



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF JUNE 28, 2022
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, June 28, 2022 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

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

And approximately 47 attendees, including 6 staff and 1 press

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Invocation by Reverend Rod Stone and Pledge of Allegiance led by Mayor John Strickland

3. Reports:

Village Manager

- Mr. Jeff Sanborn announced the Fourth of July related festivities for the weekend, which is the fireworks on the evening of the third, and the parade on the morning of the fourth. He reported the Neighborhood Quality of Life Survey was sent out by invitation only to approximately 4000 across the village. He stated as of yesterday afternoon, 285 validated responses had been received.

Village Council

- Mayor Strickland reported he attended the Shop till 8 Event and an Open-House on Thursday night in the village and reminded the residents this is an event sponsored through our business community and encourages later hours on Thursday nights over the summertime. He reported there will be another one the third week in July and the third week of August. Mayor Strickland reported he attended an open house, held by Golf Pride, one of the leading businesses in the community and received a tour of the new testing facility. He reported he and Mayor Pro Tem Pizzella had a review meeting with the Department of Transportation last week.
- Councilmember Boesch reported on information shared by Matt Nunez, Tournament Director at Pinehurst Country Club, that the first stages North and South Men's Amateur Championship began today. She stated it consists of an international field of 120 golfers from all over the world and provided some background history of the event.

- Mayor Pro Tem Patrick Pizzella reported he made a visit to Golf Pride this week where he learned a great deal about the science of a golf grip. He reported the names and term expiration dates of members of the Historic Preservation Commission, Planning and Zoning Board, and the Board of Adjustment are now listed on the VOP website and anticipates the addition of the Bicycle and Pedestrian Committee, and Beautification Committee members will follow. He noted this is an effort to enhance the transparency for our village residents and showcases those village residents that are helping this government function. Mayor Pro Tem Pizzella congratulated the Moore County Board of Commissioners for passing a property tax rate cut that affects everyone. He noted this occurs on the eve of the property valuation reassessments and following the Village Council's tax cut.
- Councilmember Jane Hogeman had nothing to report.
- Councilmember Jeff Morgan reported he attended the Change of Command for the Garrison at Fort Bragg in a professional capacity versus as a Village Councilmember. He noted the commanders recognized Pinehurst in their remarks and expressed appreciation for their outstanding support.

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.
 - June 14, 2022, Council Regular Meeting
 - June 14, 2022, Council Work Session
 - June 14, 2022, Council Closed Session
- B. Budget Amendments Report
- C. Proclamation Honoring Laura Morgan, Ms. Senior America 2022
- D. Approval of Village Manager Employment Contract

End of Consent Agenda.

Councilmember Boesch requested Item D. Approval of Village Manager Employment Contract, be removed from the Consent Agenda, for later discussion. She stated she had questions from residents asking why Mr. Sanborn's contract was being extended before his annual review, which typically occurs in the fall. The item was removed for discussion during Other Business.

Upon a motion by Councilmember Lydia Boesch, seconded by Mayor Pro Tem Patrick Pizzella, Council unanimously approved the Consent agenda to include Items A, B, and C, by a vote of 5-0.

5. Presentation of Proclamation to Laura Morgan, Ms. Senior America 2022.

Mayor John Strickland, and Councilmember Jeff Morgan presented a Mayoral Proclamation to Laura Morgan, recognizing and honoring her accomplishments as the 2022 Ms. Senior America. It was noted in the proclamation that Ms. Morgan's win marked the first time in the 43-year history of the Senior Pageant that a North Carolina resident had brought home the crown. Ms. Morgan was also awarded the Ms. North Carolina Senior America prior to winning Ms. Senior America.

6. NCDOT Traffic Circle Improvement Presentation.

Patrick Norman, North Carolina Department of Transportation Division Engineer, and Craig Scheffler, HNTB Consultant, provided Council with a presentation on results of an analysis on the Traffic Circle. Mr. Norman provided an in-depth walk-through of the development of concepts and ideas to improve the circle traffic problems and demonstrated some potential traffic models and data analysis supporting the models.

Mr. Norman reported they met with council back in 2018 with a presentation of where they were at that time and stated the presentation today has shown the progression on the project and the options they are now considering. He presented four major concepts under consideration, which were the hybrid concept, the turbo concept (noted it did not really provide much benefit), the superstate (noted it worked for awhile on the short term, but ultimately failed due to all the U-turns along 15-501), and the tunnel concept (noted this did not perform well either). Mr. Norman stated his purpose was to seek feedback from Council and the public. He noted they were ready to begin scheduling public meetings and workshops so they can make a final selection.

