Revenues were in line with quarterly budget estimates and expenditures fell below budget due in part to delays in spending as previously discussed. At this point in the fiscal year, we are doing better than we anticipated with revenues ahead of forecast and expenditures below forecast.

13. Discuss and Consider Approval of the 2020 Cape Fear Regional Hazard Mitigation Plan.

Carlton Cole, Pinehurst Fire Chief, explained that each local government is required to have an approved Hazard Mitigation Plan in order to apply for hazard mitigation funding. This plan is an update to the 2015 regional plan. Chief Cole explained there are mitigation action plans to help guide projects and help us mitigate as future events occur. Generators were added at Village facilities from the action items from the previous plan. Chief Cole explained that through guidance with FEMA the Village joined the Cape Fear Regional Plan in 2015. Mayor Strickland asked if there were in direct cost to being in the regional plan. Chief Cole noted there are no expenses only staff's time in participating in the meetings. Councilmember Boesch asked if the action items in the plan were a requirement to receive FEMA funding. Chief Cole explained those are added for us to implement, pending budgeting. He noted if funding prevents us from implementing action items we just have to update the plan to say those items were pushed out to future years.

Upon a motion by Councilmember Drum, seconded by Councilmember Hogeman, Council unanimously approved resolution 20-35 adopting the 2020 Cape Fear Regional Hazard Mitigation Plan, by a vote of 5-0.

14. Discuss and Consider the 2021 Village Council Regular Meeting Schedule.

Jeff Sanborn, Village Manager, stated that the proposed schedule is same as in the past. Regular meetings will on the 2nd and 4th Tuesday of the month beginning at 4:30 p.m.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Davis, unanimously approved the 2021 Village Council meeting schedule, by a vote of 5-0.

15. Other Business.

No other business was discussed.

16. Comments from Attendees.

- Chris Divarco, Pinehurst resident, submitted the following comment by email: "My name is Chris Divarco, and I am writing to the council because the speed limit on Morganton Road in Pinehurst needs to be addressed. Presently, the speed limit is 35 miles per hour which was set forth by the North Carolina Department of Transportation (NCDOT) who also deemed the road as a minor arterial roadway. While this may seem insignificant, I can assure you it is not. After having lived on this road with my wife for nearly 8 months, we have witnessed 2 car accidents where both drivers collided into a tree head on. In one case, the vehicle was brought to a stop by the tree approximately 30 yards away from a driveway where small children play daily during the summer months. Additionally, there are a number of families who live on this road, with children and pets who are at risk because of speeding motorists who go unchecked on a daily basis. In my observation there have been no safety or risk mitigation efforts put into place to try to keep us safe from a careless driver. I urge the members of the council to at least begin the conversation with the relevant stakeholders to decrease the speed limit, elevate police presence, install speed bumps, or make it illegal for 18 wheeler freight trucks to transit the road. Unfortunately, I am unable to attend tonight's meeting but I am willing to be a part of this conversation in the future to make sure this issue gets resolved. Thank you for your time."

17. Motion to Adjourn

Upon a motion by Mayor Pro Tem Davis, seconded by Councilmember Drum, Council unanimously approved to adjourn the regular meeting, by a vote of 5-0, at 7:25 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