Councilmember Jeff Morgan inquired about the accuracy of the traffic models presented to which Mr. Norman stated they calibrated the models to existing backups by measuring and calibrating the speeds of all the vehicles entering the circle. He stated the accuracy of the models is dependent on the accuracy of the forecasts of how much traffic is going to grow. Councilmember Morgan asked about the completion date of the project. Mr. Norman stated the acquisition would occur in 2024, the construction in 2026, and tentatively completion date would be latter part of 2028, the anticipated date being prior to the 2029 US Open. Councilmember Morgan noted the option to not build is not an option to him.

Councilmember Hogeman noted her objection to having an enormous highway going right through the center of the Village, which she stated would impact the character of the Village and the National Historic District. She stated she would like to feel more comfortable with the research in terms of the projections of the amount of traffic, because she stated it looks like a very big change in the amount of interstate traffic coming through the Village. Councilmember Hogeman asked if it would be better to take interstate traffic from 73/74 directly to Route One going north or some other alternate route.

Mayor Pro Tem Pizzella stated the presentation shows a recommendation to cut down almost all the long leaf trees in our historic traffic circle and replace those with turn signals and turn lanes. He noted he has questions about the data, but his concern is in order to save a few minutes at the traffic circle, we must destroy a historic part of the village. He stated that 90% of Village residents don't need to drive through that traffic circle any time during the day to get where they want to get in the Village of Pinehurst and so are not impacted by the traffic circle. He noted he felt smaller fixes could provide the same output, yet with a cost much less than the \$26 million dollars proposed for the alternatives.

Mayor Strickland stated he would like to know more detail on the residential or commercial data that is being used to which Pat Norman stated they could supply at a future work session meeting.

Councilmember Boesch stated the Pinehurst Historic Landmark District is very important and when she sees pictures of concrete and traffic lights, she struggles with this. She stated that back in 2019, the majority of traffic was coming on Highway 5 and the traffic circle, and the biggest struggle then was understanding of where the traffic was coming from and focusing on the problems in those areas. She stated it seems that we are focusing only on the traffic circle and in fact there are many areas of the Village that need some attention. She stated the people that live here know what intersections the problems lie in, and she would like to see some focus on those areas.

7. Village Council Code of Ethics Review.

Doug Willardson, Assistant Village Manager of Administration, stated this item is presented to have the Council review the Code of Ethics Policy, which will be done each year. He noted staff did review the policy and did not find any changes that need to be made. He noted there are a lot of municipalities throughout the state that have a very similar document. Councilmember Boesch stated she would like a section added on Due Process provision, such as the one we offer to our workforce. Mr. Willardson stated they will review that recommendation and bring the policy back to Council at a later date.

8. Discuss and Consider Solid Waste Contract for Lofton Garbage Service for FY23.

Mike Apke, Public Services Director, presented Council with a proposed contract renewal with Lofton Garbage Service for CCNC. He stated the contract would be for a one-year renewal to continue to collect in CCNC, with a CPI adjustment of 4.2% included. He noted this is based on the CPI index for water, sewer, and trash collection services in the United States and Lofton has agreed to this adjustment. Mr. Apke stated Lofton has agreed to the terms and the HOA in CCNC has indicated the residents in their community are very pleased with the services Lofton provides.

Upon a motion by Councilmember Morgan, seconded by Mayor Pro Tem Pizzella, Council approved to authorize the mayor or his designee to execute a 1-year renewal contract with Lofton Garbage Service beginning on July 1, 2022 and extending through June 30, 2023 for an amount estimated to be \$123,600, by a vote of 5-0.

9. Discuss and Consider Ordinance 22-07 Budget Amendment to Implement Lease Reporting Standard (GASB 87).

Brooke Hunter, Financial Services Director, reported the Governmental Accounting Standards Board's (GASB) Statement 87,

Leases, is effective for most NC local governments in Fiscal Year 2022. She stated this standard eliminates existing lease accounting and reporting guidance that has been in place for decades. She noted the distinction between “capital” and “operating” leases is no longer a consideration. She stated the basic premise of the new guidance is that a lease contract is a financing transaction.

Ms. Hunter reported GASB 87 defines a lease as “a contract that conveys control of the right to use another entity’s nonfinancial asset for a period of time in an exchange or exchange-like transaction.” She stated the Village compiled and reviewed all potential lease agreements and identified those meeting the criteria listed in the statement. She noted staff implemented DebtBook, a lease tracking software, to maintain these agreements and assist with annual reporting requirements. She stated the software implementation specialists performed a review of all potential leases agreements to ensure each contract was categorized correctly and new leases will be added to the software system in subsequent years.

Ms. Hunter reported there are several exceptions to the standard that eliminate the requirement to report agreements under this new guidance. For example, short-term leases with a maximum possible term of 12 months or contracts that transfer ownership of an asset at the end of the contract are not considered reportable leases.

Ms. Hunter reported for FY 2022, the Village has a total of seven lessee agreements for six copiers and one postage meter. She noted several of our copier leases were expiring within 12 months, thus those agreements did not meet the requirements in the first year of reporting. However, in FY 2023, she said staff anticipates adding several additional copier agreements as new multi-year contracts are signed and potentially one lessor agreement for the Pinehurst Track Restaurant.

Ms. Hunter stated from a budgetary standpoint on the lessee side, units will report an expenditure (capital outlay) and an offsetting other financing source for the present value of the lease liability in the year the lease is initially recognized. She reported lease payments will be classified as debt service principal and interest expenditures.

Ms. Hunter stated now that the Village has identified which leases qualify under this new standard and calculated the amounts, an amendment is needed to record these “right to use” assets and account for them in the correct manner within debt service and so Ordinance 22-07 amending the FY 2022 budget for GASB 87 lease implementation is available for your consideration.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Ordinance 22-07 Budget Amendment to Implement Lease Reporting Standard (GASB 87) for the Village of Pinehurst, by a vote of 5-0.

10. Discuss and Consider Resolution 22-17 Amending the Capital Assets Policy

Brooke Hunter, Financial Services Director, reported The Given Memorial Library and Tufts Archives became part of the Village of Pinehurst in April 2022. She stated the Asset and Service Transfer Agreement between the two organizations identified various assets that would transfer ownership to the Village, including the archives collection.

Ms. Hunter reported the Village’s intent is to retain these assets for public use indefinitely, thus the collection meets the criteria outlined in GASB Statement No. 34 (GASB 34) for exemption from capitalization. However, she noted, the Village will disclose information about the collection in the notes to our financial statements.

Ms. Hunter stated there are three criteria in GASB 34 that must be met to exempt the collection from capitalization, as indicated below. The collection must be:

- a. “Held for public exhibition, education, or research in furtherance of public service, rather than financial gain
- b. Protected, kept unencumbered, cared for, and preserved
- c. Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.”

Ms. Hunter reported these criteria ultimately show that a collection has an indefinite useful life. She stated in order for us to fully

comply with GASB 34, a minor revision is needed to our Capital Assets Policy to cover the last requirement. She stated a new section has been added to the Capital Asset Policy that mentions all three items above, including a statement that any proceeds from the sale of collection items must be used to acquire other collection items. Ms. Hunter stated staff consulted with our auditors, and they confirmed this method of reporting is appropriate. She reported the new policy language is as follows:

Collections of Art, Historical Treasures, or Other Similar Assets – The Village houses certain collections of works of art, literary works, and historical artifacts, including the Tufts Archives collection. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. They are neither disposed of for financial gain nor encumbered in any manner; however, an inventory is maintained. Accordingly, these collections are not recorded or capitalized for financial statement purposes. In the event an item of the collection is sold, the proceeds must be used to acquire other collection items.”

Ms. Hunter stated Resolution #22-17 is presented for Council consideration and approval of this resolution would amend the policy as presented.

Upon a motion by Mayor Pro Tem Patrick Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Resolution 22-17, amending the Capital Assets Policy for the Village of Pinehurst, by a vote of 5-0.

11. Discuss and Consider Changes to the Position Classification and Pay Plan.

Angela Kantor, Human Resources Director, stated the Human Resources Department contracted with The MAPS Group Inc. in FY 21-22 to perform a partial position classification and pay study. The study included:

- Evaluating all regular full-time and regular part-time positions in the following departments: Fire, Administration, Human Resources, Financial Services, Library Services, Recreation, Solid Waste, and four administrative positions in various departments;
- Conducting a salary survey of comparable organizations in the public sector;
- Updating class specifications (position descriptions) for each position; and
- Making recommendations for position classification changes and policy changes.

Ms. Kantor stated the study began in February with employees in the selected departments completing position description questionnaires outlining current job responsibilities. She noted employees, supervisors, department directors and managers were interviewed to clarify responsibilities for each position.

Ms. Kantor reported the group conducted a salary survey to determine the competitiveness of our salary grades for each position. She stated they selected areas to survey based on geography, job similarities and direct competitors for recruiting. She noted the following towns were surveyed: Aberdeen, Carrboro, Clayton, Davidson, Harrisburg, Hope Mills, Laurinburg, Lexington, Rockingham, Sanford, Southern Pines, as well as Moore County.

Ms. Kantor stated based on the information collected and reviewed, staff was recommending several changes that more appropriately reflect the responsibilities for the presented positions and are more in line with our peers. She reported staff not only reviews positions and pay grades during this process, but also reviews the policy outlining the administration of our pay plan. Ms. Kantor stated there are no changes recommended to the policy at this time.

Ms. Kantor stated staff recommends increasing the pay grades by 4.7% based on the average Consumer Price Index (CPI) for calendar year 2021, as outlined in the policy. She noted the Village will continue to offer merit pay based on performance for the fiscal year, with the Merit increases becoming effective October 1st. She reported this year, the merit range is 0%-3%. Those who earn 3% must demonstrate truly extraordinary performance.

Ms. Kantor presented the Resolution to amend the Policy on the Administration of the Position Classification and Pay Plan based on the recommendations above.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution 22-18, amending the Position Classification and Pay Plan Changes for the Village of Pinehurst, by a vote of 5-0.

12. Consider a contract for Worker's Compensation Insurance.

Jeff Batton, Assistant Village Manager of Operations, reported the Risk Management Committee (RMC) is charged with review, negotiation, and recommendation of various insurance programs for the Village. Property & Liability as well as Worker's Compensation coverage is among the programs administered by the Risk Management Committee. He noted these coverages run on a fiscal year basis of July 1 to June 30.

Mr. Batton stated the RMC bid out these coverages this year and are recommending changing the worker's compensation insurance coverage from the NCLM to Surry Insurance and BITCO. He noted BITCO is the insurance provider and Surry Insurance is the brokerage firm that RMC worked with in securing bids.

Mr. Batton stated BITCO's quote was substantially lower than NCL's quote for FY2023. He reported they provided greater discounts for our historical experience than our current provider and is charging less per employee classification in all but two classifications. He noted the net result is a 37% reduction in premium amounting to approximately \$48,000.

Mr. Batton stated if Council concurs with the Committee's recommendation, we will need a motion to authorize the mayor or his designee to execute an agreement with Surry Insurance to bind our worker's compensation coverage with BITCO.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Morgan, Council unanimously approved to authorize the mayor or his designee to execute an agreement with Surry Insurance to bind the Village of Pinehurst worker's compensation coverage with BITCO, effective July 1, 2022 and extending through June 30, 2023, by a vote of 5-0.

13. Discuss and Consider Ordinance 22-08 Text Amendment Change to Municipal Code Relative to Neighborhood Quality of Life.

Jeff Sanborn, Village Manager, presented Council with Ordinance 22-08, a text amendment changes to the Municipal Code pursuant to efforts to try to improve quality of life and sustain the quality of life in the residential neighborhoods. Mr. Sanborn noted this work was reviewed during the prior work session and the refinements presented are due to those comments and concerns. Councilmember Boesch expressed concern over the addition of language on unruly gatherings and the ability to enforce this. She also expressed concern about the overnight parking, of which Village Acres has a need for parking on the street at night. She further stated she does not feel we need to add in urination and defecation verbiage in the policy as it is not a problem in the Village of Pinehurst. Mr. Sanborn stated this is a precautionary provision and is common for municipalities to have.

Upon a motion by Councilmember Morgan, seconded by Mayor Pro Tem Pizzella, Council approved Ordinance 22-08; text amendment change to the Municipal Code relative to neighborhood quality of life for the Village of Pinehurst, by a vote of 4-1, with Councilmember Lydia Boesch casting the *no vote*.

14. Other Business.

Item D – Approval of Village Manager Employment Contract, was discussed. Councilmember Boesch stated there were two questions provided to her by residents. Mayor Strickland stated that two weeks prior, the village council had a meeting to discuss the extension of the manager's contract. The council determined to continue the contract under the terms presented in the consent agenda tonight, to extend it to July 1, 2027. He stated we are now here to vote as a Council for this extension.

Councilmember Boesch stated it is because of comments she received from the public that she wanted to bring to Council's attention. The first was the question of why the contract is being renewed two-years early. The second comment was should this wait until after Mr. Sanborn's performance review. No other Councilmember expressed concern or had comments from the public, so Mayor Strickland asked if there was a motion to vote.

Upon a motion by Councilmember Hogeman, seconded by Mayor Pro Tem Pizzella, Council unanimously voted to approve the

Village Manager, Jeff Sanborn's, contract as presented, by a vote of 5-0.

For other business, Mayor Pro Tem Pizzella noted that those involved in the Adaptive Opening being conducted on Pinehurst Number 6, should continue to get the word out about the event and shared that this event is a good thing for golf and for Pinehurst.

15. Comments from Attendees.

- Collett Kolinski, 25 Queens Court, addressed Council about the ordinances passed this evening and offered her appreciation to the Councilmembers, while stating she is against degrading property values for personal gain.
- Jennifer Carlson, 1000 Burning Tree Rd, addressed Council about short-term rentals, as a business owner, noting her support for them.
- Phillip Sounia, 29 Bedford Circle, addressed Council about short-term rentals, noting the need for Council to continue to collect data before deciding on regulation efforts.
- Lora Sumrall addressed Council about quality of life vs. economics and data as it pertains to STRs.
- Dr. Daniel May, 175 Lakeview, addressed Council about short-term rentals, noting his support for them.
- Kristina Barnes addressed Council about short-term rentals, noting she is neither for nor against, but wants to know her neighbors.

16. 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 7:39 